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*Branislav Radeljić*¹

Two Decades of Academic Debate: Western Scholarship and the Collapse of Yugoslavia

ABSTRACT

The collapse of the Socialist Federal Republic of Yugoslavia has encouraged proliferation of academic literature. This paper examines Western scholarship and, while broadly dividing factors that contributed to the state disintegration into two main categories (internal and external), questions what is yet to be analyzed in order to get a clearer picture about the Yugoslav drama. In this respect, the paper perceives non-state actors as important players capable of influencing decision-making processes. Thus, deeper understanding of activism perpetrated by diaspora groups, media and churches — altogether bearing remarkable power within the Yugoslav federation — would be a valuable contribution to the existing scholarship.

Key words: Yugoslavia, state disintegration, European Community, non-state actors.

Introduction

The Socialist Federal Republic of Yugoslavia (SFRY) ceased to exist on 15 January 1992 but has been present in the international political discourse ever since thus opening space for discussion and analysis.² While some of Yugoslavia's peoples and nations understood the Yugoslav federation as an artificial and non-permanent entity, others believed in its structure as it stood, without questioning its future; to quote William Hitchcock,

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² The date when the twelve members of the European Community officially recognized Slovenia and Croatia as independent states.

Yugoslavia was “a rare bird in Europe: Communist, yet moderately tolerant, open to trade with the West, and politically independent of both Cold War blocs”.³ When Yugoslavia started facing economic, political and social problems, academics turned their attention to the area trying to establish the causes and possible outcome of these problems. The crisis of the late 1980s raised tensions and encouraged hatred among nationalist factions, resulting in brutal and humiliating wars. The wars in the former Yugoslavia “shocked the civilized West” and encouraged an endless debate about the Balkans:⁴

“Today, the very word ‘Balkans’ conjures up images of intrigue, war, and human suffering on a scale abhorrent to Western society. To some people, the Balkans countries lack a clear Western orientation and carry far too much cultural baggage to belong in the European club. Western leaders refer to the region as the back door to Europe, the Balkan powder keg, or Europe’s doorstep. What these euphemisms hide is, perhaps, the wish that the Balkans were located anywhere other than in Europe.”⁵

More importantly, I argue that the Yugoslav wars sparked debate over credibility and capability not only with regard to the international community as such, but also of individual states and actors who were assigned important roles in the handling of the devastating situation.

What Western scholarship immediately did was to point the blame at one or more actors, most commonly at specific individuals, while at the same time sparing a number of crucial contributing factors from serious criticism. In his analysis, Robert Hayden comments that academic writings about the Yugoslav conflict “are as polarized as those surrounding the creation of Israel or the partitioning of Cyprus”, and accordingly, “[w]hen one side in such a conflict wins politically, it usually also wins academically.”⁶ Hayden’s statement is a warning as to how to approach the investigations in the field. Today, when the SFRY does not exist anymore and some of the actions perpetrated have become well-known, Western scholarship continuously extends its interest with the purpose of re-examining the contributing factors and what could have been done to prevent the four

³ William I. Hitchcock, *The Struggle for Europe: The History of the Continent since 1945*, Profile Books Ltd, London, 2004, p. 384.

⁴ Sonia Lucarelli, *Europe and the Breakup of Yugoslavia: A Political Failure in Search of a Scholarly Explanation*, Brill, Leiden, 2000, p. 1.

⁵ André Gerolymatos, *The Balkan Wars: Conquest, Revolution and Retribution from The Ottoman era to the Twentieth Century and Beyond*, Spellmount, Staplehurst, 2004, p. 4.

⁶ Robert M. Hayden, *Blueprints for a House Divided: The Constitutional Logic of the Yugoslav Conflicts*, University of Michigan Press, Ann Arbor, USA, 1999, p. 19.

Yugoslav wars and what remains to be done in order to ensure that a similar disaster is never repeated, at least in Europe.⁷

In this article, I examine the existing scholarship in the West closely related to the disintegration of Yugoslavia. I argue that the collapse of Yugoslavia was stimulated by numerous causes, where most of them were interlinked and jointly contributed to the actual state disintegration. Indeed, such complexity encouraged diametrically opposing points of view among academics, politicians, the media, and accordingly, various academic and non-academic writings have emerged, often raising as many questions as they answer, and more importantly, inviting new contributions to the field. First, I will reflect upon the existing arguments — broadly divided into two main categories (internal and external), and second, point out which aspects worthy of consideration in regard to the Yugoslav crisis have not been approached yet.

Internal factors

Internal factors are worthy of consideration for two reasons: first, due to their undeniable presence in any debate regarding the collapse and, second, because they are linked to external factors on a mutually inclusive and influential basis. Accordingly, the internal factors presented here relate to both individuals (Milošević and/or Tudjman) and republics (Slovenia, Croatia and/or Serbia). Less than the first two, but still remarkably present in Western academic research, additional arguments include nationalism, ancient hatreds and cultural diversities. I reject their relevance and direct contribution to the disintegration of Yugoslavia, but rather understand them as back-up components in discourse often used to justify certain domestic policies.

Individual culpability

Slobodan Milošević will remain one of the most controversial political figures of the 1990s. His name is rarely found without accompanying modifiers or ‘clarifying’ phrases: while for Francis Fukuyama he is “a semi-fascist demagogue”, for David Owen he is somebody ready “to regard individuals as disposable: to use them and then discard them”, and the *Observer* dubbed him “the Butcher of the Balkans.”⁸ Many scholars argue that

⁷ Ten-Day War in Slovenia or Slovenian Independence War (1991), Croatian War of Independence (1991–1995), War in Bosnia-Herzegovina or the Bosnian War (1992–1995) and the Kosovo War (1998–1999).

⁸ Francis Fukuyama, *The End of History and the Last Man*, Free Press, New York, NY, 2006, p. 31.

Milošević and his regime were the driving force behind the process of Yugoslav destruction, although a number of them fall into the error of assimilating the ex-banker-turned-politician with Belgrade and Serbia, a debatable association when the numerous demonstrations in Belgrade against his regime are taken into account.⁹

Once the socialist Yugoslavia had become a failure, many authors commenced deeper analysis of human agency and while looking at the decades that preceded the disintegration, blame Josip Broz Tito for creating an unrealistic system and Milošević for triggering the war. For a remarkable power he had, Tito equalled the state. However, I argue that linking Tito to Milošević has no big significance for understanding the Yugoslavia's disintegration *per se* as both of them were products of different time frameworks: Tito of the post-war period and Milošević of the Yugoslav drama. Moreover, Tito's approach was supra-national with a focus on national identification, while Milošević's aim was to subsume Yugoslavia within a nationalist discourse — his intention was that of a Serbia-dominated Yugoslavia, serving the interests of the 42 percent of Serbs living outside the republic of Serbia.¹⁰

Domestically, Milošević enjoyed support from various sides. For example, the Serbian Academy of Arts and Sciences (SANU) proclaimed him “the greatest personality in Serbian history”,¹¹ From the moment he was elected leader of the Serbian communists in May 1986 and later from mid-1988 onwards expected to carry out that which was laid down in the SANU Memorandum, an idea of spreading Serbian hegemony throughout Yugoslavia became obvious and consequently contributed to its dissolution.¹² Another

David Owen, *Balkan Odyssey*, Harcourt Brace & Co., Orlando, Florida, 1995, p. 137.

For the “the Butcher of the Balkans.” See *The Observer*, 1 July 2001.

⁹ This school of thought is represented in the work of Christopher Bennett, Bogdan Denitch, Branka Magaš, Viktor Meier, Sabrina Ramet, Norman Cigar, Thomas Cushman & Stjepan Meštrović, Reneo Lukić & Allen Lynch, James J. Sadkovich, Michael Sells, Laura Silber & Allan Little, etc.

On this particular issue, see, Adam LeBor, *Milošević: A Biography*, Yale university Press, New Haven, Connecticut, 2004, p. 266.

¹⁰ Stevan Pavlowitch, *The Improbable Survivor: Yugoslavia and its Problems, 1918–1991*, C. Hurst & Co., London, 1988, p. 25.

¹¹ Branka Magaš, *The Destruction of Yugoslavia: Tracking Yugoslavia's Break-up 1980–1992*, Verso, London, 1992, p. 263.

¹² For a full account about the SANU Memorandum, see, for example, Jasna Dragović-Soso, *Saviors of the Nation: Serbia's Intellectual Opposition and the Rise of Nationalism*, Hurst & Co., London, 2002, pp. 177–95.

support for Milošević's policy derived from the new republican constitution adopted in 1990 permitting Serbia to bring the autonomous provinces of Vojvodina and Kosovo under Belgrade's control. This, according to some critics, illegal and undemocratic behaviour, helped "the most paradoxical of dictators" to strengthen his position, but what became clear was that any plan for a Greater Serbia could not be achieved without any impact on the stability of the whole region.¹³ Finally, he was admired for his readiness to call for the Army to step into a national dispute during the demonstrations in Belgrade in March 1991, which "provided a moment of truth for Milošević. He entered Yugoslav history as the first republican head of state to ask the Army to intervene in a domestic dispute."¹⁴

Alongside studies of Tito and Milošević, some scholars investigate the role played by another human agent: Franjo Tuđman. Here, for example, Siniša Malešević while pointing out that all three of them "had control over the most important sections ... that had an influence on popular attitudes" and "succeeded in establishing a direct relationship with his followers", concludes: "The only difference was that [Tuđman] would also make an appeal through his extensive knowledge of the history of southern Slav relations and on that basis would patronise his followers."¹⁵ When considered within the discourse about disintegration, his involvement is usually analyzed within the context of actions carried out on behalf of the republic of Croatia, with individual ambitions and responsibilities broadly ignored but rather analysed within a wider scenario. While for Bennett drawing a parallel between Milošević and Tuđman is pointless as "[Tuđman] inherited a situation which was already on the verge of bloodshed and over which he had little control",¹⁶ for Carla Del Ponte, "[t]he culpable actors are Milošević and Tuđman and the individuals strongly supporting their policies."¹⁷ Having said this, the role performed by individuals should be taken seriously as their actions generated reactions in the crucial moments for the future of the Yugoslav state.

¹³ Misha Glenny's perception of Milošević — "a man who has never shown any affection or regard for the masses upon whom he depends for support" (Misha Glenny, *The Fall of Yugoslavia: The Third Balkan War*, Penguin Books, London, 1993, p. 31).

¹⁴ Branka Magaš, *The Destruction of Yugoslavia: Tracking Yugoslavia's Break-up 1980–1992*, p. 292.

¹⁵ Siniša Malešević, *Ideology, Legitimacy and the New State: Yugoslavia, Serbia and Croatia*, Routledge, London, 2002, p. 232.

¹⁶ Christopher Bennett, *Yugoslavia's Bloody Collapse: Causes, Course and Consequences*, New York University Press, Washington Square, NY, 1995, p. 242.

¹⁷ Carla Del Ponte, *La caccia: io e i crimini di Guerra*, Serie Bianca Feltrinelli, Milano, 2008, p. 49; My translation.

Responsible republics

The previous section indicates that scholarship about the fall of Yugoslavia tends to distinguish between individual and collective responsibility. Indeed, some scholars consider republics and their decisions as a driving force in the collapse of the SFRY. For them, the seceding republics appeared to seek foreign support regardless of possible plans by their leaderships.¹⁸ As Denitch later put it:

“In unleashing their destruction of Yugoslavia — whether for the stated purpose of maintaining the status quo or for unconditional, absolute, and immediate sovereignty of their own nations — the political elites of the individual Yugoslav states have sharply reduced the actual independence of their peoples and have created a situation in which their nations must in the long range become protectorates to be jointly overseen by the UN and the European Community.”¹⁹

The question of the objectives of the two secessionist republics, Slovenia and Croatia, is approached in a different manner. When talking about divided responsibility, Slovenia is often accused of being self-centred and disrespectful towards Belgrade. In fact, as Warren Zimmermann, the ambassador with “a lack of sympathy for Slovenia and Croatia”, noted:²⁰

“While the Slovenes hated Slobodan Milošević, they built no ideology against him.... They just wanted to be left alone. Their virtue was democracy and their vice was selfishness. In their drive to separate from Yugoslavia they simply ignored the twenty-two million Yugoslavs who were not Slovenes. They bear considerable responsibility for the bloodbath that followed their secession.”²¹

Thus, apart from Milošević, a malefactor bent on turning Yugoslavia into a Serb-dominated country or Tudjman, who desired a Croatian state for Croats without guaranteeing equal rights to the Serbs living in Croatia,

¹⁸ On 2 October 1990, Slovenia and Croatia proposed a confederation plan which would have terminated the existence of the SFRY as sovereign state. For details, see, Dejan Jović, “The Slovenian-Croatian Confederal Proposal: A Tactical Move or an Ultimate Solution”, in Lenard J. Cohen and Jasna Dragović-Soso (eds), *State Collapse in South-Eastern Europe: New Perspectives on Yugoslavia's Disintegration*, Purdue University Press, West Lafayette, Indiana, 2007, pp. 249–54.

¹⁹ Bogdan Denitch, *Ethnic Nationalism: The Tragic Death of Yugoslavia*, University of Minnesota Press, Minneapolis, Minnesota, 1996, p. 58.

²⁰ James Gow, *The Serbian Project and Its Adversaries: A Strategy of War Crimes*, C. Hurst & Co., London, 2003, p. 209.

²¹ Warren Zimmermann, *Origins of a Catastrophe: Yugoslavia and Its Destroyers- America's Last Ambassador Tells What Happened and Why*, Times Books, New York, NY, 1996, p. 71.

Slovenia deserves criticism for being self-centred within the Yugoslav federation and not interested in finding an appropriate solution for all the parties concerned. In fact, the *Nova Revija* supported Slovenian independence and while reporting that the SFRY was “a historical accident” and “without any idea of itself” argued that it “cannot exist”.²²

Furthermore, although some authors maintain that Slovenia is indirectly responsible for the war in Croatia, meaning that “the accumulated tensions in Croatia had to express themselves through violence”, I ignore the concept of cause and effect and talk rather about shared responsibility.²³ This understanding finds its justification in Peter Radan’s equal blame at the door of both republics: “The Slovenian and Croatian declarations of independence in late June 1991 led to war in Yugoslavia.”²⁴ This means that Yugoslav collapse cannot be studied without examining how each of the two republics confronted the crisis and got involved. Indeed, while seeing Tudjman as a “milder” version of Adolf Hitler, Hayden argues that the new nationalist DEMOS government of Slovenia was followed by the Croatian Democratic Unit (HDZ) government of Croatia, thus both advocating “the logic of confederacy”, and working towards dismemberment of the state.²⁵

What I argue is that by the late 1980s, both Slovenia and Croatia started seeking ever closer relations with Western Europe, with an aim to secure additional support for future secession. For example, within the economic field, both republics adopted an autonomous foreign policy through the Alps-Adriatic Work Community, a regional association aimed at fostering cooperation between Austria, Italy, Switzerland, Bavaria, Slovenia and Croatia.²⁶ Later, it was the Brioni Agreement that allowed the Slovenian dream of achieving independence to come true.²⁷ And Croatia followed.

²² Ilija Urbančić, „Sedamdeset let Jugoslavije”, *Nova Revija* 85/86 (1989); Quoted in Dejan Jović, “The Slovenian-Croatian Confederal Proposal: A Tactical Move or an Ultimate Solution”, p. 261.

²³ Misha Glenny, *The Fall of Yugoslavia*, p. 97.

²⁴ Peter Radan, *The Break-up of Yugoslavia and International Law*, Routledge, London, 2002, p. 161.

²⁵ Robert M. Hayden, *Blueprints for a House Divided: The Constitutional Logic of the Yugoslav Conflicts*, p. 47.

²⁶ See, for example, Patrick Moore, “New Dimensions for the Alpine-Adria Project”, in *Daily Report: Eastern Europe*, Radio Free Europe, 2 March 1990, pp. 53–6.

²⁷ The Brioni Agreement, signed on 7 July 1991, ended the Slovenian war, whereas leaderships of Slovenia and Croatia agreed to freeze their independence claims for a period of three months. The agreement called for urgent negotiations while confirming that it was only to the peoples of the Yugoslav federation to decide upon their future.

However, it is academically accepted that the recognition of both, in Sonia Lucarelli's terms, "is the most debated question of the whole European response to the Yugoslav conflict".²⁸

Economics: factor of connectivity

The economic argument can be approached both from internal and external perspectives. If analysed within the Yugoslav state borders, the economic crisis in the late 1970s is what most Western academic writings concentrate on as it became evident that Yugoslavia's future would be conditioned by its economic performance.²⁹ The economic crisis caused constitutional conflict and thus the crisis of the Yugoslav state as such. In order to understand the specific situation at that time, Susan Woodward points out that growing unemployment pushed the political elite to carry out certain policies, thus challenging "the system's capacity to adapt to ... new economic and social conditions" and "the country's ability to continue to manage unemployment itself" further eroding the "balance in constitutional jurisdictions of the federal system".³⁰

Moreover, regional economic disparities characterizing the state, where Slovenia, Croatia and northern Serbia performed well, while Bosnia-Herzegovina, Macedonia, Montenegro and Kosovo constantly faced economic underperformance, affected one's perception of the SFRY and encouraged attachment to one's own individual republic rather than to the federation.³¹ In the post-war communist federation the imbalance between the republics "could only be rectified by massive state control of the economy".³² The communist leaders were aware of this circumstance, but when it became obvious that their attempts to phase it out had failed, a new set of complaints emerged. In her study, Sabrina Ramet sees the underperforming republics blaming the federation for not being sufficiently involved in solving their problems while authorising delayed payments for more advanced republics. In

²⁸ Sonia Lucarelli, *Europe and the Breakup of Yugoslavia: A Political Failure in Search of a Scholarly Explanation*, p. 123.

²⁹ It was believed that Yugoslavia had already depended too much on foreign assistance and therefore ignored its own economic development. On this matter, see, Patrick F. R. Artisien and Stephen Holt, "Yugoslavia and the EEC in the 1970s", in *Journal of Common Market Studies*, Vol. 18, No. 4, June 1980, pp. 355–69.

³⁰ Susan L. Woodward, *Socialist Unemployment: The Political Economy of Yugoslavia, 1945–1990*, Princeton University Press, Princeton, NJ, 1995, pp. 355–64.

³¹ Warren Zimmerman, *Open Borders, Nonalignment, and the Political Evolution of Yugoslavia*, p. 4.

³² Misha Glenny, *The Fall of Yugoslavia*, p. 63.

contrast, the more advanced republics complained that their growth was being restricted and that their funds were being reallocated in favour of the less developed regions.³³ As is often the case, such conditions raise the question as to whether the situation is being manipulated by the system itself, with citizens expected to adapt to the rules imposed by their leaders. In the SFRY the potential of economic instability increased both social and national tensions.

The economic changes the Yugoslav state was required to implement came from external sources, mostly international organizations, rather than domestic bodies. When the International Monetary Fund imposed policies on Yugoslavia in the 1980s,³⁴ bringing unemployment and double-digit inflation with them, central state polices shifted from protecting the people and the standard of living in general to attacking them.³⁵ Such a situation, in Jens Reuter's terms "turned Yugoslavia into the West's worrisome child [and] Washington and Brussels started to fear that Yugoslavia's economic breakdown might have unforeseeable political consequences".³⁶ Thus, at a certain point it became "fashionable in the West to be pessimistic about Yugoslavia's future after Tito", an approach justified by the re-emergence of the national issue that was always going to be difficult to solve peacefully.³⁷ Reforms were necessary to accommodate the changes required, and Slovenia and Croatia were the only two republics ready

³³ Sabrina P. Ramet, *Thinking about Yugoslavia: Scholarly Debates about the Yugoslav Breakup and the Wars in Bosnia and Kosovo*, Cambridge University Press, Cambridge, 2005, pp. 55–6. For a more detailed explanation, see, Sabrina. P. Ramet, *Nationalism and Federalism in Yugoslavia, 1962-1991*, 2nd ed, Indiana University Press, Bloomington, Indiana, 1992.

³⁴ The main IMF's intention was to fight inflation by introducing restrictions on credits and imports, but at the same time reducing production and labour, thus stimulating unemployment. For a detailed analysis, see, Susan Woodward, *Socialist Unemployment*, p. 259.

³⁵ Tomaz Mastnak, "From the New Social Movements to Political Parties", in James Simmie & Jose Dekleva (eds), *Yugoslavia in Turmoil: After Self-management?*, Pinter Publishers, London, 1991, pp. 45–64. A similar point is examined by Vesna Bojčić, "The Disintegration of Yugoslavia: Causes and Consequences of Dynamic Inefficiency in Semi-command Economies", in David A. Dyker and Ivan Vejvoda (eds), *Yugoslavia and After: A Study in Fragmentation, Despair and Rebirth*, Longman, London and New York, NY, 1996, pp. 28–47.

³⁶ Jens Reuter, "Yugoslavia's Role in Changing Europe", in D. Muller et al. (eds), *Unification of Germany and Unification of Europe – Perspective for the Nineties*, Institute for International Politics and Economy, Belgrade, 1991, p. 115.

³⁷ Ross A. Johnson, *Yugoslavia: In the Twilight of Tito, The Washington Papers*, vol. 2, The Centre for Strategic and International Studies, Georgetown University, Sage Publications, Washington DC, Beverly Hills/London, 1974, p. 55. The same point is made by Andrew Borowiec, *Yugoslavia After Tito*, Praeger Publishers, New York, NY, 1977, p. 7.

to cooperate, stipulating at the same time more inclusive structural changes, a process that consequently encouraged more obvious decentralization that resulted in the break-up of the state.

External factors

External factors primarily relate to the role played by the European Community in the collapse of Yugoslavia. Accordingly, here, major debates question whether lack of interest *vis-à-vis* the Yugoslav federation existed and if it did, how important it was for Yugoslavia's future. More significantly, a question about some Member States having greater power than the Community itself has often been asked. Finally, the Western scholarship has attempted to understand which driving mechanisms behind the decision-making processes that obviously influenced some leaders to adopt particular policies were used.

Lack of whose interest?

In the late 1980s when collapse of the SFRY turned from being a possibility into probability, the European Community decided to leave the initiative to the local actors. Scholarship discussing this period points out that both the United States and the Community opted for preventive diplomacy — an approach that “revealed one of the weaknesses that subsequently hindered the mediations — the inability of the intervening states and the international organizations to speak in a single voice and convey a clear message to the disputing parties”.³⁸ In short, in regard to the American position, I argue that the US had no clear standpoint in regard to the Yugoslav crisis; it did not even need one. In his study, Lenard Cohen assesses “Washington's historic policy of supporting Yugoslav unity” as having become even more evident once Lawrence Eagleburger, Deputy Secretary of State, “had reconfirmed the US view that Yugoslavia should remain united” while considering Milošević as “a reasonable man with whom Washington could do business”.³⁹ However this rhetoric changed as soon as in the late 1980s doing business with the Serbs no longer seemed possible. This switch was due to American reaction to two internationally recognized events: first, with the end of the Cold War, Yugoslavia's geopolitical importance diminished and, second, the State

³⁸ Saadia Touval, *Mediation in the Yugoslav Wars: The Critical Years, 1990-95*, Palgrave, New York, NY, 2002, p. 15.

³⁹ Lenard. J. Cohen, *Broken Bonds: Yugoslavia's Disintegration and Balkan Politics in Transition*, Westview Press, Boulder, CO, 1995, pp. 215–6.

Department agreed to focus more on human rights violations, particularly in Kosovo.⁴⁰ Finally, the *New York Times* reported the opinion of US intelligence that the Yugoslav experiment had failed and “that federated Yugoslavia will break apart, most probably in the next 18 months, and that civil war in that multinational Balkan country is highly likely”.⁴¹

However, the Yugoslav crisis was a European problem from the beginning although for the Europeans the SFRY became a matter of interest only when the conflict seemed easy to deal with, thus, according to Barry Buzan and Ole Wæver, “boosting the EU foreign policy profile — as expressed in the infamous statement by Jacques Poos that ‘the hour for Europe has come’”.⁴² The paradox of this statement was twofold: first, it advocated how powerful the Europeans were by claiming that “if one problem can be solved by the Europeans, it is the Yugoslav problem. [Yugoslavia] is a European country and it is not up to the Americans;” and second, it was pronounced in a moment of complete ignorance and lack of serious strategy as to how to approach the Yugoslav problem.⁴³ Obviously, the EC policy did not manage to resolve the crisis in the Balkans or prevent the spread of violence.

The initial period — “the period without decisive external action” — meant that each of the local actors hoped for the support of their influential friends abroad.⁴⁴ The Slovenes and Croats sought support in Austria and Germany while the Serbs had a degree of consensus from the Russians. Once the conflict attracted global attention, the European players decided to step in; indeed, an opt-out strategy was no longer possible. Zimmermann is critical of the approach: “The European Community leapt into the accelerating

⁴⁰ Paul Shoup, “The Disintegration of Yugoslavia and Western Foreign Policy in the 1980s”, in Lenard J. Cohen and Jasna Dragović-Soso (eds), *State Collapse in South-Eastern Europe: New Perspectives on Yugoslavia's Disintegration*, Purdue University Press, West Lafayette, Indiana, 2007, pp. 338–9.

⁴¹ David Binder, “Evolution in Europe; Yugoslavia Seen Breaking up Soon”, *The New York Times*, 28 November 1990, p. 7. In one of his speeches, Zimmermann also noted: “I would reassert to the Yugoslav authorities the traditional mantra of US policy toward Yugoslavia — our support for its unity, independence and territorial integrity. But I would add that we could only support the country's unity in the context of progress toward democracy; we would be strongly opposed to unity imposed or maintained by force” (W. Zimmermann, *Origins of a Catastrophe*, p. 8).

⁴² Barry Buzan & Ole Wæver, *Regions and Powers: The Structure of International Security*, Cambridge University Press, Cambridge, 2003, p. 387.

⁴³ Quoted in Mark Almond, *Europe's Backyard War: The War in the Balkans*, William Heinemann Ltd., London, 1994, p. 32.

⁴⁴ Barry Buzan & Ole Wæver, *Regions and Powers: The Structure of International Security*, p. 383.

maelstrom with a pedagogical rather than a political approach. Without much understanding of the nationalist forces at play, the Europeans lectured the Yugoslavs as if they were all unruly schoolchildren whose naughtiness would deprive them of the sweets only Europe could provide.”⁴⁵

Although not voluminous, the scholarship discussing the EC’s involvement fits into two groups: one, which concentrates on the Community’s recognition policy and its legal significance within broader international context, and a second, which examines particular Member States and their undisputable power to influence decision-making at the EC level and therefore challenge some of the previously established norms.

The recognition policy was a turning point during the Yugoslav crisis. Again here, arguments somehow take both US and Europe into consideration. While rejecting terms such as ‘fall’, ‘disintegration’, ‘collapse’ or ‘tragedy’, Raju Thomas argues that Yugoslavia was “dismembered” and this was achieved by a selective international recognition policy of its internal republics. According to the author, the Yugoslav state was not destroyed “because of domestic struggles and militant Milošević-led Serbian nationalism”, but due to a Western *ad hoc* recognition policy which violated the 1975 Helsinki Accords Final Act guaranteeing territorial integrity of European state frontiers.⁴⁶ Thomas accuses two men in particular for the Yugoslav collapse: Warren Zimmermann, the last American ambassador to Yugoslavia before the fall and, Hans Dietrich-Genscher, the German Foreign Minister, and thus divides external involvement into two: America and Europe.⁴⁷

The Badinter Commission, an arbitration body, established by the EC on a French initiative, and on the basis of very broad terms, was expected to assess the republics’ applications for recognition.⁴⁸ The logic of adopting policy of

⁴⁵ Warren Zimmermann, *Origins of a Catastrophe*, p. 147.

⁴⁶ Raju G. C. Thomas, “Sovereignty, Self-Determination, and Secession: Principles and Practice”, in Raju G. C. Thomas (ed), *Yugoslavia Unraveled: Sovereignty, Self-Determination, Intervention*, Lexington Books, USA, 2003, p. 3.

⁴⁷ Even Zimmermann himself admits to be an error is that the policy of recognition was premature, thus excluding eventual compromise. For him, both the US and the EC failed in this respect: “I was urging Washington to try to persuade the Community to defer recognition. All the EC ambassadors in Belgrade were also lobbying their governments against premature recognition... Washington shared these concerns but didn’t do enough about them (Warren Zimmermann, *Origins of a Catastrophe*, p. 176).

⁴⁸ Joint Statement delivered at 28 August 1991 only pointed out that “the relevant authorities will submit their differences” to the Commission, thus leaving the arbitration Commission to adopt its own rules and procedures. See, for example, Matthew C. R. Craven, “The European Community Arbitration Commission on Yugoslavia”, *66 British Year Book of International Law*, Oxford University Press, Oxford, 1995, pp. 333–413.

recognition offers various interpretations. In his study, Richard Caplan suggests three valuable interpretations to consider: first, recognition was perceived “as a tactical measure”, aimed at preventing Belgrade from its policy of violence against the secessionist republics, second, recognition would be a medium to transform an internal conflict into an interstate war and thus approve the third-party engagement, and finally, recognition would let republics adopt a set of policies “that might eliminate or at least mitigate one of the presumed causes of the conflict”.⁴⁹ No matter which interpretation we stick to, the policy of recognition decided the future of Yugoslavia as it allowed recognition of two secessionist republics while ignoring possible consequences. In his analysis, Dominic McGoldrick noted:

“The greatest defect of the recognition policy pursued was that it operated in the absence of an overall agreement for Yugoslavia. If none of the former Republics had been recognized in the absence of such an agreement, than the carrot of recognition would have been an important element of pressure to moderate behaviour and to reach agreements respecting minority rights. The practical effect of the recognition policy was to try to predetermine the outcome of the military and political crisis. Conflict could continue in the Former Yugoslavia but the end result would be six new states. Claims to statehood by units within the former Republics would not be accepted even if they were militarily successful. So claims to statehood by the Krajina region of Croatia were not accepted, not those of Kosovo in Serbia, or of the Republika Srpska in Bosnia.”⁵⁰

After the Badinter Commission had given its opinion that Yugoslavia was falling apart and called for the use of the principle of *uti possidetis* permitting republics to keep their borders as new international borders, the existence of the SFRY was coming to the end. Steve Burg and Paul Shoup, correctly point out that the EC decision to recognize Slovenia and Croatia “seemed to intensify the Serbian threat to Bosnia”.⁵¹ Thus, while being without a clear strategy in regard to what to do next, Judge Robert Badinter opened discussion and indirectly encouraged further conflict.

⁴⁹ Richard Caplan, *Europe and the Recognition of New States in Yugoslavia*, Cambridge University Press, Cambridge, 2005, p. 25.

⁵⁰ Dominic McGoldrick, “The Tale of Yugoslavia: Lessons for Accommodating National Identity in National and International Law”, in Stephen Tierney (ed), *Accommodating National Identity: New Approaches in International and Domestic Law*, Brill, Leiden, 2000, p. 24.

⁵¹ Steve L. Burg & Paul S. Shoup, *War in Bosnia-Herzegovina: Ethnic Conflict and International Intervention*, M. E. Sharpe, Armonk, NY, 1999, p. 98.

Equally important is the argument that questions the EC's relation *vis-à-vis* its Member States. Initially, the Community spoke in the name of its twelve member states. However, while facing what Stanley Hoffmann identifies as four main issues, "preventive action, a choice of principles, the problem of recognition, and the problem of coercion", the EC's "main consideration was not the future of Yugoslavia, or even the effectiveness of the EC in this first major post-war crisis in Europe; it was the preservation of the appearance of unity among the 12 members".⁵² But, considering that "the EC was almost willy nilly sucked into the crisis", the voices of the Member States carried more weight.⁵³ By mid 1991 the EC faced a split over the Yugoslav problem. In his analysis, Cohen puts it:

"German, Austrian and Italian political leaders, for example, were generally more sympathetic to the views advanced by the governments of Slovenia and Croatia for a confederation of sovereign states, whereas Serbian advocacy of a remodelled federation – though not necessarily according to the highly centralized perspectives of Milošević – were received more sympathetically in London and Paris."⁵⁴

Therefore, the emergence of different points of view demanded a switch from a supranational to an inter-governmental approach in order to tackle the crisis. Here, Western academic debate considers argument about German behaviour seriously. In her analysis, Susan Woodward criticizes the EC states for all becoming "increasingly vulnerable to German assertiveness" and the "German maneuver" that pressured other EC members to recognize Slovenia and Croatia:⁵⁵

"The precedent set by the German maneuver was that the principle of self-determination could legitimately break up multinational states, that EC application of this principle was arbitrary, and that the surest way for politicians bent on independence to succeed was to instigate a defensive war and win international sympathy and recognition."⁵⁶

⁵² Stanley Hoffmann, "Yugoslavia: Implications for Europe and for European Institutions", in Richard H. Ullman (ed), *The World and Yugoslavia's Wars*, Council on Foreign Relations, New York, NY, 1996, p. 111.

⁵³ Marteen Lak, "The Involvement of the European Community in the Yugoslav Crisis during 1991", in Martin van den Hauvel & Jan G. Siccamo (eds), *The Disintegration of Yugoslavia*, Rodopi, Amsterdam, Atlanta, USA, 1992, p. 175.

⁵⁴ Lenard J. Cohen, *Broken Bonds*, p. 46.

⁵⁵ Susan Woodward, *Balkan Tragedy*, p. 183.

⁵⁶ *Ibid.*, p. 189. The author criticizes the Austrian leadership for advocating "a purist notion of a nation-state" (p. 205), Italy for its contradictory policy (pp. 159–60), the Vatican for having "openly lobbied for the independence of the two predominantly Roman Catholic republics" (p. 149).

