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PfP INTEGRATION: CROATIA, SERBIA AND MONTENEGRO

Introduction

With the NATO Istanbul Summit in sight, the Western Balkan states are, for various reasons, looking increasingly anxious about their prospects in relation to future NATO integration processes.³² Similar dilemmas are facing the West on policy options.

This paper will look at the progress these states have made in terms of PfP/NATO integration, not only at the operational level but also in the context of a wider military-security concern for this troublesome geographic region. Focus is placed on Croatia and Serbia & Montenegro, not only because they share similarities in terms of international obligations; each represents a good working model in relation to other states in this region. The role of the international community in shaping the future of the Western Balkans is critical. However, over time this role should change from its current interventionist to a more collaborative and partner-like model, in line with the PfP model.

Western Balkan states were slow to identify and pursue Euro-Atlantic integration, especially with NATO, as a priority foreign policy objective, compared to other Central and Eastern European (CEE) states that emerged from the grip of the Warsaw Pact in the late 1980s.³³ The turning points were the

³² In this paper the term Western Balkans includes the states of the Former Yugoslavia (SFRY), excluding Slovenia.

³³ The destructive conflict that lasted in this region up to the end of the 20th century, fuelled largely by nationalist and ethnic hatred spread by a minority of hard line political leaders, was the primary reason why these states, previously considered advanced in

death of the Croatian leader Franjo Tudjman and the removal of the Serbian president, Slobodan Milosevic, from power in late 2000. However, while this brought hope and some kind of stability for the whole region, it is now becoming clear that these were only the first initial and fragile steps forward. It was the liberation from a decade of imprisonment, but not liberation from the torments of the past. If a closer look is taken at all of these countries, most of these issues are still present and now and again emerge on the political scene as reminders that not all is quiet in the Balkans.

Pre-emptively one can conclude that the tempo and depth of reform activity is very much dependent on the prevailing political condition, i.e. the level of democratisation within each state. To illustrate the point differently, one can borrow the old Yugoslav saying frequently heard in the 1980s: “All good things always start in Slovenia, and then move gradually further south in a step-like fashion”. Today, the picture is no different, with Slovenia and to some extent Croatia being the most advanced in their political and economic reforms and the other Western Balkan states further south less able to introduce change. However, while political and economic reforms are important, not least in changing the perception of these states in the eyes of the international community, especially NATO and the EU, the social dimension, which is the less obvious one, is crucial to understanding the possible outcomes of these reforms and to provide some indication of the course of action future political leaders might opt to take.

Although all states of the Western Balkans are at different stages of advancement in relation to NATO integration and the Partnership for Peace (PfP) they all share similar problems, including unstable political leaderships dependent in most cases on party coalitions preventing political consensus and stalling the tempo of reforms; and struggling economies characterised among other things by low productivity, significant unemployment

terms of political and economic development when compared to their neighbours, were slow to take advantage of this orientation.

and large foreign debt and balance of payments deficits.³⁴ Underlining these are the unresolved issues with the International Criminal Tribunal for the Former Yugoslavia (ICTY) in The Hague, which are crucial to post-conflict rehabilitation and, indeed, defence reform.³⁵

This paper will aim to answer the following questions:

1. How far have the various reforms been carried forward and what can be expected in the short to medium term?
2. Should the post-conflict scenario present in the Western Balkans differentiate these states from other CEE states, and make them a special case? Should there be different rules and expectations?
3. Can integration into Euro-Atlantic security mechanisms help strengthen long-term stability in the region?
4. What are the options Western governments face in deciding for further integration?

The paper does not aim to provide the ultimate answers, but rather hopes to promote further discussion of these questions.³⁶

³⁴ The paper will not look at economic aspects related to this issue, although they are in many respects critical to understanding many of the problems found in the region. In general it can be noted that no Western Balkan state has reached the level of economic activity prevailing in 1990 (eg Croatia 84-90%, Serbia & Montenegro 56-61%, Macedonia 74-82%). For more information see: Economic Intelligence Unit, *Country Profile: Croatia/Serbia & Montenegro*, London 2003; Zdravko Petak, 'Politicka ekonomija jugoistoka Europe' in Lidiya Cehulic, ed, *Godisnjak/Yearbook-Sipan 2003*, Zagreb 2004.

³⁵ See: <http://www.un.org/icty/>.

³⁶ The paper provides only a selective overview of defence reform in Croatia and Serbia & Montenegro, aimed at advancing its arguments. For an in-depth understanding it should be read in conjunction with: Timothy Edmunds, *Defence Reform in Croatia and Serbia-Montenegro*, Adelphi Paper 360, London 2003.

Military Reform in The Western Balkans

The former Yugoslavia managed to build up during the course of its existence a substantial military capability. Its underlying strength was its doctrine of Total National Defence, adopted in 1968 after the Soviet occupation of Czechoslovakia.³⁷ Largely based on partisan experiences during the Second World War and similar in many ways to the Swiss model, it was based on deterrence, i.e. the total mobilisation of the country's human and material resources for defence.³⁸ The war that came in the 1990s drew heavily on these resources, each side taking advantage of what it inherited or what it could lay its hands on through illicit arms purchases. With some normality returning to the former Yugoslav states after the end of the war, these military structures became surplus to requirements, and each state was forced to re-examine its military-security options. Placing Euro-Atlantic integration as a strategic foreign policy objective has provided some direction for the pro-reformist leaderships. However, progress has not been even.

Of the former Yugoslav republics, Slovenia is the most advanced in this process, and became a NATO member in April 2004. Croatia and Macedonia have been Members of PfP for some time now and hope to join the Alliance by 2006-07.³⁹ Serbia & Montenegro and Bosnia & Herzegovina have only recently indicated a desire to instigate more radical reforms of their military and security services with the aim of joining PfP in 2004, possibly at the Istanbul summit. Simultaneously all Western Balkan states are at various stages of negotiations with the EU regarding eventual membership, which is optimistically considered to be in 2006-07.

Apart from Serbia and Montenegro, all other states of the former Yugoslavia had to start from scratch when organising their armed forces in the early

³⁷ Adam Roberts, *Nation in Arms: The Theory and Practice of Territorial Defence*, Macmillan, 1986.

³⁸ See: Nikola Ljubicic, *Total National Defence: Strategy of Peace*, Belgrade, 1971.

³⁹ The term Macedonia is used for ease of use and refers to the Former Yugoslav Republic of Macedonia.

1990s. Conditions differed, but the general atmosphere was similar. It included heightened military activity and deterioration of security as a consequence of conflict within or immediately across the border, lack of know-how and international support; and the imposition of UN sanctions preventing procurement of weapons and other military equipment. The only positive factors were the large numbers of men that had undergone basic military or police service, the inheritance of the old Yugoslav Total National Defence doctrine and its infrastructure and a small number of professional military and police officers. It was the latter that helped form the backbone of the newly formed armed forces, which represented a mix of the old Yugoslav system with limited improvements on the basis of wartime experience and limited Western military advice.⁴⁰ Until the last years of the 20th century these forces were largely characterised as being oversized, ill trained and equipped and lacking democratic control over any aspect of their activities. Not only did these old structures prevent the introduction of reforms but they also influenced political and economic life, using coercive pressure, corruption and even direct intimidation.⁴¹

Today all states are in the midst of defence reform, to NATO standards, although the degree to which this has been implemented and the tempo of further developments depend on numerous factors. There has been much debate on whether it is easier to initiate reform in a country with a newly created military, or does the inheritance of military structures and traditions make the job easier, especially in terms of time needed and financial output

⁴⁰ US military assistance in the form of training was first received in 1994, from a private company (MPRI). See: Dragan Lozanic & Kresimir Cosic, 'Civil and Military Relations in a Democratic Society: Challenges for the Republic of Croatia' in Marin Sopta, ed, *European Security into the 21st Century*, Zagreb (CCSS), 1999 and *Fokus*, 11 July 2003.

⁴¹ The 'negative' relation between military and civilian authorities worked both ways. For example, in Slovenia the former Defence Minister, Janez Jansa, used the military for political advantage, while in Croatia the military was so heavily politicised during the Tudjman regime that it was able to apply significant pressure not only on domestic policy but also on policies in neighbouring Bosnia & Herzegovina. See: Zoltan Barany, *The Future of NATO Expansion: Four Case Studies*, Cambridge University Press, 2003.

required? It is political will or consensus that will ultimately decide the tempo and depth of any reform, including defence. For example, Croatia did have a newly created military, but also had military traditions and had recently been engaged in conflict resulting in an oversized military. Reform of the military-security sector there was not as hard to implement as further south, where the inherited structures are not only larger and more deep rooted but the scars of war are much deeper and will take long to heal.

Croatia

Recent Political Developments – Is Optimism on the Horizon?

Croatia's defence reform programme was initiated rather late and with some hesitation in 2000 after the removal of the Tudjman-led nationalistic HDZ party from power.⁴² However, the changes undertaken under the former Defence Minister Jozo Rados were little more than symbolic. The implementation of more radical measures had to await the appointment of the country's first female defence minister, Zeljka Antunovic, in July 2002.⁴³ Whilst one can question the correctness of the fact that she also acted as Deputy Prime Minister during her 18 months in office, this added political weight enabled her to be more direct and forceful in implementing change.

⁴² An important precursor to any thought on reform was the 'removal' from the political scene of Croatia's long serving hard-line nationalist Defence Minister Gojko Susak in 1998.

⁴³ Although Rados did have bad relations with the General Staff and could not be described as a 'decision-maker', the lack of reform was not so much his doing, but was more to do with the time necessary to set the political scene required to implement it, especially given the high degree of politicisation with the armed forces. See: SDP (Dr O Zunec & General Anton Tus), *Hrvatska vojska 2000: Nacionalna sigurnost, oruzane snage/demokracija*, Zagreb, 1999. There was credible speculation that the timing of Rados's replacement coincided with criticism received from the NATO Secretary General upon his visit to Zagreb regarding the tempo of reforms in the country. See: Zvonimir Mahecic, 'Capability-building and Good Governance in Security and Defence Reform' in J Trapans & P H Fluri, eds, *Defence and Security Governance and Reform in South East Europe*, DCAF, 2003, http://www.dcaf.ch/partners/Stability_Pact/Croatia.pdf.

However, the situation is still far from perfect. Lack of expert staffing and to a lesser extent de-politicisation remain problems.⁴⁴ A recent statement by the outgoing Assistant Defence Minister: “We found the Ministry of Defence in a mess, with over 800Kn million (\$US135 million) unpaid debts in 2000 and we leave it in 2003 as a well organised and efficient organization” may be more of a political statement than a statement of fact.⁴⁵ Much more needs to be done in the short to medium term for the country to reach a level of advancement that would make it a candidate for NATO. Above all, the problems that remain will need careful planning, consistent finance, international engagement and political patience to implement.

Moreover, after the November 2003 elections and the now centre-right HDZ’s return to power, the new defence minister, Berislav Roncevic, will have to work hard not to slow down the tempo of defence reform. His lack of experience may not prove as much of a hindrance as his lack of conviction in the process, not to mention that of the highest political leadership. So far, the new HDZ has taken a proactive stance towards Euro-Atlantic integration, quickly moving to assure the sceptical international community that it has changed for the better.⁴⁶ Support at party grass-roots may not be as strong and may yet prove a challenge, especially in terms of ICTY cooperation. Furthermore, the minority government is to a large extent dependent on coalition partners, some of which do not share common values with the HDZ. However, initial predictions that the new government will not last long are, after a good start, on hold.

⁴⁴ Even after extensive attempts at de-politisation, at the last elections several members of the armed forces and the MoD were accused of actively being involved in political activities, such as General Stipe Cacija. See: *Globus*, 13 February 2004.

⁴⁵ See: *Obrana*, 19 December 2003.

⁴⁶ Acceptance that “Croatian cooperation with the Hague Tribunal is a *conditio sine qua non* in terms of fulfilling criteria for EU and NATO membership”. Interview with Foreign Minister Miomir Zuzul, *Nedeljni vjesnik*, 15 February 2004 and *Vjesnik*, 14 January 2004.

It is important to analyse why the HDZ won such a substantial percentage of the vote after all its past ‘wrongdoings’ had been made public. The primary reason must be the introduction, mainly under international (IMF) pressure, of a series of unpopular economic reforms that made large segments of the working middle classes worse off whilst not addressing problems such as high unemployment and low industrial productivity. Other reasons are to be found in rural areas of Croatia, mainly those affected by the war, where not much has changed in the last 3 years. Talking to people in Dubrovnik, Karlovac or Osijek, it is not hard to see that the war has not been forgotten and that hardships remain.⁴⁷ Related to this is government policy of prioritising the rebuilding of Serbian homes destroyed during the war, aimed at appeasing the West, but highly unpopular domestically.

