

**United States Senate  
Committee on Foreign Relations**

**Hearing**

**“Kosovo: The Balkans’ Moment of Truth”**

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**TESTIMONY**

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Mr. Chairman, Senators, it is a great honor to be invited to speak today before this Committee of the United States Senate at this important juncture in the history of the Balkans. As we confront the challenge of the status of Kosovo, stability and peace and the further consolidation of democracy and political modernity in the region are at stake. I am here to offer my personal views on the current situation and future outlook for the Balkan region

**Introduction: The movement of the Western Balkans Toward Euroatlantic Integration**

The region has made significant strides over the past eight years toward Euroatlantic integration: Croatia and Macedonia are candidate countries for membership in the European Union (EU), Albania and Montenegro have signed Stabilization and Association Agreements (SAA) with the EU, Serbia and Bosnia and Herzegovina have initialed SAAs with the EU. All the countries of the region are members of NATO’s Partnership for Peace Program (PfP). I believe it was an extremely prudent and judicious move to give PfP membership to Bosnia and Herzegovina, Montenegro and Serbia at the NATO Riga Summit in November 2006. NATO’s summit in Bucharest in April will most likely see invitations for NATO membership for Albania, Croatia, and Macedonia.

Becoming part of Europe's post-World War II peace project – the European Community / Union is probably the single most important goal for the entire region. Becoming part of the collective security framework that is NATO for additional countries in the region will mean acquiring guarantees for further stability and peace. In fact after the EU accession of Romania and Bulgaria to membership of the EU just over a year ago, the Western Balkans have become somewhat of an inner courtyard of both the EU and NATO, being completely surrounded by member states.

The region has also moved ahead very significantly in terms of regional cooperation in many fields, most notably in establishing a common zone of free trade- CEFTA. There is an understanding that the Western Balkans which have a joint population of approximately 20 million people, must endeavor jointly to find their rightful place in the European and eventually global economy. Joining a European Union of close to half a billion people that is one of the strongest economic players in the world is of the essence.

The integration dynamic is thus being pursued by the different countries at varying speeds and intensity. This positive dynamic has encountered and is encountering a number of obstacles that other transition countries have seen. All the countries of the Western Balkans have significant unfinished business to accomplish. I had the honor, Mr. Chairman, of testifying in front of this Committee in July 2004 when the theme of our hearing aptly drew attention to the unfinished business.

We are paradoxically both far beyond where we were four years ago, and confronted by many of the outstanding challenges. Why is this the case? Principally because this part of Europe underwent a unique dynamic after the fall of the Berlin Wall in 1989 different to other post-communist countries. Something happened in Europe that should not have happened: the violent breakdown of a European country, former Yugoslavia. This conflict lasted through the last decade of the 20<sup>th</sup> century and ended with the birth of six new countries, and now the unilateral self-proclamation of a seventh one has created a set of difficult challenges for the transatlantic community.

It is essential that this remaining part of a more narrowly defined European continent become as soon as possible, following the prescribed rules and conditions, each country on its own merits, a member of the European Union and of the Euroatlantic community. This will ensure the pillars of a lasting stability and peace.

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Finally, before beginning I would like to mention with great regret two events. I joined the President of Serbia and others in expressing my deep regret and condemnation of the violence and violent attacks on the US and other Embassies in Belgrade on the night of February 21, 2008. The second is to mention that in eight days time, on March 12 we shall commemorate the tragic assassination of Zoran Djindjic, the Prime Minister of Serbia, a true statesman and leader whose vision of a democratic, prosperous, modern Serbia inspired a whole generation of Serbian society. I had the great honor of working with him during the last year of his endeavors.

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## **Europe**

I believe that we have to state the obvious at the outset. It is the word Europe, the concept of an emphatically political peace project after a century of European killing fields that defines the framework in which we are discussing today's topic. The Balkans' moment of truth is Europe and the European Union.

We unfortunately only need to look at the latest developments in the Middle East, or the current events in the aftermath of the recent Armenian elections (the tragic death of several individuals), to see that in comparison, notwithstanding all of the huge difficulties, the Balkans have their anchor in a much more stabilizing environment. The behavior, erratic at times, of all Balkan actors is being tempered by both the terrible consequences of the war torn 1990s and by the concrete prospect of becoming part of that vast however complicated, family of the European Union.