Germany was committed to the process of strengthening foreign policy cooperation within the European Community. Accordingly, it is German policy towards the SFRY, initially perceived by its EC partners as a “case of defection from international cooperation”, which puzzles Beverly Crawford in her study.⁵⁷ She attempts to explain German behaviour based on the initial idea that Germany “had agreed to cooperate in the indefinite future ... and the value of continued cooperation should have outweighed the benefits of any one defection”.⁵⁸ While rejecting the pressure of public opinion, lobbying, or the media as possible driving forces — contrary to this paper — she argues that German unification and its growing power, unstable multilateral regimes and lack of synchronized international norms “lowered the costs of unilateralism and provided the permissive conditions for defection”.⁵⁹ Furthermore, in order to understand German behaviour, while drawing attention to foreign economic policy in which policies are shaped by domestic preferences, Crawford argues that Germany’s position within Central Europe and its “expanded economic interests” in the East could better be served by an independent Croatia and Slovenia;⁶⁰ in her words, “Germany was attempting a modern version of a divide-and-conquer strategy in the Balkans”.⁶¹

In September 1991, Genscher together with Gianni de Michelis, Italian foreign minister, agreed that they would recognize Slovenia and Croatia if the negotiations failed. Later, during the meeting at Stuyvenberg, a multilateral Christian Democratic Initiative confirmed the readiness of Germany, Italy, Benelux and Greece to recognize Slovenia and Croatia, by Christmas at the latest.⁶² The Netherlands did have second thoughts because of possible problems that recognition itself might have on the situation in Bosnia.⁶³ However, Germany’s involvement, although not entirely clear, reconfirmed its

⁵⁷ Beverly Crawford, p. 483.

⁵⁸ *Ibid.*, p. 516.

⁵⁹ *Ibid.*, p. 521.

⁶⁰ *Ibid.*, p. 520.

⁶¹ *Ibid.*, p. 497. Moreover, this well-publicised German position also emerges in Galtung’s understanding that the Yugoslav conflict offered a “tremendous opportunity” for unified Germany to turn old possibilities of “political-economic-cultural penetration” into new ones, while the European Community “hesitatingly” failed to stand up to the “strongest member” and followed (Johan Galtung, “Reflections on the Peace Prospects for Yugoslavia”, in Tonči Kuzmanić and Arno Truger (eds), *Yugoslavia War*, Peace Institute, Ljubljana, 1992, p. 24).

⁶² Norbert Both, *From Indifference to Entrapment: The Netherlands and the Yugoslav Crisis 1990–1995*, Amsterdam University Press, Amsterdam, 2000, p. 131.

⁶³ *Ibid.*, p. 134.

manipulative power; actually, when Germany started pressing for the recognition of Croatia and Slovenia in the autumn of 1991, other member states considered such an idea inappropriate and dangerous. It was only after the meeting in December and a ten-hour debate that criteria for the recognition of new states in Yugoslavia were established and the German plan approved, resulting in the recognition of Slovenia and Croatia in January 1992.

What is yet to be analyzed?

All of the arguments mentioned above have significantly contributed to the understanding of the collapse of Yugoslavia. Although some of them are quite exclusive in their nature, it is more appropriate to examine the Yugoslav crisis if looking through the conglomerate of various factors and their interconnectedness. Having said this, it is the missing link between internal and external factors that I argue to be of valuable contribution to the field. The Yugoslav example illustrates the relevance of the interaction between internal and external factors where non-state actors challenged and shaped decision-making processes. Accordingly, my concern is focused on the role played by diasporas, media and churches. By examining non-state actors separately, we can demonstrate what each actor's contribution was and offer a clear account of the policies adopted. Andrew Sabl examines non-state actors and sees them as contributing to "the fragmentation of political responsibility" and accordingly concludes: "The more successful non-state actors are in affecting political outcomes, the more responsibility they should be asked to take for those outcomes."⁶⁴

Debate over diaspora groups has been quite overlooked. Both politically and economically they play a significant role in contemporary social mechanisms.⁶⁵ Some authors discuss their role during the Yugoslav crisis, but without dedicating much attention to the actions adopted in the eve of the disintegration of the state and more importantly what impact they exercised on the EC policies. For example, James Gow and Cathie Carmichael point out that the 1990 Slovene World Congress brought Slovenian émigrés around the world together with a common goal: independence. As they put it:

"While it was important to spread the word everywhere and anywhere, it was quickly realised that an independent Slovenia would be in no position

⁶⁴ Andrew Sabl, "Governing Pluralism", in Denis Saint-Martin and Fred Thompson (eds), *Public Ethics and Governance: Standards and Practices in Comparative Perspective*, JAI Press, Stamford, USA, 2006, p. 250.

⁶⁵ See, for example, Gabriel Sheffer, *Diaspora Politics: At Home Abroad*, Cambridge University Press, Cambridge, 2006.

to establish links with all the eighty-four states with which the Yugoslav federation had diplomatic relations, let alone the eighty or so with which it had no link. Efforts were therefore concentrated on the shaping of foreign policy. This meant, among other things, secretly contacting as many of the small number of Slovenes in the Yugoslav diplomatic service as could be trusted, forging links with the larger Slovene émigré communities, and building links with neighbouring countries and especially with those capitals judged to be the most ‘interesting’ for Slovenia in its current situation — most notably Washington, Bonn and Prague.”⁶⁶

However, in their analysis, the authors do not focus on what exactly Slovenian leadership did and how the contacts were developed and their activities coordinated.

The discourse about Croatian diaspora has got more space in the literature. Apart from focusing on the financial assistance invested and the target countries, some authors concentrate on the evolution of both formal and informal contacts.⁶⁷ In his discussion about the exile patriotism, Paul Hockenos looks at Croatian diaspora in Canada and the United States and clearly shows its greater involvement after 1987, first to back President Tudjman’s electoral campaign and consequently to support country’s fight for independence.⁶⁸ However, he remains rather silent about diaspora activism in Europe — an argument worth consideration as the Croatian diaspora in Germany actively participated in the overall developments during the crisis and thus contributed to the decision-making processes. In fact, Hans Stark says that some 470,000 Croat workers residing in Germany influenced Bonn to recognize their homeland.⁶⁹ Thus, based on Lyons’ argument that “[a] sense of solidarity and attachment to a particular locality can generate a common identity without propinquity, where territorially defined community and spatial proximity are decoupled”, diaspora groups present powerful components in conflict-affected societies.⁷⁰

⁶⁶ James Gow and Cathie Carmichael, *Slovenia and the Slovenes: A Small State and the New Europe*, Hurst & Co., London, 2000, p. 181.

⁶⁷ “Diasporas: A World of Exiles”, *The Economist*, 4 January 2003, pp. 25–7.

⁶⁸ Paul Hockenos, *Homeland Calling: Exile Patriotism and the Balkan Wars*, Cornell University Press, Ithaca, NY, 2003, pp. 15–102. Similar approach is adopted in Zlatko Skrbiš, *Long-Distance Nationalism: Diasporas, Homelands, and Identities*, Ashgate, Sydney, 1999.

⁶⁹ Hans Stark, “Dissonances franco-allemandes sur fond de guerre serbo-croate”, *Politique étrangère*, Vol. 57, No. 2, février 1992, p. 341.

⁷⁰ Terrence Lyons, *Diasporas and Homeland Conflict*, George Mason University – Institute for Conflict Analysis and Resolution, Fairfax, USA, 2004, p. 9.

The manipulative power of the media has been one of the most controversial issues in regard to the crisis due to its bias which characterized the crisis from the very beginning. Discussing the linkage between media and politics, Diana Mutz says: “Media influence politics in subtle but powerful ways by informing beliefs about social reality that in turn shape political attitudes and behaviour.”⁷¹ However, most authors adopt an impartial position when discussing the media. For example, Branka Magaš criticizes the media in Yugoslavia for being “the exclusive property of the ruling party”, while ignoring that even before the conflict, governments did their best to place their people in top positions in order to control and influence the media.⁷² Furthermore, such behaviour by the executives managed to provoke enmity among the ethnic groups who for so long had shared the same territory.⁷³ Thus, during the crisis, propaganda demonstrated its importance by managing to create confusion and contribute to the intensification of interethnic hatred — an aspect overlooked by the EC establishment. In fact, Marina Blagojević goes into depth by assigning the media two different roles; the first related to “the slow but steady deconstruction of former Yugoslav commonalities and the promotion of divisive ethnic cultures” and the second, aimed at “creating demands that ‘something must be done’ to justify concrete political acts and military actions”.⁷⁴

What happened? During the crisis, wider perception of the events depended rather on what exactly the media had to say than what the factual situation was. This was accentuated even more with the emergence of independent media. I argue that with the beginning of hostilities, Slovenia and Croatia, on one side and, Serbia, on the other, adopted two different strategies. While the first two republics worked on attacking the European Community

⁷¹ Diana C. Mutz, *Impersonal Influence: How Perceptions of Mass Collectives Affect Political Attitudes*, Cambridge University Press, Cambridge, 1998, p. 91.

⁷² In addition, she accuses Serbian media of closing down the Albanian-language radio and television in Kosovo, while in Slovenia and Croatia the opposition had access to state-controlled media (Branka Magaš, *The Destruction of Yugoslavia: Tracking Yugoslavia's Break-up 1980–1992*, p. 263).

⁷³ See, for example, Mark Thompson, *Forging War: The Media in Serbia, Croatia and Bosnia-Herzegovina*, University of Luton Press, Luton, 1999. Moreover, Bennett points out that “the media had always played a critical role in Yugoslav society but had, hitherto, been employed to bring Yugoslavia’s peoples together in the Titoist spirit of ‘brotherhood and unity,’ and to smooth over national disputes, not to create ethnic conflict” (Christofer Bennett, p. 10).

⁷⁴ Marina Blagojević, “War on Kosovo: A Victory for the Media?”, in Florian Bieber and Zidas Daskalovski (eds), *Understanding the War in Kosovo*, Frank Cass, London and Portland, Orlando, 2003, p. 169.

for its incapacity to prevent a conflict that can threaten European freedom, thus insisting on the crisis ready to affect the Community, Serbia primarily concentrated on its own audience by justifying the policies adopted. This explains why some authors in judging the coverage of the Yugoslav crisis, view Western propaganda as being directed against Serbs.⁷⁵ In addition, Conversi argues that the Belgrade political elite manipulated Western perception of the Yugoslav crisis and at the same time controlled the information reaching Western embassies in Belgrade, thus raising the question of lobbying.⁷⁶ Even if this was the case, it could have not lasted for long considering the strategy Slovenia and Croatia had opted for.

However, the literature briefly questions the role that Slovenian and Croatian media played, but ignores answering how they linked themselves to the media in the countries bearing a decisive function to facilitate their path towards independence. By insisting on European dimension of the conflict, reporting from both republics gained attention in Germany, Austria, etc. Therefore, the influential *Frankfurter Allgemeine Zeitung* attributed pro-European values to Croatia, in contrast to their treatment of Serbia.⁷⁷ Thus, while being “open and friendly with the foreign press” from the beginning of the conflict, Slovenia and Croatia secured support in their struggle towards independence.⁷⁸

Finally, I address religious organizations and their policies in the process of Yugoslavia’s disintegration. In former Yugoslavia and especially once the conflict had commenced denomination played a critical role and belonging to one religion rather than another was a matter of importance.⁷⁹ Usually, in war torn territories, multiple identities disappear making way for the identity most closely related to the conflict: this identity is often outlined by religion.⁸⁰

⁷⁵ Sabrina Ramet, *Thinking about Yugoslavia*, p. 20. Similarly, Huntington criticizes the Bavarian media for its biased reporting, thus “developing German public sentiment for recognition” (Samuel Huntington, *The Clash of Civilizations: And the Remaking of World Order*, Free Press, London, 2002, p. 282).

⁷⁶ Daniele Conversi, “German-Bashing and the Breakup of Yugoslavia”, *Donald W. Treadgold Papers in Russian, East European and Central Asian Studies*, Vol. 16, March 1998, p. 47.

⁷⁷ Beverly Crawford, “Explaining Defection from International Cooperation: Germany’s Unilateral Recognition of Croatia”, *World Politics*, Vol. 48, No. 4, July 1996, p. 503.

⁷⁸ Misha Glenny, *The Fall of Yugoslavia*, p. 103.

⁷⁹ For example, Pavlowitch argues that in the 1980s “[t]he Churches began to extend their social involvement. The religious press blossomed, particularly on the Catholic side. A survey undertaken in 1983 accounted for some 200 religious periodicals, with a total annual circulation of 15 million copies” (Stevan K. Pavlowitch, *The Improbable Survivor: Yugoslavia and its Problems 1918–1988*, p. 105).

⁸⁰ Samuel P. Huntington, *The Clash of Civilizations*, p. 267.

Indeed, this proved to be the case during the Yugoslav crisis. However, the scholarship discussing religion often focuses on its internal dimension and disagreements arising from ethnic heterogeneity within the state. Based on this, some authors argue that “[a]s Serb-Croat polemics heated up in the course of the period 1989–1990, the Catholic Church was ineluctably drawn into the fire”,⁸¹ and therefore conclude that “religion was a social component of the forces that helped dismember the Yugoslav ‘experiment’”.⁸²

I argue that more complete understanding of the Yugoslav ‘experiment’ is possible only if the external dimension of religion is taken into consideration as well. The cross-border power of Slovenian and Croatian Catholic churches to link themselves to the respective Catholic organizations within the European Community meant securing a back-up factor in their fight for independence. While the Serbian side enjoyed support from the Greek Orthodox Church,⁸³ the two Catholic republics communicated with the Vatican City which openly lobbied for them.⁸⁴ Since this permitted stronger incentive in regard to their position, the literature has not demonstrated yet how the communication between them was handled, what strategy the informal contacts adopted and to what degree their activism influenced decision-making processes.

Conclusion

The amount of scholarship discussing the Yugoslav drama is surprising. In general, lack of academic research concerning specific elements might affect the complete understanding of any important issue, and this is true also in the case of the disintegration of Yugoslavia. In her analysis, Jasna Dragović-Soso warns that “scholarship does not exist in a vacuum but tends to be influenced by the dominant cognitive frameworks of its time and often seeks to respond to prevailing public perceptions and political debates”.⁸⁵ Having consulted the

⁸¹ Sabrina P. Ramet, *Balkan Babel: The Disintegration of Yugoslavia from the Death of Tito to the Fall of Milošević*, Westview Press, Boulder, CO, 2002, p. 95.

⁸² P. H. Liotta, “Religion and War: Fault Lines in the Balkan Enigma”, in Raju G. C. Thomas (ed), *Yugoslavia Unraveled: Sovereignty, Self-Determination, Intervention*, Lexington Books, USA, 2003, p. 89.

⁸³ Takis Michas, *Unholy Alliance: Greece and Milosevic's Serbia*, Texas A & M University Press, College Station, Texas, 2002, p. 29.

⁸⁴ Susan L. Woodward, “The West and the International Organisations”, in David A. Dyker and Ivan Vejvoda (eds), *Yugoslavia and After: A Study in Fragmentation, Despair and Rebirth*, Longman, London and New York, NY, 1996, p. 163.

⁸⁵ Jasna Dragović-Soso, “Why did Yugoslavia Disintegrate?”, An Overview of Contending Explanations”, in Lenard J. Cohen & Jasna Dragović-Soso (eds), *Perdue University Press*, West Lafayette, Indiana, 2007, p. 28.

extensive literature on the collapse of Yugoslavia, I understand the conflict to have been almost inevitable, but I have not found any ‘good’ reason as to why it was so devastating and long-lasting. The international community as such was expected to do its utmost in order to keep the Yugoslav state together, but once the conflict commenced the Europeans should have redirected their policies to prevent the spread of violence. While of vital importance, mediation was lacking. Thus, incapable of reacting swiftly and identifying the correct approach, all sides fought for or against the war of secession and enclaves. However, I agree with generally accepted understanding that the future is an opportunity to break with the structures of the past while offering the potential to escape the strictures that bind human potential.⁸⁶ Thus, while offering new accounts on the SFRY, the academic scholarship may facilitate not only the understanding of the disintegration of Yugoslavia, but also the policies some republics (later states) that emerged from the bloody collapse of Yugoslavia had adopted in their fight for independence.

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⁸⁶ Robert W. Cox and Timothy J. Sinclair, *Approaches to World Order*, p. 3.

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The Balkans today: Between the European integration and the American-Russian antagonism

ABSTRACT

The author deals with some key questions concerning the role of European Union in the Balkans. He stresses that the European Union failed both to settle the Balkan crisis and to create a system of collective security. It remains still only an economic zone with divergent political positions in global affairs. American intervention and the Pax America determined the future of the post-communist Balkan states. New small states as protectorates with fragile stability emerged. Globalisation proved to be on other aspect of the Balkanisation. The Balkans was designed to be a buffer zone against the potential Russian influence. But Russia, after its recovery under Putin, has been trying to return in the Balkans, playing the energy card. The Balkan were included in the American-Russian energy war and propably in the new Cold War.

Key words: Balkans, European Union, Kosovo, Greece-FYROM dispute on the name issue, Albanian separatism, Nabucco versus South Stream, Burgas-Alexandroupolis oil pipeline versus AMBO, American bases, American anti-missile defence system, Russian policy in the Balkans.

Introduction

Following the collapse of communism and bipolarity, the former Balkan communist states saw their accession into the European Union as a confirmation of their European identity, as a framework for security and economic development. This is a process which began in 1993 with the signing of association agreements between the EU and the new democratic

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states of Romania and Bulgaria and it was formally completed with the signing of an association and stabilization agreement of the EU with Serbia on the 29 April 2008.² The economic and political data differ from country to country and there is frequently a question posed whether Bulgaria and Romania actually met the conditions for full accession in 2007 or whether their accession into Europe gained a momentum due to their accession into NATO and the geo-political significance of these countries of the Black Sea. One also wonders whether Serbia, despite the gravity of the war and of its consequences, has a better infrastructure for accession into Europe and to what degree political reasons affect its European course. Irrespective of the answer that one may give, there is no doubt that Southeastern Europe belongs to the economic periphery of Europe since the 16th century and that the economic criteria cannot be the decisive indicator of how European a country is.³ A greater importance is placed on the cultural background and from this point of view all of the Balkan people feel that they belong to the European family, which constitutes a unity but in diversity. The perspective of accession in Europe was and still is a powerful motivation for the Balkan states to proceed with the necessary reforms in their course of transition towards Europe, even if this transition is accomplished at a different speed for each state.

However, the EU to this date has remained an economic zone and a value system and failed to prove that it can also become a significant factor in the management of the crises in the Balkans and in finding solutions. With the start of the crisis in Yugoslavia in 1990/91, the then European Community could not understand that Yugoslavia as a united state did not have a future, that the Slovenians and Croatians were pursuing the establishment of independent states — the Slovenians for the first time in history — the Croatians after a millennium of absence of independent state life. The generous offer from Europe to Yugoslavia — economic aid and quick accession in the European Community — should it remain united, did not have an effect on the Croatians, because the need to establish the national state of Croatia proved to be stronger and a condition for the accession in Europe. The entire problem of the Yugoslav crisis constituted

² See Irena Ristić, “Serbien und die Europäische Union: Gründe für die Ambivalenz”, *Südosteuropa* 56 (2008), H.3, p. 344. For an approach to the matter of the signing of the association and stabilization agreements between the EU and the Balkan states, but also of the accession of the Balkans into the energy war of pipelines see Vladimir Cačevski, *Balkanite. Evropejskijat izbor*, Sofia 2007, by the same, *Balkanite. Novata Jugoiztočna Evropa*, Sofia 2007.

³ See Karl Kaser, *Südosteuropäische Geschichte und Geschichtswissenschaft*, Böhlau Verlag, Wien-Köln-Weimar, 2002, pp. 104–5.

in the fact that the former administrative borders of the partial Yugoslav republics were converted into national borders of sovereign states, where the former equivalent constitutional nations were turning into minorities. Milošević's Serbia abolished the broad autonomy of Kosovo, which had been exploited by the Albanians in 1969–1989 for the promotion of antiserbian policy, Tuđman's Croatia changed the Constitution and the Serbs in Kraina and Slavonia lost the equal status with the Croats and became a minority. In Bosnia Alija Izetbegović, who had been sentenced in the past for spreading the Islamic fundamentalism, came to power as the leader of the Bosnian Muslims in Bosnia, which raised concerns in the Serbs. Thus, the Serbian issue emerged not necessarily as an issue involving the founding of the Great Serbia with a territorial continuity, but as an issue of the status that the Serbs would have in the independent Croatia and Bosnia. The opinion of the Bandinter committee regarding the criteria for the recognition of the former Yugoslav republics as independent states essentially was infringed upon and the International Community accepted the former administrative borders of the partial Yugoslav republics as the borders of independent states, interpreting the right of self-determination of the Croats and the Slovenians as a right of secession and that of the Serbs as the right to preserve their national identity.

The active US military involvement and intervention in the summer of 1995 gave the known solution for Croatia and Bosnia — that is the expulsion of the Serbs from Kraina following an attack of the Croatian forces, trained by US veterans, the bombing of the Serbian positions in Bosnia, the promoting of the peace process which led to the signing of the disfunctional Dayton Agreement. The US intervention in the summer of 1995 was included in the more general plan by Washington for the expansion of NATO to the East and the establishment of protectorates, causing the reaction of Russia. Immediately after Dayton, in Tuzla (Bosnia) a US military base was established. In a special annex of the Dayton Agreement there was a provision for the free access of the NATO forces on the soil of Yugoslavia. Milošević's refusal to apply the provisions of this special annex was the cause that fired the escalation of the crisis in Kosovo. Despite the mistakes made by the Serbian leadership under Milošević, there is no doubt that the US side was particularly biased in favor of the Albanians and the key issue was to provoke the Serbs, in order to respond with retaliation and in this way to justify the NATO's intervention being planned.⁴ The immediate objective of the Americans was to establish

⁴ See Spridon Sftetas, "Kosovo. The Beginning and the End of the Yugoslav Crisis", *Defensor Pacis* 4, 2000, pp. 81–2.

NATO in Kosovo. The Serbian leadership in Rambouillet accepted finally the international military presence in Kosovo, but it rejected the US ultimatum regarding the holding of a referendum in Kosovo following the lapse of three years, which would lead to the independence of the Serbian province. From the perspective of international law, the Albanians did not have a right to independence, like the Slovenians and the Croats, because Kosovo was de jure part of Serbia. The establishment of a large US base in Uroševac, following the withdrawal of the Serbs from Kosovo, and the obsession of the Americans with the solution of Kosovo's independence can explain the deeper motives of the NATO's intervention against Yugoslavia, which essentially was the case for new geopolitical order. The developments in Kosovo had an effect on the Former Yugoslav Republic of Macedonia, where, following the inexplicable war of 2001 and the signing of the Ohrid Framework Agreement, the Albanians in practice were recognized as an equal constitutional nation with the Slav Macedonians and the national-cultural gap between Albanians and Slav Macedonians tends to become impossible to bridge.⁵

⁵ See Spiridon Sfetas, "Krizata v Skopje. Ochridskoto sporazumenie i posledvaloto razvities (Mart 2001-Juli 2002)", *Makedonski Pregled* 2, 2002, pp. 42–56. The war broke out after the signing of a border demarcation agreement between Skopje and Belgrade in February 2001. It was interpreted by the Albanians as a proof that FYROM regarded Kosovo as part of Serbia. In 1997 a serious crisis was triggered off, when on July 9 police forces forcibly took down the Albanian and the Turkish flags from the municipality in Gostivar. In a scuffle with the police two Albanians died, fifteen were injured and over three hundred arrested. All Albanian parties, in FYROM and in Albania as well, condemned the police action. Demonstrators in Tirana burnt the FYROM flag in front of the embassy. Arbër Xhaferi went to Tirana to give interviews about the situation. On the one hand, he accused Gligorov of having acted in compliance with instructions given by Milošević; on the other hand, he revealed that after the collapse of Yugoslavia all Albanian parties in Kosovo and FYROM had agreed on a common policy to gain independence for Kosovo and autonomy for the western parts of FYROM. See Spiridon Sfetas, "Foreign Policy and Ethnic Tensions in FYROM after the Greek-Skopje Interim Agreement", *Hellenic Studies* 1, 1999, p. 48. In December 1998 the Albanian Academy of Sciences published a "*Platform for the Resolution of the Albanian National Question*", calling for the independence of Kosovo, the federalization of the Former Yugoslav Republic of Macedonia and territorial autonomy for the Albanians in Montenegro. On May 13, 1999 the Academy of Sciences and Arts in Skopje replied to the Albanian platform. See Macedonian Academy of Sciences and Arts. Address on the occasion of the publication of the "*Platform on the Resolution of the Albanian National Question*", by the Albanian Academy of Sciences, Appeal for Peace, Skopje 1999. For new information regarding the background of the negotiations which led to the Ohrid Framework Agreement, see Veton Latifi, *Zhvillimi i negociatave 1. Negocimi për arritjen e marrëveshjes së Ohrit*, Skopje 2007, by the same, *Zhvillimi i negociatave 2. Negocimi si teknikë parësore për zgjidhjen e konflikteve*, Skopje 2007.

The accession of Bulgaria and Romania into NATO and the subsequent agreements for the installation of US military bases in these two countries had very little to do with the war against terrorism. There were really energy reasons, the crossing of the oil pipelines through Bulgaria and Romania Constanza-Trieste and Burgas-Avlona (AMBO Albanian-Macedonian Bulgarian Oil pipeline) and geopolitical reasons, the developments in Caucasus and the blocking of Russia from the Black Sea. All these matters are of greater importance for the Americans. The control of the mid Balkan zone, from the Adriatic Sea to the Black Sea, became the strategic objective of the Americans. The recognition of the Former Yugoslav Republic of Macedonia by the USA with its constitutional name “Republic of Macedonia” on the 4 November 2004 was mainly due to the effort of the Americans to avert a new conflict between Slav Macedonians and Albanians, where the interethnic relations after the events of 2001 remained quite tense.⁶ The law regarding the redefinition of the municipalities, which provided the integration of Albanian villages in the municipality of Struga and of Kičevo, so that the Albanians would be the majority and have the opportunity to elect an Albanian mayor in both of these towns, as well as the integration of different regions in the municipality of Skopje, in order that the Albanians reach the 20% of population and the Albanian language becomes official, caused strong reactions to the Slav Macedonians. The Slav Macedonian opposition organized a referendum in order to abolish the law, while the Albanians threatened that in the case of success of the referendum, they would organize a counter-referendum for secession.⁷ The recognition of FYROM by the USA with its constitutional name temporarily worked as a deterrent to the crisis, but it also proved how fragile was the balance in the FYROM, where a dividing line has been established between Albanians and Slav Macedonians. In the end of December 2004, immediately after the recognition of FYROM by the USA as “Republic of Macedonia”, the agreement for the construction of the AMBO was signed by Albania, FYROM and Bulgaria. It partly explains the interest of Washington for Albania and FYROM.

6 See the results of a field research two years after the war Antonina Zhelyaskova, “Macedonia in April 2003. Diagnosis : cancer with galloping metastasis”, in the collective work Antonina Zhelyaskova (editor), *Problems of multiethnicity in the Western Balkans*, International Center for Minority Studies and International Relations, Sofia, 2004, pp. 188–206.

7 See Spiridon Sfetis, “Albanskijat faktor v Bivšata Jugoslavaska Republika Makedonija i problemi na sažitilstvoto na Slavomakedonci i Albanci sled sporazumenieto ot Ohrid”, *100 godini ot Rilskiot Kongres na VMRO. Istorija i Sávremennost. Sbornik dokladi ot meždunarodna naučna konferencija, Blagoevgrad, 29–30 Septemvri 2005 g.*, Kjustendil 2006, pp. 305–6.

The expansion of NATO eastwards — in violation of the terms set by Gorbachov in 1990 regarding the union of Germany, that is the fact that the United Germany could become a member of NATO, but NATO in no case should expand eastwards — raised concern in Putin's Russia. Putin moved more within the framework of the Russian tradition, by rejecting the new liberal model of western capitalism and by introducing the directed democracy and a type of state run capitalism.⁸ Having succeeded in improving the Russian economy, Putin's Russia reacted to the US policy which aimed at encircling Russia, by declaring an energy war against the United States as a potential means to exercise political influence in the Balkans and by trying to take advantage of the problems that were created from the dismantling of Yugoslavia. Russia, according to Putin, went through the stabilization stage and it is entering the stage where it will rise as a super-power.⁹ The energy war of the pipelines in the early 21st century reminds us of the railway war in the Balkans in the beginning of the 20th century. Russia is politically exploiting the Kosovo issue by adopting Serbian positions. The diplomatic maneuver of the Serbian government in 2005, that is to accept the transit of NATO forces on Serbian soil and to participate in the NATO program "Partnership for Peace", did not vindicate the expectations of the Serbs that America could accept the Serbian proposal for the solution of the Kosovo issue, without harming the Serbian sovereignty, "something more than autonomy, something less than independence". When Koštunica's government was sure that the position of Russia on the Kosovo issue was stable, Belgrade looked to Moscow for a strategic partner. The Serbian and Russian stand is known — unilateral independence of Kosovo and cancellation of the Resolution 1244 of the Security Council constitute a strike on the authority of the UN and violation of international law; Kosovo is not the only case and it will become precedent for the manifestation of other secession movements. The fact that the Ahtisari plan about the monitored independence of Kosovo was not approved by the Security Council and the fact that the number of countries which recognized the self-declared by the Albanians independence of Kosovo on the 17 February 2008 is not the one expected (approximately 64 countries, but between them some important ones, like the United States, France and Germany) is a success of the Russian diplomacy. The European Union as a body did not recognize the independence of Kosovo and some European countries, like Spain, Greece,

⁸ See Ratka Dimitrova, "Rusija između istoka i zapada. Vánšnopoličeski strategii na praga na XXI vek", in T. Stoilova, A. Atanasova, R. Čukova (editors), *Problemât iztok-zapad. Prevâplâštenija v novo i naj' - novoto vreme*, Institut po Istorija, Sofija, 2005, pp. 257–63.

⁹ See Putin's speeches and assessments by analysts regarding the future role of Russia in the collective volume, *Kakvo misli Rusija*, M. Minčev, Ilijana Veleva (eds.), Sofia, 2008.

Cyprus, Slovakia and Romania, until today hold a negative stand towards the independence of Kosovo. Spain fears any secession movements by the Basques, who declared that they will proceed with a referendum for their independence in 2010, Romania is afraid that the Mayars of Transylvania could demand autonomy and the Russians de jure secession of Transnistria from Moldavia; autonomy issues by the Mayars are also feared by Slovakia, Greece and Cyprus ponder on the effects from the recognition of the independence of Kosovo on the solution of the Cyprus issue and their relations with Russia.¹⁰ After hesitations Bulgaria recognized the independence of Kosovo, at the same time with Croatia and Hungary in March 2008, which caused the reactions by the academic community of the country.¹¹ But it is known that Bulgaria was subjected to intense pressure by the Americans to recognize Kosovo. Putin's visit in Sofia (17–18 January 2008) and the celebrated signing of the Bulgarian-Russian agreement for the construction of the South Stream pipeline disappointed Washington.¹² Already, during the visit of the Foreign Minister of Bulgaria, Ivailo Kalfin, in America Condolisa Rice had expressed her opposition to a possible signing of an agreement between Bulgaria and Russia, inviting Bulgaria to recognize the independence of Kosovo. In the FYROM, the newly elected Prime Minister Nikola Gruevski initially was hesitant to recognize the independence of Kosovo, despite the pressure he had from the Albanian parties of Menduh Thaçi and Ali Ahmeti.¹³ Despite the fact that Hasim Thaçi helped the campaign of Đukanović for the independence of Montenegro, the government of Montenegro was initially keeping a reserved stand. Recognition of the independence of Kosovo by the government in Podgorica would mean a split in the public opinion of Montenegro and it would

¹⁰ See Aron Buzogany, "Rumäniens Kosovo Komplex zwischen doppeltem Präzedenzfall und EU-Verpflichtungen: Siebenbürgen, die Republik Moldau, Transnistrien", *Südosteuropa* 56, 2008, H.3, pp. 441–8.

¹¹ See the statements made by the Academician Georgi Markov about the effect of the independence of Kosovo on the FYROM, *Standart* (Bulgarian newspaper), issue of 20. 03. 2008. Regarding the Bulgarian position on Kosovo in general, see the *Monitor* (Bulgarian newspaper), 20. 03. 2008 and 25. 03. 2008.

¹² The signing of the agreement coincided with the anniversary of 130 years from the establishment of the Bulgarian state (03. 03. 1878) with the essential help of Russia. The year 2008 has been declared as the year of Bulgaria in Russia and of Russia in Bulgaria. The emerging Rossofilia in Bulgaria raises concerns in America. Regarding Putin's visit in Sofia, where he spoke about a "healthy pragmatism in the relations between Bulgaria - Russia", see the special editorial of the Bulgarian magazine *Bolgarskij diplomatičskij obzor*. "130-letie Osvoboždenija Bolgarii i okončanija Russko-tureskoj vojny. Georgij Pärvanov i Vladimir Putin orkryli v Sofija God Rossii v Bolgarii", *Bolgarskij Diplomatičskij Obzor* 1(2008) 6–25.