Furthermore, pressure by the ICTY to transfer former General Ante Gotovina is closely connected, with many Croats seeing the General as a national hero.⁴⁸ While the new political leadership is all too aware of its international obligations, balancing these on the domestic front will continue to be a problem. New charges brought recently against two former Croatian Generals (Ivan Cermak and Mladen Markac) have been dealt with adequately, as they agreed to surrender voluntarily.⁴⁹ However the further broadening of charges against General Gotovina and the continued secrecy surrounding the case of Ivan Jarnjak, the former Minister of Interior and Chairman of the Committee for Foreign Policy and National Security may

⁴⁷ Issues concerning the war in Croatia 1991-1995 are frequently debated even today. See: Live coverage (HRT3) of the Sabor debate on 27 February 2004.

⁴⁸ The sensitivity of the issue is seen in a vote of confidence for the Croatian PM in July 2001, when the government agreed to extradite its wartime generals, including Ante Gotovina. See: BBC News, 16 July 2001.

⁴⁹ See: ‘Novi haski potezi stvaraju Sanaderu goleme probleme’ in *Jutarnji list*, 9 March 2004. Furthermore, 6 more charges were brought against high-ranking Bosnian Croat officials, including the Former Defence Minister of HVO forces Minister Bruno Stojic, all of which are being transferred to the ICTY immediately. See: *Hina News Agency*, 4 April 2004.

cause problems for the current government.⁵⁰ Full compliance with all ICTY demands is crucial if Croatia is to become a fully-fledged member of the European community.

The new Prime Minister is working hard to reassure the international community that his party has moved away from the Tudjman policies, and intends not only to continue with reforms, but to intensify EU and NATO integration.⁵¹ The new Foreign Minister, Miomir Zuzul, who served two terms as the Croatian ambassador to the United States, said at a recent press conference that the new government has five strategic goals in diplomacy. First on the list is joining the EU, followed by entering NATO, co-operating with its neighbours, strengthening business diplomacy and reshaping the image of Croatia abroad.⁵² His long experience abroad should play a positive role in addressing these issues.

In terms of meeting its international obligations relating to human rights, Croatia still has some way to go to satisfy organizations like the OSCE.⁵³ The two main areas of concern remain the country's co-operation with the ICTY and the return of Serb refugees, issues that have to date been ad-

⁵⁰ The latest charges even implicate the former President Franjo Tudjman and as some see it, question Croatian policy during the war. See: *Vecernji list*, 9 March 2004.

⁵¹ The importance attached to reassuring the West, especially key institutions such as the EU and NATO, is seen by the almost immediate visit of the Croatian PM to several European capitals, including Berlin, Brussels and Rome. See: *Vjesnik*, January-February 2004.

⁵² Improving relations with the United States is particularly important after the former SDP-led leadership refused to sign Article 98 that would exclude US citizens from extradition to the International Criminal Court. This is in light of the Status of Forces agreements and the ICTY issue. See: *Fokus*, 11 July 2003; *Nacional*, 10 February 2004. In line with this Foreign Minister Zuzul visited Washington on 20 January, meeting key policymakers and discussed among other issues US support for Croatian NATO membership. On 30 March 2004 the House of Representatives of the US Congress adopted a resolution calling on leaders of NATO member-countries to agree on discussing the entry of Croatia, Albania and Macedonia in the alliance not later than 2007. See: *Southeast European Times*, 29 January and 9 February 2004.

⁵³ See: OSCE Status Report No 13, OSCE Mission to Croatia, December 2003.

dressed half-heartedly.⁵⁴ Previous political leaderships have shown hesitation in addressing the problems head on, but rather have undertaken to satisfy international concerns in those areas where pressure was applied, and avoided or delayed in those where this was possible. Solutions were sought in institutional and legislative forms, rather than in pragmatic, measurable and trust-building ways.⁵⁵ Historical legacies, inherited bureaucratic practices and political self interest by small yet powerful groupings at all levels, i.e. fear of alienating voters in war affected areas, are probably to blame.

Current expectations regarding the Istanbul summit are mixed. Whilst those within government structures realise that Croatia will not be invited to become a NATO member at Istanbul, there is some expectation of preferential treatment in recognition of achievements to date. However, NATO is today as much a political as a military alliance and the broader picture, including political, economic and social developments, must be taken into account. This is something that the domestic political leadership fails to fully recognise, at least when addressing the issue in public. Furthermore, participation in NATO's Membership Action Plan (MAP) clearly identifies the country as an advanced candidate for membership. Special treatment for Croatia at Istanbul could have negative regional repercussions.

Although the new government has been in office for only a short time, initial observations are positive and may help Croatia receive a more favour-

⁵⁴ There is also concern that minorities are not adequately represented at central and local government level, that they do not receive equal status in the courts and so on. Media laws also need to be addressed. While some effort has gone into drafting new or amending existing legislation to address some of these problems, no effort is then made to implement or assist the process further. See: Status Report No 13, December 2003, OSCE Mission to Croatia, Zagreb and US State Department.

⁵⁵ See: Interview with Milorad Popovac, Member of Parliament and a member of the SSDS in *Nacional*, 10 February 2004 and statement by Vojislav Stanimirovic for IWPR, London, 2004.

able standing if pursued further, once coalition agreements, especially with ethnic minority parties, are implemented.⁵⁶

Military Reform – Long Overdue but Progressive

Although Croatia became a member of PfP in May 2000, it was only in 2002 that it intensified its defence reform programme, having received unsatisfactory signals from Brussels. One has to bear in mind that while Croatia considers itself to be a modern European country, it was not long ago that almost one third of its territory was occupied and the country was de facto on a war footing. Thus, recent history will be very much in the minds of the political and also military leadership, when devising any strategy or reform relating to defence.⁵⁷

The main aim of defence reform is the increase in capabilities, which is very much based on the Alliance's Defence Capabilities Initiative.⁵⁸ Programmes like NATO's MAP, which Croatia joined in May 2002, form the basis, and are reinforced by numerous workshops, seminars, joint exercises and consultations with bilateral partners.⁵⁹ The whole reform process is highly dependent on foreign expert advice, as there is very limited domestic capacity both in terms of experts and public interest.⁶⁰ The areas that will

⁵⁶ See: Background Report: The New HDZ-led Government Pursuing a Policy of Ethnic Reconciliation which will impact on the Mission's Work, OSCE Mission to Croatia, 20 January 2004, Zagreb.

⁵⁷ For example, Croatian President Stipe Mesic stated: "Those who defended Croatia should be put into service, and not swept aside". *Croatian Government Bulletin*, May 2003.

⁵⁸ http://www.nato.int/docu/comm/2002/0211-prague/in_focus/capabilities/index.htm.

⁵⁹ By becoming a MAP member, Croatia gained recognition that it has strong potential to become a NATO member, although there is no guarantee or timeframe for this actually to occur. See: <http://www.nato.int/docu/handbook/2001/hb030103.htm>.

⁶⁰ Examples are the 'UK Study on MoD Management and Administration', the 'US Defence Reform Study' and the current 'Study on the Professionalisation of the CAF'. Presentation by a senior Croatian MoD Official at a Marshall Centre Conference in Dubrovnik, November 2003.

need most immediate attention are personnel and budgetary (including procurement) procedures, especially in terms of medium to long term planning and policy implementation.

According to the Croatian MoD, the most intense bilateral defence co-operation is conducted with the US, and then with the UK, Germany, France, Austria, Hungary and Slovenia. Increased cooperation was also noted with Serbia & Montenegro during 2003, mainly through the Regional Arms Control Verification and Implementation Assistance Centre (RACVIAC).⁶¹ However, unlike what is currently taking place in Serbia, in Croatia there seems to be a much more coherent approach to benefiting from foreign advice, with each bilateral partner having been assigned an area of expertise. Such a system not only avoids duplication, but also reduces the possibility of conflicts of interest.

It is often argued that the key to understanding military reform in Croatia is the economic condition prevailing in the country. However, Croatia is no different from other countries in CEE and the economic situation should be only a minor obstacle to implementing democratic control of armed forces, restructuring the ministries and so on. Explanations for the slow progress lie elsewhere. As memories of the war are fresh, nationalist opposition parties and the war-veterans have to date reasonably successfully maximised the fact that any such reform would necessitate troop reductions, which would in turn bring into question the defence capacity of the country and give rise to further unemployment. Furthermore, during Tudjman's reign,

⁶¹ An interesting comment came from the Serbia & Montenegro Defence Minister Boris Tadic in October 2003, when he stated that the two countries would initiate joint production of the DEGMAN tank (improved version of the M-84A4 originally designed in the late 1980s as a precursor to the VIHOR project). While Tadic is known to be a supporter of regional cooperation, in practice it is unlikely this project will materialise in the short to medium term. See: Amadeo Watkins, 'Yugoslav Industry Revival: Fact or Fiction?' in *Jane's Defence Weekly*, 25 July 2001; *Vecernji list*, 15 October 2003.

the military was highly politicised and such structures were successful in creating obstacles to any meaningful reform.⁶²

Thus, one of the main tasks of the Racan leadership (2000-03) was to assure the Croatian nation that there was a minimal security threat to the country and that Euro-Atlantic integration was the best guarantee for its future security and would in the long term serve the economic prosperity of the country. However, as activities with NATO increase, support for accession is declining, most importantly among the population whose livelihood is directly related to tourism, identified as the country's most important economic sector. There is concern that military activity on the coast will negatively affect development.⁶³ This directly relates to the level of understanding about what NATO is and what membership means for the country. At a general level, this understanding is lacking. Current efforts towards Euro-Atlantic integration are mainly fostered by the political leadership, i.e. by a closed inner circle within government departments and the few organizations/individuals directly affected and interested in this process, concentrated primarily in the capital. Current government policy geared towards addressing these issues (including host-nation planning currently underway) is not well thought-out considering the fact that some 10 military exercises are to take place on the Adriatic between March and October 2004.⁶⁴ A public campaign/debate aimed at gaining support for government policy relating to NATO will need to be addressed in the short to medium term.

Closely related to this is the government's effort to reduce presidential powers in relation to military-security matters. While the strong constitutional position of the president is what gives the Croatian political framework its specific character, the office accumulated excessive powers during the war

⁶² Interview with Zeljka Antunovic, Defence Minister, *Vjesnik*, 13 July 2003.

⁶³ There is concern about the proposed law, currently in the process of being adopted, allowing nuclear-powered vessels to dock at Croatian ports.

⁶⁴ It is surprising that the Sabor, whose competency it is to decide on the activities of foreign troops on Croatian territory, has not taken a more critical view. See: *Dnevnik*, 4 March 2004; *Focus*, 4 March 2004.

and the Tujman leadership.⁶⁵ It amounted not only to complete control of the military, but also the intelligence (security) services, often for political purposes and coercion. The new Croatian President, Stipe Mesic, initially agreed to transfer most of these powers to the government; however, he later delayed the process for various reasons. Today, on paper one can see a reasonably balanced role for the president and the government (and defence minister) in relation to military-security matters. However, a closer examination shows that there are still areas that are not clearly defined and represent potential areas of conflict.⁶⁶

What is the Aim of Reforms – Genuine Desire or Western Pressure?

The main objective of defence reform is to increase the overall capabilities of the Croatian Armed Forces (CAF). Its main characteristics are: downsizing, modernisation, professionalisation, integration and interoperability.⁶⁷ Thus, its aim is to create a small, modern, effective, deployable and interoperable force, and the reforms differ little from those that other CEE countries are still in the process of implementing.

Apart from providing a more efficient and affordable armed force on the domestic front, the CAF are designated to play an important part in advancing the country's foreign policy objectives.⁶⁸ Croatian military officials indicate that, in terms of limited resources, emphasis is being placed on areas where national requirements overlap with international commitments. However, in the short term emphasis will be placed on the latter, at least

⁶⁵ See: Dimitrios Koukourdinou, 'Constitutional Law and the External Limits of the Legal Framing of DCAF: The Case of Croatia and the FRY', *Working Paper Series No 61*, Geneva, 2002.

⁶⁶ See: Zvonimir Mahecic, 'Aspiring to NATO Membership', *NATO Review*, Winter 2003.

⁶⁷ Speech by a senior Croatian MoD Official at a Marshall Centre Conference in Dubrovnik, November 2003.

⁶⁸ "Obrambeni sustav se mora razvijati u smjeru direktnog podupiranja sigurnosne i vanjske politike Republike Hrvatske. To rezultira novom ulogom i zadacama Oružanih snaga". Article 78, *National Security Strategy*, Republic of Croatia, 2002.

until Croatia becomes a member of NATO. Currently, CAF is deployed on a number of UN and other peace operations, including ISAF, in Afghanistan.⁶⁹

A platoon of Special Forces is undergoing the last stages of training for deployment to Iraq.⁷⁰ As the former Croatian Defence Minister explained, such a move is in the interest of Croatia, and will strengthen, by default, US-Croatian relations.⁷¹ “Activities like this cannot exist without political decisions ... Instead of being mere users of US military assistance, we want to show that we are capable of being partners and closer to NATO standards ...” However, there has not been cross-party support and not much enthusiasm from the public at large, and the deployment may not take place.