The desire to become part of a success story which ultimately, through thick and thin, with all of its imperfections, nonetheless brings greater certainty and security, overrides other more irrational temptations.

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## **Serbia**

Serbia is in many ways the key to the region's stability, security and prosperity. All other countries are also fundamental to the process of stabilization and the creation of conditions for a lasting peace. But Serbia by its sheer size and geographical position is crucial to this process. It is the peaceful, electoral victory over Milosevic and his regime in 2000 that opened the road for the Balkans to fully embark on the Euroatlantic integration project. Serbia has reconfirmed at every subsequent election it democratic, European choice for the future.

The resounding victory of President Boris Tadic in the second round of the Presidential election on February 3, 2008, just a month ago, was once again proof of this. His slogan of "Together to Europe" won the day. 2.3 million voters delivered a clear message to the political elite that there was no alternative to Serbia's future. I would submit to this Committee, Mr. Chairman, the view that whatever is the temporary perceived interruption of Serbia's road to Europe – that road will continue.

The strong showing of the opposition candidate from the Serbian Radical Party (SRS) bore at least a twofold message. It was in my view principally a strong voice of discontent from the part of Serbian society that had lost out in the preceding years of the transition process, citizens who had lost their jobs and who do not see a secure and

certain livelihood for themselves in the coming years. The prospect of EU integration seems far flung for them. It was thus a vote of stern warning to the current and past democratic coalitions that have been in power since 2000 that they must begin delivering more jobs and a better standard of living, that they must show greater commitment to the public good. There is also a portion of that SRS vote that is not content with the way things have preceded with Kosovo's future status and the conditionality of the Hague Tribunal. In the election campaign the SRS candidate made an attempt to show a more moderate face of the nationalist party that it still is.

In this overall context one needs to understand that Serbia is in its eighth year of transition. One has to hark back to 1997/98 to compare Serbia to where, for example, Poland or Hungary was. Yes, Serbia is a laggard and should be moving much faster. I am convinced, as I was with the victory over Milosevic's regime, and of the victory of Boris Tadic in the recent presidential election, that Serbia will find it in itself to continue its reform process and path to EU integration.

The current state of play in Serbia may not convince observers of this. The incumbent coalition government in Serbia, composed of the Democratic Party (DS) of President Tadic, of the Democratic Party of Serbia (DSS) of Prime Minister Vojislav Kostunica, and of G17+ Party of Minister Mladjan Dinkic – is in a state of crisis and discussion. The unilateral declaration of independence by Kosovo and Metohija on February 17, 2008 has put an immense strain on the coalition. The Government voted in May 2007, after the January 2007 elections, on a five priority program: defending the integrity of Serbia including Kosovo, EU integration, the fight against corruption, creation of jobs, and cooperation with the International Criminal Tribunal for Former Yugoslavia (ICTY).

The majority of the government is composed of the DS and G17+ who are staunchly pro-European while at the same time defending Serbia's claims to territorial integrity and sovereignty and insist on the immediate resumption of the EU integration process. The Prime Minister and his party are holding a position that Serbia can only continue on its EU path by asking that Kosovo be an integral part of Serbia on that path.

On March 2, President Boris Tadic reiterated the key point that Serbia should not and will not in any case isolate, self-isolate itself, because it would only do detriment to itself. He recalled that Serbia has 60% of its trade with the EU while only 5% with Russia and that Serbia must look to its well understood self-interest. The Deputy Prime Minister Bozidar Djelic just yesterday announced that the government will pursue implementation of the SAA while waiting to sign it. Minister Mladjan Dinkic has taken a strong line in invoking the need for realism and Serbia's economic and investment priorities. All these statements can be summarized in the following way: Serbia must not waste any more time in its democratic and economic reforms and its road to the EU.

The debate has been out in the open, ongoing and very clear. Just two weeks after Kosovo's unilateral declaration of independence that both the Government and Parliament of Serbia have declared null and void, this debate testifies to the vibrancy of the Serbian public sphere: politicians, business people, journalist's, and civil society

actors are all involved. The most regretful events of February 21, 2008 when violence occurred in Belgrade brought a sense of déjà vu and a throw back to the 1990s with attempts at identifying “traitors” to the national cause and singling out particular civic leaders and media (B92) who are accused by nationalists of not towing the nationalist line. The response of strong public opinion was very important.