¹³ See Biljana Vankovska, "Kosovo: Macedonia's Perspectives", *Südosteuropa* 56 (2008), H.3, pp. 412–7.

cause violent reactions by the dynamic Serbian minority (33%).¹⁴ It would also mean a rift with the historical tradition of the people of Montenegro, for which the “Kosovo Epic” is common legacy with the Serbs. 80% of the people of Montenegro is against the independence of Kosovo.¹⁵ Bosnia-Herzegovina is not going to recognize Kosovo due to the intense objections of the Serb-Bosnians, who threaten with secession from the fragile and dysfunctional state of Bosnia-Herzegovina. The efforts made by the international factor to turn Bosnia-Herzegovina into one centralised state, by taking away powers from the autonomous Republic of Serbia and by establishing a common police did not come to fruition. Turkey recognized Kosovo immediately, despite the potential fears in Ankara about consequences on the Kurdish issue. Kosovo, Albania and Bosnia-Herzegovina are opening new prospects for Turkish investments.¹⁶ For Albania, Kosovo’s independence is a matter of paramount importance. The visit of Kosovar Prime Minister Hasim Thaçi in Albania was characterized by Pristina and Tirana as a historical one. Hasim Thaçi and Sali Berisha signed agreements for a close collaboration in the energy, economy and education sector and, for obvious reasons, excluded the possibility of unification of Kosovo with Albania in the future. Thaçi made a distinction of the concepts of “national identity and state identity”.

“Albanians have never been more solid and closer to one another. I am against the violation of the borders (sic!), but in favor of regional cooperation. We must distinguish between the national and the state identity. We have two different state identities, but Kosovo and Albania share a common national identity. We are Albanians”.¹⁷

It has become apparent that the case of Kosovo is not a special one, but it can be a precedent for movements of secession also in other regions with national problems. The recent crisis in South Ossetia and Abkhazia (August 2008) is markedly characterized by political analysts as a metastasis of the Kosovo carcinoma, as the Russian answer to America. The new President of Russia, Dmitrij Medvedev, had the opportunity to internationalize the Kosovo issue to the benefit of the Serbs. Russia, in the initial phase of its conflict with

¹⁴ See Kenneth Morrison, “Montenegro’s Kosovo Crisis”, *Südosteuropa* 56, 2008, H.3, pp. 418–23.

¹⁵ See *Politika* (Serbian newspaper), 02. 07. 2008.

¹⁶ See, *Standart*, 26. 03. 2008.

¹⁷ See, *Monitor* (Bulgarian newspaper), 20. 06. 2008. About the stand of the Balkan states towards the independence of Kosovo, see also Andreas Ernst, “Kosovos Unabhängigkeit aus der Perspektive seiner Nachbarn”, in the collective work, Bernhard Chiari, Agil Keßelring (editor), *Wegweiser zur Geschichte. Kosovo. Im Auftrag des Militärgeschichtlichen Forschungsamtes*, Paderborn-München-Wien-Zürich, 2008, pp. 153–63.

the West, remaining loyal to the principles of international law and the inviolable nature of the borders, demanded a special status for South Ossetia and for Abkhazia, respected de jure the territorial sovereignty of Georgia, but at the same time asked for the full enforcement of the resolution 1244 of the Security Council for Kosovo.¹⁸ When Georgia detached itself from the Commonwealth of Independent States and America got involved in the crisis, by sending for the first time in the post-war history the US Sixth Fleet in the Black Sea, Russia recognized the independence of South Ossetia and Abkhazia, where it will install bases.¹⁹ Moscow is basically pursuing the overthrow of the President Sakashvili and a new moderate leadership in Tbilisi. The Kosovar leaders expressed their justified fears that perhaps the crisis in Caucasus may hinder the further recognition of Kosovo by other states. Comparing the American intervention in Kosovo and the Russian in South Ossetia, we can identify analogies but also certain differences. The Americans

¹⁸ See the statements in Brussels by Dmitrij Rogozin, Russian representative in NATO “Respecting the territorial integrity of Georgia will not be feasible, without the respect of the territorial integrity of Serbia in Kosovo Metochi. It is not possible to recognize the independence of Kosovo and at the same time to insist on repeating that the territorial integrity of Georgia must be respected on the issue of South Ossetia. If we have the territorial integrity of Serbia in Kosovo, then we have also the territorial integrity of Georgia... Due to what NATO committed in Yugoslavia — murders of citizens, destruction of the bridges on Danube, the Serbian television — it is not entitled to criticize Russia for its current or for its future action”, *Politika* (Serbian newspaper), 18. 08. 2008. With the war in Ossetia Russia wanted obviously to prove that the allies of America in sensitive regions to the Russian interests cannot count on the effective help from the USA, when Russia feels that it is threatened. America on the other hand, is cultivating the psychosis of the Russian danger in the countries of the former Eastern Europe. The signing of the agreement between US-Poland was no accident regarding the installation of an anti-ballistic shield in Poland during the height of crisis in Caucasus. The new Polish government under Tesk had initially expressed reservations, considering the retaliation from Russia. The installation of anti-ballistic shield in the Czech Republic is not approved by the Czech citizens; 70% of the population is against it. The question remains open as to how much of the cost will America accept to bear for the installation of the anti-ballistic shield in the Czech Republic and in Poland, including also any possible Russian retaliation. Political analysts estimate that the Americans caused the crisis in Georgia in order to lift the reservations of the Polish, due to the supposed Russian risk, in relation with the installation of the anti-ballistic shield. 60% of the Polish citizens are against the installation of the anti-ballistic shield. Meanwhile, the new American administration under Obama gave up these plans and announced a (unclear) mobile sea-based missile defence system, giving guarantees of security to the Czech Republic and to Poland. The new Cold War, as well as the former ideologically fortified cold war 1945–1989, is without geographical borders.

¹⁹ According to the information at hand, the Russian fleet of the Black Sea will be transferred in Sokhumi, after his removal from Sevastopolis in 2017, see *Monitor* (Bulg. newspaper) 15. 11. 2008.

as well as the Russians intervened in order to avert a humanitarian disaster. But South Ossetia and Abkhazia were parts of Russia before the Second World War, while Kosovo was never any part of Albania. So much in the war of 1991–1992 as much as in the recent crisis, Russia did not initially raise the issue of independence for Abkhazia and South Ossetia, it demanded a special regime. But after the active US involvement in Georgia Russia proceeded with the recognition of the independence of Abkhazia and South Ossetia. Besides, the Russian peace forces were the first to receive an attack by the Georgian forces. Russia will continue to support Serbia on the Kosovo issue.

The Greek-Bulgarian agreement for the construction of the Burgas-Alexandroupoli oil pipeline, competitive to AMBO, and the recent agreements between Russia-Bulgaria, Russia-Serbia and Russia-Greece for the construction of the natural gas pipeline called South-Stream, one competitive to the Nabucco pipeline (the planned crossing through Turkey, Bulgaria, Romania, Hungary, Austria) make the Balkans the center of transportation of the Russian energy towards Europe.²⁰ Russia has the advantage compared to Azerbaijan in relation with the natural gas and oil reserves and with the Burgas-Alexandroupoli and South-Stream pipelines it makes it possible to ensure a shorter route of supply for Europe with Russian oil and natural gas. The advantages of the South-Stream (sufficient Russian reserves, shorter route from Russian ports to Bulgaria through the Black Sea) in relation with the Nabucco pipeline (insufficient reserves in the Caspian Sea, difficult crossing of the pipeline through the Turkish soil, uncertainty of cooperation with Iran) noted the Chairman of the World Energy Council, Slav Slavov.²¹ But the problem for the US side consists in the fact that the energy dependence of the Balkans on Russia may possibly mean, in the long term, also the exercise of Russian political influence. This is the reason why America, but also European countries, are promoting the fast construction of the Nabucco pipeline in the Balkans. Initially only Romania had signed an agreement for the crossing of the Nabucco pipeline, which is mainly of US interests, through the Romanian soil and President Basescu is an avid supporter of its construction.²² But the crisis in South Ossetia, which threatens Georgia with an extended instability, raises the question to what extent is Georgia a safe country for the crossing of natural gas pipelines from Azerbaijan. Thus, there is already skepticism in Bucharest as to how feasible is the construction of the Nabucco pipeline.²³

²⁰ See FranzLothar Altmann, “Die Energieversorgung als Zukunftsfrage (Südost-) Europas”, *Südosteuropa-Mitteilungen* 3, 2008, pp. 5–15.

²¹ See *România Liberă* (Romanian newspaper), 27. 06. 2008.

²² See *Romania Liberă*, 16. 03. 2008.

²³ See *România Liberă*, 13. 08. 2008.

Nevertheless, America will not give up Georgia, which will turn into a field of intense US-Russian competition, and it will continue to support the construction of the pipeline.

In Serbia the Russian political influence is given, irrespective of the result of the elections on the 11th May 2008 and the formation of the “unnatural” coalition government of the Democratic Party with the Socialists. The Socialist Party of Ivica Dačić had the historical opportunity to evolve into a modern Social-Democratic Party, to be included in the Social International and to return to power after a decade of absence.²⁴ The division of the Serbian political parties into nationalist (Radical Party, Serbian Democratic Party, Popular Party) and into European ones is basically pretentious and the key criterion for distinction is obviously the priority of the parties with regard to Kosovo or the accession in the EU. The vast majority of the Serbs wants the accession in the EU and 80% of the trade of Serbia is conducted with EU countries. The new government of Mirko Cvetković is no less patriotic than the previous government of Koštunica. When the Kosovars declared their independence on the 17 February 2008, Koštunica’s government, despite the disturbances in Kosovska Mitrovica and the protests in Belgrade, rejected the use of military assets or the enforcement of an embargo on Kosovo and chose to defend Kosovo through the diplomatic channels.²⁵ Cvetković’s government intends to enforce the same policy. The key point of conflict between the “nationalistic” and the “European parties” is obviously the price that Serbia must pay in order to be accessed in the EU; that is, if it will be forced to recognize the new reality in Kosovo in order to enter Europe. It is no accident that Koštunica’s party insisted on the legal interpretation of the association and stabilization agreement. The text of the agreement includes certain “legal traps” or “loopholes” related to Kosovo. Article 135 expressly mentions that the agreement is enforced exclusively on the soil of Serbia, without prejudice to the future of Kosovo. “This agreement is not enforced on Kosovo, which, for the time being is under international administration in accordance with the resolution 1244 of the 10th June, 1999 of the Security Council. It will not raise an issue of neither the future regime of Kosovo nor of the determination of its final regime”.²⁶ This practically means that the European course of Kosovo and Serbia is currently following different roads; in the case of Kosovo by the

²⁴ Regarding the problems that the new government is called upon to confront, both in the foreign policy as well as in the social policy in order to vindicate the expectations of the voters for the Socialists and pensioners, see the article, „Nova Vlada Srbije. Budućnost jedino vreme”, *Nin*, 26. 06. 2007.

²⁵ See *Nin*, 20. 03. 2008.

²⁶ *Politika*, 30. 04. 2008.

Ahtisari plan and in the case of Serbia by the agreement of the 29th April 2008. However, the reference to the resolution 1244 in the text of the agreement and the fact that the EU as a body did not recognize the independence of Kosovo were enough reasons for the agreement to be ratified by the Serbian parliament, claim the “Euro-philes”. Article 17 makes reference to the cooperation of Serbia with other states that are candidates for accession in the EU, but did not sign association and stabilization agreements, and the the article 39 provides for the consulting role of the EU in the trade policy of Serbia with third states. From a narrow legal interpretation of the articles 17 and 39, the result is that Serbia must cooperate with Kosovo or not to block its accession in the international organizations, since it is only Kosovo that it has not signed in the Balkans yet association and stabilization agreement with the EU (Bosnia-Herzegovina did not sign, but it is included in this process), and that it is required to consult with the EU on its trade transactions with Russia. But these obstacles can be bypassed. By a broader interpretation of the article 17, the constructive stand of Serbia towards Kosovo depends on its international facade. A state without any international substance (member of the UN, the OSCE) will always be on conditional status, the Serbian side may claim. As Russia is a trade partner of the EU, Serbia, which has a European perspective, is entitled to have an autonomous trade policy towards Russia. Besides, article 39 does not name Russia. There is no doubt that the European countries, mainly Austria, are disenchanted with the prospect of the economic penetration of Russia in Serbia, which has a significant potential. In particular, the buying of the Serbian oil company NIS by Russian companies at a low cost (400 million EUROS) gives the European countries the opportunity to cultivate an anti-Russian climate in Serbia. Cvetković’s new government also looks upon Russia as a strategic partner, both due to the unreserved and constant Russian support on the Kosovo issue as much as due to the prospect of Russian investments.²⁷ In ranking the priorities of his foreign policy, Cvetković mentioned the continuation of the state policy for Kosovo and the ratification both of the association and stabilization agreement with the EU and the energy agreement of Serbia with Russia.²⁸ Both the agreement for the construction of the South-Stream pipeline as well as the association and stabilization agreement of the EU with Serbia were ratified finally by the

²⁷ See the statements by Alexander Aleksejev, former Russian ambassador in Belgrade and now in charge of the IV European Department (Balkans, Middle East) of the Russian Ministry of Foreign Affairs: „U odbrani Kosova stajaćemo čvrsto, kao pod Staljingradom”, *Politika*, 27. 05. 2008.

²⁸ *Politika*, 13. 07. 2008. See also the interview of Dinkić, energy minister in Cvetković’s cabinet, „Volim i ja Ruse”, *Nin*, 17. 07. 2008.

Serbian parliament in September 2008. Serbia, being loyal to the tradition imposed on it by its geostrategic position, will move between EU and Russia and it will not, in the foreseeable future, be accessed into NATO. Russian President Dmitrij Medvedev's visit to Serbia (October 20th, 2009) opened new possibilities to fortify bilateral overall cooperation (1,5 billion dollars Russian loan and a clutch of energy and development deals). Serbia and Russia agreed to establish a joint humanitarian centre in Niš for immediate response to emergencies in the Balkans, such as fire, floods and earthquakes. However, analysts are supposing that this Russian logistical base for rescue operations could turn into a military base as a Russian counterweight to the American base in Kosovo.²⁹

The criterion of cooperation with The Hague, an inviolable term by Holland in order to put into force the association and stabilization agreement of Serbia with the EU, is met. Until the end of April 2008, Serbia had extradited 43 people to the International Tribunal of The Hague. The acquittal of Haradinaj, charged for war crimes in Kosovo against the Serbs, and the cancellation of investigations regarding the trade of human organs of Serbs and Gypsies by the UÇK leaders, who today make up the political elite of Kosovo, prove that in the issue of war criminals a double standards policy is applied. The arrest of Karadžić in July 2008 (and perhaps of Mladić in the future) eliminates even the last obstacles for the ratification and enforcement of the agreement between EU-Serbia. On December 22, 2009 Serbia applied for EU membership.

The Serbian leadership harbors no illusions regarding the future of Kosovo. Of course it will never recognize Kosovo, a state that will have no place in the UN and in the Organization for Security and Cooperation in Europe (OSCE), it will try to make the state of Kosovo dysfunctional and limit the number of states

²⁹ To underscore its European profile, the Serbian government pushed ahead with the settlement of the statute of Vojvodina. *Nedeljni Telegraf*, (Serbian newspaper) 28. 10. 2009. The parliament of Vojvodina (November 7th, 2009) supported the harmonisation of the province's draft statute, passed more than a year ago, with the bill on the transferring powers to Vojvodina. Amendments to the draft statute were passed by a vote of 84–20, with Socialists proposing some of the changes. They included mentioning Vojvodina as an integral part of Serbia and of Novi Sad as the main administrative centre, rather than the capital of the province. Vojvodina will be able to conclude international agreements only and to be represented in Brussels with the consent of the Serbian government. Vojvodina will have its own Academy of Sciences and Arts as well as a development bank that will support small- and medium-sized enterprises. The statute and the bill on transferring powers will move next to the Serbian parliament for approval. For the discussions among the Serbian politicians on the statute of Vojvodina see *Politika*, 15. 11. 2009. A vital question for Serbia is now the access to sea.

that will recognize it, it will obstruct the movement of Kosovars to Europe through Serbian soil, as it does not recognize Kosovo passports. In the UN General Assembly in September – October 2008 it raised the issue to refer to the International Tribunal of The Hague to give expert opinion, whether the declaration of independence of Kosovo violates International Law.³⁰ To ensure the necessary alliances, the Serbian diplomacy worked feverishly and in the end the Serbs accomplished a diplomatic victory in the UN on the 8th October 2008.³¹ In the case of an affirmative opinion of the International Tribunal of The Hague, Belgrade will insist on the restart of the dialogue between Serbs and Albanians, despite the fact that the opinion will not be binding. But in the long term Serbia intends to achieve the partition of Kosovo as the only feasible solution and it will never abandon North Kosovo for obvious reasons. Following the voting of the constitution of Kosovo the Serbs declared the establishment of their own Parliament in Kosovska Mitrovica.³² Political analysts have already foreseen the nightmare of the “Cypriot scenario” in the case of Kosovo as well.³³ The Serbs are creating parallel structures in Kosovo, “a shadow state”, exactly as the Albanians did in the period of 1989–1999. Both President Tadić and Cvetković’s cabinet consider illegal the transfer of powers from the UNMIK to the European mission EULEX, without the approval of the UN Security Council.³⁴ The transformation of Kosovo from a UN protectorate into a European Union protectorate, without the relevant decision of the UN Security Council, is essentially an application of the Ahtisari plan that bypasses the role of the Security Council. It was certain that, when the European mission EULEX was about to take over duties in Kosovo, the Serbs would obstruct its actions in North Kosovo. The Serbian government in the end

³⁰ Regarding the tough diplomatic battle of Serbia, see the statements of the Foreign minister Vuk Jeremić, *Politika*, 18. 08. 2008. Regarding the legal problems that are raised due to the declaration for independence of Kosovo, without a UNO resolution, see Michael Marten, “Perspektiven für das unabhängige Kosovo”, in the collective work, *Wegweiser zur Geschichte. Kosovo*, *ibid.*, pp. 125–37. Apart from the problematic to impossible entry of Kosovo in the UNO and in the international organizations there also difficulties arising of practical nature, for example in telecommunications. For a state to be allocated an international code by the International Telecommunication Union which is seated in Geneva, it must be a member of the UNO. For international calls in Kosovo currently, the land line international code of Serbia is applied (00381); in mobile telephony there is use of the Monaco code (00377) that was “leased” by Kosovo.

³¹ See the article, “Lobirane pred generalnu skupstinu UN. Treća diplomatska ofanziva”, *Nin*, 14. 08. 2008.

³² *Politika*, 02. 07. 2008.

³³ See Hansjörg Brey, “Kosovo and the Cyprus Scenario-a Nightmare and a Missed Opportunity”, *Südosteuropa-Mitteilungeng* (4), 2007, pp. 30–45.

³⁴ *Politika*, 15. 07. 2008.

consented to the deployment of the European mission, but under conditions. The agreement between Serbia with the EU and the UN provides for the participation of Serbia in the mission in the Serbian regions of Kosovo and the neutrality of EULEX regarding the status Kosovo; in other words, the resolution 1244 is typically effective. Under these conditions, the Albanians reacted to the deployment of the European mission. The Serbian population also in Kosovska Mitrovica, which is associated with Serbia, does not wish the European mission. Kosovo, south of Mitrovica, will be more closely linked with Albania. Already the US Company Bechtel, where Bush is a shareholder, undertook the construction of the motorway Dyrachium-Merdare.³⁵ European countries that recognized Kosovo are seeking to exploit the mineral wealth, especially lignite, for the production of electricity. Despite the international economic aid, granted Kosovo, the “new state” is disfunctional (mafia, organized crime, lack of institutions). It proves that Albanian society is still a clanish society.

Irrespective of the future of Kosovo, the Albanian issue in FYROM is still unsettled, according to the Albanian leaders. The two major Albanian parties, the Democratic Party of Albanians, led by Menduh Thaçi, and the Democratic Union for Integration have common positions and are competing in the national high bidding for political reasons. They demand the equal participation of the Albanian language as a second “service language”, representation proportional to the Albanian population in public services, the pensioning of the families of the victims-fighters of UÇK etc. The Albanians of FYROM are directly associated with Kosovo. A long term goal for many Albanians in FYROM is their secession and their union with Kosovo, but for the time being the Albanian leaders are striving for equal rights for the Albanians in FYROM and for open borders among the Albanians in the Balkans. The recent case of the controversial “Macedonian” encyclopedia illustrates how fragile are the interethnic relations in FYROM. The Albanians were described as 16th century settlers in Macedonia know as “Shiptari” or “mountain people”. In addition, Democratic Union for Intergration (DUI) leader Ali Ahmeti is described as an asylum seeker, a person with a controversial role domestically and internationally, and a war crimes suspect. This version sparked an angry reaction among Albanians intellectuals and politicians inside FYROM, Albania and Kosovo. Albanian student demonstrations in Tirana kept the heat on the government in Skopje, fueled by fiery speeches from Kosovo and Albanian politicians and intellectuals.³⁶

³⁵ See *Nedeljni Telegraf*, 19. 03. 2008.

³⁶ See “Editorial board to tweak Macedonian encyclopedia”, *Southeast European Times*, 08. 10. 2009.

Albanians and Slawomacedonians are suffering from the burden of the historic past. They don't share a common past. The question to what extent they would be able to share a common future remains still open. Due to the pressure of the Americans and the Albanians, Gruevski's government recognized the independence of Kosovo early in October 2008. A year later, in Oktober 2009, under the pressure of the international community FYROM and Kosovo settled the border issue and established diplomatic relations.³⁷ Kosovo's government attached special significance to the border agreement, believing that it would reconfirm the international standing of the "Republic of Kosovo" and strengthen its case at the International Court of Justice where Serbia has filed suit. However, in Skopje one realizes the regional implications of Kosovo's independence.

The dynamics of the Albanian nationalism was the reason that also set off the Slav Macedonian nationalism. Greece managed to internationalize the issue of the name in view of the prospect for the accession of FYROM into NATO and the granting of a date for the commencement of negotiations for the accession of FYROM in the EU. Gruevski's government downgraded the issue and estimated that Greece would find itself isolated and would not dare put a veto in Bucharest regarding the accession of FYROM into NATO. The Greek objections and the final decision of the summit in Bucharest (April 2008) for the accession of Albania and Croatia into NATO and the exclusion of FYROM until a mutually accepted solution is found with Greece on the issue of the name caused great disappointment in FYROM. Gruevski's government took over a nationalist rhetoric and declared the holding of early elections with a view to achieving absolute majority for a more effective defense of the national interests. The high percentage of Gruevski in the (unfair) elections of June 2008 (62 seats) is an event without precedent in the political scene of FYROM. Until the next elections FYROM will be a single-party state, without any essential opposition, and it will obviously have government stability, since Gruevski's party, VMRO-DPMNE, has the majority in Parliament and the survival of his cabinet does not depend on the support of the co-governing Albanian party of Democratic Union for Integration. Ali Ahmeti complains of his marginal position in the government. Thus, Gruevski has the privilege to raise the nationalist spirit in its warfare against Greece in order to respond to the expectations of its voters and to reinforce its leverage. Already, prior to the summit in Bucharest, Gruevski's government had worked out a 12-point plan as the basis of the future strategy against Greece, in the case that Athens would put a veto. Key points of the plan is to raise an issue about a Macedonian minority in Greece, the compensation to the Slav Macedonian refugees-

³⁷ See *Nova Makedonija*, 20. 10. 2009.

children of the civil war that were “forced out” of Greece, the boycott of all written communication bearing the name FYROM, the reinstatement of the flag with the sun of Vergina, the cancellation of the constitutional amendment of 1992 regarding the non involvement of “Macedonia” in the internal affairs of the neighboring countries, that is raising a minority issue, massive use of ancient Macedonian names, applying to the UN for recognition with their constitutional name, close cooperation with the United States and Turkey and the non recognized “Republic of Northern Cyprus”.³⁸ Gruevski’s letter writing tactics to the Greek government, the EU, NATO and to Nimitz for the recognition of the Macedonian minority in Greece, for the compensation of the “Slav Macedonians Aegean refugees, victims of the Greek monarchy-fascism during the Greek civil war”, for the facilitation of their return to Greece, for the recognition of the “Church of Macedonia” by the Orthodox Church of Greece and the renaming of the airport in Thessalonica from Macedonia airport to Micra airport are an effort to stir the “Aegean issue” as an operation for diversion against Greece. Gruevski, who originates from Greek Macedonia (his grandfather Nikolaos Gruios was from the village Skopos in Florina and was killed in the Greek-Italian war), is flirting with the Aegean refugees.³⁹ He made efforts, due to the circumstances (2008 marked the completion of 60 years from the so called “child gathering, the mass exodus of Slav Macedonians in 1948”), to internationalize the “Aegean issue”. But he met with no response. The Greek prime minister denied the existence of a “Macedonian” minority in Greece and advised the interested persons to refer to the courts, in order for these to decide regarding the properties of the Slav Macedonian refugees that were seized by the Greek state. The EU, UN NATO and Nimitz deemed as untimely this stirring of regional issues and pointed out that the main issue of the conflict remains in the name. In FYROM President Cervenkovski emphasized the risk of populism for the Euro-Atlantic prospects of the country.⁴⁰ Other political and social circles in Skopje are criticizing Gruevski for his ineffective mania with letter writing.⁴¹ Without any foundation is also the decision made by Gruevski’s government to refer Greece to the International Court of Justice due to violation of the Interim

³⁸ See the main article “Evropski leten molk za makedonsko prašanje”, *Nova Makedonija*, 14. 08. 2008.

³⁹ See the interesting article of the newspaper, *Dnevnik* “Dnevnik vo selata od koi poteknuvaat Gruevski i Karamanlis”, where Karamanlis and Gruevski are compared (they both come from the Greek Macedonia) and a question is asked as to how this factor is affecting their obsession in the name *Dnevnik* (Skopje newspaper), 28. 07. 2008.

⁴⁰ *Utrinski Vesnik* (Skopje newspaper), 15. 07. 2008.

⁴¹ See *Nova Makedonija*, 23. 08. 2008.

Agreement in the sense that Greece obstructed the accession of FYROM into NATO. The agreement provides that Greece will not hinder the accession of FYROM in the international organizations as FYROM, but the spirit of the agreement is the reinstatement of good neighboring relations. The political significance of the Interim Agreement (September 1995) for FYROM lay in fact that only after this rapprochement with Greece could FYROM begin pursuing its European integration policy (admission to the European Council and to the Organisation for Security and Co-operation in Europe, signing of agreement on co-operation between FYROM and European Union). Besides, Greek economic penetration in FYROM has increased greatly.⁴² Despite the Greek assistance no progress has been made on the name issue. The only political weapon that Greece has is to block the accession of FYROM into NATO and the European Union no matter to what extent FYROM meets the necessary criteria. A question is asked, as to how much is the International Court of Justice competent to give expert opinion on the specific matter. Thus, for the time being, no solution prospects can be foreseen regarding the conflict of Greece-FYROM about the name. FYROM's new President, Georgi Ivanov, is Gruevski's mouthpiece.

The Greek-FYROM conflict is basically a matter of identity. Greece denies the historical nature of the "Slav Macedonian nation", but it may accept that a new identity is being created in FYROM after 1944. On the part of FYROM fears are expressed about the undermining of the national identity of the Slav Macedonians, if the compromise solution that may be found between Athens and Skopje applies erga omnes, as pointed out by the Greek side, and touches upon issues of national identity and language. The most probable development perhaps of things will be to find a solution for international use (Northern Macedonia, Upper Macedonia, New Republic of Macedonia), without hurting the Slav Macedonian identity of the state domestically.

No matter which solution would be found in the Greek-FYROM conflict regarding the name of this state in the international organizations — the conflict for the name is essentially a conflict to delineate the identities — in the present phase the Slav Macedonians in FYROM will neither write their national history differently⁴³ nor will they stop referring to the existence of

⁴² For a positive appraisal of the Interim Agreement see the collective work E. Κωφός-Βλ.Βλασιδης, (editors), *Αθήνα-Σκόπια (1995–2002): η επτάχρονη συμβίωση*, Αθήνα, 2003.

⁴³ About the modern trends of the Slav Macedonian historiography see Spiridon Sfetas, "Trends of the modern Slav Macedonian historiography", in the collective work, Yannis Stefanidis, Vlassis Vlassidis, Evangelos Kofos, (editing), *Macedonian identities through time. Inter-disciplinary approaches* Foundation of the Museum of the Macedonian Struggle, Patakis Press, Athens, 2008, pp. 296–316.

“Macedonian minorities” in the neighboring countries.⁴⁴ There is a number of “regional issues” that will arise, should there be set the issue of final reinstatement of good neighboring relations between Greece, Bulgaria and FYROM. For example, what will be the meaning of the term “Macedonian language” in the EU? For Greece, “Macedonian language” is the language of the Ancient Macedonians, for Bulgaria “the Macedonian language” is “a serbianized” western Bulgarian idiom, for FYROM this is a self existing language, “the most ancient written Slavic language”. Until when will the Orthodox Church of FYROM be characterized as schismatic, it must be renamed from “Orthodox Macedonian Church” to “Archdiocese of Ochrid” and to have a special relationship with the Patriarchate of Serbia in order to gain recognition of Bulgaria, like Greece, does not recognize the existence of a “Macedonian nation” and of “Macedonian minorities”, it tries to deflate the national ideology of “Slav Macedonism” also within the framework of the EU,⁴⁵ it demands the constitutional recognition of the rights of the Bulgarians on FYROM and exercises criticism on the historians of Skopje regarding the falsification of the Bulgarian history.⁴⁶ It may be said with certainty that Greece, Bulgaria and FYROM are not going to come to agreement about the historical aspects of the Macedonian issue. Neither Greece nor Bulgaria will ever recognize “Macedonian minorities” within their sovereignty.⁴⁷

⁴⁴ See the recent monograph by Frosina Taševska-Remenski about the “Macedonian minorities” in Greece, Bulgaria, Serbia and Albania, who recycles the well known views and was awarded the state prize, Frosina Taševska-Remenski, *Makedonskoto nacionalno malcinstvo vo sosedite zemji: Sovremeni sostojbi*, Skopje, 2007.

⁴⁵ See the simplified study by B. Dimitrov for the 10 lies of Macedonism, which was translated in English and circulated in the European Parliament, B. Dimitrov, *10te Lăzi na Makedonisma*, Sofia, 2006. Recently, Bulgarian historians published the diary of Krste Misirkov, in which the former supporter of the Slav Macedonism and anti Bulgarianism ideology laments for the tragic fate of Bulgaria in the Second Balkan War. See K. P. Misirkov, *Dnevnik, 05. 07.-30. 08. 1913* (edited by Z. Todorovski, C. Biljarski), Sofia-Skopje 2008. The purpose of the publication of the diary was to prove that Misirkov was viewing Slav Macedonism in 1903 simply as political convention due to the circumstances. Misirkov’s diary was characterized as a politological analysis of the plots against Bulgaria during the Second Balkan War, See Ilija Nikolov, “Dnevnik na Misirkov ot 1913 g. politologičen analiz na intrigite sreštu Bălgarija”, *Bălgarija-Makedonija* 3, 2008, pp. 17–9.

⁴⁶ See the recent tri-lingual (Bulgarian, Slav Macedonian and English language) collective work of Bulgarian scientists regarding the proper policy by Sofia towards the FYROM, *Bulgarian policies on the Republic of Macedonia*, L. Ivanov, ed., Sofia, 2008.

⁴⁷ See the recent monograph by D. Tjoulekov about the political legend of the Macedonian minority in Bulgaria, D. Tjoulekov, *Političeskijat mit za “makedonskoto malcinstvo” v Bălgarija*, Blagoevgrad, 2007. To unfounded request of the Slav Macedonian leadership about the return of the properties of the Slav Macedonian refugees can be answered by the fact that the Slav Macedonians had a “fluid” conscience and cooperated either with the

Having fresh his triumphant election victory, Gruevski is following push and pull tactics on the issue of the name (he has not officially proposed a name until today and insists that the problem is bilateral), pretending that Karamanlis's government did not wish a solution, either due to the Euro-elections of 2009 or due to his borderline majority in parliament and the possibility for early elections. In a show to prove national pride and a grandeur of "glorious isolation", similar to the one of Enver Hoxha, he states that his country shall continue to develop and progress even in the case that it will not be accessed into NATO and the EU.⁴⁸

The immature political leadership of Skopje, which is leading the country into a impass situation, is overestimating the importance of FYROM in the strategic goals of America and it is nurturing hopes that due to the need for the expansion of NATO, following the events in Georgia, America will exercise pressure on its allies for the accession of FYROM into NATO with the name issue still pending. But FYROM does not have the geo-strategic position of Georgia, although this country is not of no account for America (big American Embassy in Skopje as CIA's centre for the Balkans, training camp in Krivolak, AMBO, logistic support for the base in Uroševac). The major Greek political parties hold a consenting line on the Skopje issue and, irrespective of the political developments in Greece; any Greek government will not deviate from the fixed position. This national issue is a chronic one and cannot constitute grounds for domestic consumption, for the diversion of the public opinion from the political scandals and developments in the country. The new

German and Bulgarian authorities or with the international communism in the period 1944–1949 for the territorial mutilation of Greece. With regard to the so called child gathering, it may be said that this was conducted by the Communist Party of Greece (KKE) not so much for humanitarian reasons as it was for political reasons. Following the decision of the Third Plenary of the KKE (September 1947) about increasing the forces of the rebels of the Democratic Army to 60.000 with a view to the liberation of Northern Greece, KKE proceeded with a violent draft. In order to recruit the parents and be relieved from the care of the children, these were sent to the Eastern countries for care, where in the future they would be also an armed human resource. The men were enlisted in the Democratic Army. Women either served as stretcher-bearers in the battles or they were engaged in the construction of trenches and shelters. After the formulation of the Provisional Democratic Government of the rebels and the declaration of the KKE as illegal (December 1947), the Democratic Army was expecting major scale operations by the government army. In the second half of 1948 and the beginning of 1949, about 2000 children, aged 14–16, were sent by the Eastern countries to the front. Only Poland refused the return of the children for the front. See the issue of relevant documents from the Polish archives with translation into the Slav Macedonian language, *Makedonskite Begalci vo Polska. Dokumenti, 1948–1975 (1)*, Zoran Todorovski, Slawomir Radon (eds.), Skopje, 2008, p. 19.