It is not clear what the position of the new leadership on this issue will be as it is pressed to mend relations with the US. It may clash with the desire of the President, who is seen more as an Euro-sympathiser, to see Croatian troops in Iraq only under the UN flag. Naturally, the Croatian Parliament (Sabor) will have the ultimate say in this matter. Peacekeeping deployment on the territory of the Former Yugoslavia has not been pursued, for obvious reasons.

Defence reform is also helping other areas of democratisation and modernisation of government structures, including playing an important role in improving inter/intra-government co-operation.⁷² The new HDZ-led govern-

⁶⁹ Currently Croatia has just over 60 troops deployed abroad on 7 peace operations, including some 35 military police personnel with ISAF in Afghanistan. See: *Jutarnji list*, 2 January 2004.

⁷⁰ Two platoons of the special purpose battalion finished training for military operations at the end of 2003 and are prepared to leave for Iraq if the political decision to deploy them is made, which looks increasingly unlikely. See: *Jutarnji list*, 9 February 2004; *Globus*, 1 August 2003.

⁷¹ See: *South Slavic Report* (RFE/RL), Interview with Croatian Defence Minister Zeljka Antunovic, 7 August 2003.

⁷² An Inter-Agency Working Group for Co-operation between Croatia and NATO/PfP countries was set up in July 2001, but has only recently intensified its activities. It in-

ment has stated its desire to further advance this process, especially in relation to NATO membership, by intensifying cooperation between the various governmental bodies at a practical level.⁷³ In this sense it can easily be said the Euro-Atlantic integration has proved to be the driving force not only for reform in the relevant ministries, but for the whole government structure. Programmes such as MAP have proven to be a real challenge and novelty for many not only in the decision-making process, but lower down, though this can also be an obstacle in itself.

Defence Reform: Selective Overview

The recently completed strategic documents, such as the National Security Strategy and the Defence Strategy, set the necessary framework within which the reform process is taking place. Efforts are also underway to produce the first Defence Review and a 'Study on the Professionalisation of the CAF', as well as a paper addressing the long-term development of the CAF.⁷⁴ The more forceful approach to reform in 2002 was noted with the passing of six laws relating to defence matters.⁷⁵ Although most experts agree they will need to be modified in the future, they make a good starting point.

cludes 10 ministries at the level of Assistant Minister. Furthermore, the new HDZ-led government has promised to increase the level and frequency of meetings on the subject of NATO at the highest levels of government.

⁷³ The new initiative is led by plans to hold ministerial-level meetings (9 ministries, led by the Ministry of Foreign Affairs - MFA) on NATO at least once a month, so that progress can be tracked and problems addressed head-on at the highest level. It is expected that such initiatives will be broadened to other levels. Information supplied by Croatian MFA.

⁷⁴ Both the long-term development plan, entitled 'CAF Vision 2014' and the 'Defence Review' will look at the development of the CAF for the following decade. When complete these will be the first long-term defence plans initiated in Croatia. Their current status is unknown.

⁷⁵ See: J G Polić, 'Security & Defence Reform: A Croatian Armed Forces Case' in *Croatian International Relations Review*, January/June 2003.

Croatia's strategic military-security documents state that the country is not able to address all threats alone and must work with other nations to secure peace and stability in the region.⁷⁶ In line with this strategic orientation the basic principle within the capabilities initiative is interoperability of forces.⁷⁷ As a result the little modernisation that is taking place is in line with developments in NATO. However, the population is still sensitive to the issue of external aggression and not all are persuaded of the benefits of eventual NATO membership. This can be seen in procurement policy, which until very recently placed emphasis on procuring new M-84A4 tanks, which are unlikely to be needed in any Alliance role in the short to medium term.⁷⁸

Institutional reform was one of the first steps to be taken.⁷⁹ By 2003 the ministry was restructured and reduced in size, from eight departments to four⁸⁰ and the General Staff (GS) brought under its command. While the MoD has kept planning, development and oversight functions, operational tasks have been placed under the GS. The military police, which unlike its Western equivalents still retains many special functions usually associated with Special Forces, was transferred from the Department of Intelligence and Security to the GS. The number of personnel employed by the ministry is still too large (2,300), but its expertise is still not adequate, both in terms

⁷⁶ See: 'Strategija obrane Republike Hrvatske' in *Narodne novine*, Zagreb, 33/2002.

⁷⁷ See: The Atlantic Council (USA) *New Capabilities: Transforming NATO Forces*, Policy Paper September 2002.

⁷⁸ There is also speculation that production of the BOV armoured personnel carrier, designed and produced in the 1980s by the former Yugoslavia, will commence shortly. Most experts agree that the system did not perform well in combat operations. See: *Vjesnik*, 27 February 2004. Keeping the 'Djuro Djakovic' tank assembly plant in Slavonski Brod operational in terms of local employment, as well as the matter of prestige, could also be factors to consider here, although the plant is increasing its civilian production. However, neither of these factors justifies the procurement of these weapon systems.

⁷⁹ The basis for change lay in the 1990 Constitution, which was modified in November 2000.

⁸⁰ Departments for Defence Policy, Human Resources, Material Resources and Finance & Budgeting. Information supplied by Croatian MoD.

of quantity and quality, especially on the civilian side. Retention of the more capable cadre is becoming an increasing problem.⁸¹ For example, an examination of military publications will note a significant vacancy list for experts, such as those dealing the PfP-NATO issues, at a time when this issue is of critical importance to the country.⁸²

The size of the CAF is defined by a 'Decision on the Size, Composition and Mobilisational Development of the CAF', passed in May 2002. Although the document does not set exact limits, the planned peacetime strength of the CAF is just over 30,000 personnel, including 8,000 conscripts. Wartime strength is planned to be 110,000, giving a total strength of some 140,000.⁸³ Both of these numbers will probably have to be further reduced in the medium to long term, especially the Type-B reserves, which have a paper strength of just over 70,000.⁸⁴

The land component represents the largest part of the CAF. Recent changes included the reduction of army commands from 6 area commands to only 4 corps which are based on a geographic-territorial principle (1st around Zagreb, 3rd around Osijek to the East, 4th to the south of Zadar and 5th north of Zadar on the coast).⁸⁵ Each corps has 8-14 brigades, centred around one professional guards brigade and is designed to be operationally independent, based on a modular system which allows the easier transfer of smaller units

⁸¹ The new Defence Minister has kept a number of his predecessor's deputies (political appointees) recognising the need to put political affiliation aside and keep those personnel that are doing well in their posts. Combat units, including the air force and navy, are also experiencing retention problems. See: Interview with Colonel Anton Vlastic, Commander of the 33rd Engineering Brigade, *Obrana*, 12 December 2003; interview with Zeljka Antunovic, Minister of Defence in *Vjesnik*, 13 July 2003.

⁸² See: *Obrana*, various issues 2003.

⁸³ Information supplied by the Croatian MoD.

⁸⁴ See: *Vecernji list*, 18 March 2004.

⁸⁵ The navy was reduced from 3 to 2 naval sectors (north and south), while the air force saw an increase from 3 to 4 air bases (91st and 92nd combat squadrons, 93rd Training Squadron and the 95th transport squadron). Information supplied by Croatian MoD and *Obrana*, various issues 2003.

between the corps.⁸⁶ However, this might pose problems with NATO, which does not favour the territorial principle.⁸⁷ Moreover, the number of professional Guards brigades, currently at 4, will not be sustainable in light of the falling defence budget and staffing problems.

Apart from the Guards brigades, other units with a higher level of versatility are the special forces, reconnaissance and military police units and possibly the naval infantry. These units have the best equipment and training and are, together with the more specialist units, the most likely contenders for any foreign deployment. To date there is no sign that Croatia has considered enhancing its specialist naval capabilities, such as the naval special forces, which could be productive in terms of the Croatian decision to declare an economic zone on the Adriatic Sea (an extra 21,000km² of territory).⁸⁸ US military assistance under the IMET programme and a number of military exercises with US forces have proved of immense value to the CAF in terms of improving interoperability, in areas such as command and control (which is still weak), communications and special forces operations.

Personnel policy has been a key issue in the Croatian defence reform process. Apart from the political dimension, there are several reasons for this. First, personnel expenses in 2003 took up over 65% of the defence budget, leaving just over 5% for modernisation. The planned programme of downsizing (SPECTRA) hopes to reduce personnel expenses to some 50% by

⁸⁶ See: *Novi list*, Rijieka, 14 January 2003.

⁸⁷ The Croatian MoD has been resisting demands by NATO and other bilateral advisors to change the territorial corps system for some time. However, it seems that the new Defence Minister is more ready to listen to advice, as blame is placed on former Yugoslav Army (JNA) officers now serving with the CAF. See: *Vecernji list*, 18 March 2004.

⁸⁸ There is currently a debate within the country whether the navy should be replaced by a coastguard, as the country lacks the financial means to develop its major naval capacities, such as larger combat vessels, further. See: *Hrvatski vojnik*, October 2003; *Nedeljni jutarnji*, 19 October 2003.

2010, allowing more funds for the desperately needed modernisation.⁸⁹ However, the number of voluntary exits has peaked and it will be hard to make further reductions without a clear policy and application of strict criteria.

Lack of a dedicated military educational establishment has not helped, and in an attempt to address this issue the MoD has recently initiated a new civilian educational programme.⁹⁰ Under the newly established Joint Educational and Training Command, 150-200 new cadets are recruited annually and educated at selected civilian universities. It is too early to judge the merits of this decision. There has also been an attempt to raise the educational standard of serving military personnel, as there is a requirement to retain a large number (over 2,500) officers and NCOs in the short to medium term.⁹¹ Education abroad, both at military academies and shorter, specialist courses (e.g. UK provides English language training), is also playing an important role, although this is restricted by cost and limits imposed by bilateral agreements.⁹²

⁸⁹ In the first six months, over 5,000 personnel chose to leave the CAF, including some 1,500 officers. According to information supplied by the Croatian MoD, the downsizing programme is proceeding as planned, at least in terms of numbers. See: *Croatian Government Bulletin*, May 2003. However, by early 2004 funding the last waves of exits had become problematic. Furthermore, there are indications that all is not well, in terms of quality people leaving the CAF. See also: *Jutarnji list*, 23 November 2003.

⁹⁰ While no decision has been made on the possible establishment of a military academy, the planned system is not only adequate to current economic and other potentials, but also aids the future employability of officer cadets. Interview with Deputy Chief of GS, Slavko Baric. See: *Obrana*, 17 October 2003; *Vijesnik*, 7 March 2003.

⁹¹ Correctly emphasised by A J Bellamy: "... the strategic context of the birth of the Croatian Army meant that military education took a back seat to war-fighting training". See: A J Bellamy, 'The Professionalisation of Croatia's Armed Forces' in A Cottey, T Edmunds & A Forster, eds, *The Challenge of Military Reform in Postcommunist Europe: Building Professional Armed Forces*, Palgrave Macmillan, 2002.

⁹² See: Three Croatian cadets complete training at the German Military Academy, *Obrana*, 6 February 2003.

In terms of equipment modernisation, financial resources are the main barrier to the desired tempo of reform. In recent years defence expenditure has continuously been reduced, from 3% of GDP in 2000 (\$US 575 million) to 2% in 2003 (\$US515 million). Although current MoD planning proposes that this process be reversed and for the defence budget to stabilise at the NATO desired level of 2.2% of GDP, discussions in the Sabor indicate a further 10-12% reduction in defence budgeting.⁹³ Because of the heavy burden of personnel expenditure, the budget currently provides some \$US 30-50 million per annum for modernisation.⁹⁴ As an increase is not likely in the foreseeable future, solutions must be sought within the resources available.

Current modernisation plans include:

1. Overhaul and upgrade of Mi-8 transport helicopters and PC-9 training aircraft.
2. Integration of new FPS-117 air-surveillance and Peregrine coastal radars, acquisition of communications and fire control systems for artillery;
3. Initiation of the BOV APC programme and possible continued slow-rate production of the M-84A4 tank;
4. Continued re-equipping (interoperability) for units destined for overseas deployment, primarily at tactical level.

Procurement policy is a delicate issue. Current policy that tries to address both international and domestic concerns (albeit with the former having priority) is questionable, and may need to be re-examined if the country is to

⁹³ There has been criticism from some sources that these reductions will adversely affect defence reform. See: *Novi list*, 22 February 2004. However, a closer look at the latest budget proposals indicate that while the defence budget has been reduced, defence expenditure as a whole has not been affected, to seriously bring into question the current tempo of defence reform. The only observation is the increase in allocations to the Intelligence Services.

⁹⁴ See: *Obrana*, 4 April 2003.

stay within its financial limits.⁹⁵ While in this respect Croatia is no different to other CEE countries, the question is whether anything has been learned from their experiences in this process, or will recent history force a new learning curve? An example is the continued modernisation of the MiG-21 combat aircraft in Romania, which was not, according to some sources, carried out to desired standards.⁹⁶ Neither these nor the M-84A tank are likely to be needed and are rapidly becoming outdated in the sense of the modern battlefield and its operational requirements. The Strategic Defence Review which is currently being drafted will need to address these issues.