Business leaders and investors have insisted for the greater part (the American Chamber of Commerce in Serbia for example) that nothing changes in their view as far as continuing business is concerned, provided basic conditions don't change and that Serbia resumes its road to EU integration without delay. Other facts though indicate that even this two-week interruption, lull in Serbia's EU intentions, have sent worrisome signals: the Belgrade stock exchange has lost percentage points, a certain number of potential investment arrangements have been put on hold and there is with some economic actors a wait and see attitude.

What does all this signify? First is that Serbia is locked into a framework of relationships of mutual dependency, economic foremost, and it will only do detriment to itself if it decides to stay outside them. Reality presses strongly at the governmental door. Geopolitically the EU is without alternative, and the so-called Russian alternative is a non-starter in spite of certain nationalist voices who believe that Serbia can relinquish the EU road, maintain certain commercial relations with the EU, and choose other allies (Russia, China, India). Russia is clearly, for other European countries, an important partner in energy. Just as Germany, Austria or Bulgaria have signed significant arrangements on gas in particular, so has Serbia recently signed a deal on the South Stream gas pipeline. There are also many questions raised by governmentactors on the probity of the contract to sell the Serbian oil company NIS. This is still ongoing.

Local elections are slated for May 11, 2008, and I believe that the Serbian governmental coalition will hold until then in spite of the severe turbulence it is going through – all coalition partners are saying that they are doing everything to maintain the coalition, although all have drawn their red lines. We will be wiser to the fact whether we will have early parliamentary elections as some analysts think in September or by years end, by the time of the local elections. The main question is when (in days or weeks or months) does Serbia resume its EU road, take advantage of the French EU Presidency beginning on July 1, because France is committed to helping Serbia gain formal candidacy for membership of the EU by the end of the year, and also finalize an agreement on full visa liberalization for travel to Europe.

## **Kosovo**

### **1.**

This was and will remain an enormous challenge. It comes at the tail end (as many surmised it would at the beginning of the breakdown of former Yugoslavia in 1991) of a series of wars and interventions. As the region and its individual countries have slowly found their foothold in the post-conflict and Euroatlantic integration dynamic, so have all stakeholders awaited the moment of the Kosovo decision. Now it has come. A unilateral

(or coordinated) declaration of independence (that some European analysts have called more of a declaration of dependence) that was celebrated by the Albanians of Kosovo and with anxiety experienced by the non-Albanian population in Kosovo. Serbia rejected, as it had announced this declaration and declared it illegal, and as one that tramples international law and the Helsinki Accords, and said that it would not recognize the independence of Kosovo.

There is much uneasiness and wariness on the part of a number of states even within the EU with this move that has not been “covered” by the UN. To date about 14 EU member states have recognized Kosovo as well as about 10 other non-EU states, including the US. Although all EU member states including Spain, Romania, and Slovakia have endorsed the EU mission, EULEX and will send their personnel to be part of it. One might say it is still early days, but judging by commentaries in major daily press in the U.S. and Europe there seem to be many more questions than answers.

Also the fact that the (EULEX) has been sent to overview and supervise judicial, police and customs affairs, but without UN, or UN Secretary General’s (UNSG) endorsement begs many a query. In fact the exchange between Pieter Feith, the EULEX mission leader, and the spokesperson of the UNSG reveals the state of international legal confusion at the moment.

I wrote in my testimony to this Committee on July 14, 2004:

When domestic actors are incapable of solving a contentious issue and require a third party to mediate then all parties become stakeholders. The crucial stakeholders are the domestic ones and unless they arrive at a solution based on compromise through negotiations then no solution will be found, or only half measures will be achieved. The lack of a solution in Cyprus because one of the key communities was not on board the agreement is an example of this, again all things being equal.

In Kosovo as in other similar/dissimilar seemingly “intractable” conflict or post-conflict situations (Northern Ireland, Kashmir, Sri Lanka, Basque country, Israel-Palestine, etc.) the solution is in bringing the voices of moderation, pragmatism and realism forward while blunting the arguments and basis of grievance of the extremists wherever they may be. The engaging of the dialogue is essential – in this case between Albanians and Serbs. This long and arduous dialogue had just begun, but was interrupted. It should be resumed, reengaged and broadened.

Negotiations that were engaged two years ago, and then continued under the auspices of the troika (US, EU, Russia) bore no results. This is the result and the reality we have today.

