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The Balkans after the Sarajevo Conference(*)

The Balkan region has recently come back again to the fore of international attention, on occasion of the Sarajevo Conference that took place in the Bosnian capital on 2 June 2010.

For over two thousand years, the Balkan region has attracted historians for its complexity, diverse nature and the specificity of its extraordinary melange of civilisations, cultures, languages, religions, folklores, traditions and geographies. A great number of peoples inhabited the region – from Bardyllis' Illyrians and Alexander the Great's Greeks, from Diocletian's Romans and Attila's Huns, to Justinian's Byzantines and Simeon's Bulgarians. And again, from Tomislav's Croats and Dušan's Serbs, to Suleiman's Ottomans, Mocenigo's Venetians, Skanderberg's Albanians, Michael's Romanians, George the Black's Serbs and Nicola Petrovic's Montenegrins. From these eras, through the numerous Balkan crises of the XIX and XX century, up until today, the Balkans have witnessed a

plethora of dialectic and cultural relations. As these have frequently developed into conflicts, the region has often been at the centre of Europe's and the world's attention.

Why, one wonders, have the Balkans always been a powder magazine about to explode? Why, as Churchill once stated, do the "Balkans produce more history than they can consume"? Local conflicts, hegemonic ambitions, foreign interventions, the role of Europe's great dynasties, political, military and economic interests – all these contributed to increasing tensions within the region. A region that also came out of two World Wars destroyed and territorially redefined.

The Sarajevo conference, promoted by the European Union and organised with great care by Italy, aimed to facilitate dialogue and stabilisation among countries in the region, after 20 years of turmoil, which followed the fall of the Berlin Wall. The tragic conflicts rooted in the process of Yugoslavia's dissolution in the 1990s re-

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Abstract

The recent Sarajevo Conference, which gathered all countries of the Balkan region, represented an occasion to reassess the situation in an area marked by the violent conflicts of the 1990s. Legacies linked to the disintegration of the former Yugoslavia still impact on the prospects for peace, cooperation and development in the region.

This policy brief identifies the critical issues of minorities and sovereignty as hindering long-lasting stabilisation, especially in the context of three countries: Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia and Serbia for what concerns the question of Kosovo's unilateral declaration of independence. The policy brief concludes encouraging the European Union and Italy to take courageous initiatives to promote dialogue and cooperation among countries in the region, always keeping in mind the historical roots and developments of this complex region.

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(*) The opinions expressed herein are strictly personal and do not necessarily reflect the position of ISPI.

sulted in the intervention of the international community.

Peace has not been completely accomplished yet. The core of the problem is simple and twofold. First, the international presence cannot be everlasting. And second, the process of European integration needs to rest on solid bases insofar as stability and regional cooperation are concerned. Only through these will it be possible to conceive a slow inclusion of Croatia, Bosnia and Herzegovina, Serbia (including the break-away region of Kosovo and Metohija, which unilaterally declared itself independent in 2008), Montenegro, the Former Yugoslav Republic of Macedonia and Albania into the international institutional context.

The Sarajevo conference took place exactly ten years after the Zagreb conference. The latter had the same aim. Namely, to facilitate dialogue and reconciliation among the countries of the former Yugoslavia, thus creating the political stability necessary for giving new impetus to the process of economic and social development, in an atmosphere of peace and mutual trust. Considering the magnitude of the former Yugoslavia's conflicts in the 1990s, the aforementioned aims become everything but simple. For this reason, the Sarajevo conference stressed the core issue: all countries in the Western Balkans will be expected, sooner or later, within the European Union ("The future

of the Western Balkans lies in European Union").¹ Rather than adopting immediate measures and offering precise deadlines, the Sarajevo conference underlined the importance of reforms to be adopted by each relevant country in order to join the European Union. It admitted, among other things, that such countries have to face key challenges in several fields: rule of law, administrative and judicial reforms, fight against corruption and fight against organised crime. ("The Western Balkans continue to face major challenges related to the rule of law, such as administrative and judicial reforms, the fight against corruption and organised crime").² In addition to this, there is the aim of a complete reintegration of refugees and of the people who fled their homes, in accordance to basic principles of human rights. The European Union's contribution to pursuing these aims, within a framework of reconciliation and good neighbourhood practices, is substantiated by its support to some key institutions: the Regional Cooperation Council (RCC), the Central European Free Trade Association (CEFTA) and the South East European Cooperation Partnership (SEECp). In this context, the conference also mentioned the possibility of

a complete entry-visa liberalisation, also for countries such as Albania and Bosnia and Herzegovina.