Civil-Military Relations

Recent history makes civil-military relations in Croatia still problematic for a variety of reasons, mainly the legacy of the war and the Tudjman regime, which involved among other things deep politicisation of the officer corps and a complete lack of transparency accompanied by significant corruption among senior figures and a general lack of interest among the civilian community in military-security affairs.⁹⁷ That is not to say there has been a decline in respect for the CAF, which is still highly regarded for its efforts and sacrifices between 1991-95. Since the change in leadership in 2000 much has been achieved in dealing with these problems, but all at a very superficial level. In general it can be said that civil-military relations are better than those in other former Yugoslav states, except possibly Slovenia.⁹⁸

⁹⁵ The National Security Strategy states that while the threat to regional security is significantly reduced, it is not completely eliminated. See: *Jutarnji list*, 12 April 2003; Zlatko Gareljic, 'Sto za Republiku Hrvatsku znaci ulazak u NATO?' in Lidija Cehulic, ed, *Godisnjak/Yearbook-Sipan 2003*, Zagreb, 2004.

⁹⁶ The Croatian Defence Minister has stated that the decision prevented the abolition of the air force altogether and has bought the country some 10 years in which to decide what to do next. See: *Vjesnik*, 4 September 2003.

⁹⁷ One of the more famous corruption affairs involved the Croatian General Zagorec (Assistant Minister of Defence in charge of Arms Procurement and Production) and the state arms procurement agency RH-ALAN. See: *Jutarnji list*, 29 February 2004.

⁹⁸ For a detailed analysis see: Timothy Edmunds, Adelphi paper 360: Defence Reform in Croatia and Serbia & Montenegro, IISS, 2003.

Democratic control of armed forces is an important role for Parliaments. While on paper the Sabor has an important role to play, such as adopting strategic documents relating to defence and passing the budget, in practice the picture is different.⁹⁹ The Sabor in most cases just passes recommendations from the MoD.¹⁰⁰ Especially important is the inactivity of the Committee for Domestic Policy and National Security (and the Committee for Foreign Affairs). Within this committee, which has a rather broad remit, there is a sub-committee dealing with defence issues, and this has yet to be formed.¹⁰¹ The main reason is the lack of expertise in the field of military-security matters. One recommendation is the formation of a small permanent office within the Sabor that would support the activities of parliamentarians in this field. However, to date no move has been made in this direction.

In terms of NGOs and think-tanks with expertise in defence reform, there are only a very small number, such as the Atlantic Council (Faculty of Political Science) and the Institute for International Relations (IMO).¹⁰² However, their potential has seldom been used, and in the few cases that they were employed, their recommendations were overridden by political considerations. To fulfil their desired roles these institutions will require more support, both from state institutions (especially government departments) and international engagement.

Furthermore, there is a lack of in-depth analysis. Most writings on the subject fall into two categories: media articles, which lacking experienced defence correspondents are mostly sensationalist; and second, papers written

⁹⁹ See: Vlatko Cvirtila, 'Parliament and the Security Sector' in J Trapans & P H Fluri, eds, *Defence and Security Governance*, DCAF, 2003.

¹⁰⁰ A rare exception was the sending of troops to Afghanistan, when a more serious debate did take place.

¹⁰¹ Correspondence with Brigadier Zvonimir Mahecic, Military Advisor to the Presidential Office.

¹⁰² See: Mladen Stanicic, 'Civil Society and the Security Sector' in J Trapans & P H Fluri, eds, *Defence and Security Governance*, DCAF, 2003.

by those within the system (MoD), which are by their nature promotionist and not detailed or critical in their analysis. As in other countries, there are few readily available translations of foreign texts dealing with military-security issues.

Furthermore, there is a shortage of independent experts familiar with current military-security issues, especially those in the West. This causes a problem not only in terms of domestic advice, but also in terms of critical analysis and constructive engagement. Educational programmes, which only recently re-introduced defence related studies, are in their early stages of development and need to be restructured and better coordinated in the future.

Related to the above is the issue of transparency. While the basis for transparency, both vertical and horizontal, lies in legislative documents, organisational and working practices are also important, especially when old practices persist in departments directly involved in public relations.¹⁰³ Procedures to obtain even basic information relating to military-security issues that are readily available in the West are not easy to come by in Croatia.¹⁰⁴ Moreover, the grip of intelligence services is still strong and influences all levels of decision making, including the drafting of important legal documents.¹⁰⁵ An example is the law relating to the production and overhaul of armaments, passed in 2002, which states that the names, locations, etc of companies engaged in production for the armed forces is a state secret. It is

¹⁰³ See: Tatjana Cumpek, 'Transparency and Accountability in the Defence and Security Sectors' in J Trapans & P H Fluri, eds, *Defence and Security Governance*, DCAF, 2003.

¹⁰⁴ This is contrary to statements made by MoD officials. See: J G Polic, 'Security & Defence Reform: A Croatian Armed Forces Case' in *Croatian International Relations Review*, January/June 2003.

¹⁰⁵ Croatian security services have been restructured several times since the country gained independence. However, in practice it is clear that little has changed, the agencies still being oversized (OA, POA, VSA, etc) and ill-equipped to deal with current challenges. See: Ozren Zunec, 'Democratic Oversight and Control over Intelligence and Security Agencies' in J Trapans & P H Fluri, eds, *Defence and Security Governance*, DCAF, 2003.

hard to imagine how these companies plan to function in a highly competitive and open market.

All these problems, while raising some public concern, in a circle-like fashion negate any interest in the field of military-security issues among the general population, apart from matters that affect them directly. Polls suggest that support for NATO is declining (especially since the Iraq campaign and in light of increased activities with the Alliance on the Adriatic coast) and now stands at just over 50%, as opposed to some 75% supporting EU membership.¹⁰⁶ Most have much more important, socio-economic, priorities on their minds, with tourism identified as a strategic economic orientation. Economic security is rightly seen as fundamental to long-term stability in the region.

What are the Challenges Ahead?

In defence reform at least, it can be said that Croatia is slowly entering the second stage of security sector reform.¹⁰⁷ Challenges in terms of defence reform that will need to be addressed future include:

1. Continued reform of legislative documents, in line with Western practices;
2. Addressing the continued ‘confusion’ in institutional relationships, especially that between MoD, GS and the president;
3. Improvement in education in military-security issues, both military and civilian and increasing English language proficiency, especially at more senior levels;
4. Addressing civil-military relations, especially parliamentary control and transparency;

¹⁰⁶ See: Interview with Zoran Milanovic, Assistant Foreign Minister in *Vjesnik*, 12 October 2003.

¹⁰⁷ See: Series of 3 books by Andrew Cottey, Timothy Edmunds & Anthony Forster, eds, *Democratic Control of the Military in Postcommunist Europe*.

5. Raising public awareness and interest in defence issues, especially promoting a wider debate on potential NATO membership.

During the course of the following MAP cycles more effort will be needed if the alliance's criteria are to be met and if the country is to fulfil its desire to play an important regional role.¹⁰⁸

One can conclude that there are two reasons for the 'half-hearted' and rushed-through defence reform currently taking place. The primary reason is the desire to join NATO as soon as possible, which it is thought will provide Croatia with an adequate security guarantee and aid its economic recovery and EU integration. If one is to judge the future course of policy on the basis of current approaches to defence reform, the possibility of a more relaxed attitude to NATO once membership is achieved, is a natural conclusion. The secondary reason is the necessity to reduce the financial burden of the oversized and technically outdated forces. However, judging from other countries' experiences these measures will not immediately aid economic development, not only because a large percentage of those that have left the CAF simply become unemployed, thus being transferred from one ministry's responsibility to another's, but also because funds saved are rarely redirected towards defence spending. These problems are not unique to Croatia.

¹⁰⁸ Arguments along these lines were made recently by the Defence Minister Roncevic. See: *Slobodna dalmacija*, 1 April 2004.

Serbia & Montenegro

Recent Political Events – Can the Ship be Salvaged?

Broadly speaking there has only been a very slight move forward since the removal of Milosevic from power in 2000. The international community is again playing an inept tune in Belgrade, placing democratic reform on a very fragile footing.¹⁰⁹ The question at hand is whether more can be said for the defence reform process.

Serbia & Montenegro (S-M) still represents the greatest challenge and unknown in the Western Balkans.¹¹⁰ Frequent, irregular elections during the last few years coupled with current troubles in Kosovo only reinforce this argument. Moreover, it and Bosnia & Herzegovina are the only states in the Western Balkans outside the framework of PfP.¹¹¹ The slow pace of reform since pro-democracy forces came to power in 2000 is not helping the situation, especially in terms of security sector reform.¹¹²

Security sector reform in Serbia is, as in any other country, dependent on reaching consensus among the political leadership, both within it and in relation to Montenegro. It is something that has been lacking on the political scene in the last few years, especially since the pro-democratic bloc

¹⁰⁹ For example, the paper is critical of the ICTY decision to charge 4 more S-M nationals with war crimes, just a few weeks prior to the elections. While it is essential for the court to have political independence, the timing of this action not only showed no sensitivity to events on the ground, but also played directly into the hands of the right-wing nationalist parties.

¹¹⁰ Especially if one looks at the unresolved issue of Kosovo, which is under UNSC Resolution 1244 (1999) an integral part of S-M. See: <http://www.un.org/Docs/scres/1999/sc99.htm>.

¹¹¹ While these two states share several commonalities, in the context of this paper an important divergence between them is in that while S-M is trying to fit three states around one army, in B&H the situation is reversed, in that three armies are forced upon one state.

¹¹² See: ICG, *Serbian Reform Stalls Again*, Balkans Report No 145, Belgrade, July 2003.

(DOS) took over the leadership of the country in late 2000. While the removal of Milosevic was a welcome and long overdue development and a clear indication that the country can have after all a future in Europe, it has not been an easy process of adjustment.¹¹³ One can identify three stages since the removal of Milosevic:

The first period, from November 2000 till March 2002, was characterised among other things by the rivalry between Yugoslav President Vojislav Kostunica and former Serbian Prime Minister Zoran Djindjic, the Milosevic case and his extradition to The Hague (ICTY), trouble on the border with Kosovo and the dispute between Belgrade and Podgorica on the future of the federation. The second period, from March 2002 to March 2003, was characterised by the agreement on the new Union of Serbia and Montenegro brokered by the EU, setting the strategic course for Euro-Atlantic integration, and the assassination of Zoran Djindjic and associated security operations, including a state of emergency.

The third period, from March 2003 to present, was characterised by a worsening economic climate and a slow-down in the reform process, widespread corruption charges within the democratic bloc almost paralysing political life, failed presidential elections marking a vote of non-confidence in the new democratic forces, and a general election in which right-wing and radical political parties took a surprisingly large share of the vote.¹¹⁴ As ink is drying on this paper, Serbia's democratic parties have, after over a month of 'negotiations', barely been able to form a minority government led by the nationalist-minded DSS leader, former Yugoslav President and current Serbian Prime Minister Vojislav Kostunica.¹¹⁵

¹¹³ See: Elizabeth Roberts, *Serbia-Montenegro: A New Federation?*, CSRC, March 2002.

¹¹⁴ See: Economist Intelligence Unit, *Country Report: Serbia and Montenegro*, London, July 2003.

¹¹⁵ Kostunica's record as a pro-democracy leader, judging only on his political record to date, is not encouraging. Not addressing his statements regarding the wars in Croatia and B&H, more recently he was publicly against the transfer of Milosevic to the ICTY, signed a bilateral agreement of support with the Republika Srpska in B&H and

Without going into the details of domestic politics, two issues stand out when looking at all three periods mentioned above. First, at the domestic level is an inability to place the reform process at the forefront of political thinking.¹¹⁶ It is manifested in the form of constant infighting between the various political parties in the democratic bloc, especially the between Kostunica's DSS, the DS (Djindjic's former party), now led by the Defence Minister Boris Tadic and more recently with the new, but increasing popular G-17Plus.¹¹⁷ One can only conclude that the political scene in S-M has not reached a stage of maturity that would enable it to reach consensus on very basic questions such as how the reform should proceed. The latest legislation, allowing state finance to those indicted to The Hague is clearly a step backwards.¹¹⁸

Under present conditions, the small group of true reformers is increasingly isolated and must fight simply to remain in the political picture, within a culture where the criminal element and widespread corruption have set roots. New elections are unlikely to alter the scene. Reform-minded members of the government (especially in G17Plus and DS) might be able to introduce some measures (e.g. economic reform) in those areas that Kostunica does not regard as particularly threatening to his views.¹¹⁹

is associated with people such as Aco Tomic and Rade Bulatovic, both allegedly involved in the assassination of Djindjic. See: 'Nationalist Serb PM risks isolation abroad', *The Guardian*, 3 March 2004; 'Two Kostunica aides held over Serbian PM's assassination', *The Guardian*, 10 April 2003; 'Kosovo killings raise the stakes', *Financial Times*, 22 March 2004; *Dnevnik*, 5 March 2004.

¹¹⁶ See: ICG, *Serbia's U-turn*, Europe Report No 154, Belgrade, March 2004.

¹¹⁷ See: ICG, *Serbian Reform Stalls Again*, Balkans Report No 145, Belgrade, July 2003.