⁴⁸ See *Nova Makedonija*, 22. 08. 2008.

Papandreou's government is pursuing the same policy. With the accession of Albania and Croatia into NATO, the goals of the US policy in the Balkans were accomplished to a great extent. Circles of the Slav Macedonian opposition pointed out that the administration of Bush provided Gruevski with a good opportunity for the settlement of the conflict with Greece, because under Obama in America the US policy will be harder towards Skopje, given that the election campaign of Obama was funded by the Greek lobby in America.⁴⁹ But the new American administration is pursuing a balanced policy towards Greece and FYROM.

Regardless of the outcome of the American elections, the US interest will be focused in Caucasus, Central Asia and the Middle East. The US State policy will be involved again in matters like the Russian factor and the return of Russia into the Balkans holding the energy factor in the pocket. There was a great amount of pressure exerted by the US to avoid the ratification of the agreements for the construction of the South Stream pipeline by the parliaments of Greece, Bulgaria and Serbia.

In expressing its disenchantment towards the government of Bulgaria for the signing of the agreement with Russia for the natural gas pipeline South Stream, the US government exercised intense pressure on Sofia for the recognition of Kosovo, to which the Stanišev government succumbed. Also, the EU as well, which is investing on the Nabucco pipeline, expressed its discontent to Sofia and gave the impression that it will not fund the construction of the South Stream pipeline.⁵⁰ During her visit in Sofia, in the beginning of July 2008, Condolisa Rice urged the Bulgarian side to sign an agreement for the construction of the Nabucco pipeline, prior to ratifying the agreement for the South Stream pipeline.⁵¹ It is no accident that the EU reduced the funds for Bulgaria, due to incidents of corruption, while it did not do the same in the case of Romania, which was equally charged with corruption. The main reason for this double standards policy is obviously the fact that Bulgaria signed an agreement for the South Stream pipeline, while Romania did so for the Nabucco.⁵² President Georgi Pârvanov is the recipient of hard criticism even by representatives of the Socialist Party for his pro-Russian position on the energy issue. The Bulgarian Parliament, like the Greek Parliament, ratified the agreement for the South Stream pipeline. Finally,

⁴⁹ See the article and comments of Slav Macedonian politicians about the consequences of a victory for Obama. "Obama nema da bide za Grcija toa što beše Buš za Makedonija?", *Globus*, broj 61, 17. 06. 2008, pp. 18–23.

⁵⁰ See *168 Časa* (Bulgarian newspaper), 14–20 .03. 2008.

⁵¹ See *168 Časa*, 18–24. 07. 2008.

⁵² See *168 Časa*, 1-7. 08. 2008.

Bulgaria did agree to participate in the construction of the Nabucco pipeline as well. But the new Bulgarian government under Bojko Borisov, showing its European profile and being badly in need of European funds, does not consider as a matter of urgency the construction of the South-Stream pipeline.⁵³ Regarding the Burgas-Alexandroupolis oil pipeline Borisov announced the reconsideration of the relative agreement with Russia.⁵⁴ The real reasons are not the protection of the environment in Bourgas and the damage to tourism, as Bulgarian officials argue, but the unwillingness of America to see Russia into the Aegean Sea.

The economic penetration of Russia is intense in Montenegro and Russian money has begun to flow into Banja Luka in Bosnia. The vast majority of the people in Montenegro are in favor of their country's accession into the EU, but not into NATO. Also, they are against the recognition of the independence of Kosovo, something which is a rupture with the entire historical tradition of the Montenegrinians. For them "Kosovo Epic of 1389" is a hallmark. But Hasim Thaçi, who funded the campaign of Đukanović for the independence of Montenegro, in the end, imposed the recognition of Kosovo by Podgorica in the beginning of October 2008, causing very strong reactions in the Serbian minority.

It is obvious that the Balkan region continues its tradition as a field of competition of the Great Powers. The structural approach of history according to Braudel, that is the fact that the geographical and geopolitical situations of a place define its destiny, is verified fully in the case of the Balkans. The racist Nazi Germany officially introduced the term "Southeast Europe" instead of the derogatory term "Balkans". The reasons were mainly economic, the economic penetration of the Third Reich in the Balkans, a vital region that was part of Europe. There are a large number of political analysts today, who, despite the European course of the Balkans, consider the Balkan region as the region of Caucasus. The terrorist attack on September 11 was the pretense for USA for the continuation of NATO's expansion eastwards, the installation of US military bases in Central Asia, the encircling of Russia and the demonstration of power against China.⁵⁵ It reacting to this, Russia, established an Anti-NATO in Central Asia, the organization of Shanghai (Russia, China, Kirgisia, Tajikistan, Uzbekistan, Kazakhstan). America established the prowestern coalition GUAM (Georgia, Ukraine, Moldavia, Azerbaijan), in Caucasus. The

⁵³ See *168 Časa*, 24-30. 07. 2009.

⁵⁴ *Monitor*, 02. 09. 2009.

⁵⁵ See the assessments of the former Russian Prime Minister Evgenii Primakov, Evgenii Primakov, *Svetot po 11 septemvri i invazijata vrz Irak* (translation from Russian to Slav Macedonian), Skopje, 2006.

Balkans was included in this tag of war of competition between the USA and Russia. Early in February 2010 Romania confirmed that it is ready to take part in the new version of the US antimissile defence shield. It will host ground interceptor, with the missile shield elements becoming operational by 2015. The shield will cover the entire territory and protect against medium-and short-range missile attacks.⁵⁶ The planned defence system is a combination of land-and-sea-based SM-3 missile interceptor systems and was discussed by US Vice President Joe Biden in Bucharest in October 2009. Russia perceived the anti-missile defence shield in Romania as a threat to its security and demanded explanations. According to the new Russian military doctrine, NATO is considered to be the main menace to Russia.⁵⁷ The anti-missile defence shield in Romania will bring Moldova onto the frontline of any future confrontations.

In the globalization of the modern era, where NATO must define its new role and the EU did not manage neither to become a counterbalance to America and Russia nor to formulate a system for collective security with the participation of Russia, the national states are required to define their policy based on the national interests. Romania for example is in line with Russia on the Kosovo issue, but it supports the Nabucco pipeline. Hungary recognized the independence of Kosovo, but it supports the South-Stream pipeline. Greece, Serbia and Bulgaria must continue their cooperation with Russia, contributing to the creation of a multipolar world as a factor to reinstate the balance of the international system.

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⁵⁶ See *Evenimentul Zilei* (Romanian newspaper), 07. 02. 2010.

⁵⁷ *Ibidem*.

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Effects of the Global Economic Crisis on the Serbian Economy and the Neighbouring Countries

ABSTRACT

The global downturn is amplifying its negative effects on the local economic crisis. The real sector is much more exposed to the crisis and its negative impact than the financial sector, which is dominated by foreign ownership. Under the conditions of foreign capital squeeze and foreign debt repayment, the pressure is increased on the depreciation of the local currency, what is followed by the uncertain value of the nominal fix rate. Due to these underlying principles, the policy response should be to shift the focus from the financial sector to the real sector. The paper explains that due to the world financial crisis the sudden stop of foreign capital inflow has caused a sharp monetary contraction and consequently a drop in output in Serbia. The main problem of Serbia is the discrepancies between the real sector and the financial sector. The macroeconomic balance is directly related to the rate of implementing the industrial structural reforms and the level of the economic competitiveness. The increasing illiquidity, which is the major cause of decreasing demand and consequently manufacturing, is possible to overcome by offering additional resources to the industry and the population.

Key words: Global downturn, fiscal and monetary policy, bank rehabilitation, structural changes, competitiveness, Serbian economy.

Introduction

Certainly, the world economic crisis was caused by the decline of the financial sector liquidity. However, the liquidity crisis in the financial sector soon manifested in the combination of the crisis of the real sector's solvency and

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productivity due to the slowdowns caused by breaks in financing and/or increased costs of financing. Consequently, the crisis soon developed into the crisis of the production decrease, causing the crisis of the companies and the whole national economies competitiveness. Serbia is still in the processes of transition. The economic aspect of such processes manifests in the following four aspects: privatization, macroeconomic stabilization, institutional reforms and reindustrialization.

In 2009, Serbia's economy is characterized by: a low level of economic activities, the capital market inactivity, the depreciation of the dinar (in spite of high costs of maintaining the balance rate), very slow privatization of small and medium firms and a reduced liquidity of the economy and of the state. The problems of late transition have deepened due to the global economic crisis in combination with the domestic stagflation. The global downturn contributes to strengthening of the local economic crisis which has been present in Serbia for two decades in the form of transitional stagflation. Under the conditions of high dependency on credits, their decrease contributes to recession. Due to the reduced investments and decrease in demand, as the consequence of the global downturn, the economy becomes less stable and highly vulnerable. The direct result of the global financial crisis to Serbia (and to the countries in the environment) is already visible through decreased supply of foreign capital and credits and less favorable conditions for those banks borrowing abroad. Being highly capitalized, the banking sector in Serbia can play a key role in amortizing negative effects of the crisis. On the other hand, some economic sectors were illiquid even before the crisis and became additionally impaired by the global downturn. Consequently, a number of measures should be undertaken with the aim of neutralizing the negative effects.

2. The causes of the crisis in Serbia and in the surrounding countries

Serbia and the surrounding countries started their reforms already in 1989.² In the first stage of the reforms, being destabilizing by definition, the performances decrease, the risk grows and the economic expectations become smaller. The performances decrease for several reasons (transitional stagflation) and they are as follows:

² The process of transition is a complex and multidimensional phenomenon including not only the economic and geopolitical aspects, but also other major aspects (historical, anthropological and cultural ones). Probably the main reason of Serbia's lagging behind in transition is in the geopolitical cataclysm provoked by the disintegration of Yugoslavia and Serbia lacking the possibility to be included more efficiently into the process of integration to EU.

- (1) inflation grows due to the growing prices in the sectors of irreplaceable products as the result of emulation on the basis of increased salaries in the sectors of replaceable products;
- (2) the currency appreciation which results from the sudden inflow of foreign currencies coming from privatization and *green field* investments;
- (3) the social policy of increasing salaries exceeding the growth of labor productivity.

The transitional stagflation lasted until the conditions for intensifying the process of reindustrialization were set through the institutional reforms and macroeconomic stabilization.

After comparing the data (economic indicators) of the economies of Serbia and the surrounding countries it is possible to identify the moment when transition is terminated and recovery starts. The basic indicator of terminating transition is the achievement of the pretransitional level of GNP (the level from 1989). Also, the additional indicators of terminating transition may also include macroeconomic stability (prices stability, i.e. single figure inflation) and positive growth rates. After almost 20 years from the transition starting (in spite of high growth rates during the last four years). Serbia remains on 0.73 GNP (per cent) from 1989 and a two figure inflation.³ Under the conditions of insufficient economic activities and relative macroeconomic stability, the contribution of higher growth rates of GNP is not appropriate due to the domination of investments in the sector of services and spending foreign currencies on maintaining the currency rate instead on upgrading the real sector.

The late transition process had a crucial impact on the performances of Serbia's economy. The basic indicators showing the situation in the economy and the transitional deficit are economic activities level, inflation level, international exchange, unemployment and personal income level, external liquidity, monetary indicators and indebtedness. According to the index of competitiveness, the economy in Serbia holds position 85 of the rank order.

³ Source: Ministry of Finances, Republic of Serbia 2009, stable Internet address www.mfin.sr.gov.yu/eng/.

Survey 1. Index of global competitiveness according to the World economic forum⁴

Czech Republic	33	Hungary	62
Slovenia	42	Montenegro	65
Slovakia	46	Romania	68
Lithuania	54	Bulgaria	76
Croatia	61	Serbia	85

Table 1. Key economic indicators of Serbia 2004-08⁵

Economic activity					
	2004	2005	2006	2007	2008
GNP billion EURs	19.13	20.41	23.61	29.12	33.86
GNP in EURs	2563	2742	3185	3945	4597
GNP real growth in %	8.2	6.0	5.6	7.1	6.0
Inflation					
Retail prices (end of period),%	13.7	17.7	6.6	10.1	6.8
Costs of living, period average in %	11.4	16.2	11.7	7.0	13.5
Foreign trade					
Commodity export, billion EURs	2.83	3.61	5.10	6.43	7.77
Commodity import, billion EURs	8.62	8.43	10.46	13.51	15.75
Commodity exchange deficit in billion EURs	-5.79	-4.83	-5.36	-7.07	-7.98
Export / GNP	0.15	0.18	0.22	0.22	0.23
Import / GNP	0.45	0.41	0.44	0.46	0.47
Employment and incomes					
Unemployment level %	19.5	21.8	21.6	18.8	-
Net income (period average) RSD	14108	17443	21707	27759	32171
Foreign trade transaction liquidity					
Current transactions deficit, billion. EURs	-2.61	-2.05	-3.35	-5.23	-6.19
Current transactions deficit % GNP	-13.6	-10.05	-14.18	-17.95	-18.27
Foreign direct investments, billion EURs	0.78	1.26	3.40	1.60	1.93
Foreign direct investments, %	104	167	459	217	261
Monetary indicators					
Foreign exchange reserves NBS, billion EURs	3.78	5.52	9.59	10.90	9.12
Value of EUR in RSD	78.88	85.50	79.00	79.24	88.60
Population savings in billion EURs	1.46	2.27	3.41	5.03	4.89
External debt indicators					
External debt, billion EURs	10.35	13.06	14.88	17.79	21.61
External debt / GNP, %	0.54	0.64	0.63	0.61	0.64
Public debt / GNP	53.3	50.2	36.2	29.4	25.7

⁴ Source: Porter, Michael, Schwab, Klaus, *The Global Competitiveness Report 2008–2009*, Palgrave-McMillan, New York, 2008.

⁵ Source: Ministry of Finances, Republic of Serbia, 2009.

*Survey 2 Credit rating to Fitch and S&P*⁶

Country	S&P	Fitch (FCLT)
Czech Republic	A	A+
Slovakia	A	A+
Poland	A-	A-
Hungary	BBB+	BBB+
Bulgaria	BBB+	BBB
Croatia	BBB	BBB-
Romania	BBB-	BBB
Serbia	BB-	BB-

Serbia's lagging behind in transition is characteristic for some negative aspects and they are as follows:

- (1) investment short-sightedness – the brokers and renters mentality dominates over the mentality of industry and entrepreneurship;⁷
 - the participation of *green field* investments is particularly unfavorable.
- (2) high level of public expenditure – size of the public sector and expansion of the state administration;
- (3) the unsustainable transition model “strong currency in weak economy”;
 - the power of the domestic currency depending on the strength of the national economy;
 - the defense of the exchange rate by revenues from privatization is not in accordance with the axiom that money supply is influenced by money flows and not by capital flows.

The real, the imposed and the fictive limitations of the economy of Serbia have the following basic characteristics:

- Total domestic consumption exceeds production and generates inflation;
- High deficit of foreign trade and current balance;
- Decrease in exports demand and higher supply of imports;
- Lower inflow of direct foreign investments;
- Less available foreign credits to firms;

⁶ Source: EBRD. *Transition report 2008: Growth in transition*, Stable Internet address: <http://transitionreport.co.uk/TRO/b/transition-report/volume2008/issuel>.

⁷ Even when investing the investments are placed into soft investment targets, like securities and immovable assets.

- Relatively limited (and the decreasing level) of foreign currencies reserves, and
- High level of interest rates.

In other words, the real limitations are:

- a) insufficient efficiency, productivity and competitiveness of the domestic economy generating unsustainable external deficits, and
- b) low trust in the state on the world financial markets to be in the position to borrow in a credible way and in competitive conditions up to standard limits (for example, as presented in Maastricht criteria).

Those limitations may be removed in a medium and long-term, but can hardly be changed in a short-term. Simultaneously, those fundamental limitations are the basis of some imposed ones. Accordingly, low confidence and limited credit rating of Serbia leads to a sharp fiscal limitation, subsequently eliminating the possibility of using the fiscal stimulus, rightfully expected from the economies with a better credit rating. Consequently, the imposed limitations are a low fiscal deficit, a restrictive fiscal and monetary policy and an exceptionally low target value of the public foreign debt (33% of GDP).

After the crisis appeared, three kinds of measures have been undertaken in the financial sector and they are as follows:

- the guarantee of deposit (late limitation of deposit to 50,000 EURs resulting in the thesaurization of a large part of savings);
- continued defense of the exchange rate by using the NBS foreign currency reserves (the maintenance of this measure is doubtful in the conditions of decreasing capital from investments, privatization and remittances);
- growth of the financial system liquidity (by lowering the level of obligatory reserves and conditional using resources to induce demand).

Foreign direct investments (FDI), i.e. their level and the sector structure in particular, contribute to a special image of the countries in Southeast Europe (JIE). Distribution of foreign direct investments to sectors is inconsistent and uneven. Except in Romania (52%) and some specificity in Bosnia and Herzegovina between 19% and 28% of the total capital is invested in the sector of production.⁸ The other fields where considerable generating of foreign direct investments took place are banking and finances (except Moldavia), trade (Bosnia and Herzegovina, Bulgaria and Romania), transport and telecommunications (Bulgaria, Croatia, Macedonia, Moldavia and Romania) as

⁸ EBRD. Transition report 2008: Growth in transition. <http://transitionreport.co.uk/TRO/b/transition-report/volume2008/issuel>.

well as the sector of services in Bulgaria, Bosnia and Herzegovina, Moldavia and largely in Croatia.

3. The banking sector in Serbia

The exposition to stresses of transition in the banking sector of Serbia is relatively small due to high participation (almost 80%) of foreign ownership in this sector. There are just few important domestic banks with no foreign capital and with stable positions. However, the banking sector in Serbia is indirectly exposed to risk by liquidity through head offices and their policy of crediting branch offices (affiliations). The domination of credits with a foreign currency clause and a wide use of their reprogramming and conversion contribute to increased risk. But still, the banking sector in Serbia is not overheated as in the developed market economies and in those having completed their transition. For example, the relation between credits and deposits in Serbia is 1:1, being considerably more favorable than in some other economies where the exposition to risk was much stronger at the beginning of the economic crisis. A relatively more favorable situation is also the result of a lower indebtedness level of the state and the population, as well as from the scope of repaying annuities due to collection.

High capitalization of banks in Serbia is a factor of crisis amortization.⁹ The average coefficient of capital adequacy in Serbia's banking at the end of 2008 amounted to approximately 25%, while for example, in Croatia it amounted to 15.4%, in Bulgaria 8.2% and in Hungary 9.1%.

Table 2. The bank's capitalization level on December 31, 2008¹⁰

Indices of capital adequacy	Number of banks	Participation in the total balance amount
- up to 20%	10	50.6%
- 20-30%	11	28.9%
- 30-50%	9	19.0%
- over 50%	5	1.5%

⁹ In theory, such high capitalization directly damages return of capital since the basic motive of owners is that they always want to get the highest possible return with least capital while earnings not to be from their own resources only but also from others as well.

¹⁰ Source: The banks business operations control. Report for the fourth quarter in 2008. NBS. See stable Internet address: www.nbs.yu/internet/english/.

The problem may be the solvency of private debtors and their ability to promptly service their liabilities, thus maintaining the banking sector's liquidity. For example, the increase of credit to private persons amounted to almost 40% in 2008. Also, a great problem is the inability of the economy to maintain and/ or increase export.

After comparing the level of Serbia's banking sector exposure to risk with other economies in transition regarding the relation of credit/deposit and participation of foreign credits in total crediting, its relatively favorable position is evident. The major part of credits (over 70%) is the one coming from abroad, but due to the global downturn and the defense of foreign banks liquidity those credits may be expected to decrease.

On the other side, the banking sector liquidity is influenced by another two trends:

- outflow of domestic savings caused by distrust in the system;
- outflow of capital invested in short-term to securities of NBS (repo papers).

With the aim of overcoming such a situation the operations on the open market should be increased while interest rates level should be lowered.

Since distrust and insecurity are the main characteristic of this crisis, the game rules should be made public and the ambiguities referring to the measures undertaken should be avoided as much as possible. Savings deposits insurance is of particular importance since depositors are not investors; they invest resources expecting a fix interest rate and no risk. Savings deposits are the cornerstone of the banking system's credit potential, so the insured value of deposit should be sufficiently high as not to provoke depositors' panic reactions in case of crisis. The dispersion of market participation is one of the most positive factors favoring the banking structure of Serbia, pointing to a high level of competition that should eliminate a part of future problems for the economy and the population (possibly to stem from the monetary restrictions and limiting the credit potential in charge of the banks profit).

The high dispersion is also favorable for decreasing specific risk, since in case some banks face more serious problems dispersion will contribute to overcoming them.

Table 3. Top five banks in Serbia and Croatia (in million EURs)¹¹

Banks in Serbia			Banks in Croatia		
Bank	Assets	Market share	Bank	Assets	Market share
Banka Intesa Bg	2988	13.4%	Zagrebacka	11798	23.19%
Raiffeisen	2138	9.5%	Privredna Zagreb	8666	17.04%
Komercijalna Bg	2063	9.2%	Erate Zg	8244	12.24%
Hypo AA Bg	1588	7.1%	Reiffeisen Aus	5590	10.90%
Eurobank EFG Bg	1338	6.0%	Soc.Ge. Split	3535	6.95%
Top 5 total	10144	45.2%	Top 5 total	35813	70%
Top 10 share		69%	Top 10 share		90%

4. Possible directions for overcoming the crisis

The global economic and financial crisis is present and when it will end cannot be predicted with certainty. The financial crisis was transferred quickly to the real sector due to decreasing credit support to investments and consumption. Credit multiplication in developed market economies is up to four times larger than credit potential. Following measures are proposed in order to overcome the global economic crises:¹²

- 1) Increasing solvency and decreasing the risk of banking;
 - primarily with banks, since they are the financial anchor of every economy;
 - rehabilitation (recapitalization) of banks is carried out through various arrangements of the central bank (inter-bank crediting — issuing state guarantees for inter-bank credits, conversion of illiquid assets into treasury bills or priority shares);
 - rehabilitation is not carried out in a linear manner but according to the level of importance for the national economy;
- 2) Extension of terms of credit repayment (payment of liabilities);
 - achieved by granting guarantees for credits as well as guarantees for paying out deposits;¹³

¹¹ Source: See Central bank of Serbia (www.nbs.yu/internet/english/) and Croatia (www.hnb.hr/eindex.htm).

¹² Sites of the Central banks of Serbia and Croatia.

¹³ Some countries announced they would issue guarantees regarding the settlement of the whole deposit (Germany, Slovenia, or limiting the settlement of deposit at a given amount (Serbia).

- 3) Dilution of illiquid balance positions;
 - change of the level of obligatory reserves of the central bank and using the discharged resources for crediting the economy;
- 4) Elimination of toxic financial assets;
 - transactions with toxic assets but based on the estimation using the methods that respect all possible risks instead of those of fair market value;
- 5) Support to the real sector;¹⁴
 - the increase of aggregate demand requires financial infusions to the real sector and reducing taxes in the sector of population;
 - the increased demand is influenced also by investments in infrastructure and energy from renewed sources as well as in development priorities;
 - support may be provided by credit writedowns and reduction of taxes;
- 6) Limiting the incomes of managers and directors;
- 7) Primarily, incomes are limited to financial intermediaries, but also to firms beneficiaries of the state assistance;
- 8) The global use of the mentioned measures;
 - due to the market's global character, the mentioned measures have sense only if being harmonized.

Overcoming of the crisis requires an appropriate sequence and a precise dosing of measures. The essence of the turning point lies in the rehabilitation of the financial sector and stimulation of the domestic demand through reducing taxes and increasing public expenditure. In spite of being based of credits expansion, the monetary policy during the crisis should be selective in order to prevent deficient financing. Also, the maintenance of the fiscal system's credibility is essential, as well as efficient measures of the social policy providing minimum social stability.

In the field of attracting direct foreign investments measures are necessary for reducing taxes (tax exemption on profit for a longer time period, reducing taxes on investments, possibility of transferring losses and accelerated depreciation .and financial stimulus for employees.

In the real sector the following measures may be undertaken: nationalization of large systems or recapitalization by the state, i.e. an active role of the state in joint ventures.¹⁵ During the next three years, the implementation of structural

¹⁴ One of the most efficient measures of assistance to the real sector is the reduction of interest rates (for example, the prime rate in the USA amounts to 3.25%, in Great Britain 1.0% and in EU 2.0%.

¹⁵ EBRD. Transition report 2008: Growth in transition. <http://transitionreport.co.uk/TRO/b/transition-report/volume2008/issuel>.

reforms should result in a higher level of the economy's capability to satisfy the conditions built in the process of stabilization and joining as a frame of the European way Serbia will pursue until it joins the European Union.¹⁶

However, in the new situation much stronger measures of the economic policy are necessary in order to provide a more lasting macroeconomic and financial policy as a fundamental precondition of the future economic growth revival. Starting from such a situation, the program of the Serbian government is based on the following four pillars:¹⁷

- strengthening the fiscal policy;
- continuing a considerate monetary policy;
- advancing the system of reaction to future crises and disturbances, and
- speeding (and completion of) the structural reforms.

On the other side, the competition in attracting direct foreign investments is more intensive than ever (the major part of capital has already been allocated in the countries in Eastern and Central Europe). Having all this in mind, the high-quality and balanced policy and an adequate institutional frame (overcoming the limitations faced by small and fragmented markets) present the next questions with the aim of convincing potential investors. On the basis of the analysis of the foreign direct investments inflow during the last six years, it may be noticed that Austria, Greece, Norway, Germany and the Netherlands are those continuously investing in Serbia, their investments present 56.86% of the total inflow of foreign direct investments and amount from 1.1 to 2.5 billion EURs.¹⁸

The priority of the Serbian government in the next medium-term period should be state- owned firms restructuring and privatization as well as liberalization of infrastructural activities in which those firms are carrying out their business operations. Having in mind that those firms dispose of 30% engaged resources and employ 16% of the total number of those employed in the economy of Serbia, the mistakes that could possibly occur might have long-term and nationwide consequences.¹⁹ Consequently, the plans of actions and

¹⁶ Miloš Božović, Branko Urošević i Boško Živković, "Global Financial Crisis: Causes and Consequences for Serbia and the Region", in *Quarterly Monitor*, jul-septembar, 2008.

¹⁷ International Monetary Fond, See stable Internet page: <http://www.imf.org/external/np/sec/pr/2009/pr0912.htm>, 90/12/2008.

¹⁸ The Chamber of Commerce of Serbia: Direct foreign investments in the Republic of Serbia export/import, Belgrade, October, 2008, http://pkskomora.net7Portals/0/Strane_20direktbe_investicije_20u_20R.20Srbiji.pdf, 30/12/2009/.

¹⁹ The Republic of Serbia Ministry of Finances: Memorandum on the budget and the economic and fiscal policy for 2009 with the projections for 2010 and 2011, Belgrade, December, 2008 <http://www.mfin.sr.gov.rs>, 11/12/2008/.

clear strategies should be defined as soon as possible in order to present this task as the country's largest competitive advantage in the period of the economic crisis and to make together with foreign investors a more competitive public sector, a higher level of liberalization and a better quality of services.

5. The surrounding countries – An answer to the crisis

When compared to the standard package of measures as the reaction to the global world financial and economic crisis, the program of the surrounding countries (and Serbia included) is characteristic primarily by its considerably restrictive fiscal and somewhat less restrictive monetary policy. During the last twelve months the following common characteristics of the standard package of measures took their definite shape:²⁰

- 1) The pragmatic content of the intervention package:
 - all intervention packages contain a pragmatic combination of the monetary and fiscal policy, but also the measures of adding regulatory and broader institutional arrangements designed for financial markets and instruments with the aim of restoring the investors confidence;
- 2) Advancing coordination
 - strong coordination on the national and global level;
- 3) Providing a necessary level of liquidity
 - due to the panic withdrawal of banks and investors a necessary level of liquidity should be provided by using adequate instruments;²¹
- 4) Supporting the financial sector restructuring and reversing expectations
 - taking on the risky assets through capitalization of banks and providing an adequate system of guarantees (including savings deposits insurance);
- 5) Maintaining and supporting economic growth;
- 6) The necessity of parallel and coordinated and effective fiscal stimulus (on the global level the global fiscal stimulus amounts to approximately 2% of the world GNP with the mentioned level of output decrease);
 - it should be directed to a target and undertaken by those countries disposing with a sufficient fiscal space for borrowing;
- 7) Reducing the impact of the crisis that affects the most fragile parts of the population

²⁰ EBRD. *Transition report 2008: Growth in transition*. <http://transitionreport.co.uk/TRO/b/transition-report/volume2008/issue1,11/12/2008/>.

²¹ At the global level IMF provided 250 billion dollars to support liquidity through a new instrument (Short-Term Liquidity Facility).

- besides the already existing social programs, the expected increase of fiscal expenditure could be directed towards stronger social protection while priority infrastructure is of crucial importance for sustainable economic growth in a long-term and socially inclusive, including investments in knowledge and pure technology;
- 8) Removing the essential institutional sources of crisis;
- intensifying the financial institutions control in a longer term, advancing considerably the accounting standards for establishing the solvency of some financial instruments and supplementing the regulations of the financial markets.

6. Possibilities for inflow of foreign direct investments

A number of factors influence the choice of location for direct foreign investments, but the market size is the major factor influencing decision-making regarding those investments. However, if we consider the relation of the per capita gross domestic product and the inflow of foreign direct investments to Serbia and the surrounding countries, the results are not consistent. For example, Slovenia which had the highest per capita domestic product (22,932 USD in 2007) had an inflow of foreign direct investments amounting to 1,426 million dollars, while Croatia with a twice lower per capita domestic product (11,576 USD), had an inflow of FDI amounting to 4,925 million dollars.²² Regarding the relation between number of population and foreign direct investments, we can notice that that the countries having a similar number of inhabitants (Slovenia, Croatia, Macedonia, Bosnia and Herzegovina) have very different cumulative scopes of those investments, what points to the obvious mutual dependence between foreign direct investments and the level of the economy openness. The openness (defined by the sum of exports and imports through the total trade) could be either substituted or complemented by direct foreign investments.²³ A high level of competitiveness, followed by price advantages could support the strategies of foreign direct investments directed towards markets being broader than the country itself.²⁴ The complete description of such investment behavior

²² UNCTAD, 2008, World Investment Report: Transnational Corporations and the Infrastructure Challenge; Country fact sheet: Croatia www.unctad.org/sections/dite_dir/docs/wir08_fs_hr_en.pdf .14/12/2009/.

²³ This variable describes the country's competitive position regarding the internationalization of trade and investments.

²⁴ Serbia is the only country not being member of CIS, while using the benefits of free trade with Russia, enabling its companies to have an access, exempted from duty, to the market of 150 million inhabitants.

points to the concentration of production at the most efficient locations and targeting the entire region.

Also, the basic resource for all surrounding countries is qualified workforce considered to be possessing a relatively high level of education and training and a strong scientific basis.²⁵ Thereby, we should have in mind that the expenses of workforce are not the factors attracting direct foreign investments, but the quality and the reputation of highly skilled experts as well as the accessibility of unskilled workforce due to a high level of unemployment.

Conclusion

Certainly, overcoming of the economic crisis (i.e. reduced production and the world trade as well as drastically reduced liquidity on the world financial markets) will be a long-lasting process, requiring to set in time a number of economic policy measures. Primarily, the financial system should be reformed. Adequate activities of the Central Bank should be undertaken with the aim of restoring confidence in business banks, but also to undertake recapitalization of business banks. Simultaneously, the adjustment of the macroeconomic policies should be carried out with the aim of stimulating demand through reducing taxes and financing public consumption. On the other side, under the conditions of considerably reduced foreign capital and the current repayments of the external debt, the pressure on the depreciation of the dinar will increase, followed with great uncertainty regarding the balanced rate of exchange. In order to overcome the crisis in Serbia, among others, the following measures should be undertaken:

- 1) regulating the public debt – paying the state's liabilities to the private sector;
- 2) a clear option to the monetary model and the exchange rate policy;
- 3) priority to investing in the non-importing and exporting branches (energy supply, agriculture, infrastructure telecommunications);
- 4) solving the problems of the effective and ethical corporate management in the public sector;
- 5) clear separation of personal incomes and the pension policy from the policy of assisting the most destitute parts of the population.

²⁵ World Economic Forum, 2008. The Global Competitiveness Report 2008–2009, [http://www.weforum.org/\(20.12.2008\)](http://www.weforum.org/(20.12.2008))

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3. Source: EBRD. *Transition report 2008: Growth in transition*, Stable Internet address: <http://transitionreport.co.uk/TRO/b/transition-report/volume2008/issuel>.
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8. World Bank, *Doing Business*, Stable internet address: www.doingbusiness.org/.
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Rebuking Soviet IMF Membership in an Era of Glasnost

ABSTRACT

Soviet leader Mikhail Gorbachev was keen to join the IMF as a sign of the international community's confidence in perestroika and in his leadership. Based on archival material, US government freedom of information requests, and personal interviews it appears that the Soviet application to join the IMF was rejected. The G7, led by the United States, had serious doubts about Gorbachev's commitment to join the free-market community. In contrast, first Russian President Boris Yeltsin was encouraged to apply for full membership only days after taking office. This article chronicles the debate in international capitals on the fate of the Soviet application in the IMF and reveals this unknown period of international relations. Moreover, this case teaches us the value of being viewed as a part of the community of states as an explanation for gaining membership into international organization.

