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<tr>
<td>ABM</td>
<td>Anti-Ballistic missile</td>
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<tr>
<td>AKUF</td>
<td>Arbeitsgemeinschaft Kriegsursachenforschung – Research Group on the Causes of Wars</td>
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<tr>
<td>ALBA</td>
<td>Multi-national Protection Force Mission in Albania</td>
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<td>ANP</td>
<td>Annual National Program</td>
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<td>ARM</td>
<td>Army of the Republic of Macedonia</td>
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<tr>
<td>AVF</td>
<td>All-Volunteer forces</td>
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<td>BH</td>
<td>Bosnia and Herzegovina</td>
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<tr>
<td>CAF</td>
<td>Croatian Armed Forces</td>
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<tr>
<td>CBMs</td>
<td>Confidence Building Measures</td>
</tr>
<tr>
<td>CDU, HDZ</td>
<td>Croatian Democratic Union</td>
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<tr>
<td>CE</td>
<td>Council of Europe</td>
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<td>CEFTA</td>
<td>Central European Free Trade Area</td>
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<td>CEI</td>
<td>Central European Initiative</td>
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<td>CENCOOP</td>
<td>Central European Nations’ Cooperation in Peace Support.</td>
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<tr>
<td>CG</td>
<td>Contact Group</td>
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<tr>
<td>CINCSOUTH</td>
<td>Commander-in-Chief of Southern Command</td>
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<td>CIS</td>
<td>Commonwealth of Independent States</td>
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<tr>
<td>COMAIRSOUTH</td>
<td>Commander of Allied Air Forces in Southern Europe</td>
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<tr>
<td>COMECON</td>
<td>Council for Mutual Economic Cooperation</td>
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<td>COMNAV SOUTH</td>
<td>Commander of Allied Naval Forces in Southern Europe</td>
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<td>COW</td>
<td>Correlates of War</td>
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<td>CSCE</td>
<td>Conference on Security and Cooperation in Europe</td>
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<td>CTF</td>
<td>Combined Task Force</td>
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<tr>
<td>EAPC</td>
<td>Euro-Atlantic Partnership Council</td>
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<tr>
<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
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<td>EC</td>
<td>European Community</td>
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<tr>
<td>ECE</td>
<td>United Nations Economic Commission for Europe</td>
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<tr>
<td>ECU</td>
<td>European Union’s currency</td>
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<tr>
<td>EMU</td>
<td>European Monetary Union</td>
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<td>EU</td>
<td>European Union</td>
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<tr>
<td>EUCOM</td>
<td>United States European Command</td>
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<tr>
<td>EUROPOL</td>
<td>European Law Enforcement Organisation</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>FRY, FR Yugoslavia</td>
<td>Federal Republic of Yugoslavia</td>
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<tr>
<td>FYROM</td>
<td>Former Yugoslav Republic of Macedonia</td>
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GDP  Gross Domestic Product  
GDR  German Democratic Republic  
GSOSRH  General Staff of the Republic of Croatia  
HDZ, CDU  Croatian Democratic Union  
HIS  Croatian Intelligence Service  
HKoV  Croatian Infantry  
HRM  Croatian Military Maritime Forces  
HVO  Croatian Defence Council  
ICFY  International Conference on the Former Yugoslavia  
ICJ  International Court of Justice  
IDEA  Institute for Democracy and Electoral Assistance  
IFOR  Implementation Force  
IMF  International Monetary Fund  
IPI  International Press Institute  
ITF  International Trust Foundation  
IUS  Inter-University Seminar  
JNA, YPA  Yugoslav Peoples’ Army  
KFOR  Kosovo Force  
LDC  Low-Developed Countries  
MAAK  Movement for All-Macedonian Action – political party in Macedonia  
MAP  Membership Action Plan  
MAPE  Multi-national Advisory Police Element in Albania  
MLF  Multi-national Land Force  
MOD  Ministry of Defence  
MORH  Ministry of Defence of the Republic of Croatia  
MOU  Memorandum of Understanding  
MP  Member of Parliament  
NAC  North Atlantic Council  
NAFTA  North American Free Trade Agreement  
NATO  North Atlantic Treaty Organization  
NCO  Non-Commissioned Officer  
NGO  Non-Governmental Organization  
NIS  New Independent States  
OOTW  Operation Other Than War  
OSCE  Organization for Security and Cooperation in Europe  
PARP  Planning and Review Process  
PfP  Partnership for Peace  
PIOOM  Interdisciplinary Research Projects on Root Causes of Human Rights Violations (Netherlands)  
PR  Public Relations  
SACEUR  Supreme Allied Commander Europe  
SAF  Slovenian Armed Forces  
SC  UN Security Council  
SECI  Southeastern Europe Cooperation Initiative
SEDM Southeastern European Ministerial
SEE Southeastern Europe
SEEMO Southeastern Europe Media Organisation
SFOR Stabilization Force (in Bosnia and Herzegovina)
SFRY, SFRJ,
SFR Yugoslavia Socialist Federal Republic of Yugoslavia
SG UN Secretary-General
SIPRI Stockholm International Peace Research Institute
SIT Slovene tolars – Slovene national currency
SJM Slovensko javno mnenje (Slovenian Public Opinion)
SOFA Status of Forces Agreement
SONS Headquarters for National Security (Croatia)
SR UN Secretary-General Special Representative
STANAVFORLANT Standing Naval Force Atlantic
STANAVFORMED Standing Naval Force Mediterranean
UN United Nations
UNESCO United Nations Educational, Scientific and Cultural Organization
UNFICYP United Nations Peacekeeping Force in Cyprus
UNHCR United Nations High Commissioner for Refugees
UNMIK UN mission in Kosovo
UNPA United Nations Protected Area
UNPF United Nations Peacekeeping Forces
UNPREDEP United Nations Preventive Deployment Force
UNPROFOR United Nations Protection Force
UNS National Security Office (Croatia)
UNTAET UN mission on East Timor
UNTSO United Nations Truce Supervision Operation (Middle East)
USSR Union of Socialist Soviet Republics
WEU Western-European Union
WTC World Trade Center
WTO World Trade Organization
WWII Second World War
YNB Yugoslav National Bank
YPA, JNA Yugoslav Peoples’ Army
ZNG National Guard (Croatia)
INTRODUCTION

I.

The term Southeastern Europe contains various dimensions such as: geographical, historical, socio-political, cultural, military, etc. Today, most authors using this term emphasize the transitional situation of the countries in this region and focus their attention on the Balkan core and its near neighbourhood.¹

Although for the time being there is no perceived military threat among the countries in the Southeastern European region, the Balkan core of the region is still facing specific political, economic, social, and defense challenges. The stability and security of the region core is influenced by many risk factors, among which the following is of the utmost importance:

- ethnic tensions, intolerance and xenophobia could exacerbate extreme and violent nationalism in Bosnia and Herzegovina (BH). The most problematic area in BH is economy, which shows signs of progress, but is still well behind the expectations. Black market, organized crime, slow return of refugees, unemployment and disbelief in the upcoming improvements add to the complexity of the current situation.
- Serbia is in the middle of political struggles and it will take time to gain political stability after the removal of Milošević.
- Kosovo as well as Vojvodina’s request for autonomy, at least on the same level as before 1989.
- Sandžak (with Muslim minority), which already asked for certain autonomy or even a merger with BH.
- Macedonia is in the process of gaining more stability, however, the relations with Albanian population will have to be established on the basis of equality while resolving the extremism and the idea of the Great Albania.

¹ While some authors define Southeastern Europe more broadly with the following countries: Greece, Turkey, Albania, Bulgaria, Romania and 5 new countries on the territory of former Yugoslavia (Slovenia, Croatia, BH, FRY, Former Yugoslav Republic Macedonia), others include in this region less countries, such as: Bulgaria, Romania, Albania and 4 countries on the territory of former Yugoslavia (Croatia, BH, FRY, Former Yugoslav Republic Macedonia). See Ecohescu (1996: 50–52) for the former and Lenzi, Martin (eds) (1996: 23–24) for the latter case.
The Dayton Peace Agreement (signed in Paris on December 14, 1995) has proved to be a solid short-term solution to end the armed conflict in BH. However, although Dayton may represent a peaceful alternative to find a lasting solution for BH, it remains ambiguous regarding the core issue that motivated the conflict – whether the country should be a united, multi-ethnic state or a state partitioned between two or three highly autonomous (Daalder, 1997–98: 6) or even independent entities. Many experts believe that the latter solution would be a short-term recipe for long-term wars throughout the region of Southeastern Europe (Bildt, 1997–98: 20).

BH is kept together as a unitary state by the international community (e.g. USA, EU). Therefore, one can easily believe that the interests of these international actors are strong enough to force the realization of the Dayton Agreement and herewith the existence of BH for the time being as one political entity.

The realization of the Dayton Agreement can be a solid basis for a long-term solution not only for BH, but also a way to enhance cooperation and security in the Southeastern European region as a whole. This goal can only be achieved by mutual cooperation in the region in a larger European context with support of the main actors of international community. In this context, the Southeastern European region in post-Dayton era is placed between European regionalism and American globalism. Namely, the EU’s attempts to ensure peace and stability in this region derive primarily from the idea of regional cooperation. Thus, the driving force behind this regional approach is the goal to link economic interests of the EU countries with the Southeastern European region as soon as possible. Mutual cooperation is considered as an alternative to instability and the outbreak of a new war in this region.

On the other hand, the USA approach to achieve pacification and security of the broader region of Southeastern Europe is based within the broader context of American strategic interests, such as strengthening of its position in Europe via NATO, prevention of the spread of fundamentalist Islamic ideas and the fight against international terrorism.

All in all, there is no lack of suggested remedies to ameliorate the conflicts in the Balkans and to stimulate cooperation in the broader Southeastern European region. Nevertheless, it is in the interest of the countries in the Balkans to resolve many legal, political, ethnic, economic and even moral issues, and in that way pave the way for a new start in their mutual relations. The international community should continue to be a mediator in this process.
As mentioned above, most of the principal efforts to deal with the conflicts in the Balkans have been ad hoc efforts that faced the challenges of evolving conditions on the ground and changing political support among the players. A more comprehensive, coordinated and strategic approach to building peace in Europe is needed (see more in: Gyarmatyi, Winkler, 2002):

1. Under the principles of inclusiveness and stakeholder participation in conflict management, it is necessary to move beyond the parameters of the debate on NATO enlargement and create consultative opportunities for the countries of Southeastern Europe to participate in the security-related policies that affect them, in conjunction with NATO, UN and the EU, and the activities that they undertake.

2. Acknowledge the continuing role of the international community in peace-building efforts, which will be needed if the two years of ceasefire are to be transformed into lasting peace and stability. In order to succeed, the conflict management approach to Southeastern Europe must be multi-sectoral, multidimensional, participative and structured over time.

3. Confidence Building Measures – Several players can be active in the creation of CBMs, including NATO, the OSCE, the EU and the UN. Transparency in military capabilities, verification and inspection regimes, hardware modernization, joint training, patrols and manoeuvres are just some of the potential capabilities that the region’s military institutions can develop with the assistance of more experienced actors. The question of military involvement in the Balkans must not be framed in terms of “in together, out together”, but rather be conceived as a multi-lateral project that needs multilateral support and investment, despite domestic political obstacles. The need to demilitarize certain elements of the warring parties and professionalize remaining armed forces is imperative. Certain procedures tend to facilitate this process: the rapid resolution of remaining border disputes via the International Court of Justice. An example of this is the 1993 decision of Hungary and Slovakia to have their border dispute submitted to the consideration of the ICJ. The ICJ intervention opened up space and time for the joint consideration of the minority issues that exacerbate frontier disputes. A related measure is the need for internationally visible and effective activity by the War Crimes Tribunal in Hague, which would establish some precedent of accountability for ‘ethnic cleansing’ violence.

4. Refugees – The successful repatriation of refugees in the former Yugoslavia is an unfulfilled element of the Dayton promise. The lack of compliance with repatriation conditions leaves open festering wounds
and tends to leave in place the results of ‘ethnic cleansing’. The return of refugees must be accompanied by continued efforts to foster democratic local governance, rather than a return to ethnic politics. The EU’s early efforts in Mostar are instructive of the pitfalls and benefits of this process. It relies on such peripheral factors as cooperation of the international community with arms control efforts, conflict resolution training and development of leadership skills not based on ethnic politics.

5. Economic Rebuilding and Economic Cooperation – The need for the rebuilding of the infrastructure after the war is enormous and is a prerequisite for broader economic cooperation and development. While membership in the EU is an ultimate goal for states in the Southeast, the membership is also an element that can facilitate stability and peace. The market economy requirements can make positive contributions to democracy and thus ease economic pressures that drive the internal and ethnic conflicts in the region. The World Bank, the IMF and the EBRD all have the potential to support peace-building efforts in the region because of the enormous leverage of conditionality attached to development assistance. By emphasizing the evidence of democratic governance, support for economic and political reform, respect for human rights, and frowning on the corruption, the lack of accountability and undue military spending, these institutions can make a positive contribution in the design of development projects.

6. Political Development and Reform – The EU has great potential for continuing efforts to develop democracy in the Southeastern Europe through the programs modelled on its existing efforts in Hungary, Poland and the CIS. The development of democratic infrastructure, including overseeing elections, designing state institutions and civil society processes are essential activities that require long-term vision. Democratic development is, however, one of the key developments that prevent the resurgence of conflict. Related to this is the possibility of EU integration of the countries of the region and the question of ‘early accession’ for the Southeastern states. The intergovernmental interaction of the EU with the Southeastern states is a precondition to their eventual application to the EU and would have the effect of keeping all parties interested in integration while maximizing the leverage that the EU can exercise over applicants. This leverage, if exercised creatively, can promote democratic development and facilitate the Southeastern expansion. The EU’s southern expansion with Portugal, Greece and Spain demonstrated the eagerness of newly democratized states to join the EU and the influence the process can wield. The EU’s efforts in Mostar, under the umbrella of the Common Foreign and Security Policy process, has the potential to lock in such coordination.
Conflict Prevention – In contrast to the UN, the OSCE can exercise effective conflict management activities by close consultations with the countries and non-state actors in the Balkans and broader Southeastern Europe. One area in which the OSCE can add value as the vehicle of CBMs is in regards to ethnic tensions that can lead to internal and interstate conflict. There are several OSCE mechanisms for this: the High Commissioner for National Minorities and missions by personal representative of the OSCE Chairman, which can and have taken the initiative to launch investigations in individual countries. Current Southeastern Europe involvement includes Albania and Greece (regarding each others’ respective Greek and Albanian minorities). The OSCE also has the capacity to support democratization and monitor human rights compliance on a permanent basis through its Office of Democratic Institutions and Human Rights. This office can channel information into the preventive diplomacy efforts of the ‘long-term missions’ that are undertaken at the request of the Permanent Council. Since the OSCE is a cooperative, security organization, rather than a military alliance, its value is in identifying and preventing potential conflict. Even in situations of a violent conflict within a member state (such as the situation in Chechnya), the OSCE can exercise leverage by open consultation with the member states, even encouraging them to enact policy decisions that may ameliorate minority-driven conflict.

These are some of the problematic concerns in the Balkans, and the diverse ad hoc activities that address them (see more in Vukadinović, 2002: 129–138). There is little question that these activities must continue and expand. But they must also interact and consider each other, so as to become a network of peace-building, security-generating activities. The need for coordinated, joint action among states, trans-national organizations, collective and cooperative security organizations, and NGOs is greater than ever, if a stable, peaceful and democratic Balkans and the whole Southeastern Europe are to emerge as the cornerstone of the new, expanded and more integrated Europe that interacts peacefully with the states embracing the same security interests and responsibilities as the US and its EU partners.

II.

The main goal of the International Seminar on Security and Cooperation in Southeastern Europe in Dubrovnik within the program of the Inter-University Seminar (IUS) is twofold:

a) to provide a broad forum and framework for meeting concerned researchers and students in Defense and International Security Studies from the SEE region, and
b) to illuminate some of the important problems, as well as diverse activities which are needed to enhance a new spirit of cooperation, economic incentives, and institutional solutions on the Balkans as well as in the whole Southeastern Europe.

This collection of essays is a result of our meetings and discussions within IUS in Dubrovnik in the last seven years. The volume brings together some essays of the key actors in this Seminar and is composed of three quantitatively distinct parts: general overview of situation in the region, country studies, and other significant issues related to peace and security in Southeastern Europe.

The general overview of security situation in the Southeastern Europe contains three more general contributions by Håkan Wiberg, Radovan Vukadinović and Ljubiša Adamovich. Håkan Wiberg, in his predominantly theoretical contribution, denotes peace and security as essentially contested concepts. Peace can be interpreted in negative (absence of war) or positive aspect (almost any kind of activity towards peace) and security has been extended in different directions (e.g. levels, areas and subjects). In the light of this theoretical framework, the changes and prospects for peace and security in the Southeastern Europe were analysed, especially in the areas of boundary problems, military expenditures, possibilities for inter-state wars, democratisation, worsened economy, ethnic composition and similar. Radovan Vukadinović, in his essay, claims that the Southeastern Europe no longer represents a black hole in the European security, nor a direct threat to neighbouring countries. However, it would still be too early to claim that the combined international efforts have been successful in solving the issues of key relations in this part of Europe. After assessing the optimistic vision and realistic version of future situation in the region, he names it as “unstable security of the Southeastern Europe”. This metaphor indicates the simultaneous instabilities that are evident throughout the region and the relatively low chances for future inter-state war. The Contribution of Ljubisa Adamovich outlines some key aspects of economic transition in the Southeastern Europe. He clearly shows many inherited problems in the process of economic transition and integration of the region, such as political instabilities, over-expectations about the reform towards market economy, underestimation of the complexity of the process of economic transition, economic mis-development, etc. Economic integration as a tool for stabilising and securing the region is analysed on the examples of American-led initiative SECI (Southeastern Europe Cooperation Initiative) and various EU-led initiatives and programs.

The part on country studies is comprised of studies on Slovenia, Croatia and FYROM. Anton Grizold, in his contribution on Slovenian experience
from the Partnership for Peace (PfP), stresses the crucial importance of such international cooperative mechanism for developing a firm peace, security, stability and prosperity of nations in contemporary Europe. PfP is represented as the most suitable environment for Slovenian security cooperation with other countries. Tectonic changes in Slovenian defence establishment, such as establishing an all-volunteer force, would be almost impossible without the alliance, its partnership programs, and especially the PARP process. The Slovenian experiences in this cooperation within the framework of PfP are presented as a model for reflection in managing through the present time and building visions of the future to other interested countries. Ljubica Jelušič, in her contribution on reforms in the defence sector in Slovenia, finds out that Slovenia could not avoid the legacy of its security status in the former Yugoslavia. She differentiates among three phases of defence reforms in a period of ten years (1991–2001): establishing a new defence system in a triangle of military defence, civil defence and rescue and protection (1991–1994), prevalence of international inputs in defence reform (1994–2000), and qualitative professionalisation of defence sector (2000–). In this time period, the need for strategic vision and too many (unfinished) reforms in military sector are presented and analysed as typical problems and challenges in the process of defence reforms. Iztok Prezelj, in his analysis of public opinion dimension of the Slovenian national security in the context of neighbouring region, proceeds from the fact that Slovenia can contribute to the regional security most effectively by, firstly, ensuring an adequate and satisfactory level of own national stability and security; secondly, fostering friendly and non-conflicting relations with the neighbouring countries, and thirdly, contributing militarily and non-militarily to the international security endeavours in the Southeastern Europe. In this regard, this paper focuses on the public perception of the security threats and risks in Slovenia, public perception of conflicting relations with the neighbouring Croatia and public perception of the Slovenian military and non-military contribution to the international security endeavours in the troubled neighbouring region. Bogomil Ferfila, Paul Phillips and Bob Donnorummo, in their contribution on Socio-economic reform in Slovenia and Southeastern Europe, claim that Slovenia has been perhaps the most successful of all transitional economies of Central and Eastern Europe. Their analysis suggests that this has been the case precisely because Slovenia had a good sense not to accept the economic advice of western economists and financial and trade institutions to adopt economic “shock therapy” and rapidly liberalize and deregulate its markets. In the part on socio-economic reforms in the region, these authors ascertain that the intra-regional foreign development investments will be the principal mechanism for increased economic integration of the Southeastern Europe. This will, in large extent, depend on the ability of Greece and Turkey to restructure and make their own
economies more efficient, and jointly reduce bilateral tensions and play major roles in the rebuilding of the economies of the region.

The part on Croatia comprises of two contributions. Siniša Tatalović, in his contribution, analyses the war in Croatia in the context of security situation in the Southeastern Europe. He depicts this conflict as low to medium intensity conflict with a combination of elements of both, armed and unarmed fighting. Thus, armed and unarmed conflicts were equally represented as a source of the violence. The analysis shows that one of the most important characteristics of this war was stimulating, organizing, developing and assisting the rebellion. In this regard, three distinct phases of this war are exposed: initial rebellion, guerrilla war and manoeuvre warfare. Furthermore, this war is analysed from the perspective of defence and military strategies of the belligerents and the sequential development of the Croatian defence strategy. Lidija Čehulić, in her contribution on transformation of Croatian military, draws attention to the almost immediate rebellion by the part of radical Serb population after Croatian declaration of independence. This fact and the following war represent a framework for her analysis of formation and transformation of the Croatian security, defence and military systems. Several general goals of the military sector reform in the new militarily non-threatening environment are presented, such as transformation to peacetime organization and tasks, reduction and professionalisation of the personnel, de-politization and de-partisation of the military and strengthening of all military-civil connections.

Biljana Vankovska, in her contribution on Macedonian state-building and security sector reform, demystifies the so-called ten years of virtual reality in this state regarding its uniqueness (in terms of peace prospects in the region) and its ‘normality’ (in terms of its belonging to the countries in transition). The country was also labelled as the only success story in terms of conflict prevention. However, these images were definitely broken four years ago. Paradoxically enough, Macedonia is again seen as a ‘success story’ in post-conflict reconstruction. In between the story of two successes, the objective analysis proves a big failure. The analysis represents a critical overview of the pre- and post-conflict phases in Macedonia’s state-building and security reforms.

The part on “other significant issues related to peace and security in Southeastern Europe” contains three contributions. Anton Grizold and Iztok Prezelj, in their analysis of interorganizational dimension of security cooperation in pre-Dayton crisis management in Bosnia and Herzegovina, found out that the complex crisis in Bosnia and Herzegovina in a pre-Dayton phase could have been brought to an end only with extensive interorganizational joint, complementary and mutually reinforcing
endeavours of various international organizations. The authors examine the experimental UN – NATO and NATO – WEU cooperation and prove the thesis that interorganizational cooperation in complex crisis management is necessary, however, not without many problems. The Yugoslav crisis in a pre-Dayton phase was also a sort of microcosm of shaping the relations among international security organizations after the end of cold war. The contribution of Charles F. Cnudde focuses on the prevalence of domestic factors in U.S: foreign policy decision-making and testing of this hypothesis on the cases of the U.S. policy in foreign arms sales, the U.S. involvement in Bosnia and war on terrorism. He finds out that relatively conservative U.S. administrations tend to avoid active involvement in the security affairs of Central and Eastern Europe because of the gap between those affairs and perceived U.S. national security. The U.S. does have a general interest in maintaining stability in the world, including in Central and Eastern Europe, nevertheless, stability in the region is perceived to be far from vital U.S. security interests. Kristina Plavšak stresses that a long-term peace and security, as well as democracy and political stability in the region strongly rely on provisions for freedom of speech, professional media activity and responsible public communication. In this respect, the role of public opinion, media and communication activities concerning security, peace-keeping and integration in societies of Southeastern Europe are outlined by analysis of main initiatives and projects of international organisations (OSCE, Council of Europe and Stability Pact for South Eastern Europe in particular) in the media and public diplomacy field. Her contribution concludes with some relevant Slovene policy recommendations in this regard.

I believe the collection of articles will be a useful source for the participants of the Dubrovnik seminar on Security and Cooperation in the Southeastern Europe, and also for all interested experts on the security situation in this region.

Anton Grizold
Sources:

I. GENERAL OVERVIEW OF SECURITY SITUATION IN SOUTHEASTERN EUROPE
To assess the prospects for peace and security in SEE, we must start with some conceptual deliberations, both being what the philosopher Gallie calls “essentially contested concepts” (Buzan 1991: 7). Since the word “peace” has a positive value loading, we may expect different cultures, different political currents, etc. to mean partly or greatly different things by it. Translating “pax”, “mir”, “eirene”, “salaam”, “shanti”, etc. as “peace” is partly helpful, partly misleading. There is a “family resemblance” in Wittgenstein’s sense, each culture using “peace” as an umbrella term for its sheaf of values; between any two of these cultures some values are common and some differ (Ishida 1969; Galtung 1981).