¹¹⁸ Major political differences surfaced visibly in the passage and drafting of the law, and the emergence of a new alliance - technical, for the moment - between the DSS, SRS and SPS (Socialist Party of Serbia), whose votes enabled passage of the bill. See: *B52 News Agency*, 30 March 2004; *Glass javnosti*, 1 April 2004.

¹¹⁹ See: *Dnevnik*, 5 March 2004.

The lack of political consensus is clearly visible in relation to the decision by the former (DS-led) government to apply for closer Euro-Atlantic integration, i.e., to join the PfP programme. Although the decision was made public early in 2001, the formal application to NATO was not made for more than a year. To some extent this was the result of internal disagreements within the pro-democracy bloc, largely based on a false reading of public opinion towards NATO after the 1999 war.¹²⁰ Taking into account current events in Kosovo, and NATO's reaction to widespread (and clearly pre-orchestrated) violence against the remaining Serbs in the province, public opinion towards NATO can only decline further, and thus influence political thinking on the subject. How much recent calls by Lord Robertson for Serbs to 'look to the future' will impact on the domestic front remains to be seen.¹²¹

Two further observations are related to the above. First is the strong view within Serbia that the international community is still too hostile towards the country and is not treating it equally with neighbouring countries,¹²² not only in relation to Kosovo, but also to Western integration. One can often hear parallels drawn with Croatia and how 'it was allowed to join PfP while not complying fully with the Hague Tribunal, not to mention other countries'. Furthermore, as the democratic bloc fails to deliver on its promises, especially in terms of economic reform, radical parties such as the Serbian Radical Party (SRS) become stronger and more influential. While it is unlikely the country will revert to the nationalist policies of the Milosevic

¹²⁰ Opinion polls conducted early in 2001 showed over 60% of the population was in favour of NATO, especially after the successful operations conducted with KFOR around the Kosovo Ground Security Zone. However, this attitude changed later in the year when hostilities flared up in neighbouring Macedonia. See: Jovan Teokarevic, SR Jugoslavija/Partnerstvo za mir, *PRIZMA*, May 2002; <http://www.ccmr-bg.org/javnost/public024.htm>.

¹²¹ Speech by the NATO Secretary General at the Military Academy of S-M, Belgrade, 27 November 2003. See: <http://www.nato.int/docu/speech/2003/s031127a.htm>

¹²² See: 'Spoljnopoliticki položaj SCG sa osvrtom na pristupanje programu 'Partnerstvo za mir' at <http://www.mfa.gov.yu>.

era, such parties have certainly strengthened their position in the last 3 years.¹²³

Unlike in Croatia, where the government enjoys some support for Euro-Atlantic integration, in Serbia the issue is more complex. The drive towards Euro-Atlantic integration, primarily NATO, which is largely government-led, is not as closely connected to popular feeling as it is in Croatia. Knowledge about the Alliance is lacking just like in Croatia, but more important is antipathy, especially among the rural population, directly related to the 1999 war.

A further observation is that the Hague tribunal plays an important role not only in terms of meeting PfP criteria, but also as a test-bed for national consciousness, crucial in terms of explaining the nationalist war euphoria in this region during the past decade. In S-M and Croatia, the ICTY is not regarded as a straightforward legislative matter and an obligation to be fulfilled, but has much deeper political and social repercussions. The realisation of the war guilt that many ordinary people and politicians have until recently only swept under the carpet or completely ignored is also important in terms of regional cooperation and long-term stability. For this reason continued pressure by the international community is crucial, although reconciliation cannot be imposed from above.¹²⁴

The second issue that characterises the period since 2000 is the constant failure of the international community to fully understand and adequately

¹²³ Analysis of election results suggests that the actual number of votes gained by the nationalist right-wing parties since losing power in 2000 is only 300,000. However, what has changed is the distribution of power as the minimum threshold for parties has been raised to 5% of the vote, thus preventing many smaller pro-democracy parties from registering. See: Ilija Vujacic, 'Od izbora do demokratske konsolidacije' in *PRIZMA*, December 2003.

¹²⁴ The initiation of domestic war-crimes proceedings, with the setting-up of a special war crimes court, started in October 2003. See: Amnesty International, *Amnesty International's concerns and Serbia and Montenegro's commitments to the Council of Europe*, March 2004.

react to developments within the country (and the region), which has led to over-optimism followed by disappointment and fast-track solutions.¹²⁵ One can look at the current tragic events in Kosovo as a good illustration of over-simplification of matters, where the most expedient policy is always the best policy. Overall, however, the international community has been cautiously supportive of reforms in S-M, playing a ‘carrot and stick’ approach with some success in dealing with the Milosevic regime, but now proving increasingly questionable.¹²⁶

However, there is a divergence of thought on how support towards the democratic bloc, and more specifically reform, should best be pursued. On the one side is the belief in the continued applicability of the ‘carrot and stick’ approach, i.e. that S-M must be given strict guidelines which it must meet before any further steps are taken to integrate the country into any NATO or EU structures. This relates especially to meeting ICTY requirements in term of recognising the importance of full co-operation with the court. On the other side is the opinion, supported in this paper, that continued international support to the democratic forces in the country should be the ultimate guiding principle as they are rather fragile at this time. PfP is, by its very nature, not the ideal tool to use for applying pressure on the country. Like the Hague Tribunal, it strives towards advancing regional co-operation, although the method is not reconciliation but rather co-operation. However, that is not to say that pressure on the country to abide by its international obligations must be dropped, but that there is sufficient room to apply it through other channels, such as EU accession negotiations.¹²⁷

¹²⁵ While this failure was even more obvious and damaging during the period 1991-1999, it is surprising that it has not been corrected to any great extent.

¹²⁶ For example, while the US lifted remaining sanctions on the country and recently certified that Serbia is eligible for some \$US110 million in aid (2003) the EU was more cautious and refused to commit itself on any accession dates, suspending SAA negotiations. See: Economist Intelligence Unit, *Country Report: Serbia and Montenegro*, London, July 2003. Following post-election developments in S-M, the US has cancelled aid for 2004.

¹²⁷ A good example can be taken from Croatia, where several countries (UK, Italy and The Netherlands) have refrained from ratifying the SAA agreements with the EU.

Military Reform – What Reform?

In terms of military-security matters, S-M remains potentially the strongest partner in the region for the Alliance, but also potentially the most troublesome, at least in the short to medium term. There is not only the unresolved problem of statehood between Serbia and Montenegro which seems to touch on every issue of reform; but also the future of Kosovo; significant nationalistic public opinion manifested in recent elections; the critical state of the country's economy and possible future trouble in Sandjak. These are important not only in terms of affecting the tempo of any attempts at reform, but in terms of influencing the state's security concerns and thus indirectly defence reform.

In a recent speech Defence Minister Tadic stated that he was dissatisfied with the speed at which the defence reforms in the country were being implemented.¹²⁸ He went on to criticize the fact that S-M is not yet in PfP, denying the country much needed help. Such a brave statement, especially just a few weeks before elections, aimed at both the domestic and international audience, comes as a calculated surprise. However, he did say that very important results had been obtained during his time in office and that the stage for the military reforms to begin in 2004 was set. As the greatest achievements he mentioned placing of the GS and the military security services under the jurisdiction of the MoD, thus contributing to civilian and democratic control. This statement alone explains the tempo of reforms, while depth at this stage can not really be expected.

The MoD in Belgrade has been involved in several reforms since the early 1990s, mainly aimed at downsizing, with little impact on operational capacity.¹²⁹ The first serious attempt at tackling the latter took place in mid-2001,

¹²⁸ Speech by Defence Minister Boris Tadic made at the 'Military Club' in Topcider, near Belgrade, on 19 December 2003.

¹²⁹ Some success was achieved, especially in terms of downsizing, when personnel was reduced from 106,000 in 1999 to below 80,000 by 2002. See: UNDP, *Fact-finding*

with the ‘rationalisation and limited reorganisation’ programme.¹³⁰ This concentrated on the reduction of institutional and operational structures so that by the end of 2002 the military was restructured from the old ‘army’ structure to a ‘corps-brigade’ structure, which although more flexible is still based on the territorial concept of defence and an oversized command structure.¹³¹ Further changes had to wait for the clarification of relations between Belgrade and Podgorica and the removal of General Pavkovic by mid-2002. This was followed by the government’s declaration in support of Euro-Atlantic integration, allowing for initiation of a radical defence reform programme based on Western principles. However, while this has removed the most visible obstacles to change, it has not been followed by a speedy defence reform process, as some anticipated.¹³²

Prior to its drafting, the **Constitutional Charter** was considered the fundamental basis for any defence reform. However, this document did not, in reality, change much. The document, written in haste under pressure from the EU, is not only ill-written, with numerous ambiguities, especially in legal terms, but also leaves many strategic questions open. Most importantly in this context is the possible referendum in 2006 regarding the future of the Union. One can easily argue against any substantive reform if there is a strong possibility that the Union will not survive for more than 3 years.

In term of defence reform, the relationship between executive branches of government responsible for defence is not clear, and in reality does not allow for democratic control of armed forces. While institutions at Union level are ‘on paper’ responsible for defence issues, the real power is with the

Mission for Military Conversion as an element of SSR-Final Mission Report, Belgrade, 29 April 2002.

¹³⁰ Western influence was not the only factor, but also experience from combat operations during the wars 1991-99. See: *Glas javnosti*, 14 January 2003.

¹³¹ For a reasonably accurate picture of the system prior to the reforms of 2001 see: Charles Heyman, ed, *Jane’s World Armies – Yugoslavia*, London, 2002.

¹³² See: Bojan Dimitrijevic, *Fazno reformisanje Ministarstva odbrane/vojske SCG*, CCMR–Analyze: <http://www.ccmr-bg.org/analyze/analyze.htm>.

Serbian government, which finances over 95% of the defence budget. Furthermore, accountability is not clear, especially that of the Defence Minister. While the armed forces are a Union institution, his only real accountability is to the Serbian Parliament.

The problems that persist between Belgrade and Podgorica seem to prevent the writing of a National Security Strategy for both states.¹³³ Rather, Serbia is pushing through its own Defence Strategy as a starting point for defence reform.¹³⁴ While this is contrary to logic and has received criticism, under present political circumstances it may be the only viable option, as long as it supports the main provisions of the Constitutional Charter, and allows for some flexibility.¹³⁵

Nevertheless, each country has different national security concerns and interests, resulting in different views on defence reform.¹³⁶ This is best manifested in the differing views of General Blagoje Grahovac,¹³⁷ supporting rather radical and rapid downsizing of the S-M Armed Forces to not more than 25,000, and those of the Defence Minister, who seems to favour a more gradual reform process with a ceiling (economic) of some 40,000, taking into account troubles in the south.¹³⁸

¹³³ See: *Glas javnosti*, 14 January 2004 and *Dnevnik*, 8 September 2003.

¹³⁴ This document was first drafted by the MoD in mid-2003 only to be sent back to the drawing board after heavy criticism at all levels. The current effort includes expertise from a wider base. See: *Nedeljni telegraf*, 10 September 2003; interview with Deputy Defence Minister Vukasin Maras, *Vojska*, 27 November 2003.

¹³⁵ See: *Nedeljni telegraf*, 8 June 2003.

¹³⁶ See: Radosav Martinovic, 'Security Priorities of Montenegro', Miroslav Hadzic, ed, *Armed Forces Reform-Experiences and Challenges*, Belgrade (CCMR), 2003.

¹³⁷ The most important criticism one can place on General Grahovac's proposals are for not taking into account the realities of the situation, ie the political scene in S-M, although this is the starting point of his argument. See: Presentation by General Grahovac, Defence Advisor to the President of S-M, at the G17 Second School on SSR, Belgrade, 15 October 2003.

¹³⁸ On the domestic front the Defence Minister has emphasised that South Serbia and the border with Kosovo are the primary concerns for the armed forces. See: *Vojska*, 25 December 2003. However, this might be designed for domestic consumption, and the

The Constitutional Charter continues with the old system which places the supreme command of the S-M armed forces in the hands of the Supreme Defence Council (VSO), an institution inherited from the Milosevic era.¹³⁹ Its executive members are the two State Presidents and the President of the Union.¹⁴⁰ It reaches its decision on the basis of a consensus, something that was criticised by domestic experts as unworkable in times of war. In practice decisions of this body are largely based on a negotiated political settlement between its members, leaving little room for parliamentary or any other scrutiny.¹⁴¹ Although a remnant of the past, conceptually it is not a bad idea as it guarantees the equality of member states in this domain, and could form part of a workable model in the future if all legislative reforms are carried out adequately.¹⁴²

Organisationally, the most important recent change was placing the GS and military intelligence under Ministry of Defence.¹⁴³ Domestically, this is described as a major change, not only providing much needed credibility to the MoD, but also placing for the first time in history the GS and the army

pursuance of this policy may become questionable as the strategic benefits of international deployments prove too great to resist.

¹³⁹ See: Article 56, *The Constitutional Charter of the State Union of Serbia and Montenegro*, available from www.mfa.gov.yu.