Mr. Chairman, however satisfactory this outcome for some, principally for the Albanians in Kosovo, and unsatisfactory to others, principally Serbia, allow me to dwell on several aspects.

I mentioned above the fundamental importance of the overall European framework of these developments. All actors agreed to not engage in violence. The key interlocutors from the Belgrade and Pristina side signed off on such a pledge during the troika talks. The Serbian side many times over said and kept its promise that the army would not be engaged, nor used in any way whatever the outcome. Moreover, the intensity of the contacts between the Serbian Ministry of Defense, the Minister, and the Serbian military with NATO and KFOR commanders has been crucial to the relatively stable and peaceful turn of events during this whole very precarious process. There is a clearly defined political desire to maintain as fully as possible the conditions of stability and peace established over the last four years, i.e. since the most regrettable events of March 17-18 2004, when another 4000 Serbs were cleansed from Kosovo, churches burned and Serbian property destroyed. This is a major wake-up call about how badly things could go if unattended to, and all parties interests catered to.

Since 2004 the level and intensity of communications between international and domestic actors have proven to have had a positive effect. The EU perspective opened for the whole region at the EU Thessaloniki Summit in June 2003 holds firm and has been reiterated and helps maintain clarity of purpose.

Also, one the greatest fears were that we all might witness another exodus of the remaining Serbs from Kosovo once a unilateral declaration of independence occurred. This has fortunately not happened, again thanks to all involved including the Serbian government that in the final days of the run up to the declaration went to the Serbian enclaves and spent time with the people to reassure them that their security would be respected and enforced. We have overall seen, again fortunately, little degree if no violence. All of these are important achievements that must not be underestimated or forgotten because they speak to the deeper and more substantive intentions of the actors.

## 2.

There is another reality in Kosovo, which is that the Northern municipalities where Serbs are the dominant population are not under the control of authorities in Pristina, but under UNMIK. Overall in the North in Kosovska Mitrovica events have been relatively peaceful, except again for the very regrettable, but isolated events, of the burning of the two customs posts in Jarinje and Barnjak, on the administrative border with Serbia proper.

A majority of Serbs living in Kosovo live south of the Ibar river in bigger or smaller enclaves and have decided to stay. The EULEX mission is beginning to install itself while UN Security Council Resolution 1244 and UNMIK remain in office under the UN SRSG Joachim Ruecker. This maintenance of UNMIK is I believe at this moment extremely important because it allows for normal communications between all the parties present and especially in the North. The Serbian government and its Ministry for Kosovo and Metohija have pledged to Serbs that they will help them in their daily lives. It is crucial that the ongoing contacts between the UN, UNMIK and the Serbian authorities

are intense and constant, just as those between the military, for the sake of maintaining the peace.

What will happen eventually with the North--remain part of Serbia, a reintegrate into Kosovo (which it has not been for all of these years) or have some lasting in-between status – is very hard to predict with certainty at this moment. As is well known even the negotiators of the troika at certain moments spoke of partition as a possible solution if the parties directly between themselves agreed to it. Both Belgrade and Pristina have officially rejected this as a possibility. But the reality on the ground is that the North is separate from the Center and South of Kosovo. What will this reality lead too? At this stage it most important that in the lives of people living there nothing changes for the worse, that their sense of certainty and security be progressively enhanced.

The overall movement of the Balkans toward the EU will or should overtime temper some of the outstanding tensions and unresolved issues. Timothy Garton Ash in a recent article wrote: “Indeed, if things go well in Europe's south-east and badly in its north-west, Belgium and Kosovo may yet converge: the Balkanization of Belgium meets the Belgianisation of the Balkans.” In other words the coming and strengthening EU framework can help continue to diffuse tensions and maintain them in a political setting.

### 3.

The Albanian leadership will very soon be confronted with the dire reality of the (non) economy of Kosovo. It is the least-developed region with the lowest income in Europe, even more so than Moldova. It has the highest un-employment and the most youthful population. The pressure on the labor market is enormous. Remittances are one of the most important income resources. Kosovo is plagued, as other countries in the region, with problems of corruption, trafficking, drugs and arms smuggling and often with elements of collusion between political parties and their own private security services.