Key words: IMF; Soviet Union; Russia; membership; international organizations.

Returning the Soviet Union to its Rightful Place at the IMF?

The Soviet delegation attended the Bretton Woods meetings in New Hampshire in 1944, which then gave birth to the International Monetary Fund and the World Bank. As Raymond Mikesell, former adviser to the US Treasury delegation, noted in his memoirs of the Bretton Woods meetings, the Soviet delegation were friendly participants in the conference and were jovial with US Treasury officials. Indeed in official IMF histories, noted that the Soviet delegation were active participants in the Bretton Woods meeting.² Then, after

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² De Vries, Margaret Garritsen, Horsefield, J. Keith (eds.), *The International Monetary Fund, 1945–1965: Twenty Years of International Monetary Cooperation*, 3-Volume set, IMF, 1986, p. 117.

negotiating the final agreement and gaining one of the five coveted appointed seats at the IMF and World Bank Executive Boards — also held by the United States, China, United Kingdom, and France — the Soviet Union would rescind their membership in these organizations and end another post World War II moment of Allied unity. For many at the time, the Soviet decision to withdraw from the IMF was a shock and wholly unexpected.

In the official IMF history, the Soviets gave no reason for their decision not to join the organization.³ The IMF official historians have not, moreover, chronicled this important part of history. According to Miksell's autobiography, he states that

“So far as I am aware, the Soviets never gave their reasons for refusing to join. I believe their refusal was part of the general Soviet move toward isolation from the capitalist countries after the war and reflected the fear that soviet officials co-operating with the West in these international financial institutions would compromise their loyalty to communism.”⁴

The head of the US delegation to Bretton Woods, and future US Executive Director at the IMF, Harry Dexter White lamented that more should have been done to keep the Soviets in the Fund. Against the advice of the State Department, White had insisted on a compromise with the Soviet Union; a move that eventually precipitated his own downfall.⁵

Nearly fifty years would pass and with the Cold War nearing its end when in the summer of 1991, the IMF officially announced that it had received Soviet Union President Mikhail Gorbachev's formal request for full membership for the USSR. In great surprise to Gorbachev, the IMF had decided to reject the “pre-mature” application. That fall, Gorbachev conceded to a special “association status” in the Fund, but by the end of the year he would resign and the Soviet Union would cease to exist. On December 27, merely two days after Gorbachev's resignation, an IMF Executive Board meeting decided to advise the leader of newly independent Russia, Boris Yeltsin, to submit a new application for full membership. Days later, the IMF would welcome Russia into the Fund, and soon after would give it a coveted seat at the Executive Board by extending the size of the board to accommodate a sole seat for Russia. Why was Gorbachev's Soviet Union denied membership at the IMF, only to turn around and welcome Russia (with a seat at the board and a quota significantly higher than normal quantitative formulas would demand) less than 6 months later?

³ Ibid.

⁴ Miksell, Raymond Frech, *The Bretton Woods Debates: A Memoir. Essays in International Finance*, Princeton University, International Finance Section, Princeton, 1994, p. 42.

⁵ Ibid. p. 56.

The purpose of this article is to unravel this unknown part of international relations through process-tracing of this critical transition in global politics by using officials' memoirs, IMF archival material, George Bush Presidential papers, and secondary material. Personal interviews with IMF staff, Executive Directors, and US officials involved in the Soviet and Russian negotiations to join the IMF were conducted in Washington, DC. This case helps us to better understand why members join or who is allowed to join international organizations. Furthermore, the uniqueness of this case allows us to infer some arguments that could be considered by the theoretical literature on international organizations and international relations more broadly speaking.

Who Gets into and Why Join International Organizations?

Surprisingly, international relations theory tells us less about who and why states join international organizations than about theorizing international organizations' relevance, efficacy, and purpose. However, a number of theories on international organizations can help us frame assumptions about states' motivations to join and to accept members. Here we review realist, neoliberal intuitionism, and constructivist arguments to give insight into this question.

Traditional realist and neorealist theories explain that dominant states want to join international organizations to use them as instruments in accordance to achieving their grander political and economic preferences. Realists argue that the international distribution of power is the primary causal factor in determining how states determine their decisions, including whether to join an international organization. It is assumed that "the strong do what they can and the weak suffer what they must".⁶ The more powerful a state is the more likely it will be able to influence weaker states through international organizations: "[t]he most powerful states in the system create and shape institutions so that they can maintain their share of world power, or even increase it."⁷ A powerful state will use a variety of instruments at its disposal, including international organizations to achieve their objectives.

Neorealists add that powerful states use international organizations to "launder" their policies; in other words, an international organization can make conditions that would otherwise be seen as "neocolonial" when it is a bilateral instrument.⁸ Consequently, international organizations are merely "intervening

⁶ Jeffrey Legro, Andrew Moravcsik, "Is Anybody Still a Realist?", *International Security*, Summer 2000, Harvard College and the Massachusetts Institute of Technology, 2000, p. 17.

⁷ John Mearsheimer, "The False Promise of International Institutions", *International Security* No. 19 (Winter), 1995, p. 13.

⁸ Kenneth Abbott, and Duncan Snidal, "Why States Act Through Formal International Organizations", *Journal of Conflict Resolution* 42, 1 (February), 1998.

variables” with no independent causal affect on outcomes.⁹ Although Gruber (2000) and other neorealists remained skeptical about the real returns on membership in international organizations, Gruber has argued that once organizations are established the costs of not joining are then too high. In the case of the IMF, the United States controls the IMF through its economic resources, be it in the form of gold, foreign exchange, or SDRs deposited into the Fund’s liquidity — not to mention the larger “structural power” of the United States in the global economy in determining policy outcomes.¹⁰ This translates into significant US decision-making power within the organization, including loans, staffing, and ideology.¹¹ Clearly, realist theories can tell us a lot about why powerful states want to join international organizations, but it tells us little about why less powerful states would want to join unless they were forced to do so by the powerful.

Institutionalists argue that the presence of international organizations can change states’ behavior under certain circumstances. Therefore, international organizations are not necessarily the pawns of strong states but can be independent in shaping even strong states’ interests and objectives.¹² Moreover, neoliberal institutionalists contend that we are “witnessing a move to law”.¹³ Therefore, neoliberal institutionalists claim that legalization has led to the increased importance of international organizations and the increased desire of states to be members of international organizations. Neoliberal institutionalism explains that states join international organizations to overcome potential coordination problems, reduce transaction costs, decrease chances of defection and cheating, and to enhance burden sharing.¹⁴ Others have argued that states want to join international organizations to signal their commitment to international norms and behavior, to enhance their international and domestic legitimacy, or to conduct scapegoating by tying their hands to

⁹ John Mearsheimer, “The False Promise of International Institutions”, *International Security* No. 19 (Winter), 1995. p. 13.

¹⁰ Susan Strange, *The Retreat of the State*, Cambridge University Press, Cambridge, 1996.

¹¹ Bessma Momani, “American Politicization of the International Monetary Fund” in *Review of International Political Economy* 11, 05/12/2004 I, Fall.

Bessma Momani, “Another Seat at the IMF Table: Russia’s IMF Executive Director”, *International Journal*, (Fall). 2007.

¹² Keohane, Robert and Lisa Martin, “The Promise of Institutional Theory”. *International Security* 20, 1 Summer, 1995, pp. 39–51.

¹³ Goldstein, Judith L, Kahler, Miles, Keohane, Robert O, Slaughter, Anne-Marie, “Legalization and World Politics”, *Harvard international law journal*, Vol. 40, 2000. p. 386.

¹⁴ Robert Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy*, Princeton University Press, Princeton, 1984.

international rules of the game.¹⁵ Many have furthered that democratizing states in particular want to join international organizations to enhance their international credibility to reform. Moreover, there may be an added incentive to join organizations like the IMF where there is an assumed positive signaling or catalytic effect on attracting added private investment. Neoliberal institutionalism is better at helping us understand why states want to join international organizations, but less useful in explaining who gets into an organization.

Constructivism offers an alternative approach to the study of international relations and international organizations by examining the role of internationally-held norms, beliefs, and shared values. Constructivists interested in international organizations have argued that international organizations can be both the receivers (learners) and transmitters (teachers) of these norms, beliefs and values.¹⁶ States may want to join international organizations in order to be at the table when framing international norms and values.¹⁷ Joining an international organization can also be “reputation-enhancing”, particularly when wanting to demonstrate their international worthiness or when wanting to convince states and markets that they are liberalizing, democratizing, and legitimate.¹⁸ Existing members of international organizations may also want to restrict membership to international organizations to those who are like-minded, have shared interests and ideas, and shared values and beliefs. Using constructivist approaches we may find that material interests and power, as realists would contend, may not be a complete explanation for why members join or who is admitted into international organizations. Using the case of the Soviet Union and the IMF is an opportune one to examine the theoretical implications of the question who gets into and why join international organizations.

¹⁵ See Jon Pevehouse, “Democratization, Credible Commitments and International Organizations”, in Daniel Drezner, ed. *Locating the Proper Authorities*, Ann Arbor, University of Michigan Press, 2002.

Denis Rey, and John Barkdull, “Why Do Some Democratic Countries Join More Intergovernmental Organizations Than Others?” *Social Science Quarterly*. Vol 86, Iss 2, 2005, pp. 386–402.

¹⁶ Martha Finnemore, “Norms, culture, and world politics: insights from sociology’s institutionalism”, *International Organizations*. 50 (2), 1996. pp. 325–47.

¹⁷ Edwards Martin, et al., “Sins of Commission?: Understanding Membership Patterns on the United Nations Human Rights Commission”, *Political Research Quarterly*. Vol 61, No. 3, 2008. p. 393.

¹⁸ *Ibid.*

Gorbachev Courts the Western World to Join the IMF

When George H. W. Bush was inaugurated as President in January 1989, Mikhail Gorbachev had already been head of the USSR for nearly four years. Jack Matlock, who worked for the National Security Agency at the time, describes his initial impressions of Gorbachev in May 1985: “proud, defensive, clever in debate and not totally oblivious to the facts”.¹⁹ Matlock quickly came to believe Gorbachev was different than previous Soviet leaders, and not just because he was an articulate speaker.

Over the next few years, the new Soviet General Secretary would surprise even Matlock as he demonstrated his desire to change the system. Initial steps were slow, but by the summer of 1986, Gorbachev was using the terms *perestroika* or “restructuring” and *glasnost* or “openness” not only in reference to the economy, but toward the Soviet political system as well.²⁰ The Reykjavik Summit in October would begin the path toward the Intermediate-Range Nuclear Forces (INF) Treaty, signed by Reagan and Gorbachev in December 1987. Even when Americans refused to follow, Soviet leaders made unilateral steps towards disarmament.²¹ In the spring of 1988, the signing of the Geneva Accords included provisions for the withdrawal of Soviet troops from Afghanistan. During his visit to Moscow in May 1988, Reagan was asked if he still considered the Soviet Union the “evil empire” he had described in a speech years earlier. Reagan replied that he had been “talking about another time, another era” and now considered Gorbachev a friend.²²

In his position as Vice-President during the Reagan administration, Bush often seemed less enthusiastic about Gorbachev’s changes, and interacted little with the General Secretary. Early in his 1988 Presidential campaign, Bush informed the National Press Club that they should not mistake Gorbachev, an “orthodox, committed Marxist” for a “freedom-loving friend of democracy”.²³ He warned against a “euphoric, naively optimistic view of what comes next”, insisting publicly that summer that the Cold War had not yet ended.²⁴ George

¹⁹ Jack F. Matlock, *Autopsy of an Empire: The American Ambassador’s Account of the Collapse of the Soviet Union*, Random House, New York, 1995. p. 52.

²⁰ Ibid.

²¹ Don Oberdorfer, *From the Cold War to a New Era: The United States and the Soviet Union, 1983–1991*, Johns Hopkins University Press, Baltimore, 1998. p. 222.

²² Ibid. p. 299.

²³ Michael R. Beschloss, and Strobe Talbott, *At the Highest Levels: The Inside Story of the End of the Cold War*, Little, Brown and Company, Boston, 1993, p. 9.

²⁴ Michael R. Beschloss, and Strobe Talbott, *At the Highest Levels: The Inside Story of the End of the Cold War*, Little, Brown and Company, Boston, 1993, p. 9.

Shultz, Reagan's Secretary of State, described Bush's attitude at a luncheon with Gorbachev in December 1988 as "a reluctant presence".²⁵ When the Soviet leader described the positive progress of reforms, Bush (by then President-elect) suggested that American investors would need to know where these reforms were leading, where the USSR would be in three to five years time.²⁶

Domestically, Bush was in a difficult position. Reagan's credentials as a conservative were absolutely impeccable, which allowed him to pursue an increasingly warmer relationship with the Soviets without fear of losing popularity from the right wing of the Republic Party. Bush did not benefit from the trust placed in his predecessor, and needed to work a balancing act in order to follow his desired course of action without accusations of being soft on communism. His administration staff was made up of a close circle of men, all of whom were skeptical about Gorbachev and the rate of change in the Soviet Union.²⁷ Brent Scowcroft, Bush's new National Security Advisor that had held the same position under President Ford, felt that Gorbachev was using the same "clever bear" tactics that Brezhnev had used during *détente*: "pursuing expansionist goals while lulling the West into lowering its defenses".²⁸ Bush began his administration with a promise to complete a substantial review of US-Soviet relations before making any further moves.²⁹

This stage of analysis would carry on well into the first several months of Bush's presidency, especially because it got off to a slow start. In mid-February 1989, the president requested a comprehensive National Security Review (NSR-3) of U.S. foreign policy towards the Soviet Union.³⁰ When the report came back a month later, it was a mixture of optimism and doubt. Gorbachev's

Raymond L. Garthoff, *The Great Transition: American-Soviet Relations and the End of the Cold War*, The Brookings Institution, Washington, D.C., 1994. p. 358.

²⁵ Don Oberdorfer, *From the Cold War to a New Era: The United States and the Soviet Union, 1983–1991*, Johns Hopkins University Press, Baltimore, 1998. p. 321.

²⁶ *Ibid.*

²⁷ Bush suggests that the members of his incoming team were more suspicious of Gorbachev than he was himself. Source: George W. Bush, and Brent Scowcroft, *A World Transformed*, Alfred A. Knopf, New York, 1998, p. 9.

See also Raymond L. Garthoff, *The Great Transition: American-Soviet Relations and the End of the Cold War*, The Brookings Institution, Washington, D.C., 1994, p. 375.

²⁸ Michael R. Beschloss and Strobe Talbott, *At the Highest Levels: The Inside Story of the End of the Cold War*, Little, Brown and Company, Boston, 1993, p. 12, 17.

²⁹ Don Oberdorfer, *From the Cold War to a New Era: The United States and the Soviet Union, 1983–1991*, Johns Hopkins University Press, Baltimore, 1998. p. 332.

³⁰ Raymond L. Garthoff, *The Great Transition: American-Soviet Relations and the End of the Cold War*, The Brookings Institution, Washington, D.C., 1994, p. 376.

policy of *Perestroika* did benefit the United States; however, these gains were largely made up of leverage to manipulate other Soviet policies.³¹ On the contrary, Gorbachev's goal fuelling the reforms was described a desire to re-tool the USSR into a "more competitive superpower", and in the mean time, the friendly relations proposed by Gorbachev were seen as having the potential to "divide the Western alliance".³² By this time, however, there seems to have been a shift among Bush's advisors. Scowcroft criticized his staff for being stuck in old, conservative ways of thinking and accused them of being "a bunch of old curmudgeons".³³ (Bush and Secretary of State James Baker, for their part, were disappointed that the report offered few new ideas.

The delay in waiting for President Bush to decide a strategy — what Gorbachev impatiently referred to as "the pause" — began to frustrate people on both sides of the iron curtain. Eduard Shevardnadze, the Soviet Union's Minister of Foreign Affairs, worried that the new American administration would throw away all the gains that had been made.³⁴ British Prime Minister Margaret Thatcher privately made her concerns known about the slow-down on the American side.³⁵ The New York Times ran a series of articles suggesting that the Cold War was indeed over.³⁶ Criticism by Jack Matlock, who had since been appointed Ambassador to the Soviet Union, and even comments by former President Reagan began to pressure Bush to "pick up the ball".³⁷

The lifting of a ban on Poland's Solidarity movement may have sparked further developments.³⁸ On April 17, 1989, Bush announced that continued economic and political reforms in Poland could lead to American trade and credits.³⁹ That summer it became clear that Gorbachev would not use force to maintain communism in the Eastern Bloc. By the end of August, Poland had elected a non-communist government. Before the end of the year, communists fell from power in Hungary, Czechoslovakia, East Germany, Bulgaria, and Romania.

³¹ Ibid, p. 377.

³² Ibid.

³³ Michael R. Beschloss, and Strobe Talbott, *At the Highest Levels: The Inside Story of the End of the Cold War*, Little, Brown and Company, Boston, 1993, p. 45.

³⁴ Ibid.

³⁵ Ibid. p. 29, 31.

³⁶ Ben B. Fischer, *At Cold War's End: US Intelligence on the Soviet Union and Eastern Europe, 1989–1991*, Central Intelligence Agency, 1999. p. xiv.

³⁷ Raymond L. Garthoff, *The Great Transition: American-Soviet Relations and the End of the Cold War*, The Brookings Institution, Washington, D.C., 1994, pp. 377–8.

³⁸ Michael R. Beschloss, and Strobe Talbott, *At the Highest Levels: The Inside Story of the End of the Cold War*, Little, Brown and Company, Boston, 1993, p. 53.

³⁹ Ibid. p. 54.

The Democratic Party supplied enormous pressure to send substantial aid to Poland and Hungary. Even after the White House had agreed to \$50 million in emergency food aid and another \$50 million in longer-term aid (dipping into the following year's budget) in September, Democrats in the Senate Foreign Relations Committee approved a further \$1.2 billion aid package for Poland and Hungary.⁴⁰ Bush felt trapped: while seriously concerned about the significant budget issues faced by his administration, he worried that "[i]f this historic evolution away from the clutches of the Soviet Union and Leninism failed because of our deference to bureaucratic accounting practices, history would never forgive us".⁴¹ As the Eastern Bloc crumbled, Soviet foreign policy lost its primacy among American concerns. Communist "interference" in Cuba and Central America were still important issues, but Bush's administration began to focus more on the internal situation in the Soviet Union.⁴² This included both Gorbachev's economic reform policy and his treatment of the Baltic and Caucasian states.

By late 1989 and early 1990, George Bush's cabinet was even more divided over Gorbachev's sincerity in pursuit of "comprehensive reform". James Baker was the most optimistic, possibly owing to his increasingly friendly relationship with Shevardnadze.⁴³ Baker nevertheless had doubts about the sincerity of Gorbachev's reform; he later recollected that "At heart, it is my view that Gorbachev was a reformer, he was not truly a revolutionary. I think he sought reform as a way to strengthen and renew communism and for that matter to strengthen and renew the Soviet Union as a superpower itself. I think he felt that he could somehow modify socialism without fundamentally altering that system".⁴⁴ Robert Gates, Director of Central Intelligence, was more cynical, believing Gorbachev merely wished for small reforms that might easily be reversed. Secretary of Defense Dick Cheney was rather pessimistic, and supported the continuation of the "Cold War-style... hard-line policies". Vice President Quayle was most skeptical of all and despite the fall of the Berlin Wall, believed the "changes" were simply a cunning deception on the part of the Soviets.⁴⁵ Bush was relatively confident that Gorbachev would be able to survive and make good on his promises to reform, but was concerned about the

⁴⁰ George W. Bush and Brent Scowcroft, *A World Transformed*, Alfred A. Knopf, New York, 1998, p. 138–9.

⁴¹ *Ibid.*

⁴² Ben B. Fischer, *At Cold War's End: US Intelligence on the Soviet Union and Eastern Europe, 1989–1991*, Central Intelligence Agency, 1999, p. xix

⁴³ George W. Bush and Brent Scowcroft, *A World Transformed*, Alfred A. Knopf, New York, 1998, p. 154.

⁴⁴ *Ibid.*

⁴⁵ George W. Bush and Brent Scowcroft, *op. cit.*, p. 155.

opposing forces growing within the USSR.⁴⁶ Were the President to apply too much pressure, he might spark a backlash by more conservative communists; too little and he would be harshly criticized for failing to support the freedom of the Baltic states or to bring about real change in the Soviet Union.

The possibility of Gorbachev's failure was the subject of a CIA study by the Office of Soviet Analysis (SOVA).⁴⁷ The report, "Gorbachev's Domestic Gambles and Instability", released in September 1989, was concerned that both instability related to rising nationalism and the postponement of price reforms and "marketization" posed serious threats to the long term political survival of the Soviet leader.⁴⁸ The report states that,

"[b]y putting economic reform on hold and pursuing an inadequate financial stabilization program, Gorbachev has brought Soviet internal policy to a fateful crossroads, seriously reducing the chances that his rule — if it survives — will take the path toward long-term stability. Over the short haul, there appears to be a lack of competence among his advisers in the area of monetary and fiscal policy."⁴⁹

A National Intelligence Estimate published in November 1989 was more optimistic about Gorbachev's chances, describing his position as "relatively secure" and predicting that he would "maintain the present course, intensifying [the?] regime while making some retreats".⁵⁰ Given their relatively confident view of Gorbachev's intentions but their somewhat doubtful expectations for his success, the American administration decided "to lock in as many agreements as possible that would endure if a change of leadership occurred".⁵¹

This strategy led to a number of important successes for the Americans in 1990; most notably, East and West Germany were reunited, and NATO and Warsaw pact leaders signed a treaty on Conventional Forces in Europe (CFE). As the year progressed, however, the situation in the Soviet Union grew dire. In meetings with West Germany's Helmut Kohl in May, Gorbachev suggested that the USSR would need \$12 billion in credits from the Western World.⁵² In March, rumours circulated that Moscow had placed a specific price, \$34 billion in hard currency, on Lithuania's independence.⁵³ Bush acknowledged that Gorbachev

⁴⁶ Ibid.

⁴⁷ Fisher, *op. cit.*, p. xix.

⁴⁸ Fisher, *op. cit.*, p. 28.

⁴⁹ Ibid.

⁵⁰ Ibid. p. 51.

⁵¹ Ibid. p. xxi.

⁵² Bush and Scowcroft, *op. cit.*, p. 270.

⁵³ Beschloss and Talbott *op. cit.*, p. 194.

faced increasing economic problems, but “could not guarantee loans to the Soviets unless there was a change in the Baltic situation”.⁵⁴ At the Houston Summit in July, G7 leaders offered Moscow moral encouragement, technical aid, and the promise of a major international study of the Soviet economy (to be completed by the IMF and other economic organizations) as a prerequisite to any financial aid.⁵⁵ Historians Michael Beschloss and Strobe Talbott describe it as “a polite but thinly disguised rejection of the kind of large-scale, concrete assistance Gorbachev was looking for”.⁵⁶ In a press conference following the meeting, Bush argued that no promises for financial aid should be made until more significant economic changes, as well as reductions in missile systems and aid to Cuba, was complete.⁵⁷

In the latter half of 1990, the United States became focused on the conflict in the Persian Gulf. Although this issue took up most of their time, Bush’s administration became increasingly anxious about the situation in the Soviet Union. Scowcroft came to see Gorbachev as a leader caught between his dreams of reforming his country and his desire to keep it intact. Facing attacks from both conservatives and reformers, he had to negotiate simply “to remain in control of the process he had set in motion. His priority became *de facto* self-preservation rather than pursuit of principled and thorough reform”.⁵⁸ Despite the significant changes in foreign policy in 1990, Scowcroft believed Soviet economic reforms remained “generally superficial”.⁵⁹

One of Gorbachev’s close advisors, Stanislav Shatalin, and Russian economist Grigory Yavlinsky proposed a five-hundred-day plan for economic reform, although the time frame was more an ideal goal than an imperative restriction.⁶⁰ At the Helsinki Conference in September, the Soviet leader claimed to have adopted the plan, but at the end of the year, had still not seriously begun implementation.⁶¹ Shevardnadze’s sudden resignation in December did little to build confidence. Those reformers left in power were now being led by

⁵⁴ Ibid. p. 270.

The Soviet leader opposed the March 11 declaration of independence by Lithuania, and in April threatened an embargo. In early May, the Latvian parliament had followed suit with its own declaration of independence, which was similarly declared illegal by Gorbachev.

⁵⁵ Beschloss and Talbott op. cit., p. 237.

⁵⁶ Bush and Scowcroft, op. cit., p. 237.

⁵⁷ George Bush (Interview with Soviet media) 1991. Remarks and Exchange with Soviet Journalists on the Upcoming Moscow Summit, *Presidential Papers*, George Bush Presidential Library and Museum, 25 July 1991.

⁵⁸ Bush and Scowcroft, op. cit., p. 493.

⁵⁹ Ibid, pp. 493–4.

⁶⁰ Beschloss and Talbott op. cit., p. 265.

⁶¹ Bush and Scowcroft, op. cit., p. 494.

Boris Yeltsin, and were skeptical of Gorbachev's commitment.⁶² From the other side, conservative forces were discouraging a faster pace to reforms and demanding the repression of the independence movements in the Baltic and Caucasian states.⁶³ A violent crackdown on protesters in Vilnius in January 1991 did not bode well for the future.⁶⁴ Bush responded by sending Gorbachev a written warning that the USSR would not be awarded special associate membership in the Bretton Woods institution if this kind of violence continued.⁶⁵ Dick Cheney commented that "the central government [was] increasingly influenced by the military and the security services" which left "no prospect for a permanent transformation in U.S.-Soviet relations".⁶⁶

The situation deteriorated further during the spring. A CIA report entitled "The Soviet Cauldron" asserted that "Gorbachev has gone from ardent reformer to consolidator" and that his "credibility has sunk to near zero".⁶⁷ The Soviets began to backpedal on the CFE treaty, claiming exemptions and demanding a renegotiation. At the same time Russian coal miners began a strike. The March 17 referendum on a treaty for a new Union was boycotted by Georgia, Armenia, Moldova and the three Baltic republics. In Russia, Boris Yeltsin had grown enormously in popularity.⁶⁸ But at this stage, the American administration paid little attention to the conflict between Gorbachev and Yeltsin. Bush's March 17 diary entry reads: "My view is, you dance with who is on the dance floor — you don't try to influence this succession, and you especially don't do something that would [give the] blatant appearance [of encouraging] destabilization".⁶⁹ Scowcroft later asserted that he "viewed Yeltsin's actions and statements more as those of one republic president among several participating in a growing effort to wrest greater political and economic autonomy from the center".⁷⁰

In April, Gorbachev appeared to be making some headway in resolving these problems. He met with the leaders of nine republics and convinced them to honor their economic agreements as part of the Union in return for greater influence in

⁶² James A. Baker, III, *The Politics of Diplomacy: Revolution, War and Peace, 1989–1992*. G. P. Putnam's Sons, New York, 1995, p. 401.

⁶³ Bush and Scowcroft, *op. cit.*, p. 495.

⁶⁴ Baker, *op. cit.*, p. 475.

⁶⁵ Bush and Scowcroft, *op. cit.*, p. 497.

⁶⁶ *Ibid.*

⁶⁷ Fisher, *op. cit.*, p. 112.

⁶⁸ Oberdorfer, *op. cit.*, pp. 451–2.

⁶⁹ Bush and Scowcroft, *op. cit.*, p. 500.

⁷⁰ *Ibid.*

⁷¹ *Ibid.*, p. 497.

the government.⁷¹ Gorbachev sent a letter to Bush indicating he was winning over the Soviet military on the subject of the CFE treaty.⁷² Economically, things were also improving. The Supreme Soviet passed legislation allowing easier emigration, which enabled President Bush to waive the Jackson-Vanik amendment to the 1974 trade act that had heavily restricted trade with the Soviet Union.⁷³ Yet Bush remained wary of committing his country to sending financial aid to Moscow, at least not until he saw real movement towards a market economy. In his memoirs, Bush remarks: “I had seen no evidence that even basic economic changes were being implemented. There were other problems, such as poor creditworthiness. In my view, the Soviet Union suffered more from economic inefficiencies and poor priorities than from lack of money”.⁷⁴

A significant difficulty lay in trying to draw up a clear plan for Soviet reform and Western aid. A group of academics, including Yavlinsky, author of the 500-day plan, and Graham Allison and Robert Blackwill of Harvard, promoted their “Grand Bargain” idea, which proposed significant aid (\$15–20 billion per year until 1993) in return for specific reforms by Moscow.⁷⁵ In April, the new Soviet Prime Minister, Valentin Pavlov, released his “anti-crisis plan” (ACP) on reform measures, which, according to Beschloss and Talbott, “paid lip service to various goals favored by both radical reformers and Western governments” but was “short on specifics and had as an immediate effect the strengthening of the central government’s authority”.⁷⁶ The American administration remained skeptical of both plans, but in May, Bush made a point of mentioning Yavlinsky’s ideas to Gorbachev, hoping to prod him toward faster reforms.⁷⁷ As a result, the Russian economist was included in a delegation led by Yevgeny Primakov that met with Bush to discuss economic reforms. Primakov’s consistent downplaying of Yavlinsky’s ideas during the meeting left the President with the clear understanding that the more determined reformist held little sway with Gorbachev, and that the whole reform program was not yet clearly organized. The episode gave Bush a “splendid new reason” to further delay sending aid to Moscow.⁷⁸

An aid package was simply a risky investment for the United States. A national intelligence estimate published in July 1991, suggested that significant

⁷² *Ibid.*, p. 501.

⁷³ *Ibid.*

⁷⁴ *Ibid.*

⁷⁵ Beschloss and Talbott, *op. cit.*, p. 382.

⁷⁶ *Ibid.*, p. 383.

⁷⁷ *Ibid.*

⁷⁸ *Ibid.*

systemic changes were probably coming, and likely without significant violence, though it held out the real possibility of violent fragmentation.⁷⁹ Notably, however, the estimate suggested that the Soviet economy would go into sharp decline “no matter what economic program is adopted”.⁸⁰

Nonetheless, Gorbachev’s requests for aid were persistent and became more public. In his Nobel Prize lecture on June 5, he stressed the need for the G7 to adopt “a joint program of action” which could help Moscow take “vigorous steps to open the country up to the world economy through ruble convertibility and acceptance of civilized “rules of the game” adopted in the world market, and through membership in the World Bank and the International Monetary Fund”. Gorbachev highlighted the responsibility of the G7 to provide a “joint program of practical actions” to ensure the success of Soviet *perestroika*. The leader of the Soviet empire argued that the Soviet *perestroika*’s success depends on the world community’s *perestroika*, meaning the acceptance of the Soviet Union into the world community. What the Soviet Union deserved, according to Gorbachev, was “a right to count on large-scale assistance to bringing about its [*perestroika*’s] success”.⁸¹ Still headed by Mikhail Gorbachev, the weakened Soviet Union had appealed to the powerful G7 members to accept the Soviet membership application as an acceptance of a new phase of international cooperation.

Russia and other Soviet Republics started to call for sovereignty and independence from the Soviet Union. The populist appeals for ending the formal reign of the Soviet Union were mounting in Russian streets, fueled by power hungry elected Russian President Boris Yeltsin. As the embattled leader of the Soviet Union was increasingly losing support at home, Gorbachev turned to the international community for both support of his continued leadership and for recognition of his reform agenda. One such perceived prize of international recognition would be IMF membership. To achieve this, Gorbachev turned to the Soviets’ greatest adversary, the United States, for support. Gorbachev sent yet again the Soviet application to join the Fund to the G7 members before their annual meeting. According to US President Bush, the second Soviet application to join the Fund came as a “surprise”. The Americans knew Gorbachev wanted full membership in the IMF, but doubted the Soviets could contribute the necessary capital to the fund.⁸² The US President George Bush instructed his

⁷⁹ Fisher, *op. cit.*, pp. 124–39.

⁸⁰ *Ibid.*

⁸¹ Mikhail Gorbachev, *Nobel Lecture in Oslo*, 5 June 1991b, in “Gorbachev Links World Peace”, *Perestroika, Current Digest of the Soviet Press*, XLIII (23), 10 July 1991.

⁸² Bush and Scowcroft, *op. cit.*, p. 503.

Secretary of Treasury Brady to take a proposed special association application to the IMF and to other international financial institutions.⁸³ The option of “special associate” status — with technical but no financial aid — was again held out as the only possibility for membership.

Soviet media reported that Gorbachev had sent economist Grigory Yavlinsky to Washington; at the same time Gorbachev made his speech to the Nobel committee in Oslo. Yavlinsky, with Harvard’s Graham Allison, devised a 52-page proposal entitled *Window of Opportunity* that was more loosely labeled a proposed “Grand Bargain” between the West and East. Yavlinsky was seeking a “Marshal-plan” like arrangement from the United States and other G7 members that included both an economic reform plan and an application to join the IMF. According to US official comments in the US media, Yavlinsky’s reform plan was still not ambitious enough and was underpinned by an enduring Soviet economic ideology, only laced with capitalist terminology. American officials were less than impressed with Gorbachev’s reform proposals.⁸⁴

The issue came to the fore in planning the upcoming G7 meeting in London. Allison and Blackwill suggested that Gorbachev might be welcomed with a seat at the table.⁸⁵ The Soviet leader liked the idea, but G7 members were unsure whether or not he should be invited. It would be embarrassing for everyone concerned if Gorbachev used the meeting to ask for aid and was publicly refused.⁸⁶ Canadian Prime Minister Brian Mulroney was hesitant, but felt British Prime Minister John Major, host of the meeting, should have the final say.⁸⁷ Major opted to invite Gorbachev as a special side-item, but not as part of the main meeting.⁸⁸ As the meeting approached, Bush worried that G7 leaders, when faced with Gorbachev’s pleas, might promise more financial aid than agreed upon earlier.⁸⁹ “If we put no conditions on aid, we would all waste resources and do

⁸³ George W. Bush, “Excerpt of a White House Fact Sheet on the Soviet Union and International Financial Institutions”, *Presidential Papers*, George Bush Presidential Library and Museum, 12 December 1990.