Nonetheless, some local and regional matters should be considered, also in view of possible political initiatives by Italy and Europe. It is thus necessary to look at each of the countries in the area separately.

Slovenia

Slovenia does not lie in the Balkan region. Its political presence, however, has an impact on stabilisation in the area. The most developed country of the former Yugoslavia, Slovenia is keen on detaching itself politically from the region, although it cannot do so geographically. Member state of the Atlantic Alliance as well as of the European Union, Slovenia felt a sense of responsibility towards the Balkans especially during its semester as President of the European Union in 2008. Among the various challenges faced by Ljubljana, two key ones come to mind. First, the bilateral dispute with Croatia, as regards territorial and maritime border questions (the latter with respect to the bay of Piran). And second, the recognition of the self-proclaimed Republic of Kosovo. These questions inevitably exposed the Slovenian government to potential criticism and created the conditions for a counterproductive contention with both Zagreb and Belgrade. Slovenia's recognition of the self-

¹ Statement by the Chair of the High-Level meeting on the Western Balkans, Sarajevo, 2 June 2010, Spanish Presidency of the European Union.

² Ibid.

proclaimed Republic of Kosovo, in particular, does not seem coherent with the firm and restrictive policy adopted by Slovenia with respect to minorities (especially the Italian and Hungarian ones).

As regards economic achievements, Slovenia, with a population of about two million people, has an unemployment rate of 7.4% (2010 forecast).³ Its GDP growth is estimated to be 1.1% in 2010⁴ and its inflation rate 1.5% (2010 forecast).⁵ Between 1989 and 2008, Slovenia attracted foreign direct investment for a total of 3.1 billion dollars.⁶ This is, in per capita terms, the lowest amount in East-Central Europe, excluding only Albania.

Croatia

Croatia has been recently admitted to the Atlantic Alliance, together with Albania, but it is still waiting to join the European Union. Reforms are at an advanced stage, although there are still some problems linked to corruption within the judicial system. Croatia has been deeply affected by the Yugoslav conflicts of the 1990s. Its main resource, tourism, suffered a sharp decline, before flourishing

again in recent years. Croatia is deeply connected to the Balkans, has a partially "Balkan culture" and is directly bound to developments in Bosnia's and Serbia's political life. As far as Bosnia is concerned, Croatia upholds the interests of the ethnically Croatian population based in Bosnia, which has recently took on more radical positions, when compared to the past. It has for instance called for a higher degree of autonomy compared to Bosnia's Muslim population. As regards Serbia, Croatia maintains an artificial distance, justified only by the memory of the conflicts of the 1990s. Such distance contradicts the logics of both geography and economic cooperation. Croatia too has recognised the independence of the self-proclaimed Republic of Kosovo and in the last few years it has never appeared to help Serbia politically in this context. Quite the opposite.

As regards its economic achievements, Croatia has a population of over 4.5 million people. In 2008, the unemployment rate was 8.7%,⁷ while GDP growth is estimated to be 0.2% in 2010⁸ and inflation rate 2.3% (estimate for 2010).⁹ Between 1989 and 2008, foreign direct investment in Croatia totalled over 23 billion dol-

lars,¹⁰ one of the highest figures in per capita terms.

Bosnia and Herzegovina

Bosnia and Herzegovina, first of all, is divided into two entities: namely, the Serbian Republic of Bosnia (Republika Srpska) and the Croat-Muslim Bosnian Federation. It is also divided among three ethnicities: Serbian, Croatian and Muslim. The bond between such entities and ethnicities is very weak and problems of religious nature are evident. The international presence, granted by the European Union, is powerless in the face of existing political divergences. As time passes, difficulties in reaching agreement increase. In this respect, it has already been mentioned above that part of the ethnically Croatian population belonging to the Bosnian Federation would wish to break away from the latter, thus hoping to obtain the administrative advantages already enjoyed by the Serbians following the establishment of the Serbian Republic of Bosnia. But separatism also appeals to the Serbian element in Bosnia and Herzegovina, both as a consequence of Kosovo's secession from Serbia and as a result of the partial administrative paralysis caused by the complex institutional system of the country. How to reach a greater level of cultural and political cohe-

³ International Monetary Fund, World Economic Outlook, April 2010, p. 47.