¹⁴⁰ According to the Charter, the Defence Minister, apart from being a civilian shall “coordinate and implement the chartered defence policy and command the military in accordance with the law and the powers of the VSO”. See: Article 41, *ibid*.

¹⁴¹ See: Zoran Pajic, ‘Legal Aspects of SSR in the FRY’, *Working Paper No 18*, DCAF, April 2002.

¹⁴² For example, The Serbian Constitution stipulates that the President of Serbia is the Supreme commander of the armed forces, with is not in conformity with the new Constitutional Charter. Miroslav Hadzic, ‘New Constitutional Position of the Army’, *Working Paper No 112*, Geneva (DCAF), 2003.

¹⁴³ Prior to this change, the MoD was a second rank institution, whose main aim was securing economic and administrative prerequisites for the functioning of the defence system. See: Dimitrios Koukourdinis, ‘Constitutional Law and the External Limits of the Legal Framing of DCAF: The Case of Croatia and the FRY’, *Working Paper No 61*, Geneva (DCAF), 2002.

under civilian, if not democratic, control. However, while this move did take political courage, all preconditions were there for it to occur.¹⁴⁴ Moreover, these are in reality only cosmetic changes, especially in the case of intelligence services. S-M MoD structures remain unchanged, characterised by an oversized, bureaucratic and complex system of command and control with significant segments of duplication and competition.

It is important to try to understand the nature of these institutions. In many ways they are similar to those in other CEE states. However, the former Yugoslav army was never reliant on Moscow, thus allowing its leadership freedom and expertise in developing indigenous structures and plans.¹⁴⁵ The problem is that most of this potential is in the hands of military personnel that still overcrowd the MoD, a significant portion of whom are not keen to rush any reforms through.¹⁴⁶ Civilian personnel are very few and in most cases lack expertise, thus being marginalised in the decision-making process. An exception might be the growing number of civilian advisors, directly subordinated to the Defence Minister, brought in as a measure of burden-sharing (as Defence Minister Tadic has become Leader of the DS party since the elections) and whose selection criteria, as a result, were based on political loyalty rather than expertise.¹⁴⁷

¹⁴⁴ See: 'Novi bezbednosni rizici', *Vojska*, 12th June 2003.

¹⁴⁵ An example were the 'Rudo' and 'Snaga' military reforms of the 1970s and the 'Strategija oruzane borbe' doctrinary document from 1983, which were in those days 'significant' compared to Soviet thinking at the time. See: Grupa autora, *Interno, Naucnoistrzivacka/razvojna delatnost*, Beograd, 1989.

¹⁴⁶ See: Dr Predrag Simic, 'Reforma sektora bezbednosti u SCG', *Vojna Delo 3*, Beograd, 2003.

¹⁴⁷ Considering post-election political developments in S-M, it would not be surprising to see Defence Minister Tadic leave the MoD for higher office pending presidential elections on June 13th. While it would be desirable for him to stay in terms of defence reform, this may be counterproductive in a strategic sense, weighted against the overall delicate political climate in Serbia and the need to counter-balance the more nationalistic elements, including those within the current government.

The military was comfortable within its own world, separated from the civilian population at the highest levels of decision-making for the past 6 decades. The political leadership (and populace at large) virtually accepted the view that the military-security sector could reform itself, continue writing its own doctrines and so on.¹⁴⁸ Downsizing could be the tool used to tackle this problem, at least partially. However, it will need to be conducted with care, according to pre-selected criteria, rather than ad hoc and according to personal likes and dislikes.¹⁴⁹ In recognition of these weaknesses, foreign expertise was initially sought in the form of defence advisors.¹⁵⁰ However, while Defence Minister Tadic has established good working relations with numerous Western countries during his year in office, it now seems that a more cautious approach to foreign defence expertise is being taken, most likely under pressure from the still influential GS.

Meeting normative and legislative aspects of defence reform, which is far from complete in S-M, is only the beginning of the process. However, the importance of these acts for the initiation of reform has been exaggerated on the domestic scene, most likely for political reasons, thus causing unnecessary delay. However, it is not surprising that it has taken so long to get the process rolling.

Changes on the Ground – Tactical Manoeuvring with a Smoke Screen

Current reform initiatives are not conducted in direct cooperation with NATO, but are rather self-developed, based on domestic expertise within the GS and limited foreign military advice. As the situation stands now, almost every decision has to involve the Defence Minister, and there is little

¹⁴⁸ See: Miroslav Hadzic, 'Original Reasons for Reform', Miroslav Hadzic, ed, *Armed Forces Reform-Experiences and Challenges*, Belgrade (CCMR), 2003.

¹⁴⁹ See: Bojan Dimitrijevic, *Fazno reformisanje Ministarstva odbrane/vojske SCG*, CCMR–Analyze: <http://www.ccmr-bg.org/analyze/analyze.htm>.

¹⁵⁰ Principal advisors are provided by the UK and the UNDP (Change Management Team), on the basis of bilateral agreements. NATO has also established semi-official relations with Belgrade.

initiative within the GS, apart from a select few. As elsewhere, it is obvious that defence reform can not be implemented by the military alone, but requires a much broader involvement of all state actors, including the public, an issue that is only gradually being applied. Thus changes currently being planned are not adequate and resemble to some extent those that took place in Croatia between 2000-2001. Eventual PfP membership should help to adjust these in line with NATO standards, although a degree of ingenuity (based on domestic factors) is desirable. On the basis of what can be observed it can be concluded that advice received from bilateral partners, through defence advisors, together with experience and knowledge gained on courses, seminars and workshops, as well as from neighbouring countries, is not systematically analysed and applied. Rather, a more selective approach is being applied.

According to recently published MoD data, under the current working plan the reform will take place in three stages, lasting up to 2010. In addition to building a smaller and more mobile force, emphasis is also placed on 'professionalisation', i.e., the gradual removal of conscripts from the armed forces by 2015 at the latest.¹⁵¹ S-M certainly needs to increase the number of 'professional all-volunteer' personnel, not only in terms of planned deployments abroad, but also in relation to the security situation in South Serbia. While there is criticism, both domestic and international, of the long period of time planned for reform overall, this may be a realistic tempo of development, based on experiences in the neighbourhood and the realities of the domestic political and economic scene.

S-M has the largest military potential among the former Yugoslav republics not only in terms of manpower, but in combat experience, know-how and strong military tradition. However, a closer examination of its military strengths shows deep-rooted weaknesses that cannot be addressed in the short term. These stem from a number of sources, the main one being the

¹⁵¹ Interview with Chief of General Staff, Branko Krga, *Vojska*, 1-8 January 2004.

detrimental rule of Slobodan Milosevic.¹⁵² Lack of adequate finance, most of which is spent on personnel, is a further factor preventing adequate training of soldiers, the servicing of equipment and so on.¹⁵³ For example, tanks are simply sitting in barracks, not being maintained; troops hardly experience live firing of artillery or manoeuvres above company level, and so on.¹⁵⁴ Apart from a few units that maintain higher combat readiness for deployment along the border with Kosovo, the armed forces are in desperate need of funds to revitalise key areas that would enable the maintenance of adequate operational levels.¹⁵⁵

As shown in Map 1, the S-M military is still organised on a territorial principle, comprising 6 corps (KoV), plus 3 corps for anti-aircraft defence (PVO), air force (RV) and navy (RM). Although many improvements have been made, making them more flexible and operationally independent, this organisational structure is outdated and not suited to current operational needs, nor to military thinking in the wider global context.

According to plans, the battalion will become the mainstay of the armed forces.¹⁵⁶ In line with this, the number of regular corps could profitably be decreased to not more than 3 in total (two for Serbia and one for Montenegro).¹⁵⁷ In the medium to long term the territorial system should probably

¹⁵² See: Mihajlo Basara, 'Problems in Establishing of Morale in the Army of S-M', Miroslav Hadzic, ed, *Armed Forces Reform-Experiences and Challenges*, Belgrade (CCMR), 2003.

¹⁵³ This can be seen in the recently introduced changes in training methods for both conscripts and NCOs, characterised by shorter training times with emphasis on core skills and amalgamation of training plans and joint exercises for various generations of conscripts. See: *Vojska*, 2 October 2003 and 1 January 2004.

¹⁵⁴ See: *Blic*, 14 April 2004.

¹⁵⁵ See: 'U skladu sa uslovima', *Vojska*, 5 February 2004.

¹⁵⁶ Presentation on 'Defence Reform in S-M' by senior MoD official at the OSCE/CCMR International Conference on the Role of Parliament in the SSR in Countries of the Western Balkans, 12 March 2004.

¹⁵⁷ It would be advisable to have a 4th corps of reserve units, especially considering security concerns in South Serbia and planned deployments abroad.

be abandoned altogether and a more direct line of command established with the forces. The process of barracks closures and relocations has already begun, and some 4-5 locations, noted on Map 1, will be closed and forces restructured. The rationale for these changes is not clearly known, however. If the concept of collective security is adopted, then this together with a cost-benefit approach (including the social aspects), should be the guiding principle in the decision-making processes.

Officially the Serbian military numbers approximately 78,000 personnel, of which some 30-35% are conscripts and 20% are civilians.¹⁵⁸ However, it is likely that this is the figure for full formation strength, and that current numbers are at least 10% less. Manpower needs to be reduced, not only because of the reduced threat of a conventional war in the region but also because of the severe economic problems the country faces, and not least the issue of resolving the financing of this federal expense between Belgrade and Podgorica.

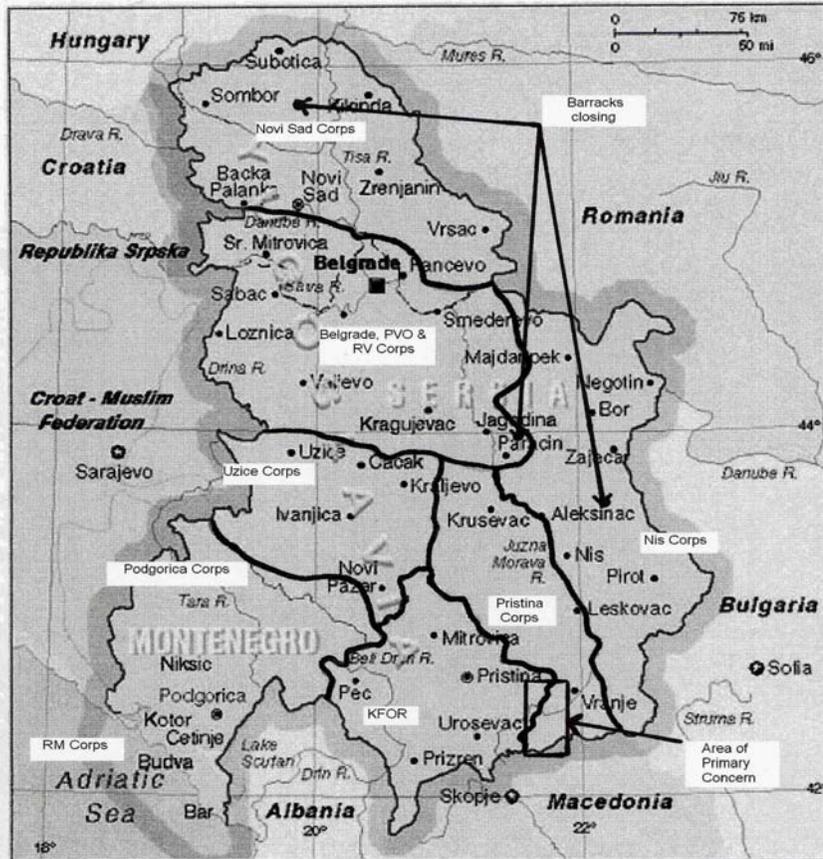
Compared to NATO members Serbia still spends a higher than average percentage of its GDP on defence. For the past few years this has averaged 3.5% of GDP, and according to projections for the following three years, it is likely to stay at some 2.9%. However, at a GDP under \$US 20 billion, this amounts to some \$US 700 million, or approximately \$US 6,200 per soldier, which is one of the lowest in Europe.¹⁵⁹ As in Croatia and other CEE countries, the problem is not so much the defence budget per se, but rather the distribution of funds with it. Currently, over 70% of the budget is spent on personnel expenses, leaving under 10% for modernisation and

¹⁵⁸ Furthermore, the terms of officer cadre, it can be said that the army is 'old'. This is obvious just by examining the structure of ranks, with 46% being senior officers, ie above Lt-Colonel. See: *Defence & Security*, Belgrade, 18 September 2003; Dr Radisa Dordevic, 'Reforma sistema odbrane, budzeta za 2004.g.', CCMR-Analize: <http://www.ccmr-bg.org/analize/analize.htm>.

¹⁵⁹ See: Economist Intelligence Unit, *Country Report: Serbia and Montenegro*, London, July 2003; *ibid*.

other qualitative improvements, not taking into account the added costs of future PfP membership and the deployment of troops abroad.¹⁶⁰

Map 1 - Territorial Distribution of S-M Armed Forces in 2003¹⁶¹



¹⁶⁰ Funding problems have meant that officer salaries are not paid on time, resulting in a massive legal bill against their employer, the MoD. This affects areas such as recruitment and retention of quality personnel, morale and so on.