⁸⁴ *Washington Post* (comments) 1991, in “Is a Marshal Plan for the USSR Coming?”, *Digest of the Soviet Press*, XLIII (22), 3 July 1991.

⁸⁵ Beschloss and Talbott op. cit., p. 383.

⁸⁶ Bush and Scowcroft, op. cit., p.503.

⁸⁷ Ibid.

⁸⁸ Bush and Scowcroft, op. cit., p. 504.

⁸⁹ Ibid.

⁹⁰ Ibid.

nothing to encourage the Soviets to transition to a market economy”.⁹⁰ Bush was also concerned about continued Soviet aid to Castro in Cuba.

Primakov and Yavlinsky met with Gorbachev to work out a new plan, but when Yavlinsky received the draught of letter to G7 leaders written by Primakov on his behalf, he found it watered down: far closer to Pavlov’s ACP than his 500-day plan. Feeling deceived and used, he decided he would not appear as part of the delegation in London.⁹¹ On July 12, just a few days prior to the meeting, Primakov delivered a 23-page letter to G7 leaders outlining Gorbachev’s proposed reforms.⁹² John Major suggested that the proposal still looked too much like Pavlov’s conservative ACP.⁹³ Japanese Prime Minister Toshiki Kaifu felt Gorbachev’s letter “raised more questions than it answered and left unclear whether the Soviet leadership fully understands what is entailed in moving to a market-based economy”.⁹⁴ Mulroney was equally dismissive, stating “I do not believe that you will see either miracles or blank cheques from the G7 summit” French and German leaders seemed more willing to offer hope.⁹⁵ French president Francois Mitterrand sent his own letter, urging Western leaders to increase financial assistance to the Soviets.⁹⁶ Similarly, German Chancellor Helmut Kohl suggested he would use the meeting to argue for more help for Moscow. As it turned out, the G7 members made few promises to the Soviet leadership, asking to see a more comprehensive reform plan and suggesting technical aid rather than financial aid.⁹⁷ The G7 agreed that the Soviet economy was still problematic — hyperinflation was looming, foreign investment was not yet interested in the Soviet economy, and the ruble was still not convertible to other currencies-and so special association status would help provide the Soviets with technical assistance, albeit short of providing multilateral financial assistance.

Soviets are rebuked and Russia is welcomed into the Fund

⁹¹ Oberdorfer, op. cit., p. 455.

⁹² Peter Norman, et al. “G7 members critical of Gorbachev’s reform plans”, *Financial Times*, 15 July 1991.

⁹³ Ibid.

⁹⁴ Ibid.

⁹⁵ Ibid.

⁹⁶ *Financial Times*, op. cit.

⁹⁷ Bush and Scowcroft, op. cit.

⁹⁸ Beschloss and Talbott op. cit., pp. 411–2.

On July 23 1991, the IMF and World Bank officially announced that they had received formal requests for full membership from the Soviet Union but had decided to reject the “pre-mature” applications.⁹⁸ While Gorbachev tried to maintain power at home after briefly being jailed in August, the domestic economic and political situation continued to worsen. On the heels of Gorbachev’s political disarray, Russian President Yeltsin announced broad economic reforms similar to Poland’s big bang policies that had previously delighted the IMF and the international financial community at large. While the Fund welcomed Yeltsin’s more ambitious economic reform program, it remained hesitant to accept Gorbachev’s application. The Fund, in effect, denied the Soviet application for membership but accepted the Bush plan of “association status” instead. In October 1991, the Soviet Union’s “association status”, created for this special case, was signed between Gorbachev and the IMF’s Managing Director Michel Camdessus. Camdessus highlighted that the Soviet association was “For the Bretton Woods Institutions, a long-awaited opportunity for them to become truly universal and to serve the entire family of nations with a renewed sense of commitment....”⁹⁹

In the Soviet Union, national newspapers interpreted the IMF rebuke as a sign of incomplete confidence in Soviet economic reforms. *Pravda* reported that “...our Union of sovereign republics will not be a full member of the International Monetary Fund for now. Our collapse has reached such a degree that it is simply dangerous for Western financiers to deal with us. Secondly, they feel that we have done little in recent years to reform the economy...” The IMF staff would have an in-depth look into the state of the Soviet economy on their visit a month after Soviet association status had been formalized. For twelve weeks, the IMF staff, including a permanent IMF resident representative assigned to Moscow, consulted with Soviet government and economic officials to prepare a report to the Executive Board. The Deputy Managing Director also visited Moscow and participated in the IMF staff analysis.

The political climate in the Kremlin remained tenuous as Gorbachev continued to lose legitimacy and his hold on power. On Christmas Day, Gorbachev resigned his post and paved the way for the formal dissolution of the Soviet Union. Within two days after Gorbachev resigned, the Russian Embassy in Washington, DC contacted the IMF’s Managing Director’s office suggesting that “...the status of special association of the USSR in the

⁹⁹ Michael Camdessus, Presentation of the Forty-sixth Annual Report, 15 October 1991. *International Monetary Fund Summary of the Annual Meeting of the Board of Governors*. International Monetary Fund. Washington, DC, 1991.

¹⁰⁰ Russian Embassy letter to Michel Camdessus, Quoted in *Executive Board Minutes*, International Monetary Fund, Washington, DC, 27 December 1991.

International Monetary Fund is [to be] continued by the Russian Federation”.¹⁰⁰ The Russian Federation had similarly requested that it replace the Soviet Union at other international organizations, notably at the United Nation’s Security Council and the World Bank group.

The IMF Executive Board met on December 27 to discuss the Russian Federation’s request and decided that since the Soviet membership status included Republics now vying for independent membership, it would be “...easier for the President of the Russian Federation to submit a new membership application, which might raise different issues from those concerning the special association agreement”.¹⁰¹ The Fund’s Deputy General Counsel noted that a new Russian membership application, as opposed to Russian inheritance of the Soviet special “association status”, “would certainly be in the interest of the Russian Federation itself...”.¹⁰² The IMF Executive Board was signaling to the aggressive reform-minded Russian President that a new IMF membership application might be accepted.

At the Fund, G7 and European Executive Directors lobbied for special treatment for Russia, while IMF Management and staff remained worried that the Russia’s financial health was just as problematic as the former Soviet Union and that caution was needed. Johann Prader, Alternate Executive Director from Austria, noted “Russia...has been treated as a special case from the very beginning. I must say that most of the smaller European constituencies were quite sceptical about this approach and frequently criticized the Fund’s policies toward Russia in the Executive Board. At the same time, it was always clear that Europe has enormous financial, political, and security interests in Russia’s stability and welfare. For these reasons, European Directors’ criticisms could not be more forceful than those that would be voiced by a so-called loyal opposition.”¹⁰³ IMF Managing Director, Michel Camdessus, however, argued that Management and the staff were still concerned:

“...one should remember that Russia has long been accustomed to a prominent place in world affairs, and there has been no shortage of advice to the authorities that Russia should receive special treatment from the Fund...It was clear to the staff and myself that, for serious negotiation to start, it was necessary for our counterparts to understand well our position that strong measures were needed and that an agreement with the Fund

¹⁰¹ *Executive Board Minutes*, International Monetary Fund. Washington, DC, 27 December. 1991.

¹⁰² *Ibid.*

¹⁰³ Johann Prader. “The IMF’s role in a changing world and changing markets”, 1999.

¹⁰⁴ *IMF Minutes*, Executive Board. Meeting 92/85, IMF, Washington, DC, 8 July 1992.

would not otherwise be possible. Of course there was criticism that we were taking an enormous risk by not altering our traditional principles.”¹⁰⁴

Russia would, in fact, use its political might and the desire of the G7 to have Russia join the IMF as leverage in its negotiations with IMF staff over its quota and place at the board.¹⁰⁵ The outcome would be seat at the prestigious IMF Executive Board table and an overrepresented IMF quota.¹⁰⁶ At the Fund, the G7 ensured that Russia attained the geopolitical clout it desired. This also fulfilled the IMF members’ desires to have a universal IMF.¹⁰⁷ A number of Executive Directors followed their capitals’ instructions to ensure that Russia received a 3% quota allocation — this would place Russia’s quota share below Italy which was not by coincidence the last of the G7 states in the quota pecking order at the Fund.¹⁰⁸

Conclusion and Implications for Understanding IO Memberships

The Soviet Union’s departure from the IMF has always been a peculiarity for IMF historians. By the late 1990s, the Soviet Union wanted to now join the IMF. Lead by Mikhail Gorbachev, the Soviet Union was undergoing political, economic, and social reforms. Perestroika was an ambitious plan for Gorbachev, but represented limited reforms to the Western world. When Gorbachev applied for membership in the IMF, the G7 states and the United States in particular rebuked his membership application and instead offered him limited association status. Unhappy with the Western economic leaders’ decision, Gorbachev appealed to them again to accept his country’s membership into the Bretton Woods institutions. Lead by George Bush, the G7 ignored Gorbachev’s calls and quietly watched the disintegration of the Soviet Union. Merely days after Gorbachev resigned, the G7 welcomed Russia’s more aggressive reformer, Boris Yeltsin, into the IMF.

The case demonstrates the value in constructivist understanding of IO membership. Realism and neoliberal intuitionists could not account for why the Soviet Union would be rejected and then merely days after Russia would be accepted into the Fund. There was no change in the distribution of international power, no change in the economic fundamentals of the Soviet Union and

¹⁰⁵ Bessma Momani, “Another Seat at the IMF Table: Russia’s IMF Executive Director”, *International Journal*, Fall, 2007.

¹⁰⁶ *Ibid.*

¹⁰⁷ Based on personal interviews with former Fund Executive Directors, US government officials, and persons close to Fund Management conducted in Washington, DC on May 3 and 5, 2006.

¹⁰⁸ Based on a telephone interview with a former Fund Executive Director, on May 10, 2006.

Russia, and no tangible explanation for why one was favored over the other. Materialist-rationalist arguments and tools are not helpful in understanding the case presented.

Constructivism tells us that identity, values, and ideas matter. Here, the case exemplifies the US and IMF staff impression that the Soviet Union, and in particular Gorbachev, were not going to reform and follow the rules of the free market system that is propagated by the IMF. Constructivism helps us understand, moreover, why Gorbachev was also keen to join the IMF: to enhance his own international reputation and legitimacy. The Soviet Union's acceptance into the IMF would demonstrate that it would be accepted as part of the global community. The IMF and more importantly the G7 had perceived the Gorbachev regime and perestroika plan to be weak on economic reforms. The Soviet Union, under Gorbachev's plans, was not like-minded with the G7. Russia's Boris Yeltsin and his economic team, on the other hand, were viewed as true free-market reformers and were therefore welcomed into the IMF merely days after the fall of the Soviet Union and to the chagrin of the once celebrated Gorbachev.

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Art Crime Security

ABSTRACT

It has been noted that museum security guards form the least effective line of defense in the protection of art from theft and vandalism. Museums rely increasingly on high-tech, alarm-based security, which has failed to work, or failed to provoke an effective response, in a number of high-profile occasions. It is time to re-evaluate the role of museum guards. Hundreds of museum security guards around the world were interviewed about their own roles, their training, and their perception of museum security. The results were processed, and trends were found that suggest a prevalent passivity and resulting ineffectuality on the part of guards in general. Guards from museums with untraditional security directors, who advocate a more active participation from their staff while on duty, felt better prepared to respond to security threats, and felt that they diffused potential security threats by identifying suspicious persons in advance and approaching them in an appropriate manner.

The purpose of this article is to identify problems and trends in museum security guard management. Based on these trends, as noted by professionals as well as culled from over one-hundreds of museum security guard questionnaires, we will suggest new ways of managing guards that result in the early identification and diffusal of potential security threats.

Key words: organized crime, museum security, Trade in Illicit Antiquities.

Introduction

Post-modern society is characterized by unpredictable and explicitly contradictory economic, political and social developments. In such circumstances the general and political discourse, as well as the discourse in

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the security profession, is becoming increasingly contradictory, ideological and inefficient.² Inefficient, contradictory, legally and morally controversial also describes the approach to certain factors which represent the central, most far-reaching and intensive threats to world security today, such as international terrorism and organized crime, both of which are phenomena of global proportions.³ The official security discourse has focused largely on the abstract security of the international community and international organizations/institutions or individual states and state institutions.⁴ This ultimately implies security for the art and cultural heritage which play a central role in those societies, security against “internal” and “external” threats, against criminal victimization etc., which are all widely held to be rooted in culturally, economically and socially deprived environments.⁵ The official “understanding” of security problems and the ways of solving them have been biased towards the interests of the so-called civilized world, its well-to-do individuals and central (integrated) social groups. It is this “security culture” that forms the basis of the current security policy. While Europe is putting up

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- ² “Security is nowadays one of the most frequent words and is often ideologically misused!” See Zoran Kanduč, “Kriminaliteta, človekove pravice in varnost v po(zno)modernem svetu”, *Revija za kriminalistiko in kriminologijo*, Inštitut za kriminologijo pri Pravni fakulteti v Ljubljani, Let. 54, št. 2, junij 2003., p.159.
- ³ It has been noted that museum security guards form the least effective line of defense in the protection of art from theft and vandalism. Statements to this effect were made in interviews conducted with museum security directors at the Isabella Stewart Gardner Museum, the Harvard Museums, the Tate Museums, the Van Gogh Museum, and the Rijksmuseum, Amsterdam.
- ⁴ Museums rely increasingly on high-tech, alarm-based security, which has failed to work, or failed to provoke an effective response, in a number of high-profile occasions. Recently, a multi-million dollar alarm system failed to sound at The British Museum, at an exhibit of Terracotta Warriors, when a political activist placed a mask covered in political slogans on several of the statues. During the same week in November 2007, alarms went off when drunken vandals broke into the Musée d’Orsay in Paris, but neither guards nor police responded in time to prevent them from damaging a Monet and escaping.
- ⁵ Zoran Kanduč, “Kriminaliteta, človekove pravice in varnost v po(zno)modernem svetu”, *Revija za kriminalistiko in kriminologijo*, Inštitut za kriminologijo pri Pravni fakulteti v Ljubljani, Let. 54, št. 2, junij 2003., pp. 159–171.

protective barriers in the form of policy against security incursions, the United States is doing the same. Walls are being erected within national sub-groups and states as well.

In the context of security policy, crime — particularly in its most dangerous forms — including art crime, is not being analyzed enough. Such forms of organized crime are rooted in an unjust social order, due in turn to an imbalanced distribution of material sources and goods. The definition of art crime may be seen as self-evident. However what may not be realised is the range of criminal activity which is included in the term. While the concept is hardly new, the study of art crime as an academic discipline is a relatively new. Criminal acts centered on art introduce a wide range of motives, methods and suspects. Art crime differs from other criminal activities because of its highly organised nature, hence the inclusion of art crime in the sphere of organised crime. Aarons, Chappell and Polk refer to various forms of fraud, including forgery; theft, and vandalism.⁶

The lucrative nature of art and the art industry makes art a significant target. Art crime does not just refer to the theft and forgery of artwork, but also the use of art for money laundering.⁷ Art criminals do not only include thieves, but also the receivers, who may be unaware that they are handling illicit goods. If acting for someone else, thieves choose targets based on what the commissioner of the crime (not necessarily a collector), who will be referred to here as a criminal administrator. Most of the time, whether theft or fraud, careful planning and a thorough knowledge of the market, at least on the part of the criminal administrator, is required in order to prevent detection and recovery of the item after the theft. Forgers especially need to know the workings of the market, and will forge provenance as well as artworks, so that fake art may be sold more easily and seem authentic. Identification therefore can be problematic, especially in terms of attributing the work for insurance and resale purposes.

Art crime and security

Though authorities agree on the extent and severity of art crime, according to the Interpol the third highest-grossing criminal industry over the past forty years, art crime still remains an understudied field.⁸ As David C. Lane writes,

⁶ Lisette Aarons et al, "Art Crime in Australia: A Market Analysis", a paper presented at the Annual Australian and New Zealand Society of Criminology Conference, Gold Coast, Queensland, 10 July 1998, available at stable internet address <http://www.anzsoc.org/conferences/1998/aarons.pdf>.

⁷ Ibid.

⁸ This statistic is based on Federal Bureau of Investigation, Carabinieri, and Interpol information, all of which is available on the web sites of the three aforementioned groups

“The massive plundering of cultural heritage around the world in the form of art and antiquities theft... is one of the least recognized and analyzed forms of criminality”.⁹ The annual illegal art market was estimated by the Federal Bureau of Investigation at approximately \$5 billion throughout the 1990s and \$6 now though that is considered a conservative estimated as it is based on only reported incidents, which are considered to represent only a portion of the totality.¹⁰ Art crime is not only a European phenomenon. According to the US Customs Service, the illegal art market in the United States is the second highest-grossing annual market, behind only drug sales.¹¹

Aside from the well-combed sub-categories of war looting (particularly during the Second World War) and trade in illicit antiquities, art crime has received little scholarly attention, both as an overall phenomenon and in its other, less well-represented sub-categories. Those studies which delve into the interface between legal and illegal actors, have not focused their attentions on art and cultural heritage, a wide lacuna considering the international acknowledgement of its wildfire activity and its status in the top four highest-grossing annual criminal industries.¹² Because borders are crossed, international police need to work together, bridging procedural and linguistic barriers — a rare occurrence, particularly with regard to cultural heritage crimes.¹³ The priority of most victims of art crime (be they governments, museums, churches, or private

(<http://www.fbi.gov/hq/cid/arttheft/arttheft.htm>, <http://www.interpol.int/Public/WorkOfArt/>, <http://www.carabinieri.it/Internet/Cittadino/Informazioni/Tutela/Patrimonio+Culturale/>). Interpol also publishes an annual CD-ROM on stolen art works. Interpol in particular, since it began to see art crime as a distinct division of stolen property that warranted its own full-time agents, has consistently rated it at number three on its list of criminal markets. In 2007, art crime was listed as number four, behind the drug trade, the arms trade, and money laundering.

⁹ David C. Lane, David G. Bromley, Robert D. Hicks, John S. Mahoney, “Time Crime, The Transnational Organization of Art and Antiquities Theft”, *Journal of Contemporary Criminal Justice*, Vol. 24, No. 3, 2008, pp. 243–62.

¹⁰ Noah Charney, *‘Sexy’ art crime not just in movies*, Atria, 2007.

¹¹ Elizabeth Gilgan, “Looting and the market for Maya objects: a Belizean perspective”, in N. Brodie, J. Doole & C. Renfrew (eds.) *Trade in Illicit Antiquities: the Destruction of the World’s Archaeological Heritage*, McDonald Institute for Archaeological Research, Cambridge, 2001, pp. 73–87.

¹² Alan A. Block, Constance Weaver, *All Is Clouded by Desire*, Praeger Publishers, Santa Barbara, CA, 2004.

¹³ The most famous such example came in the 2005 recovery of a Rembrandt self-portrait that had been stolen from the Stockholm Museum of Art in 2000. It was recovered through the joint sting operation of the FBI, Danish, and Swedish national police forces (Ellis 2005). One of the first truly successful recent examples came only in the summer of 2007, when a joint operation by Scotland Yard and the Carabinieri led to the arrest of shipwreck looters in England and Italy. This event was related to the author in person by Detective Sergeant

collectors) is the recovery of the objects. This is at odds with the priority of most police, whose charge is to arrest criminals and successfully prosecute them. The recovery of the stolen object is often an after-thought. Much other art crime goes unreported — by private collectors avoiding luxury tax, by museums ashamed of having been burgled, or in the case of successful crimes that avoid detection altogether, such as well-laundered stolen art that resurfaces on the market, antiquities looting from remote areas that may go undiscovered. In short, limited empirical information has been available to scholars, and what is available is incomplete (Interpol's web site states that while they have sufficient data to rate art crime the fourth highest-grossing criminal industry for 2007, their data is insufficient to make assured assertions about the annual value of the industry, which they rate at approximately \$6 billion per year).¹⁴ It is no wonder that scholars, particularly criminologists who feed on data and statistics, have made only occasional forays into the uncharted waters of the study of art crime.¹⁵ As noted by several scholars, "it is striking that this massive form of criminal activity has gone relatively unnoticed by scholars who study criminality".¹⁶

Museum Security Publications

Information on museum security suffers from the same data limitations as other categories of art crime. Museums have historically been rather

Vernon Rapley of Scotland Yard's Arts and Antiques Unit and Col. Giovanni Pastore of the Carabinieri Division for the Protection of Cultural Heritage in interviews in London in January 2008 and in Rome in September 2007.

¹⁴ Several individual national police forces, notably among them France and Italy's Carabinieri, keep very good databases on art crimes related to their own countries (as noted in the aforementioned interviews with Rapley of Scotland Yard and Pastore of the Carabinieri. This is also noted in Jumana Farouky "Spirited Away" *Time Magazine*, international edition, 21 January 2008). But these databases are national only. Police forces are loathe to share their data with other police forces or with scholars. Some private detective agencies keep international databases, but their content represents such a small fraction of even the reported crimes worldwide that it would be of only small use to scholars. That said, scholars are rarely allowed access to any art crime databases, as most of the cases in them are still open.

¹⁵ ARCA, the Association for Research into Crimes against Art, is a new international non-profit think tank on art crime issues. ARCA seeks to encourage art crime scholarship, as well as the cooperation of police of different nations and between police and academics. The goal of ARCA's studies, such as this article, is to use research and analysis to look at past and present trends in art crime to suggest ways to better protect and recover art. For more information, please see www.artcrime.info.

¹⁶ Quoted in Lane, David C., Bromley, David G., Hicks, Robert D., Mahoney, John S., "Time Crime, The Transnational Organization of Art and Antiquities Theft", *Journal of Contemporary Criminal Justice*, Vol. 24, No. 3, 2008, pp. 243–62.

embarrassed about breaches in their security, a good percentage of which go unreported or unrecorded.¹⁷ In recent years, measures have been taken to address this issue. Museums can learn from each other's mistakes, both historical and contemporary.

At the AXA annual art conference (November, 2005) on security and museum collections sought to collect the extant information, with particular focus on the policy of risk-reduction.¹⁸ One of the only sources of literature that is specifically about contemporary museum security, comes from ICMS (International Committee on Museum Security) and ICOM (International Committee of Museums) conference proceedings, published as an annual journal. Since 1988, these conferences have brought together security directors and advisors from around the world to discuss current issues with the goal of disseminating information that can be applied by other museums. The contents of the annual journal involve individual case studies but, as with the AXA conference, did not reach a collective conclusion, proffering practical suggestions for future implementation.

ICMS have also sponsored a general book on museum security.¹⁹ As in most of these publications, there is only a brief mention of how security guards on duty should behave, and this is the question that this study seeks to answer. *The Museum Security and Protection: A Handbook for Cultural Institutions* provides mechanical and electronic security information, though it does not contain much information on security guard behaviour.²⁰ The International Foundation for Cultural Property Protection publishes *The Cultural Property Protection Manual* by Stevan P. Layne, which serves as a handbook for security directors. The Smithsonian Institute in Washington, DC has held conferences and published proceedings on museum security since 1984. Beyond Smithsonian and ICMS, periodic publications and conferences have continued to analyze the problems, but rarely offer concrete suggestions to solve them.

Study in Slovenia

In preparation for this paper a pilot study was undertaken in Ljubljana, Slovenia. The authors developed a forty-question questionnaire and distributed it

¹⁷ As noted in an interview with Philip Rylands, director of the Guggenheim Museum in Venice in February 2005.

¹⁸ This conference includes a useful summary of the main contemporary theories and defense systems for museum collections, though the proceedings themselves were not published.

¹⁹ Burke, Robert and Adeloje, Sam, *Manual for Basic Museum Security*, ICMS, Leicester, 1986.

²⁰ *The Museum Security and Protection: A Handbook for Cultural Institutions*, Routledge Publishers, London, 1993.

then to museums around the world, in order to get a broad response. The number of questionnaires processed from each one of the countries involved, was relative to their populations. Therefore, most questionnaires came from US museums, while other participating countries included the UK, Italy, Slovenia, Serbia, and the Netherlands. Responses were entered into SPSS for data processing.

The results of the research displayed that, like in other countries, there are much more male guards than female. What is surprising and very praising, also encouraging, is that majority of USA museum guards (46%) have high school and 16% master's degree or doctoral studies. Similar to this research results indicate that for very small percentage (6,4%) of guards works of art do not play important part in their professional life and that 69% of guards enjoy and appreciate art very much. Consequence to this it is also that a) 74,3% respondents rate the severity of the theft of art from a major national museum it like serious criminal act and that b) 57,8% of respondents think that art is very important to humanity. For this first part, we can conclude in average that museum guards in USA notice and like art and appreciate it very much.

Research also reveals that guards are very protective when speaking and asking about their museum where they are working at. We saw that 70,6% would be quite personally upset if a famous painting from their own museum went missing or was destroyed. Besides, guards in 31,2% would risk personal injury to save the contents of their museum from fire or theft. We found out also that 38,5% of respondents move the whole working time around which means active protection of arts and that they try to show to people that big brother is watching them, even more, more than 60% of guards devote attention to museum-goers. 21,9% of all guards think that they have top of the line high-tech security in their museums. If guards saw a museum-goers suspiciously they will definitely (average answer) keep an eye on suspect only.

In third part of findings we can stated that respondent rated a) theft, in which art is permanently damaged and b) vandalism of a famous national monument as the most severe acts. Guards rated from the most to the less severe act in next following order: human trafficking, international terrorism, smuggling of weapons, international drug trafficking, vandalism of art, art theft, drug trafficking, smuggling of works of art and counterfeiting of works of art.

Respondents rated effectiveness of the different security measures in museums: Results, in order from most to less effective, are: alarms, museum guards on the floor, locks and mechanical defences, remote supervision and police response and architecture of museum and positioning of art. Guards stated that the most important arts to preserve and protect are master paintings and ancient art. Results show that guards are the most important to protect museum during the museum's open hours and that security systems are most important during hours when the museum is closed.

For the guards it is the most worrisome if artworks had gone missing and were in danger of being lost or damaged irrevocably, but the least worrisome would be for guards that in case of theft in their museum that someone had defeated them and their security measures. For the guards the greatest security threat to their museum is fire, than follows accidental damage of art and theft by members of organised crime.

Research limitations/implications

The authors suggest that more extensive research should be done along similar lines, involving a larger response from museums. Museums tended to be hesitant to participate, for fear that they would be represented in a bad light (even though all information would be anonymous). The more questionnaires processed, the better the data. But this study, involving over one-hundred responses, provides a useful starting point. The other piece of data which museums were generally unwilling to share, is the number of real security threats per year and the number of incidents in which something was stolen or damaged. This data would be useful to juxtapose with museum guard behaviour, permitting an examination of whether more active guards result in fewer real security incidents.

A study of this kind has never before been undertaken to investigate museum security. The study results in practical suggestions for the implementation of a new, more pro-active role on the part of museum security guards — an improvement to security that is cost-effective, as it involves altering the duty of guards already employed.

Study on Museum Security Guard Management and Efficacy

The focus of this study is on museum security guard management and efficacy. The focus on how museum guards act while on duty only rarely receives more than a perfunctory passing mention. But our initial studies suggest that human museum security guards are, and have long been, the least effective line of defense against theft and hostile vandalism, serving only to limit inadvertent damage to the collections.

Method

To find out how is take care of security in well known museums in USA and to obtain information about what kind of relationship have workers in these institutions towards the work of art, we decide to make research. With the research we want to get information about:

- how much works of art mean to the workers in museums,
- how serious are the individual types of art crime to the museum workers,
- which types of works of art are for museum workers most important,
- how the museum workers see and how often do they perceive different events in museums where they are working in.

All this information we obtained with a forty-question questionnaire and distributed it to museums around the world, in order to get a broad response. The purpose of this questionnaire was to find out what kinds of relationship have workers to works of art and at the same time to find out how do they take care of safety in museums. The information gained with questionnaires represents the data base which we have analysed.

Applicability of results will help to find out where and how it is necessary to improve the security so that we could act preventable on the general public and to decrease the number of this kind of crimes. Together with the international organisation ARCA we will gained data use to improve public awareness raising about dangers of this kind of crimes.

Sampling and Data Collection

With help of international organisation ARCA we have done a list of 50 museums in USA to which we have sent 10 questionnaires per museum and ask them to fill them and to send them back to the Faculty of security studies. Because the first reply was very poor, director of ARCA, dr. Noah Carney contacted museums and ask them again for cooperation. After that we have received 109 filled questionnaires which were all suitable for the analyse. 109 returned questionnaires represent 21,8% of all sent questionnaires.

Questionnaire was composed from questions and statements, for which respondents respond in 5 level scale: ?? = 1; ??=2; ??=3 etc. Reliability Analysis with Alpha (Cronbach) Model showed (Cronbach's Alpha is 0,929) that our scale is reliable. To reduce social control, questionnaires were anonymous.

All data which was obtained by questionnaires was filled in and analysed with the SPSS 13.0 for Windows.

Results

Inter-Item Correlation Matrix analyse showed that few items there were 71 items total) in the questionnaire were not correlate well with others (Corrected Item-Total Correlation was less than 0,3) so that is why we did not use them in further analyse. With this action we also got more reliable scale.

For the purpose of this research we have chosen the sample of respondents from the population of employed guards in American museums. 109 respondents were included in the analyse. This sample was quite agitated because there were 73,3% of men and 26,6% of women. The majority of respondents (83) were between 25 to 60 years old. 36 respondents (33%) have finished secondary school, 50 high school and 17 masters' degree or doctoral studies. Majority of respondents (42) have more than 10 years job experiences in museums.

The results of research show that for the 37% of guards the works of art play important part in their professional life. On the contrary only 6,4% said that these items are insignificant and irrelevant. 14% of respondents never visit other galleries or museums in their spare time but 69% of guards enjoy and appreciate art very much and just 5% not at all. Respondents rate differently the severity of the theft of art from a major national museum (74,3% respondents rate it like serious criminal act) than the theft of the art from a private collector's home (57,8% respondents rate it like serious criminal act). 63 respondents (57,8%) think that art is very important to humanity, and just 2 respondents think that art is the less important.

We noticed quite big differences in the next answers: in average 31,2% guards would be quite upset if a famous painting that they've never seen in a country they've never been to was stolen and more than 46% would be quite upset if a famous painting that they've never seen in a country they've never been to was destroyed. When we have asked them would they be upset if a famous painting in their museum turned out to be a forgery, the average answer (on the scale 1 – 5 where 1 means Not upset at all and 5 means Quite upset) was 3,7 where 31,2% (34) of all respondents would be quite upset and just 7,3% would not be upset at all. If guards were in no way to blame, 70,6% would be quite personally upset if a famous painting from their own museum went missing or was destroyed.

15,6% of all questioned guards said that they would not risk personal injury to save the contents of their museum from fire or theft at all, on the contrary 31,2% would. Meanwhile 43,1% of all respondents thinks that there is no amount of art which is worth risking any human life at all, but on the other hand 16,5% of guards think that there are some art worth to risk a life.

38,5% of respondents move the whole working time around while they are on museum floor security duty and just one respondent is standing in the place all the time. The average (on the scale from 1 'I stand in the place' to 5 'I move the whole time') was 4,17; besides, majority of respondents (46,9%) regularly interact with museum-goers while on duty. And what is more, for more than 60% of guards are museum-goers very interesting. On the scale from 1 to 5

where 1 means Almost never and 5 Very often respondents in average of 2,85 note that museums-goers act suspiciously. Interesting is also that just 15,6% of all guards do not note museums-goers acting suspiciously at all. 21,9% of all guards think that they have top of the line high-tech security in their museums.

We have also asked the respondents to rate different types of improper or illegal acting, dealing with work of art from 1 – 5 where 1 means that act is nor sever and 5 that the act is most severe. We will show just the average result of the mentioned scale of respondent's answers:

- a) theft from a church – 4,41; theft from a national museum - 4,46; theft from a regional museum – 4,31; theft from a private home – 4,07; theft in which art is permanently damaged - 4,52;
- b) vandalism of art in a church - 4,50; vandalism of art in a museum - 4,54; vandalism of art in a private home – 4,20; vandalism of outdoor art (public sculpture) – 4,35; vandalism of a famous national monument – 4,56.
- c) art theft – 4,32; vandalism of art – 4,43; counterfeiting of works of art – 3,79; drug trafficking – 4,29; international drug trafficking – 4,37; smuggling of weapons – 4,44; smuggling of works of art – 4,14; human trafficking – 4,66; international terrorism – 4,63.

We have asked the respondents also to rate the effectiveness of the different security measures at their museums. The respondents had to choose on the scale between 1 (Not effective) to 5 (Most effective). Average results are: a) alarms – 4,08, b) museum guards on the floor – 4,03, c) locks and mechanical defences – 3,98, d) remote supervision and police response – 3,81 and e) architecture of museum and positioning of art – 3,52.

Next question was: “How do you rate the following categories of art, in terms of what is most important to preserve and protect?” and respondents had to choose between 1 and 5 (1 – Least important; 5 – Most important). Results are: a) old master paintings – 4,73, b) ancient/classical art – 4,64, c) old master sculpture - 4,59, d) books, maps, and manuscripts – 4,48, e) old master prints and drawings – 4,41, f) modern sculpture – 3,94, g) modern paintings – 3,97 and h) modern prints and drawings – 3,87.