**Concepts of Peace**

In ethics and politics (from Thomas Aquinas to Gandhi and Martin Luther King) as well as peace research, there is a traditional distinction between “negative peace” and “positive peace”. The terms are somewhat infelicitous, originally referring to “negatively defined peace” (as the absence of something, viz. organised physical violence) and “positively defined peace”: the presence of, e.g., cooperation, integration, harmony of interests, social justice, freedom. We may get greater clarity by looking at deprival of various needs: survival, well-being, identity and freedom, and at how deprival of these needs may occur by direct acts or structural effects (Galtung 1996).

- **Survival** is threatened directly by killing, its collective forms being various kinds of war; it is also threatened by the exploitation aspect of structural violence, when people die because of the maldistribution of existing resources.
- **Well-being** is threatened by direct acts of violence, such as maiming, sieges or economic sanctions; it is likewise threatened by exploitation resulting in avoidable malnutrition diseases.
- **Identity** is threatened by such direct acts as forcing individuals away from their own cultures (e.g. by forbidding their language or religion) and into dominant cultures (e.g. some contents of compulsory school
curricula). It may also be structurally threatened by structural effects of cultural imperialism and internal colonialism.

- **Freedom**, finally, is directly threatened by repression, including detention as well as expulsion; and it is structurally threatened by such structural “divide and rule” mechanisms as marginalization and fragmentation.

The narrowest sense of “peace”, often referred to as “negative peace”, is then “absence of direct collective killing” or “absence of war”. A wider concept will also include absence of death by structural violence; it was documented long ago that such death looms much larger on a global scale than death from war (Hřivik 1977; Köhler & Alcock 1976; Alcock & Köhler 1979). A still wider concept will define “peace” as the absence of direct or structural threats to survival and well-being; if we operate with even wider concepts of violence, such as “cultural violence”, then a state of peace includes survival, well-being, identity and freedom. The choice of peace concepts within this range is to start with one of (political) semantics. Statements like “there can be no peace without X” are often normative (read as empirical they then become empty tautologies), simply indicating that the author has chosen to interpret “peace” in such a way that it becomes logically true that X is a part of it. Yet, there are also causal links between the different needs listed above – or deprival of them. A system with little freedom or strong threats to identity may appear “peaceful” in the most limited sense (due to successful repression), but will contain social dynamite, making an eventual eruption into large-scale direct violence a distinct risk.

If we opt for the narrowest peace concept – absence of war – then the political agenda for peace will limit itself to questions such as: What are the causes of war and similar types of manifest conflict behaviour and how can they be averted? How do arms races develop, and how can they be reversed? How can peace be built by integration of the international and other systems, by institutionalised mechanisms for conflict resolution, or by making popular and political cultures more peaceful? What can the states in a region do to secure peace individually or in cooperation? A wider peace concept, including also the absence of structural violence, engenders a further set of questions: What conflicts between different social bodies are defined by mechanisms of dominance and exploitation between and within nations? How can these conflicts be made manifest in forms that make it possible to resolve them without the use of war? What aspects of structural violence can the states in a region counteract by mutual agreements within the region or cooperation against causes external to the region? The widest peace concept adds another set of questions to the agenda for peace: to what extent and in what areas can the states in a region defend identity and freedom by
adding cooperation among themselves to their individual efforts? Are there relations among them that can be changed by mutual agreement so as to enhance the satisfaction of these needs? Are there threats to them that are external to the region and can be counteracted by cooperation between the states in it – and how can this be done?

**Some Empirical Results on Peace and War**

The classical works collecting statistics on war and peace are based on studies during the interwar period: Lewis Fry Richardson (1960) covered the period 1820–1949, Quincy Wright (1942) 1480–1940 and Pitirim A. Sorokin (1937) the last 2,500 years. Their definitions and criteria of war differ somewhat, though all of them include inter-state as well as intra-state wars. They therefore coincide strongly concerning major conflicts, whereas there is greater variation in their minor conflicts (with less than a few thousand dead) they cover. Dozens of later systematic collections of statistics on war and peace were made; the most thorough include the Correlates of War (COW) Project in Ann Arbor, Michigan, USA (Small & Singer 1982; Geller & Singer 1998); AKUF in Hamburg, Germany (Gantzel 1997); PLOOM in Leiden, the Netherlands (Schmid & Jongman 1997); and the Department for Peace and Conflict Research at Uppsala University, Sweden (whose statistics with conclusions are annually published in *SIPRI Yearbook*). What follows below is an attempt to collate the responses to a few central questions that we may glean from the bulk of statistical studies.

A first note of caution: “war” actually denotes several different kinds of collective violence, with no guarantee that their causal pattern is the same or even similar. One important classification distinguishes between pre-modern, modern and post-modern wars on the basis of how they are fought (Møller 1999). Pre-modern war was found in medieval Europe, and is today primarily seen in parts of Africa and Asia. Small roving armed units sometimes fight each other, but mainly pillage the civilian population, which starves at best and is slaughtered at worst. Large-scale modern emerged by the mid-nineteenth century Europe, the Iran-Iraq war being a recent example: mass armies armed by large industries (domestic or foreign) clash at fronts, often suffering enormous losses in attempts to break through those fronts. Post-modern warfare was made possible by moving into the air (planes, missiles, etc.), the war on Yugoslavia in 1999 being an extreme example. What counts is no longer bulk and willingness to take great losses, but technological superiority used to smash the military and/or economic infrastructure of the attacked country in order to force a capitulation without putting any soldiers at risk, which is now politically costly (Buzan & Segal 1996). In
modern warfare, the casualties of the opponents are normally of at least the same order of magnitude, even if they may differ much. When post-modern warfare meets modern warfare, however, we see the same enormous disproportionality as when Western imperialists with machine guns met pre-modern warriors in Africa and Asia a century ago: hundred or thousand to one. These are ideal types and may well coexist in reality, as demonstrated in Bosnia-Herzegovina, Kosovo or Afghanistan. To some observers and analysts of post-modern warfare, it is not war at all (Baudrillard 1995); attacking governments sometimes attempt to cover it up under the more neutral term “military operation”, or for that matter “operation other than war” (OOTW). TV viewers in the technologically superior country see no soldiers come home in body bags or wheel chairs to dampen the enthusiasm for the event; and the tremendous sufferings in the target country have little chance of doing so by appearing on TV screens in the perpetrating countries. Hence, statistics should be taken with more than a grain of salt if attempts are made to draw conclusions from correlations to causality.

First, did wars get more or less common? It depends much on what time period we look at and how we count. There seems to be no clear difference between the last few centuries; but we can define other long periods exhibiting more of it. Several authors looked for cyclicities (Rummel 1979: 347) and some claim to have found, or even explained, them; yet the great variation in the length of their cycles supports some scepticism here. After 1945, however, we have more wars each decade. The trend is not uniform: rapid growth alternates with constancy or even some reduction. (Gantzel 1997). The total number of wars peaked in 1992–93, then declined for a few years and is now increasing again, but still lies below the last peak (Sollenberg & Wallensteen 2001). The average number of wars in a year quadrupled since WWII (Gantzel 1997), but so did the number of states or pairs of neighbouring states (great powers are almost the only ones to go to war against others than neighbours). The risk of an average state to get into war in a given year thus remained fairly constant. If we distinguish between “internal” wars fought on the territory of one state (other states may support the war parties short of direct participation) and “international” wars involving two or more states, the proportion of international wars out of all wars has been steadily decreasing since World War II, and there even seems to be a downwards trend in absolute numbers. Out of more than a hundred wars in the 1990s, less than one tenth were between states – and some of these did indeed become international after starting by renaming (recognition of secessions) or other states intervening in a war within a single state. Thus, the average state in the world does not seem to have become more peaceful, but perhaps the international system did. Many of the wars occurred when a large number of states was added to the international system,
first primarily by decolonisation and then – in the 1990s – primarily by former states splitting up\textsuperscript{1} or soon afterwards in the splinters.

Second, what makes states more peaceful or belligerent? There is a vast number of statistical studies that have tried to establish causes – or at least correlates – but the results are interestingly meagre and the findings that can be regarded as really solid, corroborated by replication in at least a few studies, can be thus summarized for wars between states:

a) Great powers tend to engage much more in war than other states.

b) The more boundaries a state has, the more wars it tends to get engaged in.

c) The more military prepared a state is in comparison with the average for its size, the more wars does it tend to get engaged in.

There are hen-and-egg problem in all cases. Are they great powers because they engage in many wars? Does a state get many boundaries by engaging in war? Is it highly military prepared because it correctly anticipates getting into war? Or is it in each case the other way around? Several studies since Richardson concur that if there is a causal relationship, it is boundaries that lead to wars, not the other way around. Historical statistics shows that great powers fight more wars than others when getting, having, or losing that status. Yet, the relation somehow changed after WWII: the winners (UK, France, USSR and especially USA) are much more belligerent than average states and the losers (Germany, Italy, Japan) almost entirely peaceful, the participation of Germany and Italy in the 1999 attack on Yugoslavia being the first exception. A further pattern is related to the relative weight of economic and military power: the winners lost out in terms of relative economic power in the world or their continent, the losers gained strongly. The winners, especially USA, apparently try to counteract the secular loss of weight of military power relative to economic power by engaging in war or creating circumstances making it likely (letting others take the blame for starting it) in a – usually largely unsuccessful – attempt to boost the military weight and, perhaps, forget the fiasco of the preceding war (Wiberg 2000). As for armaments, finally, the statistical results are rather weak, but it is clear that the relative level (military preparedness compared with the average similar state) counts more than the absolute.

Third, the meagre research results on what states are more pacific or belligerent may be due to looking at the wrong level. It takes two to tango: we should look at pairs of states rather than singles. One pattern (for

\textsuperscript{1} Even very young states tend to strongly resist change, with very few cases of a peaceful union of states or division. In 1900–1990, the only three completely peaceful secessions were Norway from its union (forced upon it in 1814) with Sweden in 1905; Singapore leaving Malaysia in 1965 after two years together; and the dissolution of the short-lived United Arab Republic (Wiberg 1983).
1920–68) can be seen in Wallensteen (1973), with my updating comments in brackets:
1) an average pair of great powers fights many times more than one of a great power and a minor power, which fights many times more than two minor powers. (Since 1945, great powers do not engage each other directly in wars, whether because of nuclear terror balance, other anticipated catastrophic effects or absence of real conflicts);
2) when a great power fights a smaller power, it is almost always one in its economic sphere of influence, trade making for peace when symmetric and for war if strongly asymmetric. (USA is decreasingly restricted by that condition. Whether and when trade makes for peace remains controversial, cf. Barbieri 2002);
3) except for great powers (occasionally dragging their clients in), neighbours only fight each other. (Still largely holds; the statistical probability for two arbitrary neighbours to have a war in the 1990ies decade was about one per cent, the lowest one in a very long time).

The military correlate at the state level is stronger at the dyadic level: states in militarised disputes are the more likely to escalate into war, the higher their relative military preparedness, in particular if the dispute was preceded by an arms race (Wiberg 1990). Yet, arms races also have another aspect: during the Cold War, the two superpowers spent tens of billions of dollars to secure themselves against accidental nuclear war; whether they were successful or just lucky is another question (Leavitt & Bracken 1993).

At the dyadic level, we also find a variable that was absent at the state level: democracy. Many studies since the late 1960ies concurred that democracies are neither more peaceful, nor more warlike than other states (though they tend to win their wars more often, apparently because they avoid wars they risk to lose, cf. Reiter & Stam 2002). Things are very different at the dyadic level: several studies have confirmed, with at most very marginal exceptions, the so-called “double democracy hypothesis”: democracies do not fight each other (Gleditsch & Hegre 1997). Why this is so is a more disputed matter. The traditional argument since Immanuel Kant’s treatise Zum ewigen Frieden two centuries ago (Bohman & Lutz-Bachmann 1997) that democracies are more peaceful than others fits badly with the finding at the state level. Alternative explanations emphasize norms (pairs of democracies are more likely to be common members of and share obligations in several different intergovernmental organisations, and their citizens and NGOs tend to be connected in analogous ways) or domestic politics (nothing to gain by threatening another democracy with war), or both. Others again (Galtung 1996: 50f.) see this correlation as more accidental: the core group of democracies happened to be allies first against German expansion, then Nazism and finally
Communism, all of them threats calling for a grand counter-coalition. There being no clear and present danger of a similar kind in today’s world, the cement between democracies may dissolve and disagreements eventually get violent. Arguments about clashes of civilizations and “the rest against the West” (Huntington 1996) can then be seen as attempts to conjure up a common enemy to mobilise for war against, in order to preserve the cohesion of the old democracies and US leadership.

Fourth, at the level of international systems, we still have little solid empirical knowledge as to what makes for more peace or more war (Zinnes 1980; Vasquez 2000). One reason is methodological: the scarcity of international systems. Another reason may be the same as at other levels: war may be so multi-causal that fairly few variables show strong relations with it. Changes in the values of variables tend to matter more than the absolute values. Sorokin showed that sensate and ideational cultures differ little in the incidence of war, but transition periods have more war than normal. The COW project concluded that neither the degree of polarization, nor the type of balance of power in the system has any strong association with the amount of war in it, whereas rapid changes are correlated with more war than normal.

Fifth, internal conflict became the most frequent type by far in recent decades, but systematic statistical studies are still much fewer than of international wars, from which, for obvious theoretical reasons, results cannot just be extrapolate. These reasons are also borne out by repeated studies of the relationship between internal and external conflict concluding that there is little demonstrable direct relationship between them: indicators of internal conflict tend to have close to zero correlation with indicators of external conflict (Finsterbusch 1974), and to the extent some relations can be found, they are relatively weak and quite convoluted (Wilkenfeld 1973). Let us therefore have a fresh look at the possible effects on internal war of some main variables at the state level: age, wealth, ethnic composition and democracy.

As for age, already Richardson noted that the longer two groups had had a common government, the less likely was armed conflict between them. Yet, this may be due to causality (“growing together”) or selection (the states with long internal peace remaining in the population) Recent studies, however, concur: the immediate postnatal period of a state is riskier than later periods (Hegre et al. 2001).

Whereas wealth plays no prominent general role for inter-state war, it does for internal war: the poorer a state, the greater the risk, except that extremely poor states have slightly less war than the very poor (Stewart & FitzGerald 2001). This, however, may be spurious or due to indirect
effects: poor states are also less likely to be stable democracies or nationally homogeneous. Yet, there are arguments why wealth should have a direct causal impact: the more people have to lose, the less they will risk doing that by engaging in a civil war. Poor states are also more likely to be heavily dependent on a single asset (land, oil, diamonds, copper, etc.), which is therefore more likely to be fought about than when there are many sources of wealth. Furthermore, it is not only the absolute level that counts but also change, rapid loss of wealth being related to civil war via political radicalisation (left-right or ethnic mobilisation), while a rapid increase may increase the risk by creating expectations that eventually are not fulfilled (Gurr 1970).

*Ethnicity* and *nation* are both very elusive terms (with three-digit numbers of definitions in the literature) and their relationship is complex (Wiberg 1996b). The term “ethnic conflict” being so politically loaded, the convictions of researchers seem to affect strongly how conflicts are categorised. In the widest definition of “ethnic conflict”, it includes any conflict where differences between ethnic groups define at least one important factor; about half to two thirds of all violent intra-state conflicts then become “ethnic” (Wiberg 1989; Scherrer 1999). The most restrictive definitions call for all conflict elements to be precisely about ethnic markers, in political rhetorics as well as the minds of (completely ethnically distinct) conflict parties. We then find very few “ethnic conflicts”; they are defined away. Underlying conceptions behind differing definitions range between *primordialism* (where nationality or ethnicity are seen as somehow nature-given, immutable and causally fundamental) and strong versions of *social constructivism*, seeing ethnicity as entirely a social construction (perhaps deliberately politically manipulated – but even then “de-ethnifying” a conflict tends to be much more difficult and time consuming than “ethnifying” it.) Using a wide definition, however, does not presuppose any primordialism. If “multi-ethnicity” simply means the presence of two or many ethnic groups in a single state, then the provisional statistical verdict is that it promotes war: the more ethnically diverse a state, the higher is its risk of civil war, although the relationship is relatively modest. In addition, the geographical dispersion is important (Melander 1999: 81f.) and the relation between who initiates a conflict and whether it escalates is complex (Öberg 2003).

As for “nation”, we find at least three major groups of definitions. In the tradition of thinking stemming from the French Enlightenment and the French Revolution, a nation is essentially the citizens of a state (*patrie*): “the totality of persons born or naturalized in a country and living under a single government”. The state essentially defining the nation, “nation” then actually becomes conceptually redundant. In the tradition of thinking from Herder and German Romanticism, a nation (*Volk*) is defined as
a *Kulturgemeinschaft*, a cultural community based on language, religion or something else. The notion soon arose that a nation calls for a state: by unification of existing states or secession from one or more of them. Whereas those two traditions ascribe nationality by observable criteria (passports, mother tongues, etc.), there is a third tradition of thinking (Anderson 1991), whereby a person belongs to the nation (*imagined community*) that s/he identifies with, which may or may not coincide with his passport, linguistic habits or religious observance. Unless we follow the first tradition, we may have conflicts between states (by definition international), conflicts between nations, and conflicts between nations and states, whether inside a single state, across state boundaries, or both. The difference between the two first traditions may become crucial: when a state apparatus engaged in “nation-building” tries to press a conception of nationhood based on citizenship on large groups of citizens that define their nationality in cultural terms, bloodshed often occurs.

The second type of definition is also fraught with problems. Some communities primarily define themselves in religious terms (Northern Ireland), others in linguistic terms (Belgium, Canada), and others again in other ways (including citizenship). Self-definitions may change, e.g. from religion to language (Canada, Cyprus), and it may be a matter of historical accident whether two tongues are regarded as “different languages” or “different dialects of the same language” (Scandinavia, SEE); the same is to some extent true for religions (Lebanon). Half-hearted attempts at linking the right to national self-determination (on which Lenin and Wilson agreed just then) to such “objective” definitions were made after World War I; the European colonial powers, however, could only support it in practice if it was *not* accepted in principle and could not set any precedence for decolonization. In modern international law, the main remnants of this are found in the *prima facie* criteria for a *non-self-governing territory* (geographically separate and ethnically distinct). (Rigo Sureda, Hurst)

The third type of definition is essentially for social scientists. It may be useful for understanding the social dynamics of ethno-genesis, etc., but quickly runs into difficulties if attempts are made to operationalize it for political or legal purposes, especially as the term “nation” (or “ethnic group”) sometimes refers to the broadest category of imagined communities, while some usages of “nation” reserve it for ethnic groups with some political (“nationalist”) project in terms of (cultural, regional, etc.) autonomy, confederalisation or even a state of its own.

Neither type of definition is “right” or “wrong”; they all *exist* and have social effects, whether in harmony or strong conflict with each other. Organisations of *states* (UN, EU, etc.) tend to strongly prefer “state” defi-
nitions; yet exceptions can be made out of political expediency, as illustrated by the slalom race of EU on what to recognise in Former Yugoslavia and what not. Whether and when an “ethnic group” will cross the line to become a “nation” may be difficult to predict: such collective ambitions as cultural autonomy, regional home rule, state formation, etc., are variable and – sometimes – volatile and subject to political manipulation. States emerge, expand, contract and disappear over time, just as languages and religions change, converge or subdivide. Whereas the political boundaries of states tend to be sharp nowadays, those between nations are only sharp in special cases, e.g. where states have successfully managed to get their citizens to identify themselves by passport or, in the other extreme, committed ethnocide or cleansing. The boundary between two nations is often a wide geographical area with varying percentages of populations from them. Only in exceptional cases do the external boundaries of state and nation entirely coincide.

If, for a moment, we oversimplify by identifying nation by language, we have a couple of thousand nations in the world, distributed over a couple of hundred states. Yet, there is only a score of “nation-states” (if that means that this nation largely lives in that state and forms the vast majority there). Most of these are found in Europe and were created in the last couple of centuries, normally with much bloodshed. Most states are divided between different nations; many nations are divided by state boundaries (Wiberg 1996b). How much this matters depends on several circumstances, but the programme “a state for each nation” would mean dismembering nine states out of ten. “National self-determination” is therefore a highly explosive concept and its interpretation a matter of much disagreement. International law in effect used to hold that no such right exists inside sovereign states. This is hotly contested by many national or ethnic groups, encouraged since the 1990ies by the rules for recognition moving away from (most states and – largely – the UN) predominantly seeing it as a mere registration of an already existing fact, and in the direction of the German and US tradition, where (non) recognition is a political weapon, a way of creating or blocking such a fact. The count just made is exaggerated however: we only get that many “nations” by equating that term with “language group”, most of whom are too small to form a state anyhow, and a minority only among the rest have any clear political project at present.

The state and the nation are both potential monsters, which in that case ask for total and undivided allegiance from their members. Where both are relatively tamed, the potential for conflict is low; where neither is, the risk of collective violence tends to be particularly high when legal and political notions of autonomy and self-determination clash, the closer circumstances deciding what then happens. Conceptions of nationali-
ty tend to interact with several other factors. In the interwar period there were many active ethno-national movements in Europe, often wishing their own states, but after 1945 they were largely invisible, many scholars believing that their time was over. Yet, in the 1960ies they reappeared in Western Europe and in the 1980ies in Central/Eastern Europe; many (including Albanian and Croatian) had temporarily been greatly de-legitimised by cooperating with Hitler and Mussolini, while nervous post-war states had low tolerance for any hint of separatism and “bourgeois nationalism” was banned in Eastern Europe. When ethno-national movements reappeared in Western Europe since the 1960ies, they did so under optimal circumstances: affluence and growth, firmly rooted democratic cultures and integration projects making state boundaries mean less and less. Except for a few minorities within minorities (North Ireland, Euzkadi, Corsica), they opted for the normal pattern of democratic political mobilization, campaigning, bargaining and haggling, with eventual results that all parties could live with, at least for the time being.

The reappearance in Central/Eastern Europe since the 1980ies took place under the worst possible circumstances: long and deep economic crises had provided breeding grounds for (left, right, populist, nationalist or combined) radicalism, with no democratic traditions to mitigate it. The integrative institutions (Warsaw Pact and COMECON, for whatever they were worth) disappeared, governments were trying to make state boundaries mean more and more – and often to strongly mold their new states (e.g., in terms of language or religion) after their titular nations, whose demographic majority was often slim, which often led to a second wave of secessionism. Relationships between ethno-national heterogeneity and war were also stronger than in global statistics, perhaps because so many ethnic groups had become nations in the political sense. The most homogeneous states (with a majority around or above 90 per cent) had very little domestic violent conflict; those at the other end (a narrow majority or none at all) were mostly dissolved, had bloody civil wars, became de facto divided, or combined these things (Wiberg 1996a).

What about democracy? Many expect democracies to be less prone than others to be torn by violent internal conflict: the more a group (class, language, religion, territory, etc.) has access to legitimate peaceful channels to express and redress its grievances, the less likely is it or its major organisations to try to do this by violence (Tilly 1975). The relationship is more complex however. It turned out that whereas stable democracies strongly tend to have low domestic violence, this is, to almost the same extent, true for stable autocracies, whereas the group of countries under democratisation seemed to be the least peaceful one (Mansfield & Snyder 1995). That new democracies are more war-prone than stable democracies was also the result of Gleditsch & Ward (2000), who also found that
rapid changes are dangerous and that the risk gets lower if the state has
democratic neighbours. Hegre et al. (2001) made some important specifi-
cations: the higher level of conflict in this middle group is both an effect
of being in that position and being under change, whether towards or
away from democracy. The democratic road to (internal) peace therefore
has its risky parts in a short-term perspective: it is only after passing the
“hilltop” that it leads to safer parts.

In addition to how characteristics of states affect the risk of war inside
them, we should also expect effects from their environments. Inter-state
wars are not only far less frequent than intra-state wars, they also tend to
be shorter and have fewer direct and indirect casualties (Kende 1978).
The international system with its regional organisations and in particular
the UN has norms and machineries for armed inter-state conflict, from
good offices, mediation and peacekeeping forces to military means of
enforcement, but these are more scarce for wars fought inside single
countries. Diplomacy and international law traditionally deal primarily,
in fact almost exclusively, with relations between states. In intra-state
wars it is more difficult to reach consensus as to who are the parties and
how to establish contacts with them without breaking diplomatic taboos.
Inter-state wars used to be front wars (military technology and strategies
are now changing this); intra-state wars are often more messy and chaot-
ic, making it more difficult to agree on a ceasefire line and its monitor-
ing. Modern inter-state wars normally have two parties (possibly coali-
tions); intra-state wars often have three or more parties in shifting
coalitions, making them much more intractable. International interven-
tion in inter-state wars tends to be impartial (except in rare cases of
aggression and ensuing enforcement), whereas many such interventions
in intra-state conflicts have been de facto strongly partial, whatever the
proclaimed normative justifications (Wiberg 1996d). External military
forces with other tasks than traditional peacekeeping are therefore more
easily seen as enemies and occupants by one or more of the local parties.
Traditional peacekeeping has three firm norms: it requires consent of all
parties; it is to be, and to be seen, as impartial; and it is to use force in
self-defence only. The report of the Secretary General of the UN in the
mid-1990s (Boutros-Ghali 1995), which tried to collate the experience of
all UN operations until then, shows that the operations that clearly suc-
cceeded had always followed these rules, whereas those that failed to
varying degrees had all broken one or more of them. The effects of using
external armed force to handle intra-state wars have often been quite dif-
ferent from the proclaimed intentions (Biermann & Vadset 1998).
Thinking Security

One way to assess security problems is to depart from some fundamental assumptions chosen by the analyst (referred to as “theoretical framework”, “paradigm”, “discourse” or “school”) and apply them to the region under consideration. Another way is to describe what authoritative representatives of the state(s) say or do, that making it true by definition what the security problems consist in. All authors agree that security is good, but not on what “security” means. A good illustration is found in the United Nations study on Concepts of Security (1986) by an expert group: contributors from the East laid great stress on disarmament; those from the West tended to emphasize balance of power and deterrence; and those from the South saw development as a crucial aspect of security.