Some analysts are talking of a potential failed state and a very long term responsibility that the EU is taking over – in fact the creation of a long-term EU protectorate. The lack of success of the UNMIK mission in creating full security and managing infrastructure (electricity has been a dismal failure), and the failure of the “Standards before Status” policy are stark warnings to those who follow. Whatever the reality that will develop and whatever the legal wrapping that will be found, a huge investment in all areas will be required for the region at large, all of its states and Kosovo in its new form to begin seeing the contours and the effects of the European peace and prosperity project. The stabilization of the Balkans is conversely also a test for the EU's security strategy. In Kosovo much needs to be done on strengthening civil society as a countervailing force to that of the political actors. The need for advocacy and watchdog activities will be paramount.

Investing in good governance, the rule of law, and human rights in all of its dimensions must go hand-in-hand with serious efforts of investment into infrastructure. The fight

against corruption and for greater transparency is the precondition for the creation of an investment climate conducive to new investments creating jobs. All this requires focus, resources and time.

The role of bilateral and multilateral donors as well as international financial institutions is essential to the success of the region as a whole. Were it possible to invest in region-wide infrastructure projects the result would potentially be more effective – alongside in-country projects.

One word on the endeavors of **the Balkan Trust for Democracy (BTD)**, which is a project of the **German Marshall Fund of the United States** in a public-private partnership with **USAID**, and the **C.S. Mott foundation** (Flint, Michigan). This ten-year project launched in 2003 is active in all of the Western Balkans as well as in Romania, Bulgaria and Moldova. It has been joined over the past four years by European donors, including the Greek, Dutch, Swedish and Danish governments that have made significant contributions; and also private European foundations, including the Compagnia di San Paolo (Turin, Italy); Robert Bosch Foundation (Stuttgart, Germany); Tipping Point Foundation (Sofia, Bulgaria) Thus BTD is now a truly transatlantic effort at democratic institution and capacity building for governance and civil society projects in the Balkans. It has been met with great enthusiasm and expectations. As certain donors prepare to scale down and leave, others such as the Balkan Trust are contributing to the long-term effort of democratic consolidation and empowering the citizens of the region.

## **The region**

All countries of the region are approaching the question of recognition of Kosovo's independence with great circumspection, wishing to contribute to stability by their cautious approach and waiting for a significant number of principally EU member states to recognize before they do, if they do.

Bosnia and Herzegovina is particularly exposed to the turbulence of the Kosovo decision. The Parliament of Republika Srpska, an entity of Bosnia and Herzegovina, has made a decision on a possible referendum if its status in BiH were threatened to change. Very briefly, I believe that at this point in time the Dayton Accords and the resulting constitution of BiH stand firm and there is no immediate danger of seeing Bosnia and Herzegovina disintegrate. If the entities of Bosnia and Herzegovina are respected then it will continue peacefully into the future with all the challenges that it has.

The region, as I mentioned earlier, is part of a regatta moving toward EU integration. Macedonia, a candidate member, will hopefully get a date in 2009 so as to start the long negotiation process for entry into the EU. Macedonia and Greece additionally must find it in themselves to overcome the 16-year-old dispute over the name of the country – because this will additionally stabilize the region.

The invitation for NATO membership to Albania , Croatia, and Macedonia will help give additional guarantees for security, stability and peace.

The 50<sup>th</sup> anniversary of the existence of the EU last year speaks to the fact despite many obstacles it has managed to incorporate 27 members, constituting nearly one half billion people. The EU has the potential to historically diffuse the powder keg of Europe and possibly bring the region, in a positive virtuous circle effort, into or close to membership by 2014.

### **Citizens and democracy**

Citizens in one part of the Balkans have experienced extreme hardships since the early 1990s while other post-communist countries rushed to secure their long lost place in Europe. It will be 20 years since the fall of communism and yet the Balkan region is still not completely secure from backsliding.

The citizens of the Balkans-wherever they may find themselves-do not wish to see a repeat of wars, sanctions, hyperinflation, or bombing, and they do not wish to feel fear, uncertainty and insecurity. Through the democratic process, citizens now have legitimate democratic leaders. They wish their leaders to be responsible and in the words of Isaiah Berlin do what responsible governments do: “avoid the extremes of suffering.”

The immediate and mid-term future is about consolidating these initial democratic foundations, further strengthening the sense of certainty and security about tomorrow through the creation of jobs and incrementally improving living standards. These are again historical crossroads for a part of the Balkans, yet because some lessons have been learned and Europe is the framework, we could be very cautious in saying that the glass is still half full. Mr. Chairman, Senators, let us humbly try to continue to help fill it