For the next question guards had to choose from 1 to 5 (1 – Least worrisome and 5 – Most worrisome) how much the following results would upset and/or worry them, if a theft took place at their museum. The average answers on the scale were following:

- That artworks had gone missing and were in danger of being lost or damaged irrevocably? 4,50
- That someone had defeated you and your security measures? 4,41

- That the thieves might use the stolen art to fund drugs or arms deals or even terrorist activity? 4,42
- That you might be blamed 4,44.

We were interesting also how great do guards consider the following security threats to their museum (scale from 1 to 5, where 1 means 'No threat' and 5 'Greatest threat'): a) random act of vandalism – 3,78; b) premeditated act of vandalism – 3,73; c) theft by an individual – 3,76; d) theft by organized criminals – 3,84; e) fire – 3,93 and e) accidental damage to art – 3,86.

Guards also rated (from 1 'I would not do this' to 5 'I definitely would do this') the likelihood of them doing the following, if they saw a museum-goer acting suspiciously: a) keep an eye on the suspect only – 4,46; b) speak to the suspect – 3,83; c) notify central security only – 4,15.

Besides above measured and mentioned, guards also rated (from 1 'Guards most important' to 5 Security systems most important') the relative importance of security guards vs electronic/mechanical security systems a) during the museum's open hours – 3,13 and during hours when the museum is closed – 3,93

Results of the question 'How many real threat security incidents would you estimate took place in your museum in the last year?' were following: a) 41,3% none; b) 34,9% few; c) 13,8 fewer than 10; d) 4,6% 10-20; and 4,6% more than 25. On the other hand 34,9% of all guards stated that they had none, 31,2% few and 9,2% more than 25 false security incidents (that proved not to be real threats) in their museum in the last year.

Majority of respondents (31) stated that 3 to 10 museum-goers per day have a moustache. Guards also in majority (27,5%; 30) said that a reasonable sentence for someone convicted of irrevocably damaging or destroying a work of art or a monument is a fine and 14,7% thinks that a reasonable sentence is more than 10 years of imprisonment.

More than 53% of all respondents do not own any works which they consider to be fine art and 7,3% do not know that. In 67% they think that works of art are for everyone and 28,4% guards thinks that arts are just for everyone interested enough to make the effort.

Discussion

After we gave very detailed review of research result we would, for the end, just like to point out that after using Factor analysis, KMO and Barlett's test of sphericity, Principal Component Analysis and checking Scree plot we found out that we can explain majority of variables over 57% of Variance with 4 extract factors. So, we can separate whole relation between guards and works

of art, which we have been measuring with 44 variables, into 4 factors. Considering the entangled phenomenon we can infer that individual measured items are connected and that there is a lot of correlation between them. Mentioned 4 factors are: 1) Personal affection of respondents regarding improper acting over, with the works of art; 2) General attitude of respondents to works of art; 3) Respondents opinion about proper amount of protection measures and in which way/how to protect; and 4) How is by the respondents opinion assured the security in museums?

With Pearson's Correlation Coefficient, where we took into consideration three basic values – r ($-1 < r < 1$),²¹ we found out that there is very high statistical connection between:

- a) Factor 1 (Personal affection of respondents regarding improper acting over, with the works of art) and Factor 2 (How is by the respondents opinion assured the security in museums?);
- b) Factor 1 (Personal affection of respondents regarding improper acting over, with the works of art) and Factor 3 (Respondents opinion about proper amount of protection measures and in which way/how to protect); and between
- c) Factor 2 (How is by the respondents opinion assured the security in museums?) and Factor 3 (Respondents opinion about proper amount of protection measures and in which way/how to protect).

On the other hand we found also very low statistical connections between:

- a) Factor 1 (Personal affection of respondents regarding improper acting over, with the works of art) and respondents age,
- b) Factor 1 (Personal affection of respondents regarding improper acting over, with the works of art) and guards temporary working place;
- c) Factor 3 (Respondents opinion about proper amount of protection measures and in which way/how to protect) and the age of respondents etc.

For trying to improve better security and safety measures in museum we should have in mind above mentioned important connections between guards personal affection when come to improper treatment with arts, guards opinion about security in museums and about protection measures in museums. With above mentioned detailed findings of research we noticed that guards are identified as very reliable protection for museums, because a) 31,2% of guards would risk personal injury to save the contents of their museum from fire or theft, b) 38,5% of respondents move the whole working time around which means active protection of arts and that they try to show to people that big

²¹ $r = 0,10$ (low connection); $r = 0,30$ (middle connection); $r = 0,50$ (high connection)

brother is watching them, even more, c) more than 60% of guards devote attention to museum-goers.

But on the other hand just 21,9% of all guards think that they have top of the line high-tech security in their museums and majority of them think that during museum's open hours human protection is better than electronic equipment.

For the very last conclusion we would like to stress that it is obvious that these kind of research are very important for further organisation of museum and/or art crime security. By looking into the relation and thinking of museum guards about works of art and security issues in museums we could improve the security and protection itself. With our relative small research we gave springboard for further bigger research to give even larger insight into the issue of arts security.

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ABSTRACTS

Branislav Radeljić

Dve decenije akademske debate: Zapadno učenje i kolaps SFRJ

Sažetak

Raspad Socijalističke Federativne Republike Jugoslavije je podstakao širenje akademske literature. U članku se razmatra zapadno učenje i, dok su u širem smislu postojali faktori koji su doprineli raspadu države i mogu se podeliti u dve glavne kategorije (unutrašnji i spoljni), postavlja se pitanje šta još treba analizirati kako bi se dobila jasnija slika o jugoslovenskoj dramati. U ovom smislu, nedržavni akteri se smatraju važnim faktorima koji su bili u stanju da utiču na procese donošenja odluka. Zato bi dublje razumevanje aktivizma grupa u dijaspori, medija i crkava — što je sve zajedno imalo priličnu snagu u okviru jugoslovenske federacije — dalo vredan doprinos postojećem učenju.

Ključne reči: Jugoslavija, dezintegracija države, Evropska zajednica, nedržavni faktori.

Spyridon Sfetas

Balkan danas: Između evropskih integracija i američko-ruskog antagonizma

Sažetak

Autor se bavi određenim ključnim pitanjima uloge Evropske unije na Balkanu. On ističe da ona nije uspela ni da reši balkansku krizu niti da stvori sistem kolektivne bezbednosti. Balkan još uvek ostaje samo ekonomska zona sa divergentnim političkim stavovima u globalnim odnosima. Američka intervencija i Paks amerikana su odredili budućnost post-komunističkih balkanskih država. Pojavile su se nove male države kao protektorati krhke stabilnosti. Pokazalo se da je globalizacija drugi aspekt balkanizacije. Balkan je bio predviđen da bude tampon zona od potencijalnog ruskog uticaja. Ali, Rusija posle oporavka pod Putinom pokušava da se vrati na Balkan igrajući na energetske karti. Balkan je bio uključen u američko-ruski energetske rat i verovatno novi hladni rat.

Ključne reči: Balkan, Evropska unija, Kosovo, spor između Grčke i BJRM oko imena države, albanski separatizam, Nabuko nasuprot Južnog toka, naftovod Burgas-Aleksandropolis nasuprot naftovoda AMBO, američke baze, američki antiraketni odbrambeni sistem, ruska politika na Balkanu.

Pero Petrović

Efekti globalne ekonomske krize na srpsku ekonomiju i na zemlje u regionu

Sažetak

Pad ekonomske aktivnosti u globalnim okvirima dovodi do pojačavanja negativnih efekata na lokalnu krizu. Realni sektor je mnogo više izložen krizi i njenom negativnom uticaju od finansijskog u kome dominira strano vlasništvo. U uslovima nedostatka priliva stranog kapitala i otplate duga prema inostranstvu povećava se pritisak da se depresira lokalna valuta, što je praćeno neizvesnom vrednošću nominalnog fiksnog kursa. Zbog ovih istaknutih principa fokus treba pomeriti sa finansijskog na realni sektor. U ovom članku je objašnjeno zašto je iznenadni prekid priliva stranog kapitala, zbog svetske finansijske krize, izazvao oštru monetarnu kontrakciju i kao rezultat toga pad proizvodnje u Srbiji. Glavni problem Srbije kao sredine su protivrečnosti između realnog i finansijskog sektora. Makroekonomski bilans je direktno povezan sa dinamikom primene industrijskih strukturnih reformi i nivoom ekonomske konkurentnosti. Rastuću nelikvidnost, koja je glavni uzrok smanjene tražnje i kao rezultat toga smanjene proizvodnje, moguće je prevazići dodatnim resursima koji bi se dodelila industriji i stanovništvu.

Ključne reči: Pad ekonomske aktivnosti u globalnim okvirima, fiskalna i monetarna politika, sanacija banaka, strukturne promene, konkurentnost.

Jonathan Crossen i Bessma Momani

Zahtev za punopravno članstvo Ruske federacije u MMF u vreme Glasnosti

Sažetak

Sovjetski lider Mihail Gorbačov je želeo da njegova zemlja postane članica MMF kao znak poverenja međunarodne zajednice u perestrojku i njega kao državnika. Na osnovu arhivskog materijala, mogućnosti dobijanja informacija od vlade SAD i ličnih intervju-a proizlazi da je zahtev SSSR da postane članica MMF odbijen. G7, predvođena Sjedinjenim Državama, ozbiljno je sumnjala u Gorbačovljevu posvećenost pridruživanju zajednici slobodnog tržišta. Nasuprot tome, prvi ruski predsednik Boris Jeljcinu je ohrabren da podnese zahtev za punopravno članstvo Rusije u MMF samo nekoliko dana nakon preuzimanja dužnosti. U članku je zabeležena rasprava u međunarodnim prestonicama o sudbini sovjetskog zahteva MMF i obelodanjen je ovaj nepoznat period u međunarodnim odnosima. Štaviše, ovaj slučaj nas uči da vrednost na koju se gleda kao deo zajednice država predstavlja objašnjenje za ulazak u međunarodnu organizaciju.

Ključne reči: MMF, Sovjetski Savez, Rusija, članstvo, međunarodne organizacije.

Bojan Dobovšek, Noah Charney, Jure Škrbec

Borba protiv trgovine umetničkim delima

Sažetak

Uočeno je da čuvari muzeja čine najmanje efikasnu liniju odbrane u zaštiti umetničkih dela od krađe i vandalizma. Muzeji se sve više oslanjaju na obezbeđenje bazirano na visokoj tehnologiji i alarmima, koje ne funkcionišu ili nije dalo efikasan odgovor u određenom broju značajnih situacija. Vreme je da se preispita uloga čuvara muzeja. Vođen je razgovor sa stotinama čuvara muzeja u svetu o njihovoj ulozi, obuci i shvatanju obezbeđenja muzeja. Rezultati su obrađeni i trendovi ukazuju na pasivnost koja prevladava i iz koje proističe neefikasnost čuvara muzeja uopšte. Čuvari muzeja čiji šefovi obezbeđenja nisu tradicionalno orijentisani, koji zastupaju aktivniju učesće svog osoblja na dužnosti, bili su uverenja da su bolje pripremljeni da odgovore na pretnje bezbednosti i smatrali su da su otklonili potencijalne pretnje bezbednosti identifikovanjem sumnjivih osoba unapred i obraćanjem na odgovarajući način.

Ključne reči: bezbednost, organizovani kriminal, trgovina umetničkim delima.

BOOK REVIEWS

THE FUTURE OF EUROPEAN UNION

Jürgen Habermas (translated by Ciaran Cronin), *Europe: The Faltering Project*, Polity Press, Cambridge, 2009, xviii + 231 pp., ISBN 9780745646497.

The future performance of the European Union is widely discussed. Both politicians, who bear responsibility for new policies, and the public sphere, that will be expected to comply with the new decisions, question whether the Lisbon Treaty will improve the situation within the Union or it will take a different direction characterized by discord and failure. Accordingly, in this volume, Jürgen Habermas examines some of the aspects contributing to this European dilemma. Before dwelling completely on the post-Lisbon enigma, he offers an interesting account about three philosophers worthy of consideration: Richard Rorty, Jacques Derrida and Ronald Dworkin.

Rorty's public activism is valuable for various reasons: while 'never tempted to pursue the arrogant, exalted self-celebration of a form of recollective thinking,' he defended the priority of democracy and technology over philosophy and theory (p. 11). As a philosopher, writer and patriot, Rorty debated different concepts. More specifically, Habermas marvels at his philosophical commitment to address the concepts of truth and mental, inter-subjectivity and objectivity. Furthermore, Rorty's writings, which equalled poetry, discussed education and social reform: accordingly, he was against institutions that exploit and degrade and in favour of a tolerant society. Finally, Rorty's patriotic loyalty reflected his respect for the United States of America and its democratic values.

Derrida's work is about global dimension of human rights, crimes against humanity, transnational democracy, etc. In his book, Habermas admits his own limitations *vis-à-vis* Derrida's work and therefore points out some aspects (distinction between morality and ethics or Kierkegaard's ethical insights) whose analyses would facilitate further understanding of Derrida. No matter how different their intellectual arguments may be, Habermas, however, notes that 'an interpretative difference need not necessarily mean a difference over the thing interpreted. At any rate, "truce" and "reconciliation" are not the right terms for a congenial, open-minded exchange' (p. 36).

Dworkin's theory of law is what Habermas argues to be a significant contribution to legal studies. He opposes both the legal positivists and legal realists and develops a social-liberal theory of distributive justice giving priority

to individual liberties: 'Because the liberty of private persons is granted pride of place, each person bears the risk for the choice of the life he or she would like to lead' (p. 43). In his work, Dworkin does not abandon controversial issues such as Guantanamo, terrorism, security dilemma, civil rights, religious fundamentalism, homosexual marriage, neoliberal economic policies, etc. By tackling them, he demonstrates their undeniable relevance for the current international developments.

The central part of the book reflects its proper title. Here, Habermas assesses the present linkage between intellectuals and the public: while an intellectual identifies important issues and suggests thoughtful hypotheses, the public sphere has become more inclusive and open for exchanges (pp. 52–53). However, intellectuals are often excluded from debates regarding the future of Europe – a serious lack which can affect future policy-making. In this regard, concerns such as global economic conditions, demographic trends and the clash of the Western society with the Islamic world have encouraged greater involvement of intellectuals. In fact, Habermas, in particular, focuses on Islam in Europe. His sociological debate on secularization involves examination of the following aspects: the impact of science and technology on the 'anthropocentric understanding of the disenchanted world,' the role of churches and religious organizations within 'the functional differentiation of social subsystems' and finally, the actual need of a practice in present day life (p. 60). Having examined these, Habermas is aware of potential risks as the religious communities are capable of influencing the public sphere of secular societies: 'They can influence the formation of public opinion and will by making relevant contributions, whether convincing or objectionable, on key issues' (p. 64). In order to prevent discords and conflicts, Habermas is in favour of greater inclusion and tolerance regarding minorities. Once acknowledged, tolerance will become a norm for a well-functioning political community where both diversity and freedom to become active participants in the greater community are appreciated.

The Lisbon Treaty does not solve the European problems. While it promotes the readiness of the politicians to maximize the efficiency of the European Union, it does not address the mentality and involvement of its people – an aspect which perfectly complements Habermas's previous remarks about diversity and tolerance in the EU. In regard to further EU integration, Habermas reconfirms: 'The aim of the integrations is not a federal state but institutions and procedures which build on democratic foundations and make possible a joint foreign and security policy, a gradual harmonization of taxation and economic policy, and corresponding alignment of the social welfare systems' (p. 82). Apart from any kind of integrationist debate, additional pressing problems the EU will have to face include policies about international security, climate change, energy resources, human rights, global

economic system, proliferation of weapons of mass destruction, etc. These concerns, for Habermas, pose a serious challenge for the EU itself.

The last part of the book focuses on the public sphere. Here, Habermas examines the constitutionalization of international law and political communication in media society. In regard to the former, the author discusses a global system in which a world organization would act at the supranational level. In Habermas's view, the world organization would be allowed to decide upon the use of force in emergencies, while the General Assembly would deal with transnational justice. Not to ignore is the power of public opinion, which 'armed solely with the weak sanctioning power of "naming and shaming" could exert, at best, a weak form of control over the legislative, executive and judicial decisions of the world organization' (p. 124).

The argument which tackles the domain of political communication insists on extensive research and expertise. Without these serious inputs, the public sphere would face obstacles as it would 'no longer offer any resistance to populist tendencies and would be incapable of performing its proper function in a constitutional democracy' (pp. 134-135). The media and news agencies are responsible for the production of elite discourses. Habermas criticizes the media and disgustedly notes: 'The kind of media-based mass communication with which we are familiar from national public spheres is not subject to any standards of discursive quality, or even representativeness' (p. 154). In an interdependent world society, the public sphere could monitor decision-making and implementation of policies – a valuable contribution if we take into account the democratic deficit in the European Union. However, Habermas's criticism does not invite for the establishment of a supranational public sphere in the EU, but rather sees the solution which consists 'in transnationalizing the existing national public spheres' (p. 183).

To conclude, the book offers a number of issues which have already and will even more find their place within serious debates regarding the future of the European Union. Habermas's intellectual capacity to present and discuss arguments from integration and tolerance to exclusion and consequent risks, through secular and post-secular societies, to political communication in media society, can be appreciated or objected, but what remains evident is his willingness to understand the European society and encourage further contributions. Although some other writings discussing similar concerns have become available to the public, Habermas's volume is likely to remain a distinguished publication in the field.

Branislav RADELJIĆ

FRENCH-YUGOSLAV RELATIONS DURING THE ALGERIAN WAR

Dragan Petrović, “*French-Yugoslav Relations During the Algerian War from 1952–1964*”, Institute of International Politics and Economics, Belgrade, 2009, 454 pp., ISBN. 978-86-7601-081-3.

The primary subject of the book “Francusko-jugoslovenski odnosi u vreme Alžirskog rata 1952–1964” (French-Yugoslav Relations during the Algerian War from 1952–1964) is political relations between the two countries in the above mentioned 12-year period. It was at this time that the Algerian problem was the most current, bearing in mind the 8-year armed rebellion against France in the years 1954–1962. This book is the fruit of the research done for the doctoral dissertation with the same title.

Since the first half of the 19th century France and Serbia (since 1929 Yugoslavia) have had very developed and even allied and friendly relations. Author studied the depth and interwoveness of these relations — political, military, economic and cultural in the second chapter of the book (from 1800 to 1952). It is only by taking such a broad approach to the analysis of friendly relations between the two countries that Dragan Petrović sought to depict and understand how deep was the discontinuity that was imposed during the Algerian problem when the relationships between the political leaderships of France and Tito’s Yugoslavia aggravated. The third chapter gives a comprehensive chronological survey of France-Yugoslavia relations in the period from 1952 to 1964 that was elaborated by using the Yugoslav primary sources for the first time — the Ministry of Foreign Affairs and the Archives of Yugoslavia for the above mentioned period.

By studying the main trends in political, economical and cultural relations between two countries after the Federal People’s Republic of Yugoslavia (FPRY) left the Cominform, (in 1948) until 1954. In that period French-Yugoslav relations showed an upward trend. The participation of France in the Tripartite programme for financial assistance to Yugoslavia (together with USA and Great Britain), the role of Quai d’Orsay (also together with USA and Great Britain) in the arbitration over the Trieste question between Italy and FPRY, the patronage of the three Western powers in making of the Balkan pact (consisted of FPRY, Turkey and Greece) additionally made the relations between the official Paris and Belgrade become almost allied, as had been the case for many decades before World War II. The dominant cultural and scientific influence of France on Yugoslavia in the observed period (the late 1940s and the first half of the 1950s) made the relations between the two countries in authors words *brilliant* as had been the case before the War in spite of the fact that the

political, economic and military significance of France decreased to some extent within the world and European frameworks.

Author presented the synthetic picture of the relations between two countries in light of the changes on international scene after the beginning of the Algerian war. In the late 1954. The change was decisive, the relations between the two countries (it ceased to receive the tripartite financial assistance that was further granted only by USA, the relations between FPRY and USSR and East European socialist countries warmed up what implied less reliance on the West). FPRY increasingly adopted the policy and orientation towards the non-alignment, although it was a gradual process, which in that period had not yet been fully shaped. In spite of the efforts to retain its colonial possessions, the French Fourth Republic was willing to gradually increase their autonomy except in one case that the French did not treat as a colonial question — the question of Algeria — than integral part of the national territory.

Petrović minutely, applying mainly historical methodology presents details and elements that finally combining it with the political science apparatus examines relations of two countries pretending to explain future evolution and contemporary relations grounded in the relations from the mentioned period. He examines two fazes in this period: *understanding* until 1956 Suez crisis when Tito backed Egypt; b) drastic change in the relations when Tito's Yugoslavia supported the FLN (National Liberation Front) and supplied it with weapons. The leadership of FPRY did not show any positive attitude towards De Gaulle's changed policy o decolonisation but kept on demanding from France to make far greater concessions, disregarding the complexity of the political situation in this country. By supplying covert weapons to the Algerian rebels (during 1957 and 1958 the French Navy already seized several Yugoslav ships with weapons, of which the most famous affairs were with "Serbia" and "Slovenia"), by the treatment of wounded members of FLN in Yugoslavia, by providing financial assistance to FLN, by the political propaganda and political activities in the UN General Assembly, international bodies and forums in favour of FLN as well as by taking certain actions in this regard at the meetings of the Non-Aligned Movement aggravated the relations with the official France.

Author concludes that the Algerian crisis, in particular 1956-1962 period (and in a pronounced way the period since the half of 1959 till the half of 1962), disturbed the relations between the official France and Yugoslavia as in no other similar case during the 20th century. This demanded a special study of the issue all the more so for the reason that a possible burden on the friendly historical French-Serbia relations should be lifted.

Searching the archival documents Petrović establishes that making of the most important foreign policy decisions was reserved for a small party leadership of the League of Communists of Yugoslavia where career diplomats were not much influential and all real power and making of strategic decisions was actually concentrated in the hands of Josip Broz himself and to a lesser extent in the hands of a few of his closest associates. He provided examples for such a conclusion as in a case with the Yugoslav ambassador Bebler.

Text, style and dynamics fit both for the academic and general public. This research is valuable contribution for the history of the diplomatic relations as well as for the studies on the political system of ex Yugoslavia and its foreign policy. It will necessarily become part of the obligatory literature for the Yugoslav-French relations and for the research on the Yugoslav Non-Aligned policies. This diligently done synthetic study unveils one of the most important moments in the communist Yugoslavia foreign policy.

Slobodan JANKOVIĆ

DOCUMENTS*

Security Council
6264th Meeting (PM)
22 January 2010

Head of United Nations Mission, Briefing Security Council, Calls On Serbian, Kosovo Authorities to Create Multi-Ethnic Society, Ensure Regional Prosperity

The senior United Nations official in Kosovo, briefing the Security Council today, called on the authorities in that territory and in Serbia, as well as on Kosovo Albanians and Kosovo Serbs, to work together on creating a multi-ethnic society, protecting cultural heritages and ensuring regional prosperity.

“I hope that Belgrade and Pristina demonstrate by their actions that the well-being of the population of Kosovo is not sacrificed on the altar of political agendas,” Lambert Zannier, Special Representative of the Secretary-General and Head of the United Nations Interim Administration Mission in Kosovo (UNMIK), said this afternoon as he presented the Secretary-General’s latest report on the situation.

He went on to say that, during the reporting period, Kosovo had remained largely peaceful and stable, although tensions and the possibility of flare-ups still remained in the north. Both the Kosovo authorities and the Government of Serbia had conducted peaceful municipal elections, without the involvement of UNMIK, a positive outcome of which had been increased participation by Kosovo Serbs in elections conducted by the Kosovo authorities, which had resulted in the establishment of three new Kosovo Serb-majority municipalities.

However, there had not been sufficient progress on the returns of displaced persons, the identification of missing persons, multi-ethnic courts and policing, among other areas, he said, though there had been some progress on creating a mechanism for protecting Serbian Orthodox cultural and religious heritage sites.

* In view of fact that the text in this section are an official nature, no alternations of any kind have been made to them by the editor of the *Review of International Affairs*.

He said UNMIK continued to perform its functions under resolution 1244 (1999), in coordination with the European Union Rule of Law Mission (EULEX), the Organization for Security and Cooperation in Europe (OSCE) and the United Nations country team. The Mission's overriding objective remained ensuring lasting security, stability and respect for human rights in Kosovo and the region, by supporting Kosovo's communities, encouraging reconciliation and facilitating dialogue and regional cooperation.

Also addressing the Council, President Boris Tadić of Serbia said that his country's position regarding the status of Kosovo was set in stone. "Serbia will never, under any circumstances, implicitly or explicitly, recognize the unilateral declaration of independence," he said. However, Serbia was committed to making 2010 the year of peaceful solutions, as the country was a democratic, forward-looking society that would soon join the European Union.

Emphasizing that the United Nations remained an indispensable actor in Kosovo, he said his country would also continue working to ensure that the role of the Kosovo multinational security force (KFOR) was not diminished, especially in the context of safeguarding Serbian patrimony, which continued to be under attack. He stressed also that Council commitments regarding Kosovo, including implementation of resolution 1244 (1999) in its entirety, must be honoured in full.

Pointing out areas where there had been little progress in Kosovo, he said the municipal elections held by the Kosovo authorities were illegitimate in the context of resolution 1244 (1999), a matter about which the Secretary-General's report was silent. He also condemned proposals designed to impose acceptance of independence on the ethnic Serb majority in north Kosovo. "Should a choice be made to act on this proposal we would justifiably expect KFOR and EULEX to protect the Serbian community in north Kosovo from this aggressive intent." In closing, he said the new generation of leaders must reject the extremism of the past and work for reconciliation.

Also taking the floor, Skender Hyseni of Kosovo surveyed recent progress, saying that the elections had been a step towards multi-ethnicity. Noting that 65 countries had recognized Kosovo's independence, he said he looked forward to the day when it would be admitted as a member of the United Nations. Kosovo would continue to seek ways to further strengthen relations with its neighbours, including Serbia, he said, while denouncing that country's recent nomination of prosecutors and judges for Kosovo as a severe attack on its court system and its efforts to restore law and order.

Following those presentations, Security Council members praised UNMIK's evolving role, including its cooperation with EULEX, KFOR and OSCE. Most speakers also welcomed the lessening of tensions in Kosovo, but called for greater progress on the rule of law and improving the conditions that would allow the return of refugees and displaced persons to their homes.

While many speakers welcomed the greater participation by Kosovo Serbs in municipal elections called by Pristina, Brazil's representative, among others, expressed regret that UNMIK had not been involved in the polls. While some speakers did not address Kosovo's declaration of independence, the representative of the United States, for one, welcomed it, while others, such as the delegate of the Russian Federation, rejected it. Others still said they would await an expected ruling by the International Court of Justice on the issue.

Also speaking this afternoon were representatives of Japan, Austria, Gabon, France, Turkey, United Kingdom, Bosnia and Herzegovina, Mexico, Uganda, Nigeria, Lebanon and China.

The meeting began at 3:04 p.m. and ended at 5:46 p.m.

Background

The Council had before it the *report of the Secretary-General on the United Nations Interim Administration Mission in Kosovo* (UNMIK), covering the Mission's activities and related developments in the period from 16 September to 15 December 2009.

In the report (document S/2010/5), the Secretary-General calls on Serbia and Kosovo, the province that unilaterally declared its independence two years ago, to find ways to put aside considerations of status in the interest of pursuing regional cooperation. "I urge flexibility in continuing to define a modus operandi with regard to Kosovo's participation in regional and international mechanisms and forums that are essential to the economic and democratic development and the long-term stability of the region."

The report says there has been an improvement in UNMIK's relations with the Kosovo authorities after they had previously maintained very limited contacts with Lamberto Zannier, Special Representative of the Secretary-General and Head of UNMIK, and describes the overall security situation as "relatively calm, but potentially fragile".

According to the report, UNMIK has continued to support minority communities, encourage reconciliation and facilitate dialogue and regional cooperation. The Mission's strategic goal "remains the promotion of security, stability and respect for human rights in Kosovo and in the region through engagement with all communities in Kosovo, as well as with Pristina and Belgrade [the capitals of Kosovo and Serbia] and with regional and international actors".

The report says the Secretary-General is pleased with the continued strengthening of the positive relationship between UNMIK and the European Rule of Law Mission in Kosovo (EULEX), which assumed its responsibilities a year ago. The Mission remains committed to facilitating the engagement of all sides in order to find practical solutions to issues of mutual concern, notably the justice and customs areas, where agreement has proved particularly difficult to reach.

An agreement on protecting Serbian cultural heritage in Kosovo has yet to be reached, although the issue has been discussed extensively for many months, the report continues, recalling that Serbian Orthodox churches and Albanian mosques were destroyed or damaged during the fighting in 1999 and in outbreaks of violence since. While tensions between Kosovo Albanians and Kosovo Serbs have decreased significantly in the northern Kosovo community of Kroi i Vitakut/Brdjani, the situation in northern Kosovo remains fragile, with inter-ethnic incidents continuing in northern Mitrovicë/Mitrovica.

The low number and slow pace of refugee returns also continued to raise concern, according to the report. There is a need to redouble efforts to address the reasons for the lag in order to avoid politicizing the plight of displaced persons wishing to return home.

UNMIK's administration of Kosovo began in 1999, when North Atlantic Treaty Organization (NATO) forces drove out Yugoslav troops amid bloody fighting between ethnic Serbs and Albanians, but gave up its administrative role following the unilateral declaration of independence, which Serbia rejects, expecting the Mission to continue to play a robust role.

Briefing by Secretary-General's Special Representative

LAMBERTO ZANNIER, Special Representative of the Secretary-General for Kosovo, introduced the Secretary-General's report for the period 16 September to 15 December 2009, saying that during that time UNMIK had continued to perform its functions under resolution 1244 (1999). The Mission's overriding objective was to ensure lasting security, stability and respect for human rights in Kosovo and the region by supporting local communities, encouraging reconciliation and facilitating dialogue and regional cooperation.

During the reporting period, he said, Kosovo had remained largely peaceful and stable, although tensions and the possibility of flare-ups still remained in the north. Both the Kosovo authorities and the Government of Serbia had conducted municipal elections without UNMIK'S involvement. Their peaceful and mostly orderly conduct was an encouraging sign, as was the participation by more Kosovo Serbs living south of the Iber/Ibar River in elections conducted by the Kosovo authorities, which had resulted in the establishment of three new Kosovo Serb-majority municipalities.

He said that, with tensions remaining high in the north over reconstruction and the provision of electricity, among other flashpoints, it was clear that UNMIK must continued to shepherd the reconstruction process and monitor the situation closely to ensure that all communities respected existing arrangements to preserve stability. Continuing consultations and coordination with all relevant actors was crucial.

While returns of displaced persons and refugees had risen significantly in comparison to previous quarters, he said, they were nevertheless low in absolute terms due to a variety of factors, including low economic prospects and concerns

about freedom of movement. Though the Kosovo leadership had stated its commitment to a multi-ethnic Kosovo, and was open to returns, more needed to be done to make that a reality. Other measures required in that context included the reopening of offices for processing property claims filed by displaced persons.

On the other hand, he said, there had been encouraging progress on the relocation of Roma, Ashkali and Egyptian residents of camps in northern Mitrovica to more suitable accommodations, which had been carried out with the assistance of the European Commission and the United States Agency for International Development (USAID). Regarding missing persons, he said more must be done to persuade those with information to share their knowledge with the International Committee of the Red Cross (ICRC), EULEX and the Pristina-Belgrade working group. All those with information were urged to come forward.

There had also been less than desirable progress in the coordination and integration of police personnel from the various communities, he said, while welcoming the finalization of the terms of reference for the Kosovo Serb Deputy-Director-General of the Kosovo Police. There also had been little progress on setting up multi-ethnic courts in northern Kosovo and re-establishing a fully functioning customs regime in that region. However, some progress had been made in the area of cultural heritage, with an early agreement expected on the much-awaited appointment of a European Union envoy to provide a mechanism for cooperation on protecting the heritage of the Serbian Orthodox Church. UNMIK stood ready to assist in that area, he added.

The Mission had continued to facilitate Kosovo's participation in regional and international forums, which was in the interest of the development and stability of Kosovo and the entire region, he said. Hopefully Belgrade and Pristina would find a way to put status considerations aside in the furtherance of that goal. In that context, he welcomed recent statements by both President Boris Tadić of Serbia and the Kosovo authorities aimed at reconciling ethnic differences. "I hope that Belgrade and Pristina demonstrate by their actions that the well-being of the population of Kosovo is not sacrificed on the altar of political agendas."

With regard to UNMIK's continued deployment, he said the Kosovo authorities appeared to show a greater understanding of the Mission's role. EULEX and the Organization for Security and Cooperation in Europe (OSCE) continued to perform critical functions that complemented those of UNMIK in the context of resolution 1244 (1999). The Mission was also focusing on enhancing its collaboration with the United Nations Kosovo Team (UNKT) to promote a shared vision of the Organization's strategic objectives for peace consolidation.

Statements

BORIS TADIĆ, President of *Serbia*, recalled that the Kosovo Albanian authorities had attempted to secede from his country through a unilateral

declaration of independence two years ago. Serbia's position regarding the province's status was set in stone. "Serbia will never, under any circumstances, implicitly or explicitly, recognize the unilateral declaration of independence," he emphasized, pointing out that a substantial majority of Member States, and Council members, had not supported the attempt to impose the forcible partition of a United Nations Member State.

Recalling also that the General Assembly had tasked the International Court of Justice with determining whether the unilateral declaration of independence conformed to international law, he said its oral hearings had ended and the Court would deliver its conclusions this year. It was therefore important to respect the fact that the Court had begun its deliberations, which should be unhindered by political pressures, such as further recognitions of Kosovo.