Two crucial choices must be made in a conceptualisation: security for whom and against what? The traditional conceptualisation of security was mostly taken (explicitly or implicitly) from the classical Realist paradigm. The answers were then obvious: security for the state (ambiguously called “national security”) against threats of its being attacked or subjugated by violent means by an external enemy (“aggression”) or an internal enemy (“subversion”). Different doctrines of national security gave different emphasis to these two kinds of threats, and it was recognised that there could be a security dilemma when attempts of states to increase their own security are seen as threatening their neighbours, whatever declarations are made about their being “for defensive purposes only”. That term appears already in Herz (1950) and the concept has been used in much analysis (Møller 1992). This original conceptual consensus, however, soon disappeared. Political initiatives to rethink security also included the Palme Commission with its report Common Security (1982) and some later reports. Simultaneously, several penetrating conceptual and theoretical scholarly analyses appeared. Thus Buzan (1991) demonstrated the importance of levels, showing that the security dilemma goes in two directions: attempts at strengthening national security may support or threaten international security, depending on the circumstances; but they may also both support and threaten subnational (e.g., group or individual) security (as is amply demonstrated by Hadžić (2002) in the case of Former Yugoslavia).

Later analyses by the so-called “Copenhagen School” (Wæver et al. 1993; Wæver 1997; Buzan et al. 1998; Buzan & Wæver 2003) showed the need to conceptualise a level between the state, whose security problems can rarely be seen in isolation, and the international system, which is not sufficiently interconnected in this way to make “global security” analytically
meaningful. This level is called a security complex, defined as a set of states for which it is true that the security of each is significantly interlinked to the security of other states in the set, whereas there is little such linkage to states outside the set. In today’s world, Europe, North East Asia, South East and South Asia are examples; we also have to count with one or two security complexes in the Middle East, one in southern Africa, etc. Security complexes may actually intersect (e.g., in Turkey) and may sometimes be overlaid by major ones (e.g., during the Cold War), showing their own dynamics only when the overlay is lifted.

The subjects of security are thus to be found at different levels; we also have different objects. If security is seen as the absence of threat, then in order to cover what states see as serious concerns, the traditional dimension of military security must be supplemented by political, economic and ecological security. On these four dimensions it is (at this level of analysis) the state that is threatened; the concept of societal security (Waever et al. 1993) indicates the need to consider society as a potentially threatened subject. In addition, the issues pertaining to the dimensions shift in ways that depend both on “objective” secular trends and on processes of securitization and desecuritization (see below). The new dimension of warfare (air power and missiles, ABC weapons, etc.) has made military threats even more lethal. Dissuasion by defence capability was traditionally seen as crucial for the independence of small states (Wiberg 1996c), who might make it credible that the costs of an attack, even if successful, would outweigh its gains. In periods with weak international normative systems, that was the only alternative to either acquiescing in demands from one major power (Mourtizen 1988) or seeking protection from some other major power and paying the price for that, often by being in the frontline between them. An increasing number of states, or for that matter even other actors, are now able to inflict damage on a small – or in fact, as September 11 demonstrated, any – state at relatively low costs; the international normative system has thus become increasingly crucial for creating indirect costs for potential aggressors. Protecting the population has gained in relative importance for the resistance to threats in situations where the normative system fails, to some extent at the extent of military preparedness.

Until very recently, growing international norms against war may have been behind the fact that the great majority of wars were fought within the boundaries of a single state, external powers rarely intervening with combat troops unless they had an invitation from some government (often of their own making) in that state or – in exceptional cases – legitimacy from the UN Security Council. Such interventions tended to make the wars longer and bloodier (Kende 1970, 1978). After the Cold War, however, the norm against aggression is under increasing attack
Economic security has a partly different logic from military security for averting threats. Military threats are usually about potential actions of other actors and there is, in principle, no limit to how predictable it is desirable (and sometimes possible) to make the environment in this respect. Explicit and intended threats also occur on the economic dimension: sanctions may be quite effective for mass killing (of weak parts of civilian populations rather than soldiers), but their overt character tends to increase the possibility of popular counter-mobilization (Galtung 1967) and of getting support from elsewhere. The empirical record is mixed: collective economic sanctions targeted at individual nations rarely attain their stated goals (Wallensteen 1968, 2000; Dimitrijević & Pejić 1995), whereas single great powers bullying small members of their own spheres of economic influence on issues that these do not see as vital have better prospects (Hufbauer & Schott 1985; Hufbauer et al. 1991). Yet, this type of economic threats is normally secondary, the typical kind being the structural. Interdependence and the very logic of the market – with its element of rewarded risk-taking – means that “economic security” cannot simply mean “predictability” or “absence of risks”. This interdependence is traditionally asymmetric however (Wallensteen 1973): the great majority of states are strongly dependent on a single major power (occasionally two); a mere minority has its foreign trade sufficiently balanced not to depend heavily on any single partner. Trading blocs among the rich (EU, NAFTA, WTO) tend to make the poorer even more powerless. In addition to this, heavy dependence on very few commodities for export is characteristic for many small states, especially if underdeveloped – whose underdevelopment is then reinforced. The increased economic interdependence after World War II, sometimes known as “globalisation”2, brought benefits at the aggregated global level, but their distribution has been skewed, with many states as net losers in relative – and often even absolute – terms.

Ecological security is a new term for an old fact. For millennia, human communities sometimes undermined their own sustainability by exhausting non-renewable resources, creating natural disasters and polluting their environments. Until recently, however, such effects were predominantly local: each single community suffered the consequences of its own actions. Threats were internal and states rarely had good argu-

2 It should be kept in mind, however, that if we look at foreign trade as a proportion of GDP, we are now at about the same level as a century ago, world wars and depressions taking long time to recover from. Globalisation is more about explicit norms favouring the strong, or the absence of norms favouring them even more, than about (relative) volume.
ments for meddling into what other states did within their boundaries. This has changed. Chemical, radioactive and other modern pollution does not respect state boundaries, nor does the way in which states handle their water resources by dams, irrigation, etc. The effects are sometimes global – dwindling ozone layers, ocean poisoning, global warming with rising sea levels, etc. – even if the local effects may vary greatly: what is a remediable nuisance for one state may be an existential threat to another. This defines a new set of international conflicts. Regime creation is only at its difficult beginning, collective effects of collective action being notoriously difficult to regulate, as demonstrated, e.g. at conference in Rio in 1992 and Kyoto in 1997, where the USA was a main obstacle. There is virtually no regime on the use of water resources – which is seen by some states as a *casus belli*. For instance, the vast Gap dam in Turkish Kurdistan is a serious threat to agriculture in Iraq and Syria, especially if Turkey sells its water to Israel, while Israel made it clear to Syria that it may attack if Syria builds a similar dam to mitigate the effects of the Turkish one. Small states are likely to be more threatened than major powers, having more homogeneous habitats, smaller resources for national remedies and smaller ability to affect the development against the interests of major powers.

*Political security* essentially faces three threats. External military threats define one case; another is the overthrow of the *legitimate political institutions* of a state by means of what is often referred to as subversion, with or without the use of violence or external support. Many states clearly distinguish between illegitimate challenges to these institutions and legitimate opposition to the incumbent government; in many others, any form of opposition is regarded and treated as a subversive security threat. The more a government is regarded by its citizens as representing them, the clearer distinction tends to be made between permissible and prohibited forms and contents of opposition. The third type of threat is that against the *idea of the state* (Buzan 1991: 60). The highest degree of political security is enjoyed by a *strong state*, which is here defined by no significant group of its inhabitants or neighbours, or any great power, questioning its legitimacy, institutions or boundaries. Security problems of weak states are often labelled as separatism, secessionism or irredentism. Ethnically homogeneous states tend to be stronger than others (Iceland, Poland, Japan); but this is neither a necessary (Finland, Switzerland), nor a sufficient condition (Somalia, former GDR). We may find all combinations of politically and militarily strong or weak states; sometimes the very political weakness of a state made it acquire great military strength, for instance the former USSR or Israel. The self definitions of neighbouring states may make them automatic threats to each other, e.g. the character of India as a secular state and the religion-based self-definition of Pakistan.
Societal security has a different logic again. The relevant threats are primarily against societies rather than states: they may largely coincide in terms of their members, or two or more societies may coexist within a state. When such threats are perceived, what is seen as threatened may be collective identity, cultural specificity or national cohesion. The perceived carriers of such threats may be national minorities, immigrants, a nation-blind market or globalized mass media. Threatening developments may be supranational (e.g. the EU) or subnational (minorities insisting on language rights, own cultural institutions, etc.). Counteractions may include xenophobic mob violence; socially institutionalised but not legally defined discrimination; protest voting against supranational institutions; popular cultural movements, etc. They may also include demands and pressures for the state to take action, e.g., to limit or abolish immigration; make foreign citizens leave the state; forbid radio, TV or parabolic antennas; forbid the public use of foreign or minority languages; or subsidize national cultural institutions. Attempts have also been made to conceptualise a societal security dilemma (Posen 1993; Melander 1999; Roe 2003). The reduction of state sovereignty or decision latitude engendered by international treaties may also be seen as threatening societal security, in the sense that the hard shell of the state is to a decreasing extent there to protect the “soft” society by measures like those above.

Some of the security problems indicated above, possibly interrelated, emerge from relationships between state and nation. We may take the concept of a state for granted: a territory where a government, legally subjugated to no other government, claims sovereignty and actually exercises it, at least in the major part. Until recently, membership of the United Nations was a useful approximate criterion (some microstates and Switzerland were non-members, some states were kept out by great powers). After the Cold War, however, Germany forced EU to lead a trend from treating recognition as predominantly a registration of a matter of fact to using it as more of a political weapon, thus endangering the political security of many UN members. As we saw above, the concept of nation is much more controversial – and the very controversies form some of the conflict potential. At a very abstract level, a better understanding of the different dimensions of security requires that we contrast the different interpretations of “nation” to each other in order to inquire how they can be brought to coexist peacefully. For example, some states allow great latitude for ethno-national mobilization; others successfully suppress it; others again tend to create a vicious circle of increased attempts at repression and stronger national mobilisation escalating each other. Even if increased autonomy often seems to lead to less armed conflict, getting there can be quite difficult in situations where that road may lead there, but may also lead in the direction of encouraging more demands and eventually secessionism (Cornell 2001).
To make a discussion of the concepts of security complete, we must also underline its dynamic aspects. One way of reading the gradual extension of “security” described above in terms of levels and dimensions is to say that they were discovered by a more penetrating analysis than before, thus getting a more complete mapping of an assumed objective reality. Another reading, and a very important one, is in terms of action, in particular speech acts, whereby already existing issues are securitized or desecuritized. The basis for this reading is that “security issues” by virtue of having that label are regarded as particularly important and having a high claim to attention, priority, resources, and so forth – for which there is always competition (Wæver 1997). The significant (de) securitizers are primarily leading politicians and political organs, but prestigious experts, mass media, etc. may also contribute to this process. Sometimes, desecuritization is quite “logical” within the framework of an already existing security discourse: when a region, such as Scandinavia and later EU, is transformed into a security community (Adler & Barnett 1998; Wiberg 2000b) where even normally explosive conflicts (secession, autonomy, territory, language) are handled by entirely peaceful means (Archer & Joenniemi 2003), then the military capability of a neighbour ceases to be seen as a security problem. Northern Europe became a security community more than a century ago, several decades after its last intra-regional wars, the whole Baltic Sea area is moving in that direction – and is in important respects just as heterogeneous as SEE and the Black Sea area (Wæver & Wiberg 1995); there may therefore also be prospects in SEE. Sometimes a new discourse is created, whether by domestic competition for political power and resources or by external influences. Since the 1970ies, environment issues have increasingly become securitized; in the 1990ies, migration increasingly became securitized in many countries and NATO created some confusion by urging applicants to desecuritize some of their traditional concerns in order for NATO to avoid “importing trouble”, whether in the Balkans (Vankovska & Wiberg 2003) or the Baltic states (Noreen 2001). Very recently, “terrorism” has become securitized, seen as a matter for military action rather than for police work, with wide ranging consequences, including reduced security for many states.

**Peace, Security and Southeastern Europe**

How have the prospects for peace and security in Southeastern Europe been affected by the developments since the Cold War? The present section is not a foolhardy attempt to make a full analysis (cf. Wiberg 2000c), but merely a review of what to expect in the light of the general propositions reviewed above – with their ubiquitous element of *ceteris paribus* leaving the possibility open that in SEE other things were not so equal as
to warrant extrapolations. Turkey is the only state in SEE that even remotely resembles a great power in the SEE, and all the others are smaller and weaker than ever (see below); the propositions on great powers are thus irrelevant. Let us have a look at the rest.

1) New states and boundaries were created, some of them controversial and generally increasing the risks of war. The counterweight to this is the aversion of both EU and NATO to “importing trouble”: the eagerness of most SEE countries to join these clubs gives them strong incentives to settle all boundary disputes with neighbours.

2) The military expenditures in relation to GDP have gone down everywhere, from moderately (Bulgaria) to drastically (Slovenia, Albania), and from continuously to belatedly (Croatia and FRY were fighting wars); this can be expected to improve the prospects for peace.

3) Are they already protected against inter-state wars by the “double democracy hypothesis”? Since they are approaching the status of stable democracy with rather different speeds, the answer must differ from pair to pair: there is a long distance between Slovenia/Croatia and Macedonia/Kosovo (if that becomes a state).

4) Increased risks of internal wars are indicated by the worsened economy almost everywhere, whether due to war costs, war destruction, primary and secondary effects of economic sanctions, too much or too little economic restructuring, etc. The most successful state, Slovenia, has now returned to, or even passed, the per capita income of the late 1980ies; in several others, it is much or very much lower. Western Europe and USA contributed very substantially to the destruction by economic sanctions or bombing; what they spent on reconstruction is only a tiny fraction of this (or of their own expenditures for military measures in the SEE). This will have increased the risk for domestic conflict in several countries.

5) Ethno-national composition developed differently. The states outside Former Yugoslavia were quite homogeneous (85 per cent or more) to start with and saw little change, at the same time as the “we don’t want to import trouble” attitude from Western organisations motivated them to give minorities an improved status, at least in constitution and law texts. Slovenia lies in the same group of low-risk countries. From this point of view, today’s Yugoslavia is in a much better position than its predecessor, the proportion of Serbs being much higher after the secessions of four republics and – de facto, even if not de jure – Kosovo. It will be even safer if Montenegro eventually secedes (but Montenegro will not). The situation of Macedonia has worsened, the ethnic Macedonians being a smaller majority than 10–15 years ago:

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3 With a very modest upward shift very recently in the most eager NATO applicants.
4 Most of the wars there were since 1991 also had this as one important background factor among others.
exactly how much smaller is a matter of bitter ethno-national dissent, as is the relative role of nativity, emigration, illegal immigration, etc., for the change. Croatia’s position has improved due to the large-scale flight of Serbs. The same is true for Kosovo (flight of all non-Albanian groups), Republica Srpska (Moslems and Croats) and the Federation of Bosnia-Herzegovina (Serbs and Croats if we look at it as a whole, with Moslems added if we look at individual cantons). In all these cases, the flights were recent and the result of severe crimes, the effects of which may more than counteract the pacificatory effects of ethnic homogeneity. Furthermore, opinions differ strongly as to whether external pressure to get refugees back to where they came from are helpful to future peace or rather the opposite.

There is an additional problem. Richardson (1960) found that whereas Christian and Moslem groups did not differ from others, the risks of war were higher in a pair with one of each. This remains true today, even if one does not speculate on any “clash of civilizations”: states where one of them forms the majority and the other a sizable minority run higher risks of civil wars than others (the main SEE examples are Bosnia-Herzegovina, Kosovo and Macedonia). Why this is so is a puzzle however, since neither Moslems, nor Christians differ much from average belligerence.

6) *Democratisation* can be expected to have complex domestic effects. Slovenia is clearly over the “hill top” we referred to above, so further democratisation can be expected to make for even more stable peace. All the others seem to be somewhere in the vicinity of the “hill top” and a more detailed analysis would be needed to determine on what side of it each state is: some seem to be on the Slovenian road, others may have to move up into more dangerous territory before going down into safer areas again.

7) All the statements above concern what to expect *ceteris paribus*. Among the things that may not be equal is the *international environment*: what has changed and what has remained constant? In 1907, the experienced King Nikola of Montenegro told the Danish journalist Franz von Jessen: “The Balkans are the small change that the great powers use in their transactions”. This may not have changed much, but the great powers, as well as their transactions, may. There being no room here for deeper analysis (cf. Wiberg 2000a, 2001), let me just indicate some of the crucial questions.

First, to have strategic significance is a curse, not a blessing: what happened to the SEE? Opinions on this range between seeing it as far less than during the Cold War and seeing it as increasing again, due to the US schemes for influence in the Caucasus and Central Asia (thus threatening Russia, Iran, India and China) or to US/EU competition to domi-
nate the Balkan market. Since most countries are eager applicants to both EU and NATO, they may come in a difficult squeeze also in other issue areas with considerable trans-Atlantic disagreements, possibly seen in Western Europe as a fifth column of USA. One particular aspect of strategic importance is what is seen as a great threat to Western Europe: as a potential source of refugees that are difficult to fend off.

Second, what about the bargaining positions of the SEE states? It seems to be worse than it has been for several generations. In multi- or bipolar Europe, minor powers had some options (but often betted on the wrong horse), and they even had some bargaining power vis-a-vis the one-dimensional superpower USSR. Today, they are negotiating with multi-dimensional Western mega-powers (NATO, EU, IMF) and thus more powerless than ever and expected to make great concessions for peanuts – or even without any, desired membership in these being sufficient as a carrot. Once members, however, they will be more free to pursue their national interests, for the reasons stated in Mouritzen et al. (1996).

Third, there are important differences between EU and NATO, whatever the predominant simplified perceptions. The unipolar position of the EU in Europe is likely to last long, even if it may be threatened its enlargement: new members are mostly also NATO members and may behave more as US satellites than EU satellites. In addition, an enlargement of EU threatens nobody else. NATO, on the other hand, is a historical anomaly: when grand coalitions win (in this case the Cold War), they normally dissolve by the principle of minimum winning coalitions developed by Riker (1962), saying that a coalition will want to get no greater than what is sufficient to win, since this would mean more partners than necessary to share the spoils with. This could even imply that the quicker it grows, the quicker it will dissolve, at least in the sense of fading away. The attempted mechanisms for life support have been 1) politicisation (strongly rejected by the EU); 2) enlargement, with the risk just indicated and the problem that in some directions it threatens Russia (although not so much in SEE); 3) out-of-area operations. As a result,

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5 It soon learnt however. In 1999, Western Europe offered to take altogether 80,000 refugees from Kosovo while squeezing Macedonia hard to take even more than the 300,000 it already had. This greatly reduced Macedonia’s chances of survival, as was demonstrated a couple of years later.

6 Whether these concessions are good or bad for them is another set of issues, involving facts, analyses and political preferences. For instance, the aversion the Western clubs have to “importing trouble” has probably had some positive effects for peace and security by giving incentives to settling boundary conflicts and improving minority rights, the demand to back up Western economic sanctions (with no compensation given) and military interventions quite the opposite effect, while the effects of changed economic structures depend much on what sect of economists one has faith in.
NATO has now put itself into a lifetime prison in Kosovo (as it already was in Bosnia-Herzegovina). In Macedonia, however, the EU may take the prisoner role over from NATO – it seems eager to do so – at the same time as the debate about precisely how this is to be done, on what conditions and with what chain of command, shows how complicated the EU-NATO relations are. The lesson USA drew from Kosovo was that it did not want “war by committee” (i.e. subject to NATO constitutional rules) again: its war against Afghanistan was not made a NATO matter in spite of NATO’s offering this, but willing partners were picked individually.

Fourth and finally, there seems to have been remarkably little debate in SEE countries about the pros and cons of membership in either club – they were quickly seen as the only game in town, to which “there is no alternative”, perhaps for the same forceful symbolic reasons that made the former fascist dictatorships Greece, Spain and Portugal eager to join the Western clubs as soon as they got rid of their dictators (Vankovska & Wiberg 2003: 303f). The images of what to expect from the EU vary widely (Wiberg 1996d) and so do those concerning NATO. It is only when – after a long time in the various waiting rooms – the issues get more concrete that they start polarising the public, sometimes close to the middle: for instance, the latest opinion polls from Slovenia indicate a majority against NATO membership two months before the planned referendum. We may therefore expect more such debates within the next couple of years, as several countries are to take their stands on concrete negotiation stands and results.

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RADOVAN VUKADINOVIC

SECURITY ISSUES IN SOUTHEASTERN EUROPE

If we are to realistically examine the Southeastern region of Europe, we must take into consideration the considerable changes of the conditions in that region and the wars that took place after the fall of Yugoslavia, as well as after the arrival of the international forces as main security promoters. Southeastern Europe, more commonly known as the Balkans, no longer represents a black hole in the European security nor a direct threat to its neighboring countries. However, it would still be too early to claim that the combined international efforts have been successful in solving the issues of key relations in this part of Europe. No security foundations have been set, upon which it would be possible to base a democratic and prosperous development with the final goal of entering the European community.

Strong nationalistic sentiments, ethnic conflicts, xenophobia and the desire to change the existing relations, even state borders, are a part of constant shifts in this region, which occasionally become evident at elections or organized and semi-organized demonstrations. All this clearly indicates that it is still too early to determine that this region has entered into a transitional stage or that, like some other countries, it has come out of “national springs”.

Of course, huge objective and subjective economic problems make the security issues even more elusive, at the same time generating all those tendencies that obstruct the realization of security in combination with nationalistic, religious or social factors.

If we view security in this region as a syntagm consisting of political, social, economic, military and environmental elements, it is clear that it exceeds the traditional notion, which considered the military component only, observing the real and imaginary military threats.

Today, the possibility of any type of military attack between countries has been eliminated, along with the possibility of regional military action. Paradoxically, the dangers, which interfere with the security of
this region, have not been removed despite the attempts to improve the relations and the presence of the international community armed forces.

Even though it might not be appropriate to talk of great, real military threat, i.e. the hard core security threats, all existing instabilities, especially those, where weapons would be openly used, indicate that the conditions in Southeastern Europe are far from being normal and therefore far from the European Community.

An Optimistic Vision

An optimistic view of the Southeastern Europe might include a reduced use of force and take into consideration the positive events that have taken place in this region.

A line of successful development, however varied, stretches from Slovenia through Bulgaria to Romania, making all these countries candidates for NATO.

Slovenia has achieved significant economic results with its calm and steady development, becoming a likely candidate for the first stage in the EU enlargement. Furthermore, it has no undemocratic liabilities, which might hinder its progress towards the European goal. The lack of interest expressed by the Slovenian public in regards to entering the EU, as well as NATO, is due to partial disappointment with the prolonged process, as well as due to the conditions imposed upon it from the outside. Despite the successful development of Slovenia and its position in relation to the other countries in transition, the Slovenian public does not express much interest for entering the European Community. This actually seems to support the belief that Slovenia is capable of developing on its own, without the EU. On the other hand, moderate Slovenian military traditions do not instigate a lot of support for entering NATO, even though the number of those opposing Slovenia’s membership has not grown either.

However, if we view Slovenia’s progress through the security categories, we could say that no serious threats are imposed upon Slovenia itself, nor by Slovenia upon its neighbors. If Slovenia will become a part of NATO after 2002, this north section of the Southeastern Europe will become a point of increased stability included in the Atlantic security community, because the territory will be geographically rounded and connected into a triangle (Italy, Slovenia, Hungary).

Bulgaria and Romania, even though different, share a number of similarities in their present-day development as former socialist countries cur-
rently in the transition stage. Changes of the political parties, hard economic conditions, as well as the mutual desire to be included into the Euro-Atlantic integration, make these two countries the stabilization points in the Balkans, despite all their difficulties. Even though they are currently ruled by different parties (Romania by the Socialists, led by Iliescu, and Bulgaria by the Bourgeoisie option), both countries are committed to entering the EU and NATO. The public opinion in Bulgaria as well as in Romania supports both integrations; it is interesting to note that these two countries have, relatively speaking, the highest level of support for the European integration of all the countries in transition.