¹⁶¹ <http://www.vj.yu/odredbe/granica.htm>, adapted (not to scale).

According to the President of S-M, Svetozar Marovic, defence reform has three priorities: reduction in the conscription period from its current 9 months, downsizing the armed forces and finding a solution to the question of the navy. The reduction in conscription has so far not had a major impact on training standards. However, further reductions could change this, or more funds are made available to allow intensified training. Downsizing is currently the main focus of debate in Serbia, and is seen as the most important challenge, primarily in economic terms, in the short term.¹⁶² It is exacerbated by the fact that some 14,000 active personnel do not have housing, and by the problem of the defence industry, both of which have significant political repercussions at all levels (or at least are claimed to have, by domestic politicians).

A major short-term priority for S-M will be restructuring its outdated and oversized military educational system. Some progress has been made, but more radical measures are needed. A priority should be enhancing interoperability with NATO, especially in areas such as command and communications, logistics and airspace management. The low level of English language knowledge among soldiers, and in particular senior officers, is a major problem. Facilities for language training are inadequate and soldiers are mostly left to use their own means in private language schools if they wish to advance their skills.

Modernisation – In Doubt for Serious Lack of Money

S-M has a large but outdated military.¹⁶³ Most of its weapons are from the 1970s and 1980s, although the habit of conservation has resulted in systems that date as far back as the 1950s. Only very recently has there been an attempt to phase out these weapons. A recent statement confirmed the reduc-

¹⁶² Current thinking in the MoD seems to favour establishing a special fund to deal with this issue, financed by the sale of surplus weapons and other military property, directly by the state's and foreign donations. See: *Vojska*, 14 August 2003.

¹⁶³ See: Aleksandar Radic, 'Modernizacija Vojske Jugoslavije', CCMR-Analize: <http://www.ccmr-bg.org/analyze/analyze.htm>.

tion of 200 T-55 tanks, 72 APC, 152 howitzers etc.¹⁶⁴ However, while these are welcome, they are far from optimal in line with modern thinking. The situation is exacerbated by the existence of a large number of different calibres and little standardisation.¹⁶⁵

In the context of understanding reform in S-M, two issues are important. First is the desire to maintain all services of the armed forces operational, even those that have little perspective in the short to medium term. As in other states in the region, it will take some time for the political and military leadership to realise that no matter how much desire and will there is, it will simply not be possible for the country to afford modern front line combat aircraft in any great number, a submarine force and so on.¹⁶⁶ The most important in this respect is the navy, whose future is in doubt not only for lack of funds but also because of the future of the Union and Montenegro's desire to see the navy replaced by a smaller and more cost-effective coast-guard.¹⁶⁷

The second issue is the large but outdated defence industry. S-M inherited over 40% of the former Yugoslav defence related industrial capacity, mainly in the areas of small arms/light weapons, mortars and artillery, unguided and guided tactical rocket systems, light training aircraft and so on.¹⁶⁸ Although the NATO air campaign inflicted damage to these facilities, there still re-

¹⁶⁴ Method of disposal is not clear, although cutting and melting down is suggested. See: *Glas javnosti*, 14 January 2004; *Vojska*, 1 January 2004.

¹⁶⁵ Just in artillery, there are 33 types of weapons system in 13 calibres. See: *Defence & Security*, Belgrade, 18 September 2003.

¹⁶⁶ In this respect surprising is the recent announcement that one (P821) of the three larger diesel-electric submarines, commissioned in the 1970s, is to complete an overhaul programme, having spent a number of years in dry-dock at the Tivat shipyard. See: *Vijesti*, 10 January 2004.

¹⁶⁷ Montenegro diverges from Serbia on this issue. See: Radosav Martinovic, 'Security Priorities of Montenegro' Miroslav Hadzic, ed, *Armed Forces Reform-Experiences and Challenges*, Belgrade (CCMR), 2003.

¹⁶⁸ For a more detailed overview of this subject see the forthcoming book: Amadeo Watkins: *Yugoslav Military Industrialisation 1923-2003*, Frank Cass, 2004.

mains significant capacity.¹⁶⁹ The country will want to keep some of this, especially those factories considered of strategic importance such as small arms, ammunition and explosives. Furthermore, there is solid research & development experience in specific areas, mainly based within the military-technical institutes and Belgrade University.¹⁷⁰ Whilst a large number of personnel has left these establishments, a critical mass remains that could enable progress in this field. Financial constraints, a decade of sanctions and most importantly Milosevic's lack of interest in modernising the armed forces has meant that most of their work ended on the drawing boards or at a prototype stage of development. Only recently have some new systems emerged, although most are slight improvements of work undertaken during the late 1980s or early 1990s.¹⁷¹

According to the latest information, current modernisation of forces is going ahead on the basis of a plan designed during the late 1990s known as Model-21.¹⁷² It envisages upgrading personal equipment in 26 different categories, of which only five will be imported from abroad. The most important novelties are the introduction of a series of domestically developed systems such as the 5.56mm M21 assault rifle (production status of this AK-based model is still in doubt over speculation that a similar Israeli model will be produced under licence at the Crvena Zastava plant in Kragujevac), the M91 7.62mm sniper rifle (elimination of the 7.9mm calibre), an improved 12.7mm Black Arrow anti-material sniper rifle, a 30mm grenade launcher and so on. The future of these programmes is in doubt primarily

¹⁶⁹ See: Amadeo Watkins, 'Yugoslav Industry Revival: Fact or Fiction?', *Jane's Defence Weekly*, 25 July 2001.

¹⁷⁰ Examples include the modernisation of the SA-3 (NEVA) air-to-surface missile system by integration of new optical (thermovision/laser) sub-systems, continued modernisation of the Galeb G-4M aircraft (electronic suite, missile systems, extended range etc) and the building of a new testing station for Mig jet-engines at Batajnica near Belgrade. See: *Vojska*, 18 December, 29th January 2004; *AEROMagazin*, August-September 2003.

¹⁷¹ See: 'Vise of pogleda', *Vojska*, 19 February 2004.

¹⁷² See: *Vojska*, 13 November 2003.

for financial reasons despite the export market, which S-M plans to re-enter, optimistically, in the short-term.¹⁷³

Civil-Military Relations

These are problematic for a variety of reasons, largely influenced by the turbulent events of the past decade or so. While on the whole the armed forces still enjoy much public support, largely for their perceived positive role in defending the country against NATO in 1999, Milosevic's shadow still prevails in several respects. This has created a strange mix of views among the population and a delicate task for the government in addressing them. Feelings among the populace range from the liberal pro-Western views that the military and security services need to be transformed into a small, professional and accountable force to the hard-line nationalistic view that the military is responsible for the loss of 'Serb lands' in Croatia, Bosnia & Herzegovina and Kosovo.

However, in the last two years has there been a wider and more transparent debate on military-security matters, including defence reform, especially amongst the wider populace. The media has played a role in promoting this which while welcome, is not always expert-led, but rather based on sensationalism or political favouritism.

The NGO sector also shares some responsibility for this positive development, because unlike in Croatia, there is a wider base of NGOs dealing with military-security issues. Yet apart from the few that have managed to establish some credibility in this field, especially in terms of western finance and resulting output, there continues to be a general lack of expert knowledge in

¹⁷³ There has already been some success with export of ammunition and small arms to the US. However, following the 'ORAO' affair, a new Law on the Trade of Armaments and Associated Equipment is being drafted. See: ICG, *Arming Saddam: The Yugoslav Connection*, Balkans Report No 136, Belgrade, December 2002; Zoran Kusovac, *Arms Scandals Reveal Illicit Serb Sales*, Jane's Intelligence Review, January 2003.

this specialist subject.¹⁷⁴ Furthermore, only recently have civilian universities started to re-engage more actively in military-security studies, such as the Faculty of Civil Defence at the University of Belgrade.¹⁷⁵ Problems are similar to those in Croatia. One can only emphasize the lack of a coordinated approach towards objective realisation not only amongst them, but by the international community that finances most of their projects, possibly explained by the lack of long-term strategic vision at both these levels.

Parliamentary control over any aspect of defence reform is non-existent at the Union level and is unlikely to become functional in the short term. The only 'good news' in this respect is that the Serbian parliament has managed to establish a committee dealing with defence issues, paradoxically headed by a member of the radical SRS. While this move is not enough, it has received cautious support from international organizations such as the OSCE, as a move in the right direction.¹⁷⁶

Transparency in military-security issues is a major problem that continues to persist in S-M. The long tradition of secrecy where only the select few know and are responsible for state secrets at all levels has still to be overcome. Although some movement has been made in this area, it is still largely cosmetic and ineffective in terms of influencing a more open analysis of key areas such as the defence budget, defence and procurement policy and so on. As a result it precludes not only any serious engagement of civil society, but is also manifested in a reluctance of those within the system to

¹⁷⁴ The most active NGOs include the Centre for Civil-Military Relations, the G17 - Defence and Security Studies Centre and the Atlantic Council of Serbia. The last has the potential to play an important role once the country joins PFP. See: <http://www.ccmr-bg.org>, <http://www.g17institute.com/Default.aspx>, <http://www.atlanticcouncil.org.yu>.

¹⁷⁵ See: <http://www.fco.bg.ac.yu>.

¹⁷⁶ There are two ways to support this argument: one is that some control is better than none, and second is the fact that real power in defence matters rests with the Serbian Parliament.

actively participate in discussions and actions relating to advancing these arguments.¹⁷⁷

What are the Challenges Ahead?

As can be seen from the above, while there are points of similarity between Croatia and S-M, problems facing the latter are fundamentally different and will be much harder to address than is the case in Croatia.¹⁷⁸

Looking 18 months back, one can say with comfort that defence reform, although slow, is one of the most significant areas of change in S-M, when compared to other sectors such as justice, finance, etc. It is also not hard to see this sector advance slightly further, as increased levels of cooperation develop with various partners, including NATO. However, in terms of PfP, and closer Euro-Atlantic integration in general, defence reform is not the only factor of relevance. But it is here that a more dramatic change in the short to medium term is not in sight, especially bearing in mind the strong standing of nationalist and conservative forces, including those of the current Serbian Prime Minister. This is a fundamental difference from Croatia, in that the drive towards Euro-Atlantic integration is more government-led than in the former.

In terms of defence reform, the first area of concern is who will lead the process through the next stage if current Defence Minister Tadic leaves his post.¹⁷⁹ Furthermore, as reform is not possible from the grass-roots level in the short to medium term, radical change in the MoD, including the GS and

¹⁷⁷ The European Union expressed concern at a decision by the military authorities in Belgrade to seize copies of a book alleged to contain military secrets. See: *B52 News Agency*, 4 April 2004.

¹⁷⁸ See: Judy Batt, 'Serbia and Croatia: After the elections', ISSEU Newsletter no 10, April 2004.

¹⁷⁹ See: 'Democratic Party leader Boris Tadic announces that he will stand in Serbia's coming presidential elections'. See: *FoNet News Agency*, 3 April 2004. The most likely candidate is Pravoslav Davinic from the G-17Plus party, whose experience in this field should positively impact on defence reform.

intelligence services, is crucial to a more cost-effective and reform-minded attitude. Concrete tasks for the short term are similar to those in Croatia and include finalising the Defence Strategy and other strategic documents, initiating a downsizing programme including dealing with social aspects of this process, restructuring and privatising the defence industry, reduction of surplus weapons and a greater degree of standardisation in weapon systems, and so on. In all of these there is the continued need for Western assistance, which must learn to be more patient and focused and better coordinated.

PfP & Beyond

The primary aim of PfP is to help achieve interoperability of those forces working with NATO on peacekeeping operations. More importantly, the Alliance's handbook states that PfP was established as an expression of a joint conviction that stability and security in the Euro-Atlantic area can be achieved only through cooperation and common action.¹⁸⁰ In the words of Charles Crawford, the former UK Ambassador to Belgrade, "it was set up to help countries on both sides of the divide get used to dealing with each other".¹⁸¹ As such, it commits states joining the Partnership to the preservation of democratic societies, freedom from coercion and intimidation, and the maintenance of the principles of international law.

It is important to note that PfP does not directly prepare countries to join NATO. What it does is to assist in the modernisation of the armed forces of partner countries and the development of capabilities that would enable deployment in NATO-led search and rescue, humanitarian or peace support operations carried out under UN or OSCE auspices. Focus is on establishing friendly neighbouring relations and on the establishment of joint forces. A good example is the recent formation of a multinational CBRN Defence Battalion, headquartered in the Czech Republic and to be operational by

¹⁸⁰ All basic information and documents on NATO are best viewed at the organisation's official website. See: <http://www.nato.int>.

¹⁸¹ See: Charles Crawford, 'Courses of Euro-Atlantic Integration', Miroslav Hadzic, ed, *Armed Forces Reform-Experiences and Challenges*, Belgrade (CCMR), 2003.

July 2004, in which 13 nations will be participating, including the US, UK, Spain, Turkey and Poland.