⁴ Ibid, p. 54.

⁵ Idem.

⁶ European Bank for Reconstruction and Development, Transition Report 2009, p. 27.

⁷ European Bank for Reconstruction and Development, Transition Report 2009, p. 159.

⁸ International Monetary Fund, World Economic Outlook, April 2010, p. 54.

⁹ Idem.

¹⁰ European Bank for Reconstruction and Development, Transition Report 2009, p. 27.

sion in Bosnia and Herzegovina? How to avoid a possible secession by the Republika Srpska and prepare the country for joining the European Union? Time seems to be against us. The ethnic communities in Bosnia and Herzegovina are culturally, physically and religiously divided.

As regards its economic achievements, Bosnia and Herzegovina has a population of approximately 4 million people. In 2008, its unemployment rate was around 40.6%,¹¹ while GDP growth is around 0.5% (2010 forecast)¹² and average inflation rate is 1.6% (2010 forecast).¹³ Between 1989 and 2008, foreign direct investment in Bosnia and Herzegovina amounted to a total of over 6 billion dollars,¹⁴ one of the lowest in South-East Europe in per capita terms.

Serbia

Serbia is the central and essential country for any policy concerning the Balkans. Serbia was harshly hit by events unfolding in the last 20 years and it probably is the only European country, which does not look back on the fall of the Berlin wall with enthusiasm. That event

was in fact at the origin of Serbia's progressive decline. Yugoslavia's disintegration, in fact, on the one hand caused Belgrade's marginalisation at international level and on the other increased Belgrade's concern about the interests of the Serbian populations living in other regions of the former Yugoslavia. This led Belgrade to act in an effort to defend the rights of those Serbian populations. Such decision fomented additional conflicts first in Bosnia and then in the Serbian province of Kosovo and Metohija. This triggered the 1999 crisis, NATO's military intervention, the bombing of Serbian cities (Belgrade and Novi Sad), the paralysis of the Danube communication route, the destruction of the Serbian economy and the deployment of an international military presence in Kosovo and Metohija, which did not prevent Kosovo from unilaterally declaring its independence on 17 February 2008. The latter, recognised as of today by only one third of the countries in the world and by no international organisation, continues to nourish an underlying malaise throughout the region and it thus represents the main obstacle for the real reconciliation and stabilisation of the Balkans. How can Serbia be seriously and permanently secured back into the international community, easing its integration with the European Union? Several experts maintain that some western countries adopted the wrong approach. The recognition of

the Self Proclaimed Republic of Kosovo by Bush's United States aimed to strengthen the US military and political presence in the Balkans, thus counterbalancing the traditional Russian influence in the region. This altered the existing equilibrium, which was over 100 years old. Some European countries, among which was Italy, followed Washington's move. Was it a mistake? Many observers think so. Kosovo and Metohija represents the heart of the Serbian civilisation. It is the territory where the most important expressions of the Serbian-Orthodox Church, Serbian language and Serbian history flourished. The battle of Kosovo Polje (28 June 1389), when the Kingdom of Serbia and the Ottoman Empire fought against each other, represented an unparalleled defeat for the Serbs. However, it was also an occasion on which the Serbs displayed with pride the national dignity that, five hundred years later, would manifest itself in the struggle for independence through the reigns of the Karadjordjević and Obrenović. The Serbs cannot and never will abandon Kosovo and Metohija.

As regards the economic achievements of Serbia, which, including the province of Kosovo and Metohija (which unilaterally declared its independence in 2008), counts almost 10 million people, a few data should be considered. The unemployment rate in 2008 was

¹¹ European Bank for Reconstruction and Development, Transition Report 2009, p. 151.

¹² International Monetary Fund, World Economic Outlook, April 2010, p. 159

¹³ Ibid., p. 165.

¹⁴ European Bank for Reconstruction and Development, Transition Report 2009, p. 27.