The high level of unison between all political parties and social strata, as well as the geographical importance of the Balkan regions in the stabilization process, will certainly be considered when deciding upon its acceptance to NATO. French politics strongly support Romania’s acceptance to NATO, partly because of their traditionally good relations, but also because it wishes to have a greater influence in the Balkans. French diplomacy has not given up when Romania was refused in the first round and it is to be expected that Paris will continue its efforts to have Romania accepted to NATO in the second round. In case the NATO enlargement would include more than two countries (possibly Slovenia and Slovakia), Romania would have great chances of entering NATO, even though the economic and military situation is less than perfect. The deciding factor for NATO in this matter would certainly be its wish to gain a stronger foothold in the Balkans. The NATO’s military intervention against the FR Yugoslavia and Romania, and Bulgaria’s readiness to cooperate, have demonstrated the value of gaining the Balkan foothold.

Bulgaria’s chances of entering NATO do not seem as high, at least not in the first round, even though Bulgaria’s economic development has been slightly more progressive. This is possibly due to the size of the country and the fact that there are no NATO members supporting Bulgaria, as is the case with France supporting Romania. However, Bulgaria’s strong commitment to the Partnership for Peace as well as the Center for Multilateral Peace-keeping Forces for Southeastern Europe in Plovdiv both indicate the importance of Bulgaria as the stabilizer in the Balkan affairs. The events taking place in the south Balkans will make Bulgaria more significant and will bring it closer to the Euro-Atlantic integration, even by disregarding certain developmental issues.

An optimistic view of the Southeastern Europe renders a special place for countries of the West Balkans.

According to the evaluations made by some observers, and also by the NATO Secretary General, Lord Robertson, Croatian changes have been
the greatest piece of news of the 21st century. The disappearance of a rigid nationalism should have opened some chances for stabilizing the situation in the country. These changes equally influence the neighboring countries. The ensuing benefits indicated the willingness of the international community to sponsor Croatian changes (acceptance into the Partnership for Peace, WTO, Vilnius Group), and at the same time, demonstrated that Croatia also has a chance to get closer to Europe more quickly (Grubiša, 2000: 117). In May of 2001 Croatia signed the Stabilization and Association Agreement with the EU, right after Macedonia, which confirmed that Europe is willing to help Croatia change and at the same time, emphasized the possibility of individual approach.

Ever since HDZ were the ruling party, the Balkans issue was presented as multi-layered, where the intention was, first and foremost, to separate Croatia not only from Yugoslavia, but also from the “Balkan group”. The individual approach was supposed to additionally stress the possibility of Croatia’s independent route towards Europe. Besides, the EU never promised to solve other memberships of the central European or Baltic countries all in one package. There are three central European countries in the first round of new members, but Slovakia is not one of them, just as Estonia happens to be in the same group of candidates, but without Lithuania or Latvia.

Therefore, an individual approach is not only a condition set by Croatian politics, the former as much as the current, it is also common practice in the European Union. However, this does not mean that regional collaboration is not needed. Lord Robertson insists it is crucial, or else, he predicts the collapse of the Southeastern Europe.1 Even though this statement might seem somewhat rigid, it might be part of a notion of the political actors who are disappointed with the slow process of overcoming the previous relations, and are, at the same time, dissatisfied with slow changes in the region.

Such notions are mostly connected to Bosnia and Herzegovina. Even though currently the situation is much better than it was for example during the signing of the Dayton Agreement (all routes within Bosnia are serviceable, people are gradually returning to their homes, conditions are created for the collaboration between the two entities and three nations, and some foundations are set for a democratic community), it is nevertheless clear that the international community, for the most part, thinks that the changes are not fast enough. Six elections, held so far,

1 This statement made by Lord Robertson in which he indicates the need to “unite Southeastern Europe” has caused many political and journalistic comments in Croatia which have yet again manifested all the odium towards any sort of unification in the Balkans. Vjesnik, June 1, 2001.
have not been able to entirely change the ruling nationalistic structures, especially of those in the lower levels. The nationalistic factor is still dominant in all three nations, whereas the two entities are increasingly acquiring traits of two different para-states.

In addition to Yugoslavia, Bosnia and Herzegovina is the only country not included in the Partnership for Peace and is still unable to fulfill all the requirements for the acceptance to the Council of Europe. It is far from any sort of Euro-Atlantic integration, which could possibly stabilize the local political scene and speed up the process of change with the help of the international community.

There is a notion indicating that the development process in Bosnia and Herzegovina as a multiethnic, multicultural and multinational state, has irrevocably begun with the tendency to get closer to Europe, aided by two main strongholds – the end of the war and increased mutual communication, despite all the difficulties. This is particularly based on the determination of external forces to develop a unified Bosnia and Herzegovina.

The almost euphoric mood surrounding the downfall of Milošević and his regime in Serbia has gone through various stages, but it is already clear today that optimistic observers of the international relations believe the worst Balkan regime has fallen together with Milošević, thus eliminating the most destabilizing factor in this part of Europe. Milošević, as the generator of all the wars he ultimately lost, bringing misery not only to all the nations he waged war against, but also to the Serbian nation from Croatia to Yugoslavia, was able to sustain himself upon the war momentum. Yet, the moment it was clear that the country was left to stand on its own and the thirst for further wars diminished, Milošević fell as a defeated leader of a defeated regime.

The international community hastened to accept Yugoslavia into all international institutions from the UN to the OSCE in its desire to help Yugoslavia as a country in grave difficulties. At the same time, it was already announced that by the end of 2002, the FR Yugoslavia will have entered the Partnership for Peace and signed the Stabilization and Association Agreement with the EU. Yugoslavia is attempted an expeditious return to normal, because it is believed that the entire region will not be able to be stabilized without first stabilizing the situation in Yugoslavia and around it. The interests of the international community, especially the EU, are evident in the desire to do the following:
- open all communication routes in the direction of North-South and East-West where Yugoslavia would hold a significant position;
- create the basis for complete economic and democratic changes in
Yugoslavia, as a prerequisite for solving the internal relations in the FR Yugoslavia (Kosovo, Montenegro);
– accept some of the previous beliefs, that Yugoslavia is still a significant actor without which no full security can be achieved and that the events in this entire region depend upon it;
– confirm the evaluation from the previous relationship based on the traditional relations with Yugoslavia, as well as seeing the FR Yugoslavia as the largest country of the former federal state.

Various processes inside the FR Yugoslavia were not easy to develop or complete, such as coordinating 18 different political parities, issues concerning the past and taking part of the blame, as well as evaluating relations with other countries. The international community’s requests to bring the laws on the collaboration with the International War Crimes Tribunal in Hague and on the extradition of war criminals have not been supported by all political structures nor by the Serbian public opinion. Furthermore, a democratic solution for the relations within the so-called federal state has yet to be reached.

Before the Albanian rebel military action in 2001, Macedonia was used as an example of a country, which achieved its independence without bloodshed, and, at the same time, managed to stay out of conflict with the help of the international community. The preventive diplomacy in Macedonia fully demonstrated its value. It has been constantly indicated in the Balkan progress analysis, that Macedonian leadership displayed a desire for rational political solutions, adequately supported by the international community. The UN mission in Macedonia has rendered any sort of spread of unrest from the neighboring countries impossible. Furthermore, during the Kosovo crisis, Macedonia took in refugees and future KFOR forces.

Parallel with maintaining its independence, Macedonia entered the Partnership for Peace and signed the Stabilization and Association Agreement with the EU as a reward for Macedonian actions, especially its willingness to maintain good relations between Albanian and Macedonian population.

The reason for the long-term security of Macedonia lies in the willingness of its political forces to collaborate with the Albanian parties, and in the help of the international community citing Macedonia as an example of its successful solution of the Balkan issues.

After the dramatic events with Albania in the summer of 1999, Albania, as a country entering the transition process, has also suffered a crisis. All the troubles of the countries in transition were multiplied in Albania, a
small country with corruption, crime, and despair reaching dramatic proportions. All attempts at gaining an optimistic perspective crumbled under these elements of the Albanian reality. Therefore, the international community was unable to do anything about stabilizing the situation in that country. Political conflicts between Berisha and the Socialists led by Fatos Nano made a way out of the crisis even harder to find. The crash of more or less organized statehood led the country into a new period of conflicts, soon to be felt also across the Albanian borders (Kosovo, Macedonia).

From Optimism to Realism

In an optimistic perspective, changes in Croatia, Milošević’s downfall and the formation of the coalition government in Sarajevo have been used as best arguments for the theory that the democratization process has already started in the Southeastern Europe. The international community started achieving its political goals by using its rich political, diplomatic, military and economic resources.

However, right before the American presidential elections, and possibly due to some wrong estimates, security in the Southeastern Europe started to change. Based on the belief that the Republicans would be less prone to emphasize the multi-ethnicity and tolerance, and that they would seek to bring the American troops home, an opinion began to take hold on different sides of the Balkans that certain statements made by the future President Bush might be seen as a sign that America was ready to retreat. It was believed that the European allies would also start abandoning the region and that therefore the nationalist projects should be renewed and nationalist goals should be fought for.

Bosnia and Herzegovina became an arena prone to conflicts. International bureaucracy launched a project to remove the nationalistic leaders and to prevent their homogenization within alleged political parties through elections. This caused a revolt in the Croatian population, which, in seeking its autonomy, actually put forward its never forgotten request for a “third entity”, i.e. formation of Herceg-Bosna para-state, just as with the Bosnian Serb Republic.

Convinced that the “third entity” is the solution which would ensure HDZ’s political viability, and, at the same time, make possible some sort of Croatian “Republika Srpska”, the leaders of HDZ in Bosnia and Herzegovina entered into a conflict with the international community which has different plans and has no intention to back down from its principles. The misread messages from the American presidential elec-
tions did not come true, but instead, the international community took severe actions against HDZ’s financial, military and political centralization of power in Bosnia and Herzegovina, which was meant to show its resolve to stay on course and not back down from the idea of a multinational Bosnia and Herzegovina.

The events in the Bosnian Serb Republic (Trebinje, Banja Luka) also demonstrated a nationalistic pattern meant to indicate its level of discontent with the international community, i.e. with its forms of action in dealing with the Muslims. Even though this put into question the counter-productivity of this action, since the international community might be impelled to eliminate the Serbian entity, those who planned the unrest must have had something else in mind. Namely, they were convinced that the alleged nationalistic stronghold would demonstrate the so-called homogenization of the Serbian population, something that the international community will have to contend with in the future.

This homogenization of both sides in Bosnia and Herzegovina put to the test the main actors in the Dayton Agreement stability efforts: Croatia and the FR Yugoslavia, with their separate positions on the attempts of the Croatian, i.e. Serbian population to revive the nationalistic interests. Some political forces have taken shape through the condemnation and support. They used the events in Bosnia and Herzegovina to put forth some of their own views on domestic political issues in their own respective countries.

The observation of these events in a wider context shows that Bosnia and Herzegovina, along with all its huge economic problems, will still have to face the following:

- slow process of returning refugees and displaced people;
- nationalistic political forces using international administration for additional nationalistic homogenization;
- Croatian and Serbian parties in Bosnia and Herzegovina will always find some sort of support in their nationalistic communities, since they are not able to speed up the stabilization process of overall political circumstances, especially those in their immediate vicinity (the FR Yugoslavia and Croatia);
- corrupt and crime-ridden Bosnia and Herzegovina will continue to be not only a sanctuary for war criminals, but also the center of illegal migration, prostitution and illegal trading.

This will, of course, taint the image of a stable country in need of foreign capital, able to solve its economic position issues only through foreign resources.
After NATO bombardments and the collapse of the Milošević regime, the Federal Republic of Yugoslavia is presenting itself as a devastated and demoralized country, with difficulties in development and political forces, and unresolved critical regions:

- Vojvodina is seeking economic autonomy under these new conditions in order to show that it could progress better and faster;
- Montenegro is seeking its international independence in continuation of its statehood traditions, conflicts between the “Whites” and the “Greens” and the new Đukanović’s politics manifested through election results in 2001;
- Sandjak is also seeking autonomy;
- Southern Serbia has been destabilized by the Albanian rebel conflicts seeking a union between Kosovo, Albania and West Macedonia;
- Kosovo is practically a separate territory governed by the international community without the possibility of reinstating Serbian sovereignty.

Under these devastating circumstances, only help from the outside can set into motion the revitalization of the FR Yugoslavia. However, some parts of the Serbian society (including the political elite) consider this help, if coupled with the request for full cooperation with the International War Crimes Tribunal, as siding with the international community dictatorship.

Coordinating positions of different political parties that used to have a common denominator in their desire to destroy Milošević makes it difficult to extract a common view on important issues straining the country. Views vary on nearly every issue, from economic conditions, to issues concerning the unity of the FR Yugoslavia. Still, there is no strong political authority, which might lead to a solution.

The greatest threat to the country’s unity is now coming from Montenegro, which stopped supporting Milošević under Đukanović back in 1997. Even though it has not achieved its sovereignty, Montenegro managed to develop various forms of diplomatic and trade affiliates throughout the world. Montenegro has constant support from America and Europe, as a country they counted on for help to destroy Milošević.

With Milošević’s downfall, the international actors expected Montenegro’s aspirations for secession and independence to cease. Help for Mon-

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2 In times of mass demonstrations against Milošević in 1997, Milo Đukanović was the first official who severely attacked Milošević. He concluded that it would be completely politically wrong for Milošević to stay in Yugoslavia’s political life in any capacity. *Vreme*, February 22, 1997.

3 Thanks to that help in times of ever harder living conditions in Serbia, Montenegro seemed like a very successful and prosperous republic (Cerković, 2001: 4).
Montenegro began to subside, political messages from Washington and Brussels encouraged the formation of a democratic Yugoslavia with a democratic Montenegro and Kosovo. At the same time, there was a distinct wish for immutability of borders, which practically means that Montenegro’s status can be achieved only through federal or confederal solution within the federal state. In the process of reinstating Yugoslavia into the international institutions – UN and OSCE – Montenegro was clearly shown that its request for a special position will be ignored and that the international community no longer feels the need to offer Montenegro its support.

Once again, it was reconfirmed that diplomacy uses less significant actors only when it sees fit and their role ceases to exist as soon as a task has been accomplished. According to the heads of the international community, the stabilization of circumstances in Serbia today implies that keeping Montenegro as its integral part would prevent any further complications in the region. The results of the Montenegro referendum in May 2001, which did not support Đukanović’s option for independence, are used to prove that the best solution is to keep Montenegro in the federal state founded on new democratic principles.

A more objective observer of the international relations might, despite everything, note the following:

- Montenegro is the first country in the Balkans to achieve its independence, and as a member of the Yugoslav federation it has every right to ask for what the other republics have received in becoming separate states (Slovenia, Croatia, Bosnia and Herzegovina and Macedonia);
- recognizing a republic’s right to break away is not in opposition to the immutability of national borders principle from the CSCE Charter (Vukadinović, 1976: 262–263), whereas complications in the southern Balkans have not begun because of Montenegro, nor are they a result of Montenegrin request for independence;
- during the NATO bombardment, Montenegro declared itself neutral and did not proclaim a state of emergency; by this act, resolutely condemned by Belgrade, Đukanović’s regime associated itself with the international community in their condemnation of Milošević;
- in a situation where there is no bilateral will for a life together, it is certainly better to look for a democratic approach to a peaceful solution, than to insist upon unity, blindly keeping to the formula of a democratic Serbia yet to be formed and the possibility of democratic concordance.

If the issue over Montenegrin participation in the federal state is of importance for Montenegro, it is certainly also a key issue for the survival of the Yugoslav state itself. Without Montenegro, it might as well be
called Serbia, despite problems, which remain unsolved. The autonomy issues in Vojvodina, especially those concerning economic development, then Sandjak and finally southern Serbia, are also points that require more attention from political Belgrade, but they also represent a great threat to security. It is clear that the most dangerous focal point for the security of the region connected with the Macedonian crisis and circumstances in Kosovo is in the south, even though there has been a long chain of misunderstandings and possible conflicts, from Vojvodina’s aspirations for autonomy to Albanian guerrilla in the south of Serbia. There is, of course, also the issue of Albania’s stability in a wider sense.

The answer to the question of what to do with the forces fighting in the south of Serbia lies in seeking a solution which, at this moment, is reflected in the collaboration between the Yugoslav army and KFOR. The two have become allies in suppressing the Kosovo sources of instability. This in turn, is mostly connected with Kosovo and future solutions in that region.

The Yugoslav military and police forces were withdrawn from Kosovo when NATO military action began against Milošević, which also started the great exodus of Serbs and other minorities. Efforts to ethnically cleanse the region were repeated, this time by the international community. It is hard to even think about Serbs and others returning, while the so-called coexistence in a small number of enclaves takes place under the control of KFOR’s military forces, or in divided and conflict-ridden Mitrovica.

Under such specific circumstances, both sides have a reason to be dissatisfied with postponing of the solution. Serbs still have sovereignty over Kosovo as part of Yugoslavia, which is explicitly stated in the Security Council resolution 1244, but practically all forms of relations with Yugoslavia have been discontinued. The local government is Albanian, and the main organizer is the international community. The most we could expect from the Serbian side is for a section of the Serbian population to return and be protected as a minority. But going back, i.e. having Kosovo be a part of Yugoslavia or Serbia, is almost inconceivable.

The Albanian population in Kosovo is also becoming impatient, because they were convinced that Kosovo would gain its independence in the aftermath of the NATO military action against Serbia. Since none of the international forces are mentioning this today, they feel abandoned, which in the future might lead the Albanians to turn against those who liberated them, and those who might have to inform them there is no hope of creating an autonomous and independent state of Kosovo.4
The Macedonian crisis could be another warning for the international community due to the aspirations to gather all Albanians into a single state, i.e. another redrawing of the borders in the Balkans. And since the international community has resolutely opposed any sort of border alterations, from Croatia to Bosnia and Herzegovina, the trepidation, even fear of possible changes in this unstable part of the Balkans is understandable.

At the moment, the international community advocates a solution, which would wave democracy as the magic wand and use it to cure all problems. Serbian-Albanian relations should become normal in a democratic setting, the Macedonian Albanians should be able to find a solution to the crisis in a democratically oriented Macedonian state, and the new democratic Albania should support all the processes developed under the denominator of democratic change, which would lead to security in the entire region.

Of course, the problem is that the tradition of democratic relations and the operation of democratic institutions have been virtually non-existent. Quick democratic solutions are unthinkable, despite the organized and rapid implementation of democracy by the international community. Lack of tradition, years without rights for the Albanians, as well as hatred and bloodshed are not favorable for the development of new relations, which are supposed to consist of elements, which took decades to develop even in other European regions.

This means that the issue of Kosovo will also remain unresolved, i.e. the international community will have to agree to stay for a long time and become involved if it wishes to achieve progress. This means that the international forces will be the principal factors in Kosovo; they will build a new system leading to democracy, preventing complications, which might threaten the neighboring regions. This will not have much bearing upon the Serbian population, which fled from Kosovo. For Albanians in Kosovo this will be the proof that their desire for an independent state, i.e. for specific alteration of the borders, has been put on hold for a longer period of time. The entire Kosovo issue is therefore postponed. Dangers, which might result, are unknown and represent a future form of new instabilities, even though some of them are already evident.

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4 In 2001 the independent international Kosovo committee has put together a study indicating five possible solutions to the Kosovo issue inviting the international community to begin searching for a final solution to the Kosovo issue. The Committee has indicated that postponing the solution would only cause larger divisions between the so-called local and international forces which might have negative impact on Kosovo, even for the entire region (see Future Status of Kosovo, 2001: 232–248).
Seemingly calm Macedonian situation turned into an open conflict through the Albanian rebel action. Critical processes from Kosovo and south of Serbia spilled over the parts of Macedonia populated mostly by Albanians. The request for more rights and possible formation of a federation, together with an attempt to maintain drug routes, created a perfect setting for starting a conflict by mixing national and criminal interests.

In its desire to survive as a young country, Macedonia did not display much interest to fully integrate the Albanians; therefore, they keep insisting they have not been adequately presented in all government bodies. Furthermore, Albanians claimed that over 100,000 of them couldn’t get Macedonian citizenship, even though many Macedonians living outside their homeland received the citizenship without even setting a foot in Macedonia. There is also the issue of the Albanian language, the Tetovo University issue and the general economic and social gap dividing the Macedonian and Albanian communities (The Future of Macedonia…, 2001: 5–6).

All these issues were not as apparent in the first years of statehood. During the Kosovo crisis, Macedonia was flooded with Albanian refugees, but the country never received the amount of help promised by the international community. The economic situation was becoming graver, with skyrocketing unemployment rates and no prospects. 56% of Macedonians claimed the living conditions to be worse in 2000, than ten years before (The Future of Macedonia…, 2001: 4). We should add that Macedonia is one of the countries with the highest corruption rate, domestic as well as foreign. After years of sanctions against the FR Yugoslavia, great possibilities for transactions opened up for some Macedonian citizens, the external corruption rate being even higher than in other countries formed in the former Yugoslav region.

The Macedonian public, as well as its politicians, were greatly disappointed with the actions taken by the international community. Relatively small help in accommodating refugees and insufficient funding for starting more serious economic programs are not an indication of an intention to stabilize the circumstances. The so-called quick start projects within the Stability Pact in Macedonia have done nothing more than serve as an improvement of the KFOR infrastructure and have little to do with the Macedonian issues. Since main activities are connected with the more developed west Macedonia and Skopje surroundings, mainly Albanian area, Macedonians believe that the international community has yet again displayed its favoritism towards the Albanians.

Some politicians in Skopje also view the EU’s insistence on the regional integration as something that will certainly raise doubts. There is also a
constant fear that these new Balkan connections are being used for strengthening the collaboration with Macedonia’s neighbors in order to separate Macedonia and prevent it from entering the EU. There are similar doubts about the relations with the neighbors with whom Macedonia had different experiences in the past (America and the Balkans, 2001: 10). However, the conflict with the Albanian population has become more and more insistent upon the so-called orthodox approach. The contention is that Serbia, Bulgaria and Greece can and must help Macedonia, each for its own reasons, since the spread of Islam in the Balkans is a threat to all Christian countries. Naturally, the nationalistic homogenization can be based on such notions, which would lead to new problems, even conflicts (Bitola).

The international community efforts in Macedonia were not able to prevent all the hidden vulnerability and unresolved problems to disclose themselves after a number of quiet years. Thanks to the presence of NATO and Macedonia’s membership in the Partnership for Peace, it is possible to act really quickly in order to suppress the threats that might be caused by “hard security”. The offered military help to the Macedonian relatively weak military forces, the political involvement of NATO and the EU, as well as Washington’s support to Skopje indicated that the international community is determined to suppress and put a stop to the crisis.

However, the threats from the “soft security” areas are more numerous and they are more difficult to solve. Economic problems, unemployment, crime and ethnic relations, which are of particular importance, have taken on such proportions, that it is absurd to expect quick solutions. With this in mind, the European Union probably wanted to tie Macedonia with official ties. Even the Stabilization and Association Agreement, signed during the conflicts between Macedonian forces and Albanian rebels, was meant to demonstrate the EU’s interest in solving the problem peacefully and in creating conditions for dialogue between Macedonians and Albanians on equal grounds, by building upon all types of democratic, economic, state and political institutions.

However, as in all other communities in this region, the development of democracy and democratic institutions implies a long-term process, prone to numerous crises, which is best illustrated by the Macedonian example. Neither calm first years, UNPROFOR, i.e. UNPREDEP, nor the presence of NATO helped develop democracy and stopped the tension from building up.

Some Macedonian members of the Academy, who suggested a plan to switch territories with Albania, “exchanging” west Macedonia for Pod-
gradec and some other parts of present-day Albanian territory, seem to base this on their disbelief in the quick democratic solutions. Some members of the Academy have therefore offered this radical solution, which they believe should satisfy both sides, under the influence of a notion (popular even in some Macedonian political circles), claiming that Albanians do not want equal rights nor a federation, but that they simply want to be able to leave Macedonia and unite with Kosovo or Albania. Thus, Albanians would get to live in their mother country, Albania, whereas Macedonia would gain a part of the territory and the population currently living in Albania.

By requesting this alteration of borders, the immutability of national borders principle is again impinged upon, which in turn is unlikely to find support with the international community. Besides, the basic idea of a multi-ethnic Europe is to maintain multi-ethnicity in these parts and if this is something that is being insisted upon in Bosnia and Herzegovina, the international community is not likely to allow the formation of an ethnically clean Macedonia.

If it becomes clear that the Macedonian security has been threatened, the international community will do the following:
- try to calm the situation with the help of its highest representatives from NATO and EU, at the same time aiding Macedonian military forces with weapons and equipment;
- together with the Yugoslav army, aim to prevent incidents, either of nationalistic or criminal nature, from spilling over onto Macedonia;
- request a faster and more active involvement from the Macedonian Government in opening more communication channels with the Albanian parties, as well as some other Albanian forces, in order to overcome the existing divisions;
- offer support to all projects aimed at forming new relations by honoring civil and ethnic rights, developing a civil society, starting classes at the Tetovo University (in English, Albanian and Macedonian language).