The notion of voluntary engagement that PfP offers is attractive to many countries, as it allows them to choose the level of engagement that suits their needs rather than those of NATO. Western Balkans states have decided to engage on a more active level, although this level differs from state to state, and depends not only on their willingness but also capability to engage, both with NATO and between themselves.

Croatia first applied for PfP in March 1996, yet was admitted only in May 2000 once a more democratic government was elected. Since then the level of activities with NATO has constantly increased, from 47 activities in 2000 to 290 in 2003. In 2002 the country for the first time acted as a host nation within the PfP programme, with the civil-military exercise 'Taming the Dragon', while the first military-only activity took place in 2003, with the exercise 'Cooperative Engagement'. At the same time PfP related expenditure increased from \$US200,000 to \$US900,000 in 2003, representing a small percentage of the total defence budget.¹⁸² Although Croatia is in its second cycle of MAP, participation still plays an important role for the armed forces, especially in areas such as interoperability, command and control and so forth.

S-M is not yet a PfP member, and whether it will be invited at Istanbul this summer is still an open question.¹⁸³ However, the country's relationship with NATO has steadily increased in scope, positively affecting defence reform. Yet this relationship is still very elementary, and more emphasis is placed on direct bilateral cooperation with countries such as the UK, which

¹⁸² See: Zlatko Gareljic, 'Sto za Republiku Hrvatsku znaci ulazak u NATO?' Lidija Cehulic, ed, *Godisnjak/Yearbook-Sipan 2003*, Zagreb, 2004.

¹⁸³ NATO has entrenched itself in the stance that full ICTY co-operation is a key precondition for joining PfP. For Example, during the Serbian PM visit to NATO HQ, Secretary General de Hoop Scheffer reiterated this stance. See: <http://www.nato.int/docu/update/2004/03-march/e0323a.htm>.

is also acting as the first NATO contact point. Preparations for PfP in the MoD are taking shape, especially since the announcement in 2003 that S-M is planning to send troops abroad on peace-support operations.¹⁸⁴ For the first time since the 1950s the S-M Armed Forces will be holding a joint military exercise with a NATO member country.¹⁸⁵

Strengthening Regional Co-operation

Practical experience and skills accumulated in the course of PfP co-operation have played a crucial role in fulfilling expectations in relation to NATO membership and in achieving a minimal level of interoperability and compatibility. Moreover, PfP can create an important practical framework for confidence building and development of relations not only between the armed forces of NATO and the new PfP member states, but also between those of potential members themselves. Whilst vertical integration with NATO structures, through joint exercises, courses, seminars and so on, is well developed, much more needs to be done in terms of horizontal integration, taking into account the principle of voluntary engagement. This is especially important in the Western Balkans as a way of strengthening relations among the states in the sensitive military and security sector.

This argument is supported by the fact that contacts between the various sides have taken place, although on a very small scale, and have only helped to strengthen the conviction that the past is behind and a new, more cooperative working relationship is possible in light of the common goal they all share. Backing at the highest levels of decision making, especially in Za-

¹⁸⁴ Planned anti-terrorist exercise, code-name 'Blue Road 2004' is to take place in May 2004 with Romania on the hydro-electric power plant on the Danube. See: *Vojska*, 11 March 2004; Amadeo Watkins, 'Serb SF Prepare for Overseas Deployment' in *Jane's Intelligence Review*, November 2003.

¹⁸⁵ According to records, the last such exercises were conducted in 1955 with HM Navy. See: Radosavljevic, M., Stanisic, T., Viskovic, B. & Antic, B., Interno, *Ratna mornarica: razvoj oruzanih snaga SFRJ 1945-85*, Beograd, 1988.

greb and Belgrade, will be required for any such initiative to succeed, and PfP proves an ideal platform to make such an idea publicly acceptable.

There are a few existing examples. The RACVIAC centre in Croatia is a good starting point.¹⁸⁶ This is a multi-national centre which was created in 2000 to act as a forum for regional dialogue and co-operation in arms control and confidence and security building measures. In other words its purpose is to assist in the process of creating greater transparency, openness and predictability in the area of military-security issues, as well as increased co-operation and dialogue among the member states. As the primary aim of setting up this centre (arms control) is becoming questionable, the initiative proposed above might shed new light on its future. However, one must avoid the ‘mentality of competition’ in this field (for political point-scoring) one can sense between Croatia and S-M at the moment. Rather, in character with the values promoted by PfP, emphasis should be placed on co-ordination of efforts and the application of cost-efficiency in areas such as opening and maintaining peace-keeping training centres.

A further example might be the Adriatic Charter, supported by the United States and signed between Croatia, Macedonia and Albania. Although this emphasises that it is a political process, it does have a military component, which could be extended within the PfP framework. Involving other countries, such as S-M, in this initiative would help build a solid foundation for increasing horizontal integration. Although this is politically a sensitive issue, considering the recent past the benefits of such a move easily outweigh political barriers.

Recognising the difficulty of direct engagement of military units in the short term, a good starting point could be initiatives in the areas of the fight against terrorism, organised crime or crisis management. These ‘soft options’ would help build up the necessary preconditions for more substantive military engagement, one that will be inevitable in the medium to long term,

¹⁸⁶ See: <http://www.racviac.org/en/index.asp>.

as all states work towards Euro-Atlantic integration. NATO and especially EU personnel stationed in the region could play an important role. For example, an exercise in Macedonia, involving Croatia, Bosnia & Herzegovina, S-M, Macedonia and Albania in the area of disaster management, as a practical follow-up to the “Lesson Learned Seminar” in May 2004 in Dubrovnik, Croatia under the auspices of the Euro-Atlantic Disaster Response Coordination Centre might be a good starting point. The Adriatic Sea, which has during the past decade turned into an important route for various criminal activities, is also an area where regional cooperation will be important.

For NATO the Western Balkans is still a troubled area. Militarily, there is little the Western Balkans states can offer the Alliance that it has not got elsewhere, apart from peace and stability in the region and a belief that they too have a place in Europe and its future development.¹⁸⁷ For this reason, achieving these aims should be at the forefront of NATO decision-makers’ thinking, especially in relation to S-M and Macedonia where the greatest danger lies in the short to medium term. After all, such a commitment was made at the last Alliance Summit in Prague.

The Broader Picture

The paper has briefly and selectively looked at the most important political and military issues facing Croatia and S-M since pro-democratic forces came to power in 2000. It has argued that while these two countries share many of the problems found in other CEE countries, they are also distinctly different in terms of implementing reform in a post-conflict environment. As a result there is a general feeling in the region that progress is taken for granted, with little understanding of how hard it is to implement change under such circumstances. All the countries in the region differ in the complexity of problems they face. This necessitates a separate approach to each of them, while keeping the aim of regional stability in mind.

¹⁸⁷ See: Thomas S Szayna, *The Future of NATO and Enlargement*, Testimony for the Subcommittee on Europe of the Committee on International Relations, US House of Representatives, on 17 April 2002.

Much of the debate currently focuses on how should PfP, and NATO, evolve further now that the second stage of enlargement has been completed and the Western Balkans remain a 'question mark' on the Alliance's map. Some of these issues will be discussed and choices made at the Istanbul summit in June 2004. Stakes and rewards are high, and governments in the region must realise that pre-determined standards and criteria are important. NATO for its part, however, should not focus on a narrow application of roles and procedures and take a broader view, with regional peace, stability and development as a *raison d'être* of the whole process of expansion.

Furthermore, there is debate on the future role of the EU in relation to NATO and how its increased, yet natural, interest in military-security affairs will affect new and potential member states, such as those in Western Balkans.¹⁸⁸ Currently, there are two schools of thought on these issues, The first school promotes the idea that the split between US and EU is inevitable and is only a matter of time as the technology gap is further increased and associated policy objectives diverge as a result. The second school maintains that the disagreement is only a temporary matter, resulting from a lack of shared strategic interests and will mend itself in due course as long as there are no further disturbances, such as the US-led Iraq campaign. While it is not the subject of this paper to analyse these further, potential NATO members will be forced to make difficult policy choices, some of which are already visible on two fronts. One is political, as states are forced to choose for or against US policy towards the International War Crimes Court. The second is economic, in terms, for example, of major arms procurement with each camp fiercely advocating its own system with little respect for national requirements. Because these issues are of strategic importance for the countries analysed here, political debate, while not so visible in Washington or London, can on the domestic level make headline news for weeks and affect policy and even the course of elections.

¹⁸⁸ See: Daniel Serwer, 'The Balkans: from American to European Leadership' in G Lindstrom ed, *Shift or Rift: Assessing US-EU Relations after Iraq*, ISSEU 2003.

There is also a danger of diverging policy objectives between the NATO 'Atlanticists' and potential NATO members, which will be less interested in the US global approach and more persistent at pushing what they will term as local interests, such as 'finishing the job' in the Balkans (especially Kosovo), advancing relations with Russia, Belarus and Ukraine and possibly addressing security concerns in the Caucasus at the furthest.

For potential members the increasing US focus on a 'global approach to security' is something that is hard sold to the domestic public, especially in light of the increasing US view that new and potential NATO members in reality provide little of what NATO might need in the future. This theory, often termed 1+0+0=0, questions not only the capability of the major European countries to provide sizable, deployable and sustainable forces in line with the Prague Capabilities Initiative, but completely negates the capacity of new members to do so. Such an attitude does not help promote NATO's credibility and *raison d'être* among new or potential members. Although Marc Houben argues that NATO is an alliance between states, the social component, i.e. the system of common values shared by the whole populace is at least as important for a properly functioning mechanism. Encouraging change in the Western Balkans from the top down can therefore be called into question, unless it is partnered by an effort by NATO to engage public opinion across the board.¹⁸⁹

The Way Forward

Both Croatia and S-M have accepted that closer Euro-Atlantic integration is a major foreign policy objective. The cases of General Gotovina in Croatia and General Mladic in S-M are clearly the most important outstanding issues in relation to their integration aspirations. Although Croatia has accepted that it will not be joining NATO in the next few years, the ICTY issue is affecting other areas of foreign policy, especially the EU Stabiliza-

¹⁸⁹ See: Marc Houben, 'Changing Patterns and Perceptions of Security' in Miroslav Hadzic ed, *Armed Forces Reform - Experiences and Challenges*, Belgrade (CCMR) 2003.

tion and Association Agreement (SAA) negotiations. In S-M it is quoted as the last major obstacle to PfP membership. As each new government is elected it finds new ways of dealing with the issue. In Croatia, the new leadership has placed responsibility firmly under the jurisdiction of the Ministry of Justice and has emphasised its resolve in moving ahead in terms of finding solutions. In Serbia the solution, at least in theory, is not so encouraging, as the new Serbian Prime Minister Vojislav Kostunica has stated that co-operation with the ICTY will not be on the list of his government's priorities. In their approaches to this delicate matter, both countries emphasise that they must be judged not on the basis of individual cases, but rather on a much broader basis, taking into account the full extent of cooperation.

If the common premise that partnerships create security through cooperation is accepted, then Western policy of conditioning closer Euro-Atlantic integration in Croatia and S-M on complete ICTY cooperation is questionable. Admittedly, however, this body is among other things working on achieving peace and stability in the region, albeit through different means (reconciliation). By allowing S-M membership in the PfP programme, at least three objectives could be met. First, such a move would not give away much, but will help to reinforce the pro-democracy forces at a crucial time. Secondly, it would enable a more rapid and focused defence reform initiative, which would indirectly help change throughout the system. And lastly, it would allow a greater role for S-M in the region, enabling it to interact with its neighbours and thus build trust and aid reconciliation in the region. In addressing this issue, the ultimate question that has to be asked is: will keeping the country outside Euro-Atlantic integration processes aid or hinder the further development of peace and stability in the region?

In light of past experience and current problems, international involvement in the Western Balkans will remain crucial in the short to medium term. Accepting this argument entails a recognition that international involvement needs to be transformed. It must take a new dimension, one of support and co-operation, requiring a more focused and co-ordinated approach at all levels. Current NATO involvement in the region should serve as a basis for

achieving this. An example is the KFOR working relationship with the S-M military-security services in South Serbia (Kosovo border) since the latter entered the Ground Security Zone in 2001. Another example is the EU policing mission in Macedonia, which is among other things a confidence building measure within the local context.

Western Balkan states may in the eyes of an outsider, not familiar with the region, conveniently fall under the same umbrella in terms of policy solutions and long-term strategies. However, while this view has some advantages in terms of expedience, it goes contrary to the desires of the people in the region. All states in the Western Balkans, while sharing many similarities, are distinctly different and need to be treated individually in terms of international support and Western integration. Any other approach would discourage the more progressive forces, who have made some achievements, and they will lose a sense of urgency. It could also play into the hands of nationalist and radical forces, thus slowing down or reversing scheduled reform. This in turn can negatively impact on economic aspects of security, which are critical in this region. Continuing to offer the hand of friendship, and placing the ‘carrot and stick approach’ on hold, might just be enough to strengthen their fragility and provide a more lasting peace for this region.

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