28.5%,¹⁵ GDP growth is 2.0% (2010 forecast)¹⁶ and the average inflation rate is 4.8% (2010 forecast).¹⁷ Between 1989 and 2008, foreign direct investment in Serbia amounted to a total of over 15 billion dollars.¹⁸

Montenegro

Montenegro has always represented for Serbia the precious point of access to the Adriatic Sea. Inhabited by a population ethnically very similar - if not identical - to the Serbian one, Montenegro shared a common history with Serbia, until 2006. In that year, a narrow majority of the Montenegrin population chose independence from Belgrade. The aspiration to secession was fomented by the feeling that Podgorica would achieve its target of EU and NATO accession faster without Serbia. In this way, in fact, Montenegro would not have been associated either with the difficulties linked to the separatist province of Kosovo and Metohija or with the legacy of legal nature of the conflicts of the 1990s (i.e.

issues linked to the collaboration with the International Criminal Tribunal for the former Yugoslavia). Montenegro has recently recognised the independence of the Self-Proclaimed Republic of Kosovo, hoping that this would further accelerate its road to admission to NATO and the EU. Nevertheless, Podgorica is still on the waiting list for admission to both.

As regards its economic achievements, Montenegro counts 700,000 people. In 2008, its unemployment rate was around 17.5%,¹⁹ while GDP growth is negative at around -1.7% (2010 forecast),²⁰ thus representing a recession, and the average inflation rate is -0.6% (2010 forecast), which shows a deflation.²¹ Between 1989 and 2008, foreign direct investment in Montenegro amounted to a total of over 2.8 billion dollars,²² one of the highest in Central-Eastern Europe in per capita terms.

The Former Yugoslav Republic of Macedonia

The Former Yugoslav Republic of Macedonia is victim of its own obstinacy in the choice of a name (i.e. Macedonia), which is fiercely opposed by Greece and which prevents important recogni-

tions by the international community. Only a few months ago, for instance, the country has not been admitted to NATO, on the contrary as Croatia and Albania. A possible agreement on a new name (i.e. Republic of Northern Macedonia), however, would do little to solve much more consistent problems linked to the definition of language and citizenship. These are considered simply "Macedonian" by Skopje, and simply "Slav" by Athens. Moreover, the Former Yugoslav Republic of Macedonia increasingly suffers from the internal division between a Slav-Macedonian majority and a consistent Islamic-Albanian minority. The effects of such division triggered the internal fights in 2001, fomented by the Kosovo-Albanian population in the breakaway province of Kosovo and Metohija. These conflicts were settled with the Ohrid Agreements of 13 August 2001, which provided for a constitutional reform aimed at giving a greater weight to the Islamic-Albanian minority in the country's decision-making processes. This is again being challenged today. It is in fact considered excessive and antidemocratic, and it could encourage secessionist tensions. How would it be possible to stabilise the country, finding an appropriate name and a balanced constitutional architecture?

As regards its economic achievements, the Former Yugoslav Republic of Macedonia counts little more than

¹⁵ European Bank for Reconstruction and Development, Transition Report 2009, p. 151. (This figure does not account for the province of Kosovo and Metohija, for which precise data are hardly available).

¹⁶ International Monetary Fund, World Economic Outlook, April 2010, p. 159. (This figure does not account for the province of Kosovo and Metohija).

¹⁷ Ibid., p. 165. (This figure does not account for the province of Kosovo and Metohija).

¹⁸ European Bank for Reconstruction and Development, Transition Report 2009, p. 17.

¹⁹ Ibid., p. 203.

²⁰ International Monetary Fund, World Economic Outlook, April 2010, p. 159.

²¹ Ibid., p. 165.

²² European Bank for Reconstruction and Development, Transition Report 2009, p. 27.

2 million people. In 2008, its unemployment rate was around 33.8%,²³ while GDP growth is 2% (2010 forecast)²⁴ and the average inflation rate is 1.9% (2010 forecast).²⁵ Between 1989 and 2008, foreign direct investment in the Former Yugoslav Republic of Macedonia amounted to a total of 3.2 billion dollars.²⁶

Albania

Albania is the only country in the Western Balkans that does not belong to what is commonly referred to as "former Yugoslavia" and is very keen to join the European Union. The population descends from the Illyrians, speaks a non-Slavic language and is mostly of Muslim faith. Albania still remains the least developed country in Europe, little industrialised, with a strong agricultural component. After the deep financial crisis in 1997, Albania now represents a relatively stable area, characterised by substantial ethnic homogeneity. Recently admitted to NATO together with Croatia, Albania is proud of this achievement and presents it to the world as proof of stability, freedom and democracy. Nonetheless, Albania represents a potential element of instability for the Balkan

region, due to the presence of Albanian populations outside the territory of Albania proper: the Albanians of Montenegro, Serbia (including the province of Kosovo and Metohija, which unilaterally declared its independence), the Former Yugoslav Republic of Macedonia and Greece often nurture the dream of the establishment of a "Greater Albania". This is an inevitable source of hostility and potential conflicts in the region.