**Croatia in Southeastern Europe**

Since the formation of the Croatian state, the exchange of heated arguments was meant to show that Croatia has nothing to do with the Balkans and has no desire to be in any sort of community with the Balkan states, all because of Milošević’s Serbia as the aggressor and cultural and civilization points of reference for the Balkans. Since that is a general development, present also in Romania and Albania, it could be said that no one except the Greeks wishes to be in the Balkans, so the Balkans do not exist as such.
Of course, geo-strategic reality of the situation is quite different and clearly indicates the position of a particular country and its surroundings. For Croatia, which is a central European and Mediterranean country, the South-East of Europe is significant in economic, social, cultural, civilization and political sense. Keeping all this in mind, it is quite clear that Croatia’s security cannot be imagined without the Southeastern Europe. Besides, the greatest security threats, especially from the so-called hard core, could come only from the Southeastern part.

After the elections of January 3, 2000, world leaders accepted Madeleine Albright’s claim that Croatia had lost ten years. Along with the first actions taken by the new government came the initiative to quickly bring Croatia closer to the Euro-Atlantic integration.

The new political team made its greatest progress in the field of foreign policy. Collaboration with the International War Crimes Tribunal, accepting the Dayton Agreement, gradual return of the refugees and constant insistence on getting closer to Europe have all been regarded by the international community as an indication of a successful development of Croatia. However, increased unemployment rates, lack of country development programs, political rivalry among the former six-party, no five-party ruling coalition, unresolved relationship between the President and the Prime Minister, the issue whether the country should be “detudjumanized”, unsuccessful fight against crime and corruption all make for complicated difficulties within the country. Since a successful foreign policy can be presented only by a successful domestic policy, the foreign policy will run into difficulties unless quick changes are made.

Based on its external traits, Croatia is currently second most stable country in the region, after Slovenia. It does not present a danger to anyone; its neighbors to the east and south are so preoccupied with their own problems that they could not make trouble even if they wanted to, and besides, the region’s main guarantee for stability in Bosnia and Herzegovina is SFOR.

The positive role Croatia might have, if it solves its domestic problems as soon as possible and stabilizes relations within its political decision-making bodies, can be brought down to the following:

– Croatia, as a stability factor, might serve as an example to all other countries in the region with its clear commitment to observing the existing borders, its support of the Dayton Agreement, unwillingness to help radical nationalistic groups in Bosnia and Herzegovina, creating its own model for civil and military relations and setting its defense strategies according to contemporary NATO standards. Reducing military forces in Croatia and creating a professional army
would also have its impact upon the neighboring countries, which would then accept their own demilitarization and professional army more easily. Once all the neighboring countries enter into the Partnership for Peace, a unity without gray areas will be created and forms of security collaboration will grow stronger through that Partnership.

- Despite the difficult conditions, the devastated economy in Croatia is still far better off than in Bosnia and Herzegovina, Yugoslavia, Macedonia or Albania, so this too presents an opportunity for Croatia to establish itself in those markets. Those who see the only solution for low Croatian exports (4.3 million dollars in 2000) in exporting to the European market should be corrected. Croatia does not have very good conditions for such exports at the moment, whereas great opportunities are opening up in the West Balkans. Slovenia sets a good example for this. No one in their right mind would think about creating some new Yugoslavia or “Balkania”, but it is quite obvious that the current conditions should be used in order to place Croatian products in the markets and to develop mutual collaboration. This will not spoil Croatia’s chances of entering the European Community; indeed, Croatia will be able to move successfully towards the EU by developing new relations in the Balkans. The Stabilization and Association Agreement can serve here as a successful framework.

- Despite the lost time, Croatia can still be of interest to all countries in the region and can intensify positive competition within the region on its way towards the Euro-Atlantic integration. The constant insistence upon the individual approach to the EU and NATO is good for Croatia, but also for its neighbors, because they can speed up their own progress by following in Croatia’s footsteps and in that way get closer to Europe.

**From Unstable Security to the Vision of Security**

The current development of relations in the Southeastern European territory clearly indicates that the most unstable area within the region consists precisely of the sections of former Yugoslavia. The development of new statehood is not without difficulties. Furthermore, other numerous unsolved issues are hindering state constitution and the stabilization of circumstances.

Therefore, if we claim that the overall security in this region has been intensified when compared to the period before the Dayton Agreement, it becomes clear that it is still fragile and unstable. In this sense, the most accurate expression to be used is: **unstable security of Southeastern Europe.** This syntagm indicates the instabilities that are currently evident in Bosnia and Herzegovina, the unresolved relations between Serbia
and Montenegro, the autonomy requests within Serbia, the postpone-
ment of the solution of the Kosovo issue and an armed uprising faced by 
Macedonia. Finally, let us not forget Albania which, due to the events in its 
surroundings, cannot be excluded from the circle of instability which 
might spill over into its territory to a lesser or greater degree. On the 
other hand, some of these countries, such as Albania, can be an instiga-
tor of instability, whether by state structures or by those who have some 
political or even tribal motives.

Security instabilities in the Southeastern Europe have different denomi-
nators; they can be economic, social, religious or military, which greatly 
impedes the fight against these occurrences. They are extremely nega-
tive, because they hamper the solution and create new entanglements, 
which in turn disassociate the entire region from the contemporary Euro-
pean movements, whether between the EU members or in relation with 
the countries in transition.

The second element of this syntagm – security, stands on much firmer 
ground and today it would be hard to imagine new war conflicts between 
states, or a breakout of a military incident between states. This is due to 
the presence of NATO, and not just to certain maturity of the new gov-
ernments or exhaustion from warring, manifesting itself through the fact 
that most countries are in the Partnership for Peace or through NATO’s 
ability to act quickly in suppressing such conflicts.

In the post-Cold War development of Europe, the South-East became a 
zone of an increased instability with disintegration tendencies leading to 
ethnic and political conflicts and escalation of social and economic ten-
sion. First wars, then unstable security became synonymous with this 
region, presenting plenty of reasons for a strategic response of the inter-
national community. It goes without saying, that due to the instable 
security conditions, these countries cannot be united with the European 
Union, which in that case might itself be swept over by instabilities from 
that region.

The leaders of the western states developed integration methods, which 
are supposed to open the doors to Europe, but, at the same time, influ-
ence the internal movements in those countries. They have done this by 
strengthening their own integration instruments in order to prevent the 
instabilities in the South-East to carry over into the European space. The 
Partnership for Peace, the Stabilization and Association Agreement and 
the Stability Pact are seen as precisely such instruments, which might be 
used to stabilize the circumstances and influence the overall regional 
security.
The international community, which has to be aware of the current state of relations contained in the syntagm *unstable security*\(^5\) in order to maintain progress towards stable security, has to do the following:

1. develop a unique political strategy, which would coordinate goals and connect instruments of action within the Euro-Atlantic relations;
2. be prepared to stay in the region for many years, because that is the only way that leads to the stabilization of circumstances, new security, and maybe some day to secured communities joined with Europe;
3. be willing to use all means available, whether political and diplomatic, economic or military, to remove all security threats in the Southeastern Europe;
4. Southeastern Europe might be an important laboratory for those new European forces to display their success in stabilizing the circumstances and creating the conditions for joining Europe within new discussions about European defense, formation of defense forces and taking on the burden of responsibility from the Europeans.

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\(^5\) By asking President Bush to deliver the European allies the message that the Balkans are important for America, the former State Secretary Albright demands further American efforts to stabilize the situation in the Balkans. *New York Times*, June 5, 2001.
Sources:

Introduction: Regional Economic Cooperation in Southeastern Europe

One of the most important features of the structural decomposition process in international relations of Post World War II is the disintegration of several countries, such as USSR, Czechoslovakia and Yugoslavia. Regardless of the differences in the reasons and the most important factors for disintegration, the end result was the breakdown of the existing political, economic and social structure and the efforts to create a new structure. For the purpose of this analysis, the manner in which this process has been achieved could also be left aside. The end result of the process was the creation of several new states and in the majority of cases, statelets, which changed the political map of the Eastern Europe and the former Soviet Union as a result of long postponed demand for political independence and the incentives provided from abroad.

In all of these countries except Russia, new, or relatively new elite had many illusions about the possibilities for political and economic transformation mainly in the areas of:

a) system of political democracy and
b) market economy.

After the first decade of changes, one important characteristic of the new leadership came into fore in the area of the efforts toward changes as well as the area of the efforts to slow down the changes – strong adherence to the principle of nationalistic values as one of the guiding principles in the sphere of political and economic relations. In the international relations, the application of this principle led, in many cases, to the deterioration of the relations among the neighboring countries. In some cases, the effort to change the national borders of the new statelets using former administrative borders of internal provinces for the international borders of the new countries led to the use of military power with direct and indirect involvement of individual countries (outsiders to the region) and in several cases, with the engagement of the United Nations.

Therefore, political instability greatly contributed to the serious pains of the process of economic transition from command toward market econo-
my. Each of those countries has to cope with a new set of political and/or economic problems, and in some cases, both of them. While in the case of Czechoslovakia, the Baltic States and Slovenia, internal and external tensions did not take extremely negative dimensions, in all other “new” countries, conditions are in many ways disappointing in the political, economic, internal and international areas.

**Over-Expectations**

One of the most important reasons for the feeling of failure and under-achievement is the very high level of expectation both among political leadership and the rank and file. These over-expectations were inflated during the decades of the Cold war. In order to diminish the role of the pro-Soviet claims about the “milk and honey” flowing in the countries of real-socialism, the anti-soviet propaganda almost automatically developed the vision of political democracy and economic paradise in the countries of market economy. This “Hollywood capitalist economy model” has been developed for the long term and looked even more striking as an alternative to the gray colors of the consumer market in command economies.

In the countries of Eastern Europe and the former Soviet Union, the popular view in the majority of cases was that once the political conditions would change, a system of transparent political democracy and a high level of consumer’s standard of living with all the trimmings of the welfare state of modern capitalism would become reality. Neither the creators of the anti-Soviet propaganda, nor the “consumers” of it, had in their deliberations the possibility of any other form of market society, but the one offered by the Western Europe and the United States. The other existing models such as “el capitalismo latinoamericano” and/or models of the capitalist development in the countries with a lower level of economic development and without the tradition of the parliamentary Western democracy, has not been considered as one of the possible roads to progress after leaving behind a one-party political system and a centrally planned economy.

Therefore, the new political leadership started with a stronger reliance on national mythology and fictions, than with a realistic confrontation of the internal and external objective conditions dictating the framework of operation. Nationalistic euphoria seemed to be a relatively easy way to feed the political supporters and inflate the spirit of the “Independence Cha-cha”, forgetting that after the state of euphoria, the time of hangover is difficult to avoid. That is why, in many of those countries, various forms of nationalistic outbursts with internal and/or international conse-
quences have been taking place. Inevitably, in most of the cases, these two sets of negative consequences have been interwoven.

International factors contributed their share to this process. A detailed analysis would show that there were and still are strong arguments to claim that the international environment played a negative role in some cases, and a positive role in other cases as far as bringing elements of reality in various wrappings: from advising and consulting to economic program and military engagement. As a result, the leaders of the “new” countries had to learn that most of them are too small a player and that their political, and even more, economic capacity did not qualify them for any pretensions to try to play a relatively independent game in their own internal processes of political, social, economic, and cultural development and even less to pretend to become a factor of international policy relevance. In the latter case, some exemptions could be found on various bases:

a) geostrategic position
b) natural wealth endowment, particularly oil deposits
c) future market for manufactured goods from the more developed countries
d) source of educated and cheap labor.

Due to the fact that all “new” countries are relatively less developed in comparison with the leading industrial nations, and that some of them are also rich with mineral deposits and particularly energents, the whole group of countries is entering the system of the new world order of international economic relations as “younger partners”. From an economic point of view, their position could be discussed as favorable, because their economies are included in the system of the world economy at the level that is profitable to their “older brothers”. However, considering the level of economic development of the global economy, the other question could also be raised: is the world facing a new form of colonialism in which the leading economies are taking advantage of the more sophisticated and educated labor in the former socialist countries, similar to Asia, Africa, and Latin America in the 19th and 20th centuries? At the same time, an important part of the earned income in the “new” countries is going to be spent for purchases in the leading economies. While the classical colonial ties have been established in the era of the steam engine and the utmost importance of natural resources; in modern days, the role of less developed countries is in many ways on the decline (with the exception of oil exporting), while the role of formerly centrally planned economies with an enormous reservoir of the highly educated labor, ready to be used in an era of modern manufacturing and electronics, is growing and there are new features of the application of the “dependencia theory” in the new economic and social conditions.
In that respect, it is almost pathetic that many of the formerly centrally planned economies and their leadership have been overoptimistic in their expectations of building the “parallel” global economic system without a capitalist class and ideologically marked with the concept of internationalism (Komintern projects). More than half a century later, these economies are suffering due to the over-expectations of the application of the concept of globalization and political democracy. It could be a multidisciplinary research task to attempt to explain why some nations and their economies played the role of international guinea pigs twice in the row in a relatively short time?

**Politics of XIX and Economics of the XXI Century**

One of the most important reasons for the discrepancy between the fictitious expectations and the reality is the fact that many nations from the group in question did not have the proper and favorable historical opportunities to develop and realize many elements of their program of national emancipation, which occurred in the majority of the Western European countries in the late 18th and during the 19th centuries. Due to the fact that capitalist development occurred later than in Western Europe and that many of them have been either under the yoke of the bigger powers, or under the control of the Bolshevik dictatorship after 1917, they had to suppress and postpone the realization of a national program. In many cases, those programs were not feasible, but since many of these countries did not have the chance to implement them, the consequence was that in the national psyche, an illusion was created that everything would be possible the moment those countries started with their national emancipation either from the foreign oppressor or the suppression of national(istic) ambitions of the political dictatorship of an (anti)-nationalist and, in fact, internationalistic communist movement.

With the implosion of the Soviet block and the Warsaw Pact, this political barrier to national(istic) development was removed toward the end of the 20th century, and all transitional countries were in a situation to face the new realities. Once again, it became apparent that in many cases, the realization of romantic dreams had to take place in economic realities of a completely different nature compared with the economic realities of more than one hundred years prior.

Modern economic conditions marked with high technology, mass manufacturing, open economies and highly integrated global economy in the areas of production, consumption, capital flows, technology transfer, low cost of transportation of goods, and people, etc. created completely new conditions for the formation of the national market and the national cap-
italist class as the most important source of the entrepreneurial segment of the population. The market economy, created during the 19th and 20th centuries, could hardly, if at all, be repeated in the period of late 20th and early 21st century.

The size of the national market, even if it were possible to exist as national, has very different dimensions in the contemporary society when compared with the historic precedence. Taking into account some elementary data about the preconditions for creating a relatively self-reliable national economy, none of the countries that are in transition, except Russia, has any chance to achieve it.

In other words, none of these countries has 150 million of inhabitants, with the income per capita over $ 3,000.00 as well as the basic energy, capital and technological resources.

This is why some of countries have shown such a high level of self-destruction the moment they decided to start using military power in order to achieve their national(istic) goals. Regardless of the end results of the war in military and/or territorial terms, military operations have, at best, inflated their nationalist ego, but at the same time, contributed to the deterioration of relations with the neighboring countries and imposed enormous financial costs. As a result, many of the new independent states are facing high level of disparity between their national political ambitions and meager economic potential for fueling the process of eventual realization of the political ambitions.

**Western Aid**

In such a situation, practically all of the NIS had to look for sponsor countries; sometimes many of the potential “sponsors” and political protectors of the transition process toward the political democracy and market economy made themselves available even before they were invited to do so...

Once again, in the new geographic area and with the countries at a relatively higher level of economic development than in the case of the LDCs, various programs of foreign aid have been started. And, like a déjà vu process, most of the foreign aid funding, except for the humanitarian aid in kind (food, clothes, etc.), is finding its harbor closing the circle back in the country of origin. One of the most developed schemes of foreign aid is in the form of consulting. Needless to say that, as a rule, consultants are hired among the citizen-experts from the countries that are providing the aid. Well known facts of their short stay, lack of sufficient
expertise and concrete knowledge about the country in general and socio-economic problems in particular, are conditioning the quality of the recommendations provided by the consultants. Local resident-experts, even when recruited and participating in the consulting program are paid by different standards. Furthermore, the financial resources provided for the consultants are being recycled to the country of origin.

Financial foreign aid provided through the governmental channels is the activity with a rich experience. However, similar to many other activities of the public sector, the main issue is efficiency of the program and cost/benefit relations. Accepting the premise that foreign aid from public sources has to be continued regardless of the existing inefficiency, there are several areas where, in the future, better solutions have to be found:

- in both donor and recipient countries the administration of the foreign aid program is organized by the governmental bureaucracy. However, bureaucrats are not risk-friendly. By definition they are inclined toward security of their position and not strongly concerned about the best ways to invest aid in projects which could be very successful, but often associated with the greater risk;
- due to the fact that financing comes from the national budgets, promoters of the foreign aid programs in the donor countries are most concerned to explain to their public and constituency what are the favorable results of the foreign aid program for the donor country;
- public funding is imposing the timing of most of the project. Generally it is very difficult to provide the guarantees for the continuation of the program and, therefore, the process of lobbying for continuation of the financing is imposing the priorities of the short term projects;
- for various reasons, the donor countries are sometimes in competitive positions in achieving and increasing their influence in the recipient countries. With the same amount of aid and with proper coordination among the donor countries, chances are that better results could be achieved;
- aid from public sources usually has governmental institutions on both sides, and the recipient governments have the option of using the foreign aid in a manner not previously arranged with the donor. In some cases, those discrepancies and diversions in using the funds could be explained and justified by emergencies in the recipient countries. However, the governments of the recipient countries could, in many cases, apply more subjective and less efficient criteria in using the resources that are available via the foreign aid programs.

In a general assessment of the aid programs for the countries in transition, many of the known features, both positive and negative, from the previous experiences and relationships between the donor and the recipient countries, are enriched in two ways during the 1990’s:
a) many of the countries in transition are at a higher level of economic development than the traditional group of LDCs. It means that in many cases they had the potential for a more efficient use of the aid; 
b) in both, more and less developed groups of countries in transition, one general weakness was present: lack of the transparency of the political system with all the generally known negative consequences, particularly from the point of view of using and applying foreign aid programs.

**Differences Among the Countries and Differences in Performance**

In order to get a better picture of the enormous differences among the countries in transition, which have only one common denominator, the transition process itself, it may be useful to list the countries in alphabetical order: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, China, Croatia, Czech Republic, Estonia, Georgia, Kazakhstan, Kyrgyz Republic, Latvia, Lithuania, Macedonia, Moldova, Mongolia, Poland, Romania, Russian Federation, Tajikistan, Turkmenistan, Ukraine, Uzbekistan, Yugoslavia (Serbia and Montenegro).

Such a diversified group of countries, even if using only directly economic indicators, leaving aside history, culture, tradition, etc. for the purpose of this analysis, is providing a whole gamut of experiences and possibilities for future development.

Earlier in this paper the issue of over-expectations has been elaborated. Now, another important factor present in all of these countries has to be taken into account – the serious underestimation of the complexity of the process of economic transition. In some cases, the higher level of economic development was almost more difficult to cope with, than the process of transition in the less developed of these countries. In other words, when facing the problem of transition, the more developed centrally planned economies are facing the problem of misdevelopment and not underdevelopment, especially in regards to the structure of economy, the size of some gigantic production units (large socialist enterprises, usually suffering from over-employment and inefficiency), their location, serious negative consequences of environmental nature, etc. In those cases, various aspects of transition, particularly the process of privatization is much more difficult compared to less gigantic units.

In the case of the former Soviet Union, Russia is a case sui generis and though difficulties of the transition process are very serious, this country has many favorable features both for its internal development and for having an adequate place in the international division of labor. Consider-
ing natural resources, particularly fuels and energy in general, as well as human capital, Russia will be able to speed up the transition and modernization, depending on how much time and effort will be consumed in developing a system of political democracy and market economy.

Most of the other transitional countries are the former republics of the Soviet Union. Two basic groups could be distinguished among them: one is the group of the three Baltic States with total population of about 7.5 million. In this case the expression, “smaller is better” could be applied. These three countries have been, in many ways, the most developed republics of the Soviet Union; their sovietization started much later (practically after World War II), therefore, chronologically, geographically, and demographically, this part of the former Soviet Union has been disconnected from the market economy for a shorter period of time. Thus the distances to be bridged in returning to the market economy have been shorter in comparison with the rest of the former USSR.

However, while these republics enjoyed a prestigious position in the Soviet centrally planned economy, being stronger in the electronics and high technology area, their relative advantage versus the rest of the USSR ceased to exist once they became independent. Loosing the advantages of the cheap supply of energy and “reserved” market for their products, instead of the planned deliveries destined to other Soviet Republics, the Baltic states had to offer to the international market facing the competition of several developed industrial nations, particularly Japan, they had to downsize their expectations.

**Process of Transition and Regional Cooperation – Southeastern Europe**

The definition of the region was interpreted in different ways at various times for various types of analyses. In contrast with other geographical regions where geographic criteria could be used as the only guidance for defining the region, several other non-geographic criteria are involved in the case of Southeastern Europe such as politics, history, culture, position in the recent breakdown of the socialist systems and the consequences thereof. All these factors are influencing the attitude of the authors dealing with the regional problems in Southeastern Europe.

The countries that are on the edge of the heart of the region located in the Balkan Peninsula certainly deserve both attributes: they are south of Europe and they are the eastern part of Europe. Due to the breakdown of the former Soviet Union and the secession process in the SFR Yugoslavia, the issue of the newly proclaimed independent countries such as Slovenia and Moldova can be raised. Slovenia is at the geographi-
cal edge of the Southern Europe, but is it geographically east enough? At the same time, taking into account the fact that Slovenia was never an independent state and that its basic formation as a state began within the Kingdom of Serbs, Croats, and Slovenes since 1918 – sharing a destiny with other nations of Yugoslavia in political, economic, and cultural spheres – could it now be excluded from the core of the Southeastern European group of nations and/or countries? Or, in the case of Moldova, the “easternness” in geographic location could not be questioned, but is the “southern” factor strong enough? Wouldn’t it be more logical to treat Moldova as belonging to the group of the former members of the Soviet Union? Again, in the case of Hungary, the “eastern” factor is present, but there is also basis for considering Hungary as the “East-Central” European land, while the “southern” factor could be questionable.

These deliberations are intended to show the risk and vulnerability of many efforts to define a region whenever political geography becomes not only the criterion second to physical geography, but in many cases the most important one.

Southeastern Europe Cooperation Initiative

The most recent effort to define Southeastern Europe in current international relations is the U.S. endeavor to develop a certain framework for cooperation in the Southeastern Europe – the Southeastern Europe Cooperation Initiative (SECI). This initiative was officially proclaimed in Geneva on December 6, 1996. The role of the United States in this effort has been displayed from alpha to omega, including the fact that the first session of the representatives of the invited countries took place in the U.S. Mission at the European Center of the United Nations (SECI – nova regionalna inicijativa, 1997: 34).

The mixture of physical and political geography and the current needs of the U.S. foreign policy is evident from the list of the countries that have been considered by the U.S. to participate in the project.

As a sponsor of the initiative to organize the countries of the Southeastern Europe, the United States invited the representatives of the following countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Federal Republic of Yugoslavia, Greece, Hungary, Macedonia, Moldova, Romania, Slovenia, and Turkey. The invitation extended to FR Yugoslavia has been repelled because of the political conditions in Belgrade. On the other hand, the representatives of Croatia and Slovenia did take part at the meeting in Geneva, but did not put their signature on the official text informing the world about the startup of the SECI.
In order to get a more realistic picture of the differences between the SECI member countries and the complexities of the task of economic integration, it suffices to consult basic figures about the population size and the level of income per capita in 1994.

Table 1: SECI group: Income per capita and Population in 1994

<table>
<thead>
<tr>
<th>Country</th>
<th>Income per capita (in US Dollars)</th>
<th>Population (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>380</td>
<td>3.2</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>1.250</td>
<td>8.4</td>
</tr>
<tr>
<td>Croatia</td>
<td>2.560</td>
<td>4.8</td>
</tr>
<tr>
<td>Hungary</td>
<td>3.840</td>
<td>10.3</td>
</tr>
<tr>
<td>Macedonia</td>
<td>820</td>
<td>2.1</td>
</tr>
<tr>
<td>Romania</td>
<td>1.270</td>
<td>22.7</td>
</tr>
<tr>
<td>Slovenia</td>
<td>7.040</td>
<td>2.0</td>
</tr>
<tr>
<td>Moldova</td>
<td>870</td>
<td>4.4</td>
</tr>
<tr>
<td>Turkey</td>
<td>2.500</td>
<td>60.8</td>
</tr>
<tr>
<td>Greece</td>
<td>7.700</td>
<td>10.4</td>
</tr>
<tr>
<td>Bosnia-Herzegovina</td>
<td>n.a.</td>
<td></td>
</tr>
<tr>
<td>FR Yugoslavia*</td>
<td>1.500</td>
<td>10.6</td>
</tr>
</tbody>
</table>


It is easily noticeable that from the very beginning, the SECI endeavor faced difficulties because the backbone area in geographic terms and the most sensitive participants in terms of strategic and political importance either did not attend the Geneva meeting (FR Yugoslavia) or were not able to immediately sign the official information, despite the fact that they were allegedly in accordance with the platform of SECI (Croatia and Slovenia).