He stressed that dialogue was the most effective means to achieve the only sustainable outcome: a mutually acceptable, viable solution that would not "recklessly" sacrifice the geo-strategic priorities of all on the altar of the aspirations of a single party. Serbia was committed to making 2010 the year of peaceful solutions. However, the psychological barriers were high and trust must be restored. "A first step is to realize that the 1990s are gone for good," he said, stressing that contemporary Serbia was a democratic, forward-looking society that would soon join the European Union.

The United Nations remained an indispensable actor in Kosovo, he said, noting that the Organization's constructive approach had set the stage for responsible stakeholders to act together in improving the lives of all Kosovo residents by setting aside considerations of status on a growing number of practical issues. That had produced tangible results, such as the Protocol on Police Cooperation between the Serbian Interior Ministry and EULEX, which had resulted in an increase in exchanges of information on organized crime and terrorist activities in Kosovo – which remained the hub of a "sinister international network of arms, drugs and human traffickers".

A shared dedication to status neutrality by responsible stakeholders had ensured that the "overall situation in Kosovo remains relatively calm but potentially fragile", he said, citing the example of UNMIK's external representation function, which was honoured by Pristina. Kosovo could and should participate in multilateral and regional forums in the presence of Mission officials, who would speak first, using either a "UNMIK-Kosovo" nameplate or a personalized one. "No other arrangements will work, despite all pressures to the contrary," he emphasized.

Serbia would continue to engage with all responsible stakeholders to ensure that the role of the Kosovo multinational security force (KFOR) was not diminished, especially in the context of safeguarding Serbian patrimony, he said. KFOR's direct responsibility for providing security for the Serbian Orthodox Church had been a success and proposals to hand over that responsibility to local police units would not contribute to improving the fragile security situation.

While considerable progress had been achieved on the sensitive matter of protecting Serbian cultural heritage, it was disappointing that no agreement had yet been reached. A European Union facilitator would be able to take appropriate measures to enforce strict compliance by the Pristina authorities on all matters relating to the protection, conservation and restoration of the holy sites in Kosovo. Unfortunately, the report passed over the fact that the ethnic Albanian authorities continued to defend the outrageous decision to pave over the remains of the twice-destroyed Serbian church in the centre of Djakovica. Was it possible that the international community was powerless to have that awful deed reversed?

Commitments made by the Council must be honoured in full, from implementation of resolution 1244 (1999) in its entirety to the Secretary-General's six-point plan, he said. Unfortunately, real steps still had not been taken on the political implementation of provisions relating to the judiciary and customs service. The territorial jurisdiction of the court in Mitrovica, for example, had not been moved forward. Regarding customs, no progress had been made on the fundamental issue of revenue collection.

Noting that the report discussed at length local elections called by the ethnic Albanian authorities in south Kosovo, he pointed out that it was entirely silent on the illegitimacy of the election, which had not been held in accordance with resolution 1244 (1999). Serbia could not have supported the elections, as conditions did not exist for the participation of a vast majority of Kosovo Serbs. "I also underline that the report paints an incomplete picture of a highly flawed exercise. It greatly underplays the level of fraud in Serbian areas and fails to account for credible evidence pointing to intense ballot-stuffing, voter intimidation and other grave violations of campaign and election-day procedures, such as disinformation tactics."

The report was also entirely silent about facilitating the entry and transportation of Serbian officials within Kosovo, he continued, recalling that that his Minister for Kosovo and Metohija had been detained at gunpoint, a clear violation of resolution 1244 (1999). The status-neutral international institutions enabled by the Council to control the province's police structure had an obligation to prevent such abuses. Also, more than 200,000 ethnic Serb victims of ethnic cleansing continued to be denied the right of return.

Serbia concurred with the assessment that the situation in north Kosovo was fragile, he said, adding that harsh rhetoric from Pristina regarding legitimate Serbian institutions in the region did not contribute to stability. By referring to them as "parallel" institutions, EULEX representatives had failed to respect their neutral status. The truly parallel institutions operating in Kosovo were those created on the basis of the unilateral declaration of independence, he said.

Calling attention to alarming news reports about a "final solution" for north Kosovo, he said that plan, sponsored by the so-called International Civilian Office, outlined a number of policies and actions designed to impose acceptance of the unilateral declaration of independence on the Serbian majority in north

Kosovo and intended forcibly to implement the Ahtisaari proposal. Serbia harshly condemned Pristina's unnecessary and hazardous provocations. "Should a choice be made to act on this proposal, we would justifiably expect KFOR and EULEX to protect the Serbian community in north Kosovo from this aggressive intent."

"We will have to overcome our prejudices and tame our passions. This will necessitate reconciliation and learning to live with difference," he said, adding: "It is up to us — to this generation of leaders — to find the necessary strength to do the right thing, for the extremists who will want to reject the opportunity we shall have this year, in truth, will be rejecting the future we all must share."

SKENDER HYSENI of *Kosovo* said state institutions continued to be built on the basis of a new constitution and the provisions of the comprehensive Ahtisaari Plan. In 2009, Kosovo had completed its accession to the World Bank and the International Monetary Fund (IMF), as well as successfully resolving issues of economy, justice and security. The well-being of minorities and the return of refugees were priorities and special efforts would be continued to intensify the return of Kosovo Serb refugees as well as the protection and restoration of cultural and religious heritage sites.

A total of 65 States had recognized Kosovo, which had entered into diplomatic relations with more than 25 countries, he said, adding that it stood ready to improve its relations with Serbia as well. Dialogue could take place on many issues, but it could only happen on an equal footing, as a dialogue between two independent States. Kosovo rejected calls for renewed negotiations on status, which were made by people who were unaware of the situation or those actively seeking to create disorder in the region. Kosovo's independence was irreversible, he emphasized.

November and December 2009 had seen two important events, he recalled. One was the elections, held on the basis of the constitution and the law on general and municipal elections. The polls had been held in an orderly and peaceful manner, with sizeable participation by non-majority communities. That was clear evidence that Kosovo Serbs were increasingly taking part in institution-building. The elections had created a new momentum in the building of a multi-ethnic Kosovo, he said.

The second development was the oral statement to the International Court of Justice, he said, noting that his delegation had addressed the Court on 1 December, offering substantive information and asking the Court whether it deemed it appropriate to respond to the General Assembly's request for an advisory opinion. The unilateral declaration of independence did not contravene any applicable rule of international law, he asserted.

"We cannot and should not forget the crimes against humanity and other horrors that Serbia had inflicted on the people of Kosovo, yet we in Kosovo are determined to look towards the future," he said. The common future of Kosovo and Serbia lay in membership of the European Union, he said, adding that he

looked forward to the day when Kosovo could take its place as a member of the United Nations. Kosovo had agreed on a draft law to enable it to implement Security Council sanctions.

The overall security situation was calm and stable, although the situation in the north remained an issue of concern, and additional efforts were needed to improve it he said. The institutions and government of Kosovo had been cooperating with EULEX to combat crime and corruption, and to fight parallel and criminal structures in the north. The recent so-called nomination of prosecutors and judges by Serbian authorities had been a severe attack on Kosovo's court system and an attempt to obstruct the joint efforts of EULEX and the Kosovo authorities to restore law and order through the establishment of multi-ethnic institutions. Kosovo would continue to seek ways to further strengthen relations with its neighbours, including Serbia, he said.

YUKIO TAKASU (*Japan*), paying tribute to the contributions of all organizations working together in Kosovo, said he valued the mediating role that UNMIK was playing and hoped more progress would be made in the critical areas discussed in the Secretary-General's report. The recent elections, in particular, were a welcome development. Japan had worked for a human-centred approach in Kosovo, he said, announcing additional bilateral programmes and pledging to continue working with all interested parties to ensure a peaceful and stable region.

THOMAS MAYR-HARTING (*Austria*), expressing full support for UNMIK's efforts to support dialogue among the groups and parties in the region, welcomed Pristina's greater acceptance of its role as well as the result of recent elections, which he called an important step towards political integration. He called on more Kosovo Serbs to participate in political life. Welcoming advances in the areas of justice, rule of law and human rights, he supported NATO's decision to restructure KFOR, saying this country would continue its contributions to it. More efforts must be made in protecting the cultural rights and sites, and in creating suitable conditions for the return of displaced persons. Austria was dedicated to the protection of the Serbian Orthodox heritage in Kosovo and called for flexibility on both sides to ensure progress in that and other areas.

MARIA LUIZA RIBEIRO VIOTTI (*Brazil*) said resolution 1244 (1999) had been intended to provide a legal framework for a negotiated solution and expressly recognized the need to respect the territorial integrity and sovereignty of the former Federal Republic of Yugoslavia. The resolution remained in force and that was the position that Brazil had expressed before the International Court of Justice. Until the Court's opinion was issued, UNMIK should continue to play its constructive role in promoting engagement between Pristina and Belgrade, she said.

The calm security situation in Kosovo was due to the restraint shown by the parties and the population, she said, adding that EULEX should continue to operate under the overall authority and within the status-neutral framework of the

United Nations while preserving the integrity of resolution 1244 (1999). The fact that municipal elections not called by UNMIK had been held was worrying. Disappointed with the lack of concrete progress on the implementation of practical arrangements for the protection of Serbian cultural heritage, Brazil urged the parties to resume efforts to reach an agreed solution.

EMMANUEL ISSOZE-NGONDET (*Gabon*), acknowledging UNMIK's important contribution in promoting cooperation, reconciliation and stability in the region, agreed that the Mission should remain until a negotiated solution was found. Gabon supported the six-point plan and welcomed the involvement of the European Union through EULEX, as well as that of KFOR and OSCE. As for status issues, Gabon rejected any unilateral declaration of independence and awaited the opinion of the International Court of Justice.

GERARD ARAUD (*France*), welcoming the results of UNMIK's reconfiguration as well as the drop in tension and violence in Kosovo, said it would be desirable to continue a drawdown of the Mission as the work of EULEX advanced. France invited the Serbian and Kosovo authorities to serve the needs of their peoples and build dialogue in the context of the region's integration into the European Union. Belgrade, in particular, must keep that goal in mind, while Pristina must continue to make progress in the areas outlined in the Secretary-General's report, especially the rule of law.

ERTUĐRUL APAKAN (*Turkey*) said he was confident that the reconfigured UNMIK would continue to provide valuable assistance to Kosovo's institutions. At the same time, Turkey welcomed the expanded role of EULEX and was committed to contributing to the European Mission and KFOR. More effective coordination between UNMIK and EULEX, as well as with KFOR, would help achieve the desired goals and enable each mission to concentrate on its respective mandate.

Welcoming the 15 November municipal elections as an important milestone, he said the increased participation by Kosovo Serbs, as compared to 2004 and 2007, was encouraging. However, participation had been low in northern Kosovo and the fragile overall situation there remained a cause for concern. The future of ethnic Serbs in the north rested with that of Kosovo, and all concerned should refrain from actions that would impose unnecessary burdens on their lives.

He said his country viewed Kosovo's unilateral declaration as irreversible, noting that independence would contribute to lasting peace in the region. Since the declaration, the situation had been largely calm and Kosovo had joined the World Bank, among other bodies. Its participation, particularly in regional cooperation mechanisms, was important. He agreed that, by setting aside status considerations, Belgrade and Pristina would enable Kosovo's representation in regional and international forums. At the same time, a democratic and prosperous Serbia was vital to the Balkans, and the global community should encourage the region's integration into Euro-Atlantic structures.

LYALL GRANT (*United Kingdom*) welcomed the decrease in violence against minorities, noting that the European Union, through EULEX, had successfully consolidated its role as the principal organization to develop the rule of law. Kosovo's future lay in participating in integration into the European Union, he added.

The success of the local elections had demonstrated the importance of decentralization, he said, calling on the Kosovo and municipal authorities to further deliver minority rights throughout the territory. Kosovo Serbs should recognize the practical benefits of decentralization. To consolidate progress, Kosovo must work to improve standards and the rule of law, while addressing human rights violations.

The European perspective offered incentives for further reform, he said, welcoming Serbia's application for European Union membership. Continued disagreement over status issues would only serve to distract from that aim. Status issues should be set aside in favour of cooperation on such issues as heritage. A total of 65 United Nations Member States had recognized Kosovo, which made its progress towards becoming a viable, independent State irreversible.

IVAN BARBALIĆ (*Bosnia and Herzegovina*), commending UNMIK's focus on mediation and supporting minority communities, stressed that efforts to encourage inter-community dialogue and confidence-building were of particular importance in the area of refugee returns, which remained very low in number. Bosnia and Herzegovina wished to see an increase in the number of "go-and-see visits", which allowed displaced persons to visit their properties while assessing first-hand conditions in the receiving community.

UNMIK's role in assisting the Reconstruction Implementation Commission, in coordination with the Council of Europe and the European Commission, had been significant, he said. Such efforts aimed to ensure the participation of key stakeholders in the reconstruction of cultural and religious heritage sites. Strengthening the rule of law was of great importance and Bosnia and Herzegovina supported the continued strengthening of relations between UNMIK and EULEX, as well as with OSCE and NATO.

Reiterating that stability and security in Kosovo were significant for regional peace, he urged the international community to continue supporting the aspirations of the Balkan countries towards integration into Euro-Atlantic structures. At the same time, the countries of the region should continue to cooperate with the global community to reach that goal. Fostering good relations with neighbouring countries was of utmost importance for Bosnia and Herzegovina.

CLAUDE HELLER (*Mexico*) welcomed the fact that the evolving coordination of UNMIK with other missions was occurring in the context of neutrality. Improvements in the situation of Kosovo were welcome, but there was a need to create conditions for displaced persons to return to their homes. Mexico encouraged UNMIK, the United Nations Development Programme (UNDP) and

the Office of the United Nations High Commissioner for Refugees (UNHCR) to work with the parties on improving that situation.

Emphasizing the need to strengthen the protection of cultural sites, the rule of law, access to justice, the fight against impunity and the promotion of human rights, he reiterated his country's prioritizing of the jurisdiction of the International Court of Justice. Until the Court took a decision, all Member States must respect the sovereignty and territorial integrity of all countries.

PATRICK MUGOYA (*Uganda*) welcomed the consolidation of stability in Kosovo as well as UNMIK's efforts to improve the situation further, while calling on all parties to maintain restraint and work for dialogue. He also called for the continued strengthening of cooperation among the international missions in Kosovo, particularly in the search for a sustainable solution to tensions between communities. It was crucial for UNMIK to continue to facilitate Kosovo's participation in international forums.

U. JOY OGWU (*Nigeria*), while welcoming the growing engagement between UNMIK and Belgrade, expressed concern about the lack of progress in implementing practical arrangements in such areas as justice, peace, customs and cultural heritage. All parties should intensify their engagements on those issues. Nigeria supported the Secretary-General's proposal to appoint a facilitator to advance an agreement on cultural heritage sites.

She also welcomed the return of Kosovo Albanians to the northern parts of Mitrovica, while imploring Kosovo Serbs and Kosovo Albanians to eschew violence in their northern communities, where there were still reports of isolated attacks against minorities. UNMIK's engagement with the parties should be directed at reaching agreement in the difficult areas of justice, peace and cultural heritage. Dialogue should be employed at all times, she said, calling on the parties to forge a united front, through flexibility and compromise, to resolve the contentious issues.

ROSEMARY A. DICARLO (*United States*) said that, since its declaration of independence two years ago, Kosovo had made tremendous progress in numerous areas. A total of 65 countries had recognized Kosovo as a sovereign and independent State, and the United States commended its actions to implement the Ahtisaari Plan. It also congratulated Kosovo on the peaceful holding of municipal elections and noted the authorities' outreach efforts to the ethnic Serb communities. Kosovo had also taken steps to strengthen regional relations, with its security forces having provided humanitarian assistance to neighbouring Albania.

While Kosovo had demonstrated its readiness to play a constructive role in the region, it should redouble its efforts on the return of refugees, she said, urging the reopening of the Kosovo property offices without delay. Welcoming UNMIK's efforts to facilitate reconstruction of certain monasteries and churches, she said a mechanism was needed to address concerns such as vandalism of cultural and religious monuments. The United States supported the proposal to appoint a

facilitator to reach an agreement on that issue. Meanwhile, parallel institutions continued to threaten the rule of law, she noted, emphasizing that Kosovo's independence was irreversible. The United States would continue to support its aspirations and those of all countries in the region for Euro-Atlantic integration.

IGOR SHCHERBAK (*Russian Federation*) said his country's views on Kosovo were consistent: resolution 1244 (1999) remained in force and was the basis for a permanent solution to the situation. In that context, no one could prevent UNMIK from carrying out its mandated tasks, upon which, in addition, cooperation with other international missions should be built. International presences must be vigilant in preventing violence, and proposals for extreme solutions to the disagreement of Kosovo Serbs with the authorities must be stopped, he said.

The Russian Federation called on UNMIK to discharge its obligations to facilitate Kosovo's participation in international forums, but to do it in a manner consistent with resolution 1244 (1999), but not exceeding its terms. The lack of progress in many areas in Kosovo, including the creation of conditions for the return of displaced persons and the protection of religious heritage sites was regrettable. The Russian Federation reiterated its opposition to the unilateral declaration of independence, agreeing with the competency of the International Court of Justice in that area.

NAWAF SALAM (*Lebanon*) welcomed the improved security situation in Kosovo, and urged restraint in the north. He welcomed also UNMIK's continued role and urged the Kosovo authorities to engage in a constructive way with the Mission as well as with other international organizations within a framework of neutrality. While awaiting the decision of the International Court of Justice on the declaration of independence, Lebanon encouraged all parties to work together for the good of all the region's peoples, while encouraging Pristina and Belgrade to maintain dialogue towards that end.

Council President ZANG YESUI (*China*), speaking in his national capacity, said his country respected Serbia's sovereignty and territorial integrity and hoped that the Serbian and Kosovo authorities would find a solution acceptable to both sides. UNMIK should continue to implement its mandate on the basis of resolution 1244 (1999) and in line with the situation on the ground. China hoped the Secretary-General would continue to help advance the dialogue between Serbia and Kosovo, while welcoming the continued implementation by EULEX of its task under the authority of the United Nations.

President TADIĆ (*Serbia*), taking the floor for a second time, reiterated that a peaceful negotiated solution on the future status of Kosovo was a priority for his country. Serbia, a constructive and reliable partner, was also committed to becoming a member State of the European Union and supported other countries in the region in their similar endeavours. He thanked the 127 States that had respected the basic principles of the United Nations Charter, and his country's sovereignty and territorial integrity, by not recognizing Kosovo's unilateral declaration of independence.

It was deeply disappointing and shocking that Mr. Hyseni had claimed that new talks and negotiations on status issue could provoke a new conflict, he said. That was a strange understanding of dialogue and “a direct threat”. It also showed the destabilizing consequences of Kosovo’s unilateral declaration of independence. As for the elections, he said that, according to a United Nations report, 6,022 Kosovo Serbs had voted in the first round. Since more than 100,000 Serbs currently lived in Kosovo, that meant that only 6 per cent of them had voted.

Turning to the question of electricity in northern Kosovo, he said his country’s power industry had provided electricity to the people living in the region only because the Kosovo Energy Corporation had cut supplies to the north. By its provision of electricity to ordinary people, a humanitarian catastrophe had been avoided. Hopefully it would be possible to find a practical solution and that the issue could be depoliticized.

Responding to the statement by the representative of Bosnia and Herzegovina, he said Serbia would continue to support fully that country’s sovereignty and territorial integrity, while opposing any attempt to partition that or any other State. The acceleration of European Union acceptance by Bosnia and Herzegovina was a priority and the completion of the reconciliation process an imperative for the region. The forthcoming resolution on the Republika Srpska was intended to contribute to that process and to enhance regional peace. Serbia remained committed to working other Member States on resolving all outstanding bilateral and regional issues.

Mr. HYSENI of *Kosovo* recalled that Serbia and Kosovo had negotiated Kosovo’s final status for two and a half years, with the Kosovo side finally suggesting a friendship and cooperation treaty with joint commissions to observe the implementation of provisions on the protection of the ethnic Serb minority in Kosovo. Kosovo was committed to peace and dialogue with all its neighbours, and the last country that would want disorder and destabilization, having suffered more than a century of violence under various foreign regimes.

Kosovo was not interfering in Serbia, although that country was interfering with systems in Kosovo, he said. Kosovo would be the last country on earth to destabilize the region, but negotiations on its independence were not acceptable. However, it was willing to discuss all issues of common interest with Serbia, he reiterated. Kosovo was also willing to take part in regional initiatives, but Serbia was blocking its participation, just as it was blocking Kosovo’s exports. The issue of electricity was becoming almost ridiculous, he said, asking which country would tolerate its citizens’ refusal to pay its electric bills, as the vast majority of the ethnic Serb community had done for more than 10 years.

Responding to President Tadić’s reference to the Interior Minister’s visit, he said it had been done on a day and in a place calculated to make it a clear provocation. While Kosovo wished to work with Serbia and all parties, it would not discuss its independence. Kosovo had been recognized by 65 countries and many more were on the way. Kosovo was not asking Belgrade to recognize Kosovo formally in the near future, but to work with it on issues of mutual interest.

*H.E. Mr. Vuk Jeremić,
Minister of Foreign Affairs of the Republic of Serbia*

Address before the Sixteenth Ordinary Session of the Executive Council of the African Union

Addis Ababa, 28 January 2010

Esteemed Executive Council Chairman Kussa,
Venerable Commission Chairperson Ping,
Honorable Commissioners,
My Fellow Foreign Ministers and Heads of Delegations,
Excellencies,
Ladies and Gentlemen,

Thank you for the distinct privilege to address the African Union today. Allow me to emphasize my sincere appreciation to our Ethiopian hosts for their excellent organization and warm hospitality.

My country has stood firmly with Africa throughout its contemporary history. Our capital, Belgrade, is a city generations of Africans recall with great fondness. It hosted the First Non-Aligned Movement Summit in 1961, with a number of African countries in attendance. In order to honor that legacy with a fitting tribute to its founders, we have proposed that its fiftieth anniversary be celebrated where it all began, in Belgrade, with an extraordinary Summit under the Egyptian chairmanship in 2011.

Mr. Chairman,

Serbia is the largest successor state to Yugoslavia. Under President Tito, we actively and consistently supported Africa's national liberation struggles for decades. As a true and unconditional friend, we encouraged the states of this great continent to assert their pride of place in the international community.

My country also helped to build up Africa's economies through development assistance, infrastructure projects, and the university education of its students.

Moreover, we have traditionally contributed to enhancing the peace and stability of the continent. Since the 1950s, my country has worked with the United Nations on a number of peacekeeping missions across Africa. Today the Republic of Serbia participates in four UN operations. In the Democratic

Republic of Congo and Chad, medical teams and field hospitals are present on the ground in rural areas, helping to provide much-needed health services to local populations. And in Liberia and Côte d'Ivoire, we have deployed military and police observers to enhance the security situation in the region, enabling people to rebuild their lives in a safe post-conflict environment.

Mr. Chairman,

The Republic of Serbia is deeply committed to comprehensively enhance our relations with the African Union and its member States. In the field of education, as of this year, we will offer hundreds of new scholarships for students to attend Serbian universities. Regarding agriculture, we offer our expertise in order to help enhance food production and increase crop yields. When it comes to trade and investment, we will work on optimizing Africa's competitive advantages, by deepening existing economic relationships, and creating new ones across this continent.

In the political sphere, I want to underline that Serbia will soon join the European Union. At the same time, we will keep emphasizing our conviction that international stability and prosperity cannot be consolidated without taking into account the views of important actors on the world stage, such as the African Union.

We believe that, in the interdependent world of the 21th century, Serbia's membership in the European Union would give a new, *more profound* meaning to our relations with AU member states. This would not only ensure that more than forty African nations would have a true friend in Brussels, but it would also lead to an increase in both understanding and cooperation between the two Unions. I am in no doubt that this would be advantageous to everyone concerned.

Let me underline the fact that as an observer country, Serbia fully supports the Vision and Objectives of the African Union, rooted in the United Nations Charter-including those provisions related to the obligation to uphold the sovereignty and territorial integrity of states.

Mr. Chairman,

This brings me to one of the most profound challenges my country and the international community face today-that is, the attempt by the ethnic-Albanian authorities of our southern province of Kosovo to secede from Serbia, through a unilateral declaration of secession.

In the name of the Republic of Serbia, I would like to express my profound appreciation to the over eighty percent of African Union countries that have not recognized the separatists in Kosovo. Your support for our sovereignty and territorial integrity is truly gratifying.

From the onset of this grave crisis, we decided to respond to the illegitimate effort to forcibly partition Serbia in a peaceful manner, and with maximal restraint. We chose to harness all the diplomatic resources at our disposal to counter secession, and contain its potentially destabilizing consequences. Thanks to the overwhelming support achieved in the UN General Assembly, the

International Court of Justice was tasked with ruling on the legality of Kosovo's attempt at secession. The Court's decision is expected this year.

I have come here to plead that you maintain your principled reservation on the Kosovo issue. This case will constitute a strong precedent. It marks the first time ever that the Court has been asked to consider the legality of a unilateral attempt by an ethnic minority to secede from a UN member State in peacetime, in defiance of its Constitution and the will of the Security Council.

Accordingly, the Court's conclusions will have extensive consequences for the entire international community-perhaps for African Union states most of all. Imagine how many UN member States of this great continent would be affected by the legitimization of forcible partition. The borders of every multiethnic state could be threatened, producing instability in all corners of Africa. Progress, development human rights, and ultimately-peace, would be jeopardized. The achievements of generations of African statesmen would be set back, as the number of crises multiplies.

That is why it is imperative-why it is absolutely critical-for the Court to be allowed to do its job, unhindered by political pressures, such as further recognitions of Kosovo's separatists.

It is the only way to avoid doing any further damage to the legitimacy of the international system and the universality of the values we hold in common.

And it is the only way to re-open the window of opportunity behind which stands the prospect of a negotiated, compromise solution to the province's future status.

In short, we ask all the non-recognizing countries represented in this room to stay the course, by not accepting Kosovo's attempted secession. We do so not only in the name of our traditional ties of friendship, but in the name of working together to consolidate a rules-based international order for the 21st century-one in which secession is clearly seen as a dangerous threat, and one in which reaching agreement between the parties is the only legitimate, sustainable way forward.

By holding the line-by maintaining respect for Serbia's sovereignty and territorial integrity-we will help ensure that international law continues to close in on separatists, present and future, who hope that Kosovo's unilateralism will be allowed to prevail.

Thank you very much, Mr. Chairman.

INSTRUCTIONS FOR ASSOCIATES

The Review of International Affairs is a quarterly published in January, April, July and October every year.

The periodical publishes evaluated articles and conference and book reviews in the field of international relations, foreign policy, international public law and international economics.

In writing all contributions for *The Review of International Affairs* authors are kindly asked to respect the following rules.

Instructions for Writing Articles

1. Author contributions (articles) should not be longer than 10 single-spaced pages (single) in *Word* format (up to 28000 characters with spaces).
2. Articles should be written in *Times New Roman* font, font size 12, with page numbers on the right side of the bottom of the page.
3. The title of the article should be written in capital letters, *in Bold*, font size 14. The title is separated from the text with – *spacing before 18 pt*. Below the title is given the author's forename, middle name and surname (including his title, possibly), the name of the institutions he works for as well as its seat. These data are given in *Italic*.

Example:

Prof. Dragana Marko Mitrović, Ph.D., Faculty of Political Science, Belgrade

4. If the author has a wish to point to his readers that some of the views presented in the article express his own opinion and not the one of the institution he works for it is necessary to insert at the end of the title a special footnote with the symbol * for this remark.
5. The *Abstract* should contain not more than 100 words, presenting the most significant hypotheses the work is based upon. Below the *Abstract* the author puts up to 12 *Key Words*. Both the *Abstract* and *Key Words* are given below the title of the article and they should be separated from the rest of the text by applying the option *Paragraph-Indentation*.
6. The *Summary* written in the language of the paper (e.g. Serbian) should be placed after the text. The author should give a concise contents of the paper and the most significant hypothesis his work is based upon.
7. The basic text and footnotes should be justified by applying the option *justify*, while titles should be centred by applying the option *center*.
8. Subtitles are written in *Bold*, while sub-subtitles are in *Italic*; in both cases the font size is 12.

9. The first line in every paragraph should by no means be indented by applying tabulator – option *tab*.
10. Latin, Old Greek and other non-English words and terms in the text should be written in *Italic* (e.g. *status quo*, *a priori*, *de facto*, *acquis communautaire*, etc.). The text should contain full names and not initials.
11. Only the following form of quotation marks should be put in the text – “ and ”. In case the additional quotation marks are to be put within these ones it should be done in the following way: “Establishing a Serbian Orthodox Monastic Community in Kosovo, as an integral part of comprehensive ‘final status’ settlement”.
12. Footnotes should be written on the bottom of the page (option *Footnote*), and their marks are solely to be put at the end of the sentence.

The details on the quoted bibliographic unit in footnotes should be given in conformity with the following suggestions:

a) *Monographs*

The author's full forename and surname, the title of the monograph (*in Italic*), publisher, place of publishing, year of publishing, p. if one page of the quotation in English is cited, pp. if several pages are quoted. In case several pages are quoted En Dash is applied with no space before and after the numbers (for example 22–50).

When the proceedings in English are quoted and they were edited by more than one editor, then there should be put (eds) in brackets with no full stop after the names of the editors. If there is only one editor then (ed.) is put, including a full stop inside the brackets.

Examples:

John Gillingham, *European Integration 1950–2003*, Cambridge University Press, Cambridge, 2003, p. 221.

Duško Lopandić (ed.), *Regional initiatives in Southeast Europe: multilateral cooperation programs in the Balkans*, Institute of International Politics and Economics, Belgrade, 2001, pp. 24–32.

Theodor Winkler, Brana Marković, Predrag Simić & Ognjen Pribičević (eds), *European Integration and the Balkans*, Center for South Eastern European Studies, Belgrade & Geneva Centre for the Democratic Control of the Armed Forces, Geneva, 2002, pp. 234–7.

b) *Articles in Scientific Journals*

The author's full forename and surname, the title of the paper (with quotation marks), the title of the journal (*in Italic*), the number of the volume, the number of the publication, pp. from–to. The numbers of pages are separated by En Dash (–), with no space. If some data are incomplete it should be clearly stated.

Examples:

Michael Levi, “The Organisation of Serious Crimes”, in: Mike Maguire, Rod Morgan & Robert Reiner (eds), *The Oxford Handbook of Criminology*, Oxford University Press, Oxford, 2003, pp. 878–84. (pp. 878–9 or p. 878).

Robert J. Bunker & John. R. Sullivan, “Cartel Evolution: Potentials and Consequences”, *Transnational Organized Crime*, vol. 4, no. 2, Summer 1998, pp. 55–76.

c) *Articles in Daily Newspapers and Journals*

There should be given the author's name (or his initials, if they are the only ones given), the title of the article – with quotation marks, the title of the newspapers or the journal (*in Italic*), date – in Arabic numerals, the number of the page/pages.

Example:

John Gapper, "Investor votes should count", *The Financial Times*, 17 April 2006, p. 9.

d) *Document quotation*

There should be given the title of the document (with quotation marks), the article, item or paragraph the author refers to, the title of the journal or official gazette containing the document (*in Italic*), the number of the volume, the number of the publication, the place of publishing and year of publishing.

Example:

"Resolution 1244 (1999)", Security Council of the United Nations, 10 June 1999.

e) *Quotation of sources from the Internet*

It should contain the author's name, the title of the contribution or article, a full Internet Website that enables to access the source of quotation by typing the mentioned site, the date of accession to the Web page, page number (if there is one and if presented in PDF format).

Example:

Maureen Lewis, *Who is Paying for Health Care in Eastern Europe and Central Asia?*, IBRD & World Bank, Washington D.C, 2000, Internet, [http://Inweb18.worldbank.org/eca/eca.nsf/Attachments/Who+is+Paying+for+Health+Care+in+Eastern+Europe+and+Central+Asia/\\$File/Who+is+Paying+text.pdf](http://Inweb18.worldbank.org/eca/eca.nsf/Attachments/Who+is+Paying+for+Health+Care+in+Eastern+Europe+and+Central+Asia/$File/Who+is+Paying+text.pdf), 14/09/2004, p. 3.

f) *Repeating of the previously quoted sources*

Ibid. or ibidem is applied only if quoting the previous source in the text, with the page number, and in case the new quotation belongs to the same source (e.g. *ibid.*, p. 11)

Loc. cit. or op. cit. is applied with no page number and only for the previously mentioned source of quotation with the same page number as the previously quoted source.

13. The article may contain tables or some other supplements (such as maps, graphs, and the like). It is necessary to give their number and full title (e.g. *Table 1: Human Development Index among EU members* or *Figure 2: State-Building or Sovereignty Strategy*). If the supplement is taken over from the contribution of some other author or a document its source should necessarily be given.

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1. Conference and book reviews should not be longer than two and a half pages in *Word* format (line spacing *singe*), or they should actually contain no more than 7500 characters with spaces.
2. The bibliographic details should be given at the beginning of the review in accordance with the rules prescribed for monographs in footnotes, and with the total number of pages given at the end (e.g. p. 345).

3. Book and conference reviews must not contain footnotes, while all possible remarks should be put in brackets.
4. The author may also write subtitles of the book or conference review in capital letters – font size 14, although this is subject to changes on the part of the editorial staff.
5. Font size, font and justification of the text should be in conformity with the previously mentioned suggestions on writing of articles.
6. The name of the author of the review is given at the end; it should be in *Italic*, while the whole surname should be written in capital letters (e.g. *Žaklina NOVIČIĆ*).

* * * * *

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