As regards its economic achievements, Albania counts 3.2 million people. In 2008, its unemployment rate was around 12.7%,²⁷ while GDP growth is 2.3% (2010 forecast)²⁸ and the average inflation rate is 3.5% (2010 forecast).²⁹ Between 1989 and 2008, foreign direct investment in Albania amounted to a total of 3.5 billion dollars,³⁰ the lowest per capita figure in East-Central Europe.

The Sarajevo conference and the future

The Sarajevo conference succeeded in giving new impetus to the process of EU enlargement. It signalled to the various countries involved that the EU, despite its crisis in terms of resources, projects and enthusiasm since 2005, expects

significant progress in the field of political and economic reforms from countries of the Balkan region in order to welcome them as member states of the Union. This is an important message.

Some aspects, however, have been underestimated, both by Brussels and by a country like Italy. European integration is a clear objective for all. It is a source of development, harmonisation, stability and security. There are no doubts about this. But if there are strong underlying problems among Balkan countries, it is necessary to face them seriously, paying attention to details, and not to avoid them in the hope they will solve themselves with time.

1) The first aspect that requires more work is the creation of a greater integration between countries of the former Yugoslavia, particularly between Serbia and Croatia and between the various ethnic communities within Bosnia and Herzegovina. There is still no direct flight between Zagreb and Belgrade. Mutual scepticism and lack of shared enthusiasm are still visible between the two countries as well as between the Serbs, Croats and Muslims in Bosnia and Herzegovina. The European Union can and has to organise social, cultural and sport events for the young of the various cultures of the former Yugoslavia in countries other than those of the former Yugoslavia. It is necessary to invest some resources and pressure West-

²³ Ibid., p. 167.

²⁴ International Monetary Fund, World Economic Outlook, April 2010, p. 159.

²⁵ Ibid., p. 165.

²⁶ European Bank for Reconstruction and Development, Transition Report 2009, p. 27.

²⁷ Ibid., p. 135.

²⁸ International Monetary Fund, World Economic Outlook, April 2010, p. 159.

²⁹ Ibid., p. 165.

³⁰ European Bank for Reconstruction and Development, Transition Report 2009, p. 27.

ern countries to facilitate a new dialogue to build mutual trust among the young generations of Serbs and Croats, first of all.

2) A second and fundamental aspect relates to how the question of Kosovo and Metohija is to be approached. Many observers maintain that the policy adopted by the EU so far has been disappointing: asking Belgrade to forget rapidly Kosovo and Metohija in exchange for an equally rapid entry into the European Union means asking to exchange some thing sacred (land, i.e. Kosovo and Metohija) with something profane (money, dispensed by Brussels to Belgrade). A possible long-lasting solution would need to follow a brave decision. Is it really true that it is not possible to take a step back, when one realises that it made a mistake? Is it really so that it is not possible to agree on a smoother solution, which would guarantee a deep administrative autonomy to Kosovo and Metohija, leaving its sovereignty to Belgrade? If Italy, which today wishes to promote a real pacification in the Balkan region, is willing to transcend the frontiers of superficiality and take on responsibility for decisions that would match its diplomatic potential, it has to look for solutions rooted in the history and the rights of the Balkan people.

Surely, this step, namely a declaration of non-recognition of the Self-Proclaimed Republic of Kosovo following an Italian political re-evaluation, would

not be impossible under the technical and legal points of view. It is another viewpoint that is particularly sensitive: the relation with the United States of America. Taking a step back on the issue of Kosovo's declared independence would, on the one hand, send a strong message to Serbia, fostering its trust in the West and in International Law and therefore preparing it to EU entry. On the other, however, it would send a different signal to Washington. A signal that, without endangering the fundamental alliance with the United States, would nevertheless tell the White House that a partner and ally such as Italy does not agree with the Americans on their policy in the Balkans. It would be an important signal, as it would originate from a country (Italy) above suspicions, a country not affected by problems similar to the Basque one in Spain or the Hungarian one in Slovakia. It would show that upholding rights has a higher value than strategic or economic interests, in accordance to the spirit of the Sarajevo conference.

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