According to early information about the SECI, as expressed on October 28, 1996 by President Clinton (SECI – nova regionalna inicijativa, 1997: 34), the main expectation of the sponsor (the U.S.A.) was to develop a cooperation among the member countries in the regional economic and ecological context. Countries are expected to exchange information, coordinate multi-state programs, and attract private capital into the region.

Participation in the program of SECI for regional economic and ecological cooperation is expected to contribute to regional stability and help those countries – including the countries originating from SFR Yugoslavia – in managing with the existing political problems. In that regard, the SECI may become an important additional instrument in stabilizing peaceful conditions in the Balkans.
These elements in the President’s message identify one of the main concerns of the U.S. administration in this part of the world: to bring and stabilize peace in the Balkans. Due to the fact that this seems to be purely a U.S. initiative, there are a couple of questions that rise immediately.

1) By entering the action unilaterally without bringing in the Western European countries, the U.S. shows not only the warring and/or at least mutually unfriendly Balkan regimes, but also the Western Europe and Russia that despite a lack of historical presence in the Balkans (i.e. Russia and Germany), is the U.S. now including Balkans under its realm? The U.S. entered the Balkans using military means, but has no intention of being left out once military operations are no longer needed. U.S. military “investments” and engagements in the Balkans against the Serbs in the former Republika Srpska Krajina and in Republika Srpska have the opportunity to bring additional dividends after military operations cease.

2) How realistic are the expectations of the U.S. foreign policy strategists to get a new regional mechanism functioning without providing financial support? In the opening speech, the U.S. special ambassador Richard Shifter explicitly stated that the SECI is not a new program of mass economic aid, but rather a program of a self-help nature. In other words, at the very start of a potential program, the sponsor prefers to provide “educational” help rather than financial support. Taking into account the relatively small importance of this region for American private investments compared with other possibilities in the global economy, chances are that the U.S. will try to disseminate knowledge about the market economy and indirectly help in the creation of the business friendly legal and political system, which could be the basis for attracting new private foreign investments. Interpreted in a more cynical form, the U.S. is ready to give advice and, as in many previous cases, “educational help” will be spent paying the U.S. institutions and individuals, which will disseminate the knowledge on the market economy as well-paid missionaries of the free enterprise ideology. Once again, there is a great discrepancy between big words delivered in abundance and the very modest or nonexistent economic support of the transition process – which is of great importance for some of the countries in the group. At the same time, U.S. taxpayers’ money is being used for the program “Equip and train” to supply various forces in the region with modern armaments, which may contribute to the aggressive appetites of some “hawkish” groups.

A realistic positive contribution toward the improvements of the conditions in the region is the U.S. support for a more mutual cooperation among the countries in such a way that there will be fewer barriers to the movements of goods and people and, later, that there will be the fewest possible man-made or bureaucratic barriers to the flow of the capital and services within the region.
Building the Physical and “Mental” Infrastructures

Even disregarding the destruction of the territory of the former SFR of Yugoslavia, this whole region is underdeveloped in comparison with the Western Europe and suffers from an insufficiency of both material infrastructure, as well as mental attitudes favoring the free enterprise system, free trade, and respect for private property and contracts. Considering the fact that some of the countries are more developed than others in all of these respects, the expectation is that the SECI framework will offer possibilities for internal pressure, even in the form of “friendly persuasion” toward the improvement of material conditions, as well as urging legal and political systems to become market and business friendly. In that respect, the members of the SECI could gain by cooperating in the process of road, highway, and telecommunications development, and in many cases diminish the expenses, if some projects could be planned among several countries of the SECI. One may get the impression that what is expected from the SECI countries is something which functions relatively well in the European Union (EU), but since the SECI countries – with some exceptions – are not the members of EU, it is necessary to provide a certain framework for them, which will make them more ready to join the EU and be better prepared for that stage of their participation in the process of European economic cooperation. Is SECI a prep school for EU? As a matter of fact, the European continent, in the process of transformation from two socio-economic systems to one capitalistic free enterprise system, has been covered and over-covered with several types of initiatives such as the Central European Initiative (CEI), the Black Sea Economic Cooperation, and the Sophia Declaration on good neighbor relationships, stability, security, and cooperation.

Compared with the previous initiatives for improvement of various types of cooperation among the Balkan countries as suggested by the European Union, this American initiative takes at least two important new factors into consideration.

1) Geographic zone and framework of cooperation is larger than the Balkan area. It may soften and dilute some of the tensions among the Balkan countries and help them gain a broader vision and diminish parochialism and sub-regionalism as far as the horizons for cooperation are concerned.

2) Greece and Turkey, as members of NATO, are among the countries participating in the SECI. Despite the fact that these two countries are sometimes bigger liabilities than assets to NATO, they have no choice and must listen to “their Master’s voice” in critical conditions, leaving the issue of Cyprus on the back burner. In regards to their role in the SECI, it is to be expected that Greece and Turkey, as the only NATO members,
will do their best to play the roles expected of them. On the other hand, taking into consideration the inclusion of Hungary (NATO member) and Romanian candidacy to become NATO member, it is likely that both will attempt to use this project in order to prove their reliability and loyalty as current and future members of NATO.

The main weakness of the SECI is the fact that the FR Yugoslavia has not been included from the very beginning despite all odds, which could be used to explain the initial invitation and then the withdrawal of the previously extended invitation to FR Yugoslavia to join the SECI.

One of the open questions is the issue of the institutional framework of the SECI. According to the official information about the conference (SECI – nova regionalna inicijativa, 1997: 34), the first step will be to form a Program Committee whose main task would be to define a possible and realistic framework of activities. Once the priorities are accepted by the member countries, various technical and expert teams will be formed for each project. The top coordinator of the activities will be chosen by the Chairman of the Organization for European Security and Cooperation.

The intention of the single-handed U.S. action to form the SECI into a more international framework is to be realized by connecting the SECI as a sub-regional European project into the wider European framework via the Economic Commission of the United Nations for Europe (ECE). Needless to say, the United Nations mechanism as a whole – and particularly its European branch – will grasp this opportunity as another proof of its vitality and usefulness, especially when facing the strong criticism and tendency to cut the costs and size of the UN, an action in which the U.S. has been so diligently involved for years.

As far as the real action is concerned, once the institutional, legal, and other issues are dealt with, it remains to be seen how much vitality and economic potential is present in the mentioned twelve countries (considering that FR Yugoslavia will be invited to join and that Croatia and Slovenia will show more interest in the real actions of the SECI than their lack of interest showed by not signing the official statement on the opening of the SECI). On this occasion, at least two questions could be asked:

1) How strong is each one of the national economies of the SECI members?
2) Is there enough intra-subregional drive and motivation for each national economy to develop economic cooperation with some and/or all other eleven countries?
When trying to answer these questions, we have to keep in mind that the sub-region has a total of approximately 150 million inhabitants covering the area from Hungary to Turkey. Out of the 150 million people, Turkey has more than 60 million, while the rest of the eleven countries share 85 million. Taking into account that all these countries are underdeveloped relative to the Western Europe and the United States, and that in such an economic grouping only Slovenia and Greece may have the illusion of having better economic conditions than the remainder, one of the most important issues of the economic integration comes to the forefront: Is there any national economy in this group (of eventually twelve countries) which could be a center of economic gravity and/or attractive enough for the considerable size of foreign capital inflow in forms of direct investments? Unfortunately, the answer to this question seems to be negative.

At the same time, some of these countries are at a “sub-European” level of economic development – such as Albania, Macedonia, and Turkey. Apart from the other aspects of potential cooperation of this group of countries, the SECI will have to face an extremely serious problem: how to develop the coordination in economic, environmental, and eventually other areas among countries, which, in several cases, have nothing in common except geographic proximity?

When analyzing the possibilities of economic cooperation of the twelve countries in the Southeastern Europe, it also has to be considered that, except in the case of the countries, which emerged as a consequence of the secession process in the SFR Yugoslavia, their mutual cooperation – economic as well as other forms – has been at almost negligible levels.

In regards to the countries that were the integral part of the formerly integrated market of Yugoslavia before the secession, they could represent a relatively vital potential source of growth. However, there is no basis to expect that eventually reintegrated economies of Slovenia, Croatia, Macedonia, Bosnia-Herzegovina (three entities, two states, one federation!) and FR Yugoslavia could become the center of economic gravitation for the group of twelve. While formerly developed integrated structure of the countries, which emerged from the SFR Yugoslavia, could serve as a basis for eventual economic reintegration, the political climate and relationships among some of them is such that for a certain period of time the negative role of political factors will fuel more barriers against the economic cooperation than the positive economic factors could fuel the efforts to eliminate barriers. Taking into account that there are no serious efforts and even fewer results of the privatization process in all parts of the former SFR Yugoslavia and that the ruling party in each state is practically controlling the economy, the process of economic reintegration does not have – particularly in the short run – very promis-
ing hopes for favorable effects. It is my hypothesis that an existing process of forming a capitalist class in all of the former socialist countries of the SECI group would have its presence and control of the economy and strong influence in politics and government; thus developing a much needed social texture and basis for faster development of the national market economy, as well as common grounds for international cooperation, including the SECI program. Otherwise, only Greece and Turkey had a capitalistic structure before 1990 among the group of twelve. Alas, both in size and the level of maturity of its economy, Greece is considered a poor relative in the EU. Turkey, with its $2.500 per capita income, is a less developed country, hoping to join the “European Club”. These two countries with capitalist pedigrees do not have intensive economic cooperation, while at the same time, their past and present is overburdened with open political questions, including potential military stalking on Cyprus. So far, it is their over-dependency on the United States, which is keeping them under control in critical moments.

Analysis of the past mutual economic cooperation among the twelve countries of the SECI is very complex due to several factors.

1) For five out of twelve countries, former internal economic flows are becoming the international flows. Due to the breakdown of the economic and political structure of SFR Yugoslavia – even in the absence of military operations, damage, and destruction – it would be hard to expect that the economic network, which existed before 1990 could simply be revitalized. Past experience provides an illustration that once a former province becomes an independent state, many new drives and motivations stem from that independence. New rulers’ interests as well as new types of reactions of new international partners are formed. So far, the experience of Slovenia shows that Slovenia’s economy has been able to intensify economic cooperation with the Western Europe and to compensate the loss of privileged position on the former market of SFR Yugoslavia.

2) In the case of Moldova, as a formerly integrated part of the Soviet Union, it is too early to elaborate on possible ways and means of Moldova’s economic cooperation with the group of twelve SECI countries.

3) Hungary, Romania, and Bulgaria have been members of COMECON. Thus, most of their foreign economic relations have been COMECON oriented. Hungary has been successful in developing economic ties with the Western Europe even before the dissolution of COMECON, while Bulgaria and Romania were much behind Hungary in the process of diverting former economic relations from COMECON to the West European markets. Each of these three countries expressed its desire to be included in NATO. It is to be expected that none of them have much enthusiasm left for intensifying their economic relations with the countries of Southeastern Europe. As a matter of fact, for these three coun-
tries and all the others except Greece and Turkey, the ruling elite is doing its best to diminish the ties with the former COMECON members and to intensify economic relations with the Western Europe. Partially, it is a natural motivation of the less developed countries to be closer in economic relations to the sources of modern technology and capital as well as the markets. However, we should also note the presence of the political desire to disassociate themselves as much as possible with their past, marked by COMECON and the Warsaw Pact.

In other words, it is the initiative of the United States to attempt to develop an economic space, which, in some basic areas, will become more attractive for the foreign capital investments whose size and structure might help the process of faster economic growth and stability in the group of twelve SECI countries. A natural corollary of the process is to build the economic basis for better and more stable political conditions.

Taking into consideration the fact that the United States, as the creator of this and other economic cooperation schemes, are ready to invest only small amounts of financial resources to be used for drafting potential projects of cooperation, as well as the infrastructure of the SECI itself, the projects of cooperation have to be of regional character in order to be economically and politically attractive to the member countries. On the other hand, they have to be large enough to lose the sub-regional character in order to attract inflow of foreign capital investments. Large projects, such as pipelines for oil and/or natural gas through Turkey and Southeastern Europe instead of Russia seem to be an important power driving the U.S. to elaborate the SECI project. The lack of a proper system of transportation and communication, from railroads to highways and telecommunications, is a fact of strategic importance to most of these countries, but even more to the United States. The U.S. oil, telecommunication, and other companies are getting the “green light” to invest in a large area instead of dealing with any of the twelve countries individually (depending on the project) in case of activation of the SECI program. On the other hand, development of networks of communications is opening additional possibilities and more flexible movement, not only in civilian but also in the military framework of operations – another priority interest of the U.S.

Other projects, particularly those of ecological nature, could be used as starters for cooperation among the SECI countries due to the fact that, as a rule, they are marked with stronger visibility and appeal, as well as general usefulness to larger groups of population. In one word, they may be broader in their concept and more easily accepted by a larger group of supporters in various countries. One potentially huge and important project of this nature could be the cooperation of Danubian countries in
dealing with the problems of water pollution of the Danube and its tributaries. Needless to say, the main polluters of the Danubian river basin are more developed nations, which are not members of this group, such as Germany and Austria.

According to the comments given by the U.S. Ambassador Richard Shifter, the United States would like to see this initiative take place without delay. It is believed that if some immediate successful action will result, there will be growing support for the SECI within the twelve countries, as well as among potential participants and investors out of this area.

Due to the diversity of the member countries of the SECI, once the basic institutional frameworks are defined, it will be possible to develop various forms of cooperation on a bilateral, triangular, and sub-regional basis. Intensity and diversity of various forms of economic cooperation will depend on several factors such as:

- traditional or past experiences in economic cooperation among some of these countries;
- efforts in developing new schemes of international economic relations, particularly among some newly proclaimed independent countries on one hand, and the countries which have not been exposed to the intensive changes of their geopolitical and/or economic position on the other hand (e.g., Greece and Turkey);
- the role of multinational corporations from non-SECI countries whose projects could intensify the cooperation among the SECI members with the help of the “additional fueling by outsiders”;
- support, financial and technical involvement of the various international institutions, either to individual SECI countries and/or to the region as a whole;
- number, size, and importance of the various investment projects in either production or development and improvement of the infrastructure conditions in some or several member countries of the SECI; and
- last but not least, improvement of political conditions in many countries and, even more so, improvement of political conditions and relationships between some of them. Needless to say, this factor may be of crucial importance in reviving economic cooperation among Croatia, FR Yugoslavia and Bosnia-Herzegovina. The best case of favorable political conditions and their positive role in improving economic relationships is the case of cooperation between FR Yugoslavia and Greece. Due to the changed political picture in the Balkans, Greece has become a more important partner to the FR Yugoslavia in the mid-1990s than in any other period of its relationship with the former SFR Yugoslavia.
European Union and the Countries of Former Yugoslavia

In 1996, the European Union took steps to stimulate cooperation between the countries of former Yugoslavia and thus preceded the U.S. action along the line of SECI. The EU concentrated its efforts toward five states (out of five, four are the consequence of the process of secession in the former Yugoslavia – Slovenia, Croatia, Bosnia-Herzegovina, Macedonia). It will take a certain historical distance and the availability of both, documents as well as personal memoirs of the important individuals to understand the complexity of this situation: the EU took the case of the dismembered Yugoslavia as the first test for its vitality and some EU members, particularly Germany, used all their economic and political power to help the secessionist republics. Several years after having seen the genie out of the bottle, the EU seems to be very concerned about how to provide the ways and means to reintegrate the economic space of the former Yugoslavia as soon as the military actions have been eliminated. Leaving aside other goals of the EU along the line of establishing the rule of law, the EU is particularly interested in the revitalization of economic connections between the former republics of Yugoslavia (Prospects for the Development of Regional Cooperation ..., 1996).

The EU is expecting that stability in the region of former Yugoslavia cannot be achieved until the infrastructure is reconstructed and until the national economies of these countries reach the stage of market based economic structure. Assessment by the EU seems to be that these countries achieved a high level of economic integration while they were included in the former Yugoslav market. Moreover, that they developed a high level of complementarities and that the most rational behavior and the cost-benefit logic imposes the need to reestablish their former economic lines of cooperation.

In order to stimulate economic cooperation within the region of former Yugoslavia, the EU is going to use two channels of influence:

1) contractual relations between the EU and the individual countries in the region;
2) programs of financial support and financial cooperation.

In other words, the EU is promising to apply legal and financial methods in pressing these countries to mutually cooperate. One can support the hypotheses that the EU might use the process of bilateral agreements between the EU and the individual countries of the region to condition the rights and privileges of the former Yugoslavia countries in the markets of the EU members by the obligation of those countries to provide
similar rights and privileges to the countries of the former Yugoslavia (Kovač, 1996: 1).

The EU is ready to apply preferential treatment of manufactured products in the form of unilateral concession to these countries on the basis of the Agreement concluded with SFR Yugoslavia in 1980. It is to be expected that the EU will provide incentives for the development of trade between the former republics of Yugoslavia on the basis of acceptance of the cumulation of the rules confirming the country of origin of the product. In other words, it will be acceptable to provide the status of domestic product to an item that has been produced using the input parts from various republics of former Yugoslavia, instead of using the input parts from only one state.

According to the same source, the EU is going to be actively involved in the projects of reconstruction of the former Yugoslavian countries from the beginning of the process of drafting a project until its financing. These are some of the ways and means showing the intentions of the EU to revitalize the economic space of the former Yugoslavia.

So far, EU’s attitude has been accepted only by FR Yugoslavia, the country whose economy has been exposed to economic sanctions since 1992 and practically brought to bankruptcy, while the countries which seceded from Yugoslavia – and have been stimulated to do so by the EU – do not seem to have an interest in such an initiative. It may be relatively easy to understand the lack of interest for stronger cooperation between the secessionist states and the FR Yugoslavia. The political forces, which were successful in separating from Yugoslavia, may consider any organized and institutionalized structure of cooperation with the former republics of Yugoslavia – and particularly the FR Yugoslavia – as a proof that their plans for secession have not been successful enough. For the time being, the two largest actors in this process (the EU and the FR Yugoslavia) are in favor of the project of regional economic cooperation, while the four others (Slovenia, Croatia, Bosnia-Herzegovina, and Macedonia) seem to be much less interested. However, if the EU persists on a certain type of solution in the region and if the negative reaction of some former republics of Yugoslavia is exposed to financial punishment (stick instead of carrot), these countries will not have any choice but to accept the attitudes and policy of the EU due to their economic and political position. Even more so, considering how much the EU contributed and that it played the role of “mid-wife” in the creation process of these countries.

However, from the point of the EU, the area of former Yugoslavia is of strategic and military importance, regardless of the end of the Cold War. The EU and NATO, as institutions serving the military policy of the
West, have long-run interest in controlling the basic corridors in the Balkan Peninsula and in the central Europe. The area of former Yugoslavia kept the three corridors within its frontiers: Ljubljana Gate, Panonian Corridor, and Morava-Vardar Corridor. At the same time, the line of water communication – Rhine-Maine Canal-Danube-Black Sea – is not fully functioning without the proper economic and political stability in the region of former Yugoslavia. The Ljubljana Corridor (Ljubljana Gate) is important for the EU only if it could be used for further connection with the Balkan Peninsula. Meaning only if Slovenia is strongly cooperating and integrated with the Balkan countries.¹

As far as the FR Yugoslavia is concerned, the Ljubljana Corridor does not have any importance, but it seems to be important for both NATO and the EU.

On the other hand, the Panonian Corridor is more important for Yugoslavia as the communication line with the Western Europe, which is shorter, cheaper, and more reliable than communication via Croatia and Slovenia. This Corridor is also very important to Croatia and Bosnia-Herzegovina.

The third important Morava-Vardar Corridor is of particular importance for the communications between the Western Europe and the Middle East. It is of utmost importance for the FR Yugoslavia and Macedonia, but not much less for the rest of Europe. This is why the EU is going to use its economic and political power, while NATO will use military presence in order to keep this corridor within the framework of reliability, law and order. Taking into account the offensive of Islamic fundamentalism, the presence of terrorism as well as drug trafficking, the existence of several mini-states in the Balkans is a big handicap for the EU and it is to be expected that both the EU and NATO will do their utmost to develop a politically and economically safe and stable zone.

In addition to the various actions which have already taken place – and even more are to be expected in the relationships between the EU and the Balkan area, various country members of the EU have their own motivations to develop various forms of economic cooperation between themselves and the countries of the Balkan, and even more of the SECI area.

Within this framework, the case of Italy could be used as a good and encouraging example. In 1994, Italy undertook a special program for international cooperation with the countries of Balkans. Financial sup-

¹ This seems to be one of the main reasons why European countries consider Slovenia as being a Balkan nation, despite the insistence by Slovenia that it is not a Balkan country.
port, in the amount of 24 million ECU, has been provided for cooperation with Greece and Albania\(^2\), while 5 million ECU have been provided for the financing of cooperation with Slovenia (see “Danubius”, 1996). Interestingly enough, this cooperation from the Italian side is decentralized, and the southern regions of Italy are developing special projects of cooperation with Albania and Greece, while northern regions are mainly engaged in the cooperation with Slovenia. These projects are mainly general, more particularly in the areas of transportation and communication infrastructures, as well as several projects in the area of environmental protection.

**Danubian Connection**

In dealing with the problems of Southeastern Europe and the reintegration of economic activities, another aspect should be taken into account – the role of the Danube and the Danubian basin. Being the most important waterway between the Southeastern and the Central Europe, the Danube is navigable and enables international transport of goods and people, with many other “services” such as producing electrical energy, providing water supply and/or absorbing surplus water and creating more favorable conditions for agricultural production. The multivariable qualities of the Danube are still not properly used as resources for the countries of the region. From the list of the countries included in the SECI program, several of them are Danubian countries (Hungary, FR Yugoslavia, Croatia, Romania, Bulgaria). Out of three countries (Germany, Slovakia, Austria) on the upper section of the Danube, Germany is one of the three global economic superpowers. Traditionally, Germany has been the most important economic as well as political and military power in the Danubian basin. The current geopolitical situation is even more confirming of Germany’s leading role in this area. Of all the Danubian countries, German national currency (DM) is fully accepted and in many occasions much more easily accepted as a currency among individuals and businesses than their own national currency. Reasons for that are relatively known and we do not consider it important to elaborate them on this occasion. While the presence of the U.S. in this area is primarily based on the military power of NATO, the presence of Germany is, above all, based on its powerful economic presence in the everyday economic life of individuals, business firms, and governments of the region. While at the moment, some general aspects of cooperation in the Danubian basin are discussed – same as the problems of environmental protection and water pollution – there are many opportunities to develop cooperation along bilateral and multilateral regional lines and projects

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2 1 ECU = 1,37 U.S. Dollars.
which are going to include participating countries in the SECI group, as well as those Danubian countries who do not belong to the SECI group. Obviously, one of the most important and powerful is Germany. By the construction of the Rhine-Maine Canal, the Danube connects the Southeastern Europe with the heartland of highly industrialized Western Europe (see “Danubius”, 1996).

The fact that, for a long period of time, the Rhine-Maine Canal has been a revolutionary idea and often considered as unrealistic and almost fiction is now fueling some new expectations and projects, which are more directly associated with the area of Southeastern Europe. An example is the project of the possible connection between the Danube and the Aegean Sea along the river flows of Morava and Vardar. Regardless of if or when this project could become feasible, it is already visible that there are several projects in the Southeastern Europe with a common denominator: to develop economic integration among the countries of the region. So far, the existence of various projects shows more intention and optimistic expectations than reality. However, simultaneous efforts along several lines of cooperation are to contribute to the faster economic growth of the region as a whole. The list of initiatives in the region includes the following:

– the European Union’s project of economic reintegration of the countries of the former Yugoslavia;
– Mediterranean policy of the EU;
– Southeastern Europe Economic Initiative (SECI);
– Cooperation of the Black Sea countries;
– Sophia Declaration; and
– Danubian Cooperation.

A long list of single countries’ efforts to develop cooperation with the individual countries from the Southeastern part of Europe could be added to this list of international projects, which speaks for itself about the need of the countries of Southeastern Europe, as well as Western Europe and the United States to incorporate this relatively less developed part of Europe into the mainstream of European development in various areas (political, economic, cultural, historical, etc.).

However, the existence of various initiatives is not marked with only positive efforts. Various interest groups are behind each initiative which is a part of international relations – and which is handled in everyday political and diplomatic practice. Detailed analysis may show that while many initiatives seem to be complementary, they are also competitive and formulated in such a way that behind each of them there are special interests of the country(ies) from outside the region, as well as special interests of individual countries located in the Southeastern Europe (Međunarodna politika, 1050, November 1, 1996: 14).
Taking into account the relationship of power politics in the 1990s, it seems to be a fairly realistic judgment that there are two main competitive powers that would like to fill the vacuum resulting from the collapse of the Soviet Union in the area of Southeastern Europe. One with historical presence and strong ambitions to oversee the Western Europe-Middle East communication lines; the other trying to enter the area of Southeastern Europe only after the collapse of the Soviet Union and is trying to do so mainly on the basis of global military strategy and not directly for economic interests. The process of secession of SFR Yugoslavia and the civil war in Croatia, Bosnia, Kosovo, and eventually Macedonia has supplied the arguments for finding a new role for the otherwise either “underemployed” or even needless NATO. Using the same vehicle, the only global super power found a reason for its presence in several countries of the region. Never having been there economically, the quick, impressive, and visible way to be used for showing her presence was through the military.

Same as in the past, when the brave gesture of a patriotic Serbian teenager was used as a trigger and the “cause” of the World War I, civil war in the Balkans may have much broader and longer global consequences, as well as many tragic consequences for the domestic population. Behind the scene, it is bringing a new stage in the process of redistribution of global power and influence zones.

National Minorities – Political Stability and Economic Prosperity

One important feature of practically the whole group of countries included in the region of Southeastern Europe – either in broader terms or within the more narrow understanding of the area – is the existence of national minorities. Due to the fact that the largest part of the region in question was exposed to occupation and oppression by the Ottoman and Austro-Hungarian empire during several centuries and that after the disappearance of those empires various powers were competing among themselves in order to extend their influence zones, various religious, ethnic, national, and linguistic minorities have been (mis)used as a source of potential political instability. Intensity and forms of instability in various occasions took drastic and tragic forms. Among many negative consequences of the instability, the postponement of economic prosperity was one of the most important, second to the loss of human lives and sufferings. The ethnic structure of the countries of Southeastern Europe is presented in the following table.
Table 2: Ethnic structure of the countries of Southeastern Europe

<table>
<thead>
<tr>
<th>Country</th>
<th>Share of the main nation in %</th>
<th>Main national minority in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>Albanian 98,0</td>
<td>Greeks 1,8</td>
</tr>
<tr>
<td>Bosnia-Herzegovina*</td>
<td>Three nations</td>
<td></td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Bulgarians 85,7</td>
<td>Turcs 9,4</td>
</tr>
<tr>
<td>Croatia**</td>
<td>Croats 78,1</td>
<td>Serbs 12,2</td>
</tr>
<tr>
<td>Greece</td>
<td>Greeks 100,0</td>
<td></td>
</tr>
<tr>
<td>Macedonia</td>
<td>Macedonians 66,4</td>
<td>Albanians 23,1</td>
</tr>
<tr>
<td>Romania</td>
<td>Romanians 89,4</td>
<td>Hungarians 7,1</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Slovenians 87,6</td>
<td>Croats 2,7</td>
</tr>
<tr>
<td>Turkey</td>
<td>Turks 83,0</td>
<td>Kurds 14,0</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>Serbs 62,6</td>
<td>Albanians 16,5</td>
</tr>
<tr>
<td>Montenegro</td>
<td>5,0</td>
<td></td>
</tr>
</tbody>
</table>

Source: George Brunner, Nationality Problems and Minority Conflicts in Eastern Europe, Bartelsmann Foundation Publishers, Gutersloth, 1996.

For more detailed analysis, see Vladimir Grečić, Nacionalne manjine kao faktor drzavnih odnosa na Balkanu (National Minorities as a Factor of Interstate Relationships in the Balkans), “Međunarodna politika”, No. 1051, Belgrade, December 1, 1996.

* According to the 1991 Census, the structure of population in Bosnia-Herzegovina in 1991 was the following: Muslims 43.7%, Serbs 31.4%, Croats 17.7%, “Yugoslavs” 5.5%, other South Slavs 0.3%, and Other nationalities 1.8%.

++ In 1939, Serbs in Croatia made up 24% of the total population; primarily due to the holocaust to which they were exposed in the Croat nazi state during World War II, the share in 1945 fell to 12%. In the 1991–95 civil war, more than half a million Serbs have been forced to become refugees and leave Croatia in the most brutal form of pogrom.

Out of all the countries listed in the above table, only Albania and Greece could be considered as relatively homogeneous national states.

In dealing with various aspects of statistics, countries of Southeastern Europe are not the only ones where there are differences in application and interpretation of statistical methodology in certain issues. On that basis, some figures are often disputable. Some Greek sources claim that the number of Greeks in Albania is 408,852 or 12.3% of the total population (The Southeast European Yearbook 1991, 1992: 313).

There are similar disagreements about the share of the Hungarian minority in the total population of Romania. The difference between the official figure and the assessment from other sources reaches about half a million persons (Leibich, 1992: 38).

In the case of Turkey, more than one issue could be raised. As a former invader of Southeastern Europe – up to the walls of Vienna – Turkey has been given a legal and geographic basis for the nominal status of Balkan, Southeastern European, and even a European country, due to the policy of West and Central European powers, which had many mutual differences, but have been united in trying to limit the role of Russia. Considering the fact that Turkey is the country with the largest population
among the group of countries in question and even more importantly, that this is a country with the highest rate of population growth – or more specifically, demographic explosion – even "secular" modern Turkey has been encouraged to play the role of the protector of the European Islamic population. Taking into account the fact that this population is heavily concentrated in Albania, Bosnia and Herzegovina as well as in some regions of Bulgaria and Serbia (FR Yugoslavia), the complexity of the potential tensions becomes even more visible. One detail is of particular interest: Turkey is the only country in the Balkans who has sent its own military contingent to Bosnia-Herzegovina within the framework of intervention of the "blue helmets." The role of Turkey in bringing Albania into the membership of the Islamic conference cannot be underestimated. The share of Turkey in illegal deliveries of armament to the Bosnian Muslims during the civil war is a world known fact.

Croatia has been involved in ethnic cleansing in its efforts to achieve a homogeneous Croat state. Instead of having a 78,1 % share of Croats, as was the case during the 1991 census, Croatia has currently reached a level of almost ethnic purity due to the use of military expedition in forcing Serbian minorities to leave Croatia.³

In the case of Macedonia, the differences in the growth rate of the population between Macedonians and Albanians may contribute to a change of places of the two groups in the next several decades; Albanians could become the majority and Macedonians a minority in their own country.

Deliberations on ethnic problems in Southeastern Europe in the context of the process of economic cooperation within the region are important because they are shedding another source of clarification of the complexity of the situation in the region. There is no way to deal with any important aspect of peace, stability, economic cooperation, economic growth, and eventually the question of economic integration without taking into consideration the vulnerability of the region along ethnic issues. The factor of ethnicity in the Balkans and Southeastern Europe has been a serious element of instability not only in the past, but possibly also in the future.⁴

Despite the fact that the process of economic growth and prosperity is not the panacea for all problems, particularly not for dealing with many

³ For details see Stipe Šuvar’s comments on the Round Table: “Serbs in Croatia: Yesterday, Today, Tomorrow,” Zagreb, October 18, 1996, according to “NIN”, November 11, 1996.

⁴ To illustrate the complexities of the situation in the region in general and in Bosnia in particular, see the publication "Bosnia’s Security and U.S. Policy in the Next Phase", 1996.
cultural and emotional aspects in inter-ethnic relations, the process of economic integration in Southeastern Europe, if properly helped by both the EU and the U.S., as well as the rest of the developed nations, could help to diminish and eventually neutralize some of the tensions in the region. It is to be hoped that international support for peace and economic prosperity will encourage those domestic forces in each of the countries in the region that are supporters of the policies of tolerance, respect for human rights, and democratic development in political and social developments – as well as the market economy in the region. Even with the best intentions from the outside, supported with eventual economic aid, the main task – to achieve tolerance within each nation and law, order, and cooperation in international relations – has to be done by the internal democratic forces, which do exist in each of those countries.

**Conclusion**

The fact that the United States started the initiative for the development of the process of (re)integration of the economies of Southeastern Europe is providing necessary signals to national leaderships of all these countries that the only global super power is trying to consolidate regional and sub-regional groups in order to create a more favorable process for peace and stability. These two factors are of the utmost importance for further economic expansion of the U.S. and any other multi-national corporation. In conditions when all developed countries in Europe (members of the EU) – despite their national rivalries and many unsettled questions from the past – are voluntarily, or under certain or potential economic and political pressure, developing a large economically integrated area, existence of “peanut states” with the nationalistically ambitious goals will not be tolerated. This U.S. policy, although shaped primarily in order to help economic expansion of corporations from the developed countries, is not in contrast with the long-run interests of the population of the SECI countries. In some cases, political leadership of these countries will try to postpone the process of economic cooperation, but this lack of cooperation will only bring a stronger action from those who feel very comfortable in the contemporaneous global structure, which, for all practical purposes, could be called “Pax Americana.” That is particularly true in the political and military area, while economically “Pax Americana” is marked as a triad in which the U.S. economy shares power in the global economy with Germany and Japan. In the foreseeable future, China could make that triangle into a “quad-rangle”.

Modern rearrangement of geopolitical and economic forces, among other things, marked with the dissolution of several multinational states seems
not to be meant as a goal in itself. The increased number of politically independent states is making them more vulnerable to outside pressure and provides more opportunities to the single global super power to make regional and sub-regional rearrangements.

It is, therefore, in the interest of many small nations as members of the SECI – and from a modern economic point of view, all of them are small regardless of the differences in size of territory and population – to provide a positive acceptance of the given signal: it is in the interest of all the nations of Southeastern Europe to intensify economic cooperation.

Sources:
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- Prospects for the Development of Regional Cooperation for the Countries of the former Yugoslavia, and what the Community could do to Foster such Cooperation (1996). Brussels: EU, Commission of the European Communities.
II.
COUNTRY STUDIES
ANTON GRIZOLD

SLOVENIA AND NATO: EXPERIENCE FROM THE PARTNERSHIP FOR PEACE COOPERATION

Introduction

The importance of all efforts to maintain the peace and stability in the Balkans and stimulate the progress in Southeastern Europe as a whole, cannot be emphasized enough. It is a first priority and an undivided security interest of the region, its states and their citizens. Slovenia shares this priority and interest with them. Important results, accomplished through the joint effort of the international community, UN, NATO, and EU in particular, are obvious, nonetheless the final goal – lasting peace, stability, and prosperity in the region, is yet to be seen.

It has been 11 years since its declaration of independence. Not a lot of time for a state, but it seems enough to take the responsibility for its present and its future, and that is what independence is, in fact, all about. An exercise of independence and building statehood has as many variations as there are states in the World. In this essay, a Slovenian case will be presented as a model for reflection in managing through the present time and building visions of the future to other interested countries. The achievements in building the Slovenian statehood are significant. I will take this opportunity to mention some of them very briefly:

- Slovenia was the strongest regional economy in the former Yugoslav Federation and its economic strength continued to develop since its independence.
- Slovenia has a significantly higher GDP per capita than most of the transitional countries, approximately 70% of the EU average.
- In 2000, the World Bank and the International Monetary Fund classified Slovenia as a developed country. Slovenia, thereby, transformed from the recipient to the donor of aid and assistance.
- Slovenia’s international policy and relations are shaped by its two key objectives of joining the EU and NATO. It is one of the four countries in the process of negotiating the chapters of the EU “acquis”, which should lead to the membership in the EU in the next few years. There
is a strong parliamentary majority and cross-party consensus for the membership in both above-mentioned organizations.

- The lack of internal tensions, due to our largely ethnically homogeneous population, has undoubtedly been helpful in ensuring the stability and the development of democracy in Slovenia.
- Slovenia’s minorities are recognized in its constitution and are guaranteed certain rights, such as bilingual education, TV and Radio stations, etc.
- Due to its geographic location and relatively good transportation links, Slovenia is a route for refugees and economic emigrants seeking to enter the EU. Some of the refugees and emigrants are from parts of former Yugoslavia, while others are from the outside of Europe. Slovenia is endeavoring to strengthen its border controls in order to deal with this problem. One of the best examples of the significant role of cooperation in this field, currently and in the future, is the Slovenian cross-border cooperation with the Italian authorities and EUROPOL.
- Corruption has not been a major concern in Slovenia and it is consistently rated as rather low in international surveys. Judiciary backlog is diminishing rapidly and human rights, it is safe to say, are respected in the country.

In short, within Slovenia as a whole, democracy has become firmly established and practiced and is further enhanced by a reasonably sound economy and an absence of minority issues.

There are also no military threats to Slovenia at present time. Defense of the territory is not regarded as a key issue by most of the public.

- Slovenia’s defense establishment is as new as the state. Although the former Yugoslav Federation cannot be regarded as a democratic country, it was generally considered to be more liberal and open than the former members of the Warsaw Pact. At the crucial moment, Slovenia’s territorial forces secured the independence and the territorial integrity of Slovenia. Consequently, only a sound amount of glory and benefits were accredited to these forces. Slovenia’s military forces have been subjected to the firm hand of civil control.

- Insufficient knowledge and experience on one hand, and the challenge of the development of a new security on the other hand were both present within the emerging defense establishment. Budgeting, planning, and procurement systems are of great importance, thus inexperience or ignorance sometimes resulted in unqualified decisions Slovenia has to deal with even now. The lack of an effective personnel management system is a particular issue that had an adverse
effect on the overall defense system management. The problem does not impact the democratic control of defense, but rather limits the achievements of quality output across defense.

There are some that indicate Slovenia as a role model for SEE, but there is still a lot of work to be done. In the regional perspective, Slovenia is trying to share every experience with its neighbors and other interested countries.

**Partnership for Peace as One of the Best Environments for Slovenia to Cooperate with Other Countries**

The cooperation between NATO and the Central and East European states began with the “hand of friendship” extended in London in 1990. The rest is history, but also a great success story, since today, we have 46 countries participating in the program that, in itself, is much more important than NATO enlargement.

Slovenia joined the PfP in 1994 and since then, has been active in practically all initiatives and programs. In this respect, Slovenia walked, together with NATO, the path of constant development of the PfP program. In 1994, the first Individual Partnership Program based on the Partnership Work Program was produced; the program progressively improved every year by additionally incorporating the advice and experience of the Partners and the NATO nations.

Slovenia’s participation in the PfP was designed with several objectives, which were offered by NATO to the Partners in order to prepare themselves for the participation in peace support operations, humanitarian operations and search and rescue missions, which was the goal of the program. In pursuing its objectives, Slovenia aimed at increasing its interoperability with NATO. But do not be mistaken; this desired end-state is not merely of a technical nature. It is a matter of a common understanding and a state of mind. Therefore, interoperability is not a state; it is a moment in time, when one military can begin to operate with another at the whole spectrum of missions and tasks. Furthermore, it is just a beginning. Thereafter, everybody needs to participate, pull his or her own weight and contribute to the common development.

Interoperability is the key, with two main aspects. The first aspect is in the term of – let’s say – units, ships, and aircrews trained to NATO standards and the second aspect is the ability of partners operating in the NATO’s Command and Control Structure. All of which has one sole purpose – to be able to operate together in order to support peace, the
humanitarian, as well as, search and rescue operations and, obviously, to
battle the scourge of the new times in the future, such as organized
crime and terrorism, to point out just two of the most dangerous threats
to the contemporary security.

At the beginning, Slovenia concentrated on language skills, doctrinal and
training procedures, map reading and their preparation, etc. As early as
1995, the participation in NATO/PfP exercises began, even though Slove-
nia was sometimes hampered due to the equipment and resource issues,
or political implications (until the middle of 1996, Slovenia was under
the UN arms embargo, which prevented us in participating at some live
exercises, particularly with SAF units).

In 1996, Slovenia started a dialog with NATO through the PfP Planning
and Review Process or PARP, which is the single most important tool
Slovenia used in order to implement the reform of the defense establish-
ment. This was a very important step for Slovenia and, therefore, it
deserves to be explained in more detail.

The PARP process was originally developed to provide a basis for identi-
fying and evaluating the forces and capabilities that might be provided
by NATO’s partners for multinational training and operations in con-
junction with Alliance forces for peace support, search and rescue, and
humanitarian operations. The PARP was intended as a means for pro-
moting the interoperability between these forces and the Alliance, and
for providing the mechanism for a more general exchange of information
on overall defense and financial plans.

PARP is open to all partners on a voluntary basis. Participation is option-
al and allows for self-differentiation between partners, both in the extent
and the speed of involvement. It aims at the promotion of transparency
in national defense planning and better preparation of the Partner forces
for the cooperation with the Alliance forces. Furthermore, it is tailored to
the needs and abilities of each partner and is, thus, not the same for all
partners.

The process is based on a biannual cycle and consists of 3 major ele-
ments – the PARP Ministerial Guidance, the Partnership Goals, and the
PARP Assessment. The PARP Cycle is designed to closely resemble the
NATO force planning system, namely the Force Goal Cycle and the
Annual Defense Review.

This constitutes probably the biggest planning undertaking regularly
performed in the Slovenian Ministry of Defense. It is a very demanding,
time consuming and often very frustrating exercise. But more important-
ly, this structured process leaves little room for improvisation and procedures, which are not transparent to the Slovenian public and to all 19 NATO members. Furthermore, the PARP process opened the door to the essential exchange of different ideas about the force structure and the capabilities Slovenia would need as a potential NATO member.

In 2000, Slovenia was faced with aging and conscript based armed forces, whose capabilities and plans were not needed anymore due to the changes in the security environment. The force structure was more or less molded based on the existing capabilities and personnel system, rather than on the capabilities needed for defense. As a first step, a mental revolution was needed at the level of senior leaders, who had to understand that modern threats render the conscript armed forces with a huge reserve pool largely obsolete.

Today, Slovenia is going towards an all-volunter force (AVF), which will be small, modern, efficient, affordable and suitable for the entire range of Alliances’ missions.

All of the above mentioned changes of the Slovenian defense establishment would be almost impossible without the Alliance, its partnership programs, and especially, without the PARP process. In my opinion, this is the biggest contribution of the PARP to the Slovenian defense reform and furthermore, to the enhanced security situation throughout the Southeastern region.

The Slovenian experience in crisis response operations began in 1997 with a 27 SAF service-member contribution to the operation “Alba”. Shortly thereafter, Slovenia participated as a part of the Stabilization Force (SFOR) of the NATO-led operation “Joint Guard / Joint Forge”. At the beginning, the Slovenian contribution, which was previously impossible due to the parliamentary decision not to involve in the Balkans conflict, consisted of three helicopters and a transport plane for personnel transportation. Since then, Slovenian contribution has grown to include the following assets: a medical unit, two platoons of the Military Police in the Multinational Specialized Unit in Bosnia, and a staff officer in the Office of the High Representative in Bosnia. Furthermore, Slovenia has staff officers in the operation “Joint Guardian” as part of Kosovo Force (KFOR) and is a part of the wider United Nations Mission in Kosovo (UNMIK). In addition, the Slovenian civil police is playing a highly important role by participating in the UNMIK Police operation providing law enforcement and helping with the development of a professional, impartial and independent local police. An infantry platoon was a part of the UN operation in Cyprus for more than three years.
The preparations to increase the Slovenian contribution in SFOR by a motorized infantry company are completed and the unit was deployed to the scene in January 2003.

The new Slovenian deployment will bring its contribution to the Crisis Response Operations in South Eastern Europe to over 200 military and police personnel.

In addition, it is also worth mentioning another contribution to the stability in the SEE – the International Trust Fund for Demining and Mine Victims Assistance established in 1998. So far, it has proven to be a success story.

Slovenia is also quite active in the development of regional multilateral initiatives with the participation in the Multinational Land Force, an Italian-Hungarian-Slovenian trilateral brigade and in CENCOOP – Central European Nations Cooperation in Peace Support.

It should be emphasized that Slovenian experiences and the decision to participate in Peace Support Operations have been made possible through the participation in the past and present PfP activities.

The main strategic goal of Slovenia in the field of defense and military is the development of a modern, efficient, volunteer, and affordable military organization, capable of providing national defense, the integration into the system of collective defense, and active contribution to the stability in its strategic environment and in the region.

The objectives of the SAF transformation process are as following:
- To raise the level of readiness of the Slovenian Armed Forces and its interoperability with allied and partner countries.
- To reinforce the peace-time core of the armed forces for the peace-time and crisis missions in a broader strategic environment and in the region.
- To reduce the war-time structure given the changed level of threat and actual personnel and material capabilities for unit formation.
- To improve the personnel structure through a gradual restructuring of the personnel, and to change the ratio between officers, non-commisioned officers, and soldiers.
- To upgrade the command and control system and to clearly define the boundaries between the strategic and operational command and control levels.
- To upgrade the military logistic system.
- To adapt the military infrastructure in accordance with the SAF size and structure.
To adapt the educational and training system to the changes of the SAF structure.

After the Washington Summit in 1999, Slovenia adopted the MAP process and has so far produced four Annual National Programs (the last program was produced in the Fall of 2002).

MAP is the political framework, which streamlines all PfP tools, mechanisms, and processes of the cooperation with NATO. It is undoubtedly the most valuable tool for adequate and focused preparations in the five areas for the membership in NATO through five respective chapters:
1. political-economic issues,
2. defense-military issues,
3. resources issues,
4. legal issues, and
5. security issues.

NATO feedback regarding the Slovenian progress based on the MAP constitutes vital input and a reality check for its further work.

During the development of its defense system and armed forces, Slovenia had at its disposal the best experts and decades of experience from NATO and its member-states. In addition, Slovenia has the privilege to learn from the mistakes and experiences of others, along with its own.

Based on the lessons of the four cycles of the MAP implementation and the understanding of the internal logic and nature of the MAP mechanism, Slovenia decided to invest more into HOW, instead of just concentrating on WHAT. The Slovenian ANP 2001–2002 was no longer a display of its system and its capabilities. It turned into a state of affairs, which revealed not only significant achievements and improvements, but also deficiencies and challenges. A dualistic approach, this is for us and that is for NATO, in many areas was eliminated and a mentality that there is only one process which must fit within all contexts: the national, NATO and EU was created. The perception of the MAP from the defense and military perspective can, therefore, focus on how to accomplish the mission, and how to get the work done. It is also generating and encouraging decisions, structures, communications and actions Slovenia would have to take sooner or later in order to meet the desired objective of the optimal level of national security and not merely the NATO membership. The implementation of the MAP not only generated, but also became an integral part of a complex yet clear national agenda.

In Europe and, in particular, the Southeastern region, Slovenia, with the invitation to join NATO, obtained a new strategic framework after the
Prague Summit: NATO members, invitees to join the Alliance, old and new MAP countries, PfP countries, future PfP members, EU members and candidates etc.

Due to this diversity, there is a lot of room for open, comprehensive and broad discussion, if the need would arise.

**Conclusion**

Contemporary security risks call for a substantial efficiency enhancement of the security sector as a whole. Recently, the distinction between external and internal security became blurred, if distinguishable at all. Currently, the process of reforming the structure of international community and reshaping the mechanisms and instruments for ensuring national and international security, could, to a greater extent, be geared towards the assertion of some of the common security interests, shared by the members of this community. The security endeavors of many states seem to derive from an awareness that modern security is a complex phenomenon that can only be effectively resolved if the security interests of individual states are harmonized, adjusted and linked to the interests of other states. That especially highlights the importance of a program such as Partnership for Peace, which is regarded as a great success. There are possibilities to be explored in order to enhance it even further and deeper.

With the new NATO and EU enlargement, but even more importantly, through the further expanded cooperation within the PfP, consultations in the EAPC format and any other formal or informal forums discussing the regional issues will bring closer the achievement of the desired goal: firm peace and security, stability, and prosperity of nations. Although still relatively new the Partnership for Peace and the EAPC testify to a new reality: long-term stability in today’s Europe is best assured through cooperation. This reality is also reflected politically by the number of partner countries contributing their best in the partnership. The task ahead is to perfect these mechanisms of cooperation. Through the EAPC and the enhanced PfP, Europe is building a common security culture in the Euro-Atlantic region. With the political will and the practical ability to work and live together, all European states will meet their chief responsibility – to strengthen security and stability and to preserve peace for the benefit of all.
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LJUBICA JELUŠIČ

DEFENCE REFORMS IN SLOVENIA
1991–2001

Introduction – Brief Historical Background of Slovenia’s Independence

On the geopolitical map of Europe, Slovenia is a new and rather small country which, after winning political independence in 1991, has been slowly making its way towards a wider recognition by Europe and the world through numerous and increasingly extensive economic, scientific, cultural, sport, tourist as well as political contacts. In fact, Slovenia existed long before the turmoil of 1991. It was a part of Yugoslavia for over seventy-three years. Prior to that, it belonged to the Austrian part of the Austro-Hungarian Empire. Yugoslavia existed in two incarnations, first as a kingdom, generally referred to as Royal Yugoslavia and second as a socialist republic (Socialist Federal Republic of Yugoslavia (SFRY)). The second Yugoslavia, which emerged out of the World War II, was a genuine attempt to reconcile the interests of all the country’s peoples. The system of governance was complex, but designed to be fair to all nations and national minorities within the state. The Yugoslavs managed to get along despite the great differences between Yugoslavia’s regions, differences in the concepts of development strategies, the allocation of scarce resources, political freedoms, the civilian control over the armed forces, and the accession to the Western European and world economic, financial and security structures. These differences were not enough to break the historical bonds, built up for more than seventy years. Many countries, with far more despicable regimes than Yugoslavia’s ever was, nevertheless remain together (Bennett, 1995:8). Above all, the SFRY was the first of the socialist countries to develop co-operation with the European Economic Community.

The central conflict which destabilised the SFRY was, on one hand, the desire to create or consolidate a state in which one nation would be dom-

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inant, and on the other hand, the perceived vulnerability of minority (or smaller nations of former Yugoslavia) in such a projected state. The inequality of nations was a step back according to the achieved standard of political rights and freedoms in the SFRY. In December of 1990, Slovenians voted, with an overwhelming majority, to declare independence from Yugoslavia. The Slovenian Assembly confirmed the result of the December 1990 plebiscite in June of 1991 (precisely, on June 26, 1991), when the Founding Charter of Independence was approved. During the evening ceremony on the same day, held to mark the approval of the Charter, some military units of the Yugoslav Peoples’ Army (YPA) already began marching into and throughout Slovenia and by June 27th, the military operations and armed conflict developed in the entire Slovenia.

The intervention of the YPA within the national borders put an end to the previous joint life and fictitious brotherhood and unity. The decision of the YPA to deploy classic military intervention instruments in order to bring the insubordinate inhabitants and politicians of Slovenia under the central control meant an intervention against the very people whose security the YPA was supposed to provide. As the tanks and armoured vehicles rolled, the Slovenian citizens and political leaders had to move from declarations and ceremonies to more operational acts. They decided to mobilise any means, also arms, of the territorial military units, called the Territorial Defence, and of the police, in order to defy the militarily superior federal force. Both decisions (the decision of the Yugoslav authorities and of the YPA to intervene, and that of the Slovenian citizens and leaders to resist militarily) were a prelude to the war, which lasted from June of 1991 till November of 1995 (Slovenia, Croatia, Bosnia and Herzegovina), and began again in 1999–2001 (Kosovo, Macedonia).

Defence Reforms in Slovenia after Achieving Independence

On its way to independence, Slovenia learned three main points, which served as cornerstones for the establishment and further transformation of the defence sector in independent Slovenia in the period of 1991–2001. The first point is the equilibrium of the social and functional imperative of the armed forces. YPA followed the functional imperative in order to keep the state together with all military means, but it failed to recognise the social expectations of the Slovenian population regarding its military and social functions. After 10 days of armed conflict, YPA lost the majority of its manpower in Slovenia (soldiers, NCOs and some lower rank officers left the garrisons, or were captured as prisoners of war by the Slovenian military units). It has shown the absolute loss of legitimacy within the Slovenian society and the loss of authority within
the military rank and file. The Slovenian politicians and civil society learned, that in order to have an efficient and legitimate military, there must be a certain level of equally fulfilled social and functional expectations.

The second basis for establishing the defence sector in Slovenia is rooted in the ten-day armed conflict, which was perceived by the Slovenian population as a real war with radical consequences and changes afterwards. The war and the ensuing victorious independence serve as one of the elementary sources of legitimacy and as a point of reference, which after ten years of independence sometimes seems as anachronism or absurd call for patriotism.

The third basis was the importance of relying on the country’s own forces when exposed to the outside aggression. Slovenia learned this lesson during the World War II, when partisan units, together with progressive political and social forces, fought against German, Italian and Hungarian occupation. It proved to be valid again in 1991, when some important international community actors such as the United States of America were prepared to tolerate the rapid and efficient intervention of YPA with the aim of holding Yugoslavia together, no matter how pro-Serb and totalitarian it would be.

In 1991, Slovenia was a newly established post-socialist state, which experienced war at the beginning of its independence. Therefore, the establishing of its defence sector incorporated the remedies of the past, and at the same time, the need for new solutions, sometimes even counter-solutions against the previous system. The most equivalent description of this first period would be “between continuity and transformation” and it is still possible to find the same dilemma in the recent changes of the defence sector in Slovenia.

*Phases of the Defence Sector Transformation in Slovenia*


The first phase of defence sector transformation in Slovenia took place between two historical events, War for independence in June-July of 1991 and the signing of the Partnership for Peace Framework Document on March 30, 1994. The defence system of independent Slovenia was established as a continuation and as a counter-image of the former Yugoslavia’s system of total national defence. The reason for preserving some characteristics of the former doctrine was the fact that it was very well developed. According to some evaluations, the Slovenian system of total
national defence was one of the best among the republics of former Yugoslavia. This system was victorious in the Ten-day War for Independence in 1991. Although the military part, Territorial Defence Units, was very poorly equipped and armed, it was, together with police units, successful in armed resistance towards the better-equipped and well-trained YPA units. The defence system of Slovenia, as established in 1991, was comprised of civil defence (the framework for all important national enterprises in national security, such as telecommunication, railway, energy and other services; they support military organisation and fulfil their own defence related obligations), rescue and self-protection (system of organisations and individuals obliged to work in the case of natural and other disasters), and military organisation, which kept its name from former Yugoslavia, i.e. Territorial Defence until 1994.

Some solutions in the newly established system were set as counter solutions in comparison to the former Yugoslavia. They were put in force in order to clearly show the borders between the old and the new system. The defence education was immediately abolished from the primary, secondary and high schools. The compulsory military service was shortened to 7 months (12 months in the former YPA). The conscripts served very close to their homes – in YPA they were sent very far away from home, usually to the far most republic, for example from Slovenia to Macedonia, from Kosovo to Slovenia, etc. The conscientious objection was allowed on a very broad basis, with a very weak check of the sincerity of requests. Alternative civil service was of the same length as military duty, and it was fulfilled within a wide range of organisations. In the former Yugoslavia, conscientious objection was not allowed until its very end when military authorities finally recognised the objection on religious basis and established non-armed military duty for objectors.

Before declaring independence, the Slovenian political elite and public opinion were divided between those in favour of the demilitarisation of Slovenia (departure of all military units from Slovenia and de-installation of all military infrastructure) and those in favour of establishing the Slovenian Armed Forces. As the clash was very intense, it pushed the government into a stalemate, and the only working solution on the eve of armed conflict in June of 1991, was to continue with the activities and the mobilisation of the Territorial Defence (which already existed as a second echelon of the Yugoslav armed forces, and was organised on a republic level) and the Slovenian police (also organised on a republic level). Beside these two actors, nearly all Slovenian citizens co-operated with violent and non-violent means and methods in the war for independence. Until January of 1992, Slovenia existed without international recognition. In this period it preserved the defence concept of defensive self-reliance, inherited from former Yugoslavia, but it lost its non-aligned
character. After international recognition in January of 1992, the possibilities for guaranteeing its security changed considerably. Slovenia became a member of the United Nations and a member of the Conference on Security and Co-operation in Europe.

From the legislation point of view, Slovenia adopted a new Constitution in December of 1991, where articles 92, 102, 123 and 124 concerned the national security. The Defence Act (1991, adapted in 1994) and the Act on Military Duty are two second-most important legal documents. The fundamental among the doctrinal documents is the Resolution on the Principles of National Security of the Republic of Slovenia, adopted by the National Parliament in December of 1993.

2. From the Balkans to Europe and UN (1994–2000) (military reform = from militia to standing army)

The first development period of the Slovenia’s defence system was occupied with preparations and measures to assure security with regard to the events in the Balkans. Two major wars were taking place in the neighbourhood (Croatia and Bosnia-Herzegovina). Slovenia accepted approximately 100,000 refugees from both countries and interestingly, they were of different national origins—Croats, Serbs and Muslims. The refugee camps were organised in the former military barracks, which was the first civilian use of the former military infrastructure. The military organisation was designed for homeland’s defence, it was huge in the number of reserve units, and a lot of training centres for conscripts were established throughout the country. The Territorial Defence was organised like militia, preserving some elements from the former Yugoslavia and copying some ideas from the Swiss militia model (introduction of the military instructors to train conscripts).

Throughout 1993, the Slovenian government began informal co-operation with NATO and at the end of the year, the idea to ask for NATO membership became the doctrinal issue. In December of 1993, the National Parliament adopted a Resolution on the principles of National Security and, in its framework, formalised the accession to NATO as one of the main goals of foreign and defence policy of Slovenia. The Partnership for Peace document was signed in March of 1994, and in July of 1994, the Government of Slovenia presented to NATO its reasons for the accession to the PfP Programme, the implementation of measures for its realisation, as well as planned activities in the military and civilian fields. The whole process shows gradual movement of Slovenia from the obsession with the Balkans and threats from the Balkans to the wider world, to wider Europe, NATO and the international organisations. In order to be more organisationally prepared for the international security
activities and to establish the military organisation on the principles of standing army, Slovenia decided to re-name the military from Territorial Defence to Slovenian Army, and to establish a bigger professional corps, composed mainly of soldiers, NCO’s and officers. By the end of 1994, a special military unit was organised, named as the 10th battalion for International Co-operation, whose duty was to train and co-operate in the international military exercises, the units of bilateral or multilateral military co-operation, and possible peacekeeping operations. This was the first (fundamental?) main military reform of the Slovenian defence sector.

In May of 1995, the first individual partner programme on the co-operation between Slovenia and NATO was adopted, stressing the adjustment of the defence system and military structure, education, military exercises, standardisation, civil-military relations according to the NATO expectations. This document represented the beginning of Slovenia’s path to NATO and the beginning of investment in NATO membership. When NATO study on the enlargement was presented to the partner states in September of 1995, the Slovenian political elite and some defence experts evaluated Slovenia as well prepared according to the prescribed conditions for NATO membership. Since Slovenia was undoubtedly one of the best candidates for NATO, the Slovenian Parliament decided to show the all-national desire for NATO membership by adopting the Decision to ensure the Slovenian fundamental security interest within the framework of the collective defence system, enabled by NATO membership. In April of 1997, the National Parliament continued confirming the willingness to become NATO member by adopting the Declaration of Parliamentary Parties in Support of Slovenia’s Integration in NATO. The Declaration was a prerequisite for NATO Summit in Madrid of 1997. The Madrid NATO Declaration mentioned Slovenia, but not as an invited candidate for NATO membership. The failure to be invited to NATO had a sobering effect on the Slovenian public opinion and the political elite, but it did not stop the active participation of the Slovenian Army in NATO activities. Furthermore, the Slovenian Army began to participate in peacekeeping operations under NATO command (SFOR in Bosnia-Herzegovina in October 1997, KFOR in Kosovo in 1999).

The participation of the Slovenian soldiers in peacekeeping operations since 1997. First deployment was in ALBA operation (May-July of 1997) where medical unit participated as a battalion aid station, and since September 1997, larger number and units of service members (only professional soldiers, never conscripts) were sent to UNFICYP operation. Slovenian contingent participated within the Austrian battalion and with the withdrawal of Austrian troops from UNFICYP in June 2001, Slovenia also ceased to send its troops to Cyprus. Instead, the number of Military
Police members, sent to SFOR, increased. Instead of one platoon, which participated in SFOR till 2001, two platoons are deployed since 2001. The participation in SFOR also includes a helicopter transport, a transport aeroplane, and also a military medical unit in Sarajevo. Since 1998, two officers have been participating in UNTSO as observers. Furthermore, since 1999, 6 officers are sent to KFOR in Kosovo every six months. In November of 2000, the civilian police from Slovenia participated in UNMIK (15 policemen), which was another important change in the Slovenian national security policy as a whole.

It is important to note that in 1997, Slovenia was elected to become a non-permanent member of the UN Security Council by a great majority of the United Nations General Assembly. Slovenia fulfilled its duty in the years 1998–1999 and it proved to be highly commissioned to the peaceful solutions of international armed conflicts. Slovenian politicians became aware of the international security as collective effort.

3. On the way to NATO and EU (end of self-reliance doctrine) (2000–) – (military reform = shift to all-volunteer force?)

The third important shift in the defence reforms in Slovenia is connected with the new Government elected in 2000. In his Guidance for further development of the defence sector in Slovenia, the new defence minister announced that significant restructuring of the Slovenian Armed Forces would take place until 2003. The aim of the reforms is to create forces, which are small in size, but well armed, equipped and trained. The focus is on professional units, which have to recruit soldiers to fill in rank and files. The restructuring process should end with 25000 service members (among them should be 7000 professionals, 5000 conscripts, and the rest reserve soldiers). This announcement aims at the biggest decrease of armed forces’ size in 10 years, declining the mass army of 56000 soldiers in 1998 to less than half in a 5-year period. Furthermore, it initiated the debate on abolishing the conscription. The debate on the expertise level started in autumn of 2001.

The military doctrine of the Slovenian Army states that the fundamental tasks of the Slovenian Army are as follows:
  – providing defence in the event of an attack on the country,
  – complying with Slovenia’s commitments made to the international organisations,
  – training for defence purposes,
  – providing an adequate level of combat readiness, and
  – participating in civil emergency operations in the event of natural or other disasters.
According to the Guidance of the Defence Minister, Anton Grizold, it is possible to conclude that commitments to peace support operations and international security organisations will become the main task of professional, all-volunteer part of the Slovenian Army, while the reserve units will continue with training for homeland’s defence.

The Membership Action Plan for NATO accession of October 2001 was evaluated as the best-prepared plan so far. It shows the preparedness of Slovenian defence sector for realistic planning and keeping the promises regarding the participation in NATO activities. Slovenia is also offering its professional units to the European defence forces, which is a part of its accession negotiations with the EU.

The developments of the year 2001 show the Slovenian decision to suspend the old total national defence doctrine of self-reliance and to develop great ability of co-operation in common international security and defence mechanisms. The reality of higher security level, assured within the Alliances, becomes a part of the Slovenian political and public opinion debate. There is also a significant amount of scepticism in the society regarding the Slovenian membership in NATO. The Prague NATO Summit at the end of 2002 is another corner stone in the attempts of post-socialist countries to be invited to NATO. Slovenia is among them and is rated very well. But politicians and public opinion are now more realistic in forecasts about NATO membership. The fact that Slovenia is an excellent candidate for NATO membership is not enough to receive the invitation. It is not only expert decision, but also, above all, political decision of the 19 current members of NATO.

Problems and Challenges in the Process of Defence Reforms

1. Neutrality or Alignment?

One of the first problems Slovenian political elite had to face after gaining independence was the decision on the main strategic interests and orientations. Being part of former Yugoslavia, Slovenia experienced its great times in non-alignment movement. Former Yugoslavia had a somewhat intermediate, geographical and political, position between the two blocs, the capitalist West and the socialist East, and their military-political alliances, NATO and Warsaw Pact. A specific political orientation formed in the public, viewing both alliances as negative factors of international politics. Yugoslavia found itself among the “founding fathers” of the Non-Alignment Movement and the Conference on Security and Co-operation in Europe. All these processes formed and maintained Yugoslavia's political character as a non-aligned country with no external security guaran-
tees. The value of independence in defence policy kept a very high position among the country’s values and it was preserved also in Slovenia during the armed conflict in 1991. The value was especially important as the basis for the will to fight in 1991, when Slovenian people did not expect foreign support in the attempt to declare and preserve independence. It remained realistic during the conflict and respected the Brioni Declaration, signed on July 7, 1991 as the document to stop Slovenian activities towards independence. Some European countries, among them Germany, sympathized with the Slovenian struggle for independence, and the members of the European Community recognised Slovenia as a state in January of 1992. This was a turning point in the Slovenian political culture; the Western Europe was now viewed as the main security and economic guarantee. At that time, NATO was not yet perceived as a promised alliance. Being a relatively small nation, the Slovenians are eager to preserve their political and cultural individuality, which results in some NATO-scepticism and also euro-scepticism in the public opinion. Furthermore, there is also another ambiguity of the Slovenian political landscape, which forms the ambivalent situation in the political culture: the Slovenian political elite feels the psychological need to be recognised symbolically as belonging to “Europe” and to the West, and not to be mixed with the Balkans. Living at the edge of the Balkans was one of the significant inputs in the Slovenian political culture to finally abolish the concept of defensive self-reliance and ideas of neutrality. The decision to opt for EU, and also for NATO, was reached on the basis of negative experiences with bloody unfinished war at the Balkans.

2. The Lack of Strategic Guidance

The newly established state of 1991 needed a large amount of adapted, renovated or newly prepared legal documents. There was a need to legalise itself in a statehood manner. The rights and duties of all individual subjects, comprising the security system and other sub-systems of the state, should be explained in laws and legislative norms, starting with the Constitution and ending with the military regulations and rules. In this respect, a kind of dilatory process was taking place in Slovenia. First, there were serious difficulties before reaching a clear and unambiguous agreement on the key security interests. Slovenian newly elected multiparty elite from 1990 lacked the knowledge on preparing the defence documents, which was one of the most important political skills in the past. The former politicians were educated in defence matters in order to understand and lead the defence matters. Second, the main strategic security documents were prepared by think-tanks in Belgrade, at the federal level and were sent for political debate to the lower political echelons as top-down documents. Therefore, the Slovenian former political elite (which partly survived the changes from one-party to multi-
party system in 1990) was more skilled in debating the documents than preparing them. Third, in 1991, the Slovenian political landscape was sharply divided into two blocs regarding the basic national security issues; one bloc was in favour of demilitarisation, and the other in favour of establishing the armed forces. Due to this division, the defence sector lacked the political guidance to form the basic structures of the defence system. Some basic principles and structures were formed under more impact of defence experts from the autonomous, mainly university circles, than the impact of the political expectations. The lack of political guidance is one of the most dangerous inadequacies of the post-socialist countries, because it might result in a lack of political control over the defence sector. The Slovenian political elite managed to form certain abilities in order to reach the consensus on the main security issues (as shown in the case of Parliamentary declaration for joining NATO in 1997), but there are still open security issues which might turn into division lines between elites and cause the stand-backs in military and defence reforms in Slovenia. One of these issues is the worldwide problem of the decline of mass armies (as analysed by Haltiner, 1998), which, on the level of national policy, tends to be translated into the phenomenon of abolishing conscription.

3. Unfinished Military Reforms

The problem of insufficient political guidance led the Slovenian defence sector, and especially the military organisation, to a few unfinished military reforms that cost a lot of time and money, but did not reach the final goals. Usually, it happened after a government change and after the change of a Defence Minister. The chair of the Defence Minister is one of the least liked in the Slovenian Government, which is displayed in the fact that Slovenia had 7 different Defence Ministers in a 10-year period. Each minister, aware of his high competencies in this field, tried to show his authority by commanding “significant” changes in the military sector. The real basis for their attempts was not in the sincere improvement of military sector (which is urgent), but in their personal political desires to promote their political party within the military. Many of them understood the political control over the armed forces as their political party’s feud, where they can employ the party sympathisers or exercise other personal interests. In the first part of this paper I described the reforms that presented turning points of the defence system, and skipped those that occurred, but did not reach the final goal. Maybe it would be more correct to also describe the failed reforms, because they caused a lot of problems and much disorientation within the defence sector. Actually, they were influential, although not finished.
4. How to Transform Political and Security Culture

The Slovenian defence sector was faced with the gap between the political and security culture of the citizens and politicians, and the expectations of the international community to reflect the new trends in security matters. In some cases, the political elite took the first step and had to propagate intensively to change the public opinion. For instance, in 1994, the decision to ask for PfP membership and the singing of the PfP Programme was a political initiative. The public was not aware that this was the first investment to NATO membership. In the summer of 2001, some NATO sceptics led a media debate against the membership in NATO, but they did not realise the 7-year investments of the country in the rapprochement to NATO. They still think the debate could start from zero, but it is too late. The second example, where the defence experts, the defence minister and part of the Government favour the new security concept, is the relation between the conscription and all-volunteer force. The majority of the political parties and of the public in 2001 was not aware of the size of the problem relating to the manning of the armed forces. Public opinion, as measured in 1999, showed high acceptance of the military service. It was also supported by the majority of young population of 15–16 years old, surveyed in 1999. In praxis of the military service, the requests for recognition of the conscientious status rapidly increased, and the amount of the males that actually served the military, decreased. At the same time, another survey among the young population (Youth 2000) showed increasing tendencies towards post-modernity. Therefore, the security culture of the elder population tends to be resistant towards new challenges, whereas young population shows fast assimilation of the new trends. It will lead to the generation gap on the security matters.

5. Equilibrium of Social and Functional Imperative

The social and functional imperatives (as defined by Huntington, 1957, 1995) of the armed forces in Slovenian public contain the basic contradiction of the past 10 years of security development. According to the public opinion polls from the former Yugoslavia (the period between 1982–1990), the Slovenian public did not agree with the social imperative of the former YPA. There was a rise of expectations concerning the functional imperative, understood as the resistance of the YPA towards outside threats, as successful military training and help in natural disasters. On the other hand, Slovenian public was striving to reduce the social role of the military in domestic matters and to deny the right to educate young males in a patriotic spirit. Slovenians were also opposed to all possible forms of military engagement in defending the constitutionally decided political system. Surprisingly, the Slovenian public still holds the
same expectations towards its own, Slovenian, armed forces. The main problem of the territorial Defence was in its ability to better fulfil the social imperative than the expectations regarding the functional imperative. The discrepancies between the functional expectations of the public opinion and the social role of the Territorial Defence Units led to a very slow process of modernisation and transformation of the Territorial Defence into standing army. Furthermore, these discrepancies were the cause for the decreasing military legitimacy. The military, exposed to the decreasing legitimacy, decided to form some clearly professional units, which tend to be the military elite in many respects (military police, 10th battalion for international co-operation, armoured units, air and marine units). These units claimed to fulfil the functional imperative better than other units, which have to train the military conscripts or consist of a large amount of reserve soldiers. This contradiction causes the macho-militarism tendencies among the professional units and the sense of less competent army or second-class army among the rest of the units. The conscripts, challenged by the less prestigious status of the roles they are supposed to play within the military, decide (in significant amounts) to escape from military service.

6. Military and/or National Service – on Compulsory or Voluntary Basis?

There was no debate on the system of manning the armed forces in 1991, when Slovenia, exposed to YPA’s military intervention, mobilised the Territorial Defence Units. The continuation of the conscription was the only culturally accepted form of maintaining the massive forces needed in the case of further YPA’s attacks (which were expected in the Slovenian public after cease-fire of July 1991). Military service was much shorter than in the former Yugoslavia, which increased the motivation of young males to serve, and many of them were proud to serve in the victorious army of 1991. There was a very low number of requests for conscientious objection status (240 in 1991), although the right to serve in alternative civil service was equal to military service, of the same length, and recognised on a very broad motives’ basis. The conscripts served near their homes. They had the possibility to spend nearly all weekends with their families, outside the barracks. In order to show the difference when compared to the former YPA, the discipline within the barracks was very weak. Officers were very limited in sanctions towards disobeying soldiers, and soldiers had a variety of channels, where they could claim inequalities in officer-soldier relations, at their disposal. Officers were forced to use the polite form of addressing the soldiers (“vi” or “Sir” form). Furthermore, due to the fear of harming the conscripts, and media coverage of the possible accidents, the officers slowly changed the methods of training into very low intensity training in order to avoid accidents, soldiers’ complains and parents’ pressure to make exceptions for
their sons. The process caused degradation of military training, which was perceived as a waste of time by the new generations of conscripts. The number of requests for objection increased (expected to reach 3000 out of 15,000 eligible for service in 2001). There is also a significant increase of medical drop-outs (16% of eligible for service in 2000). The data shows that we cannot speak about a universal military service anymore. In 2001, we are facing a very selective military service, where the most educated conscripts look for civil service or exemption from the service, and those who serve are low educated and low motivated conscripts, many are serving because they were not clever enough to find a way out of the service.

The problems with the recruitment of conscripts forced the MOD to perform surveys on the adequacy of military service for future soldier corps of the Slovenian Army and surveys on possible methods of recruitment in the future. The surveys are taking place in the autumn of 2001 and are supposed to serve as the basis for the political decision on the future suspension or transformation of the military. Military service is connected with the issue of burden-sharing inequality among young population. First, women are excluded from the military service, which is perceived as incorrect due to the equality of both genders in the civil society (no politician has the courage to publicly announce that women should also fulfil some kind of national service). Second, every third male is excluded from the military service before having any contact with the military (medical and conscientious objection drop-outs). Third, those who serve do not have any benefits, on the contrary, the experience many losses in the civil life due to spending 7 months in the military (they are not a part of the civilian job market, their education stops, nobody is paying to their pension funds for the 7-month period).

Some political actors think that all-volunteer forces would better fit the security culture of the average Slovenian. They are in favour of the voluntary recruitment of soldiers for both, the standing army and the reserve units. Having surveyed the attitudes of young population towards the defence system as a whole; I am very sceptical about the chances of the Slovenian Army to find enough volunteers for its files. It is easier to find applicants for officers’ jobs, which are still highly appreciated by young people, than to find volunteers for privates.

7. Is Conscientious Objection the Consequence or Precondition for Military (In)Effectiveness?

The Constitution stipulates the general defence obligations for all male citizens and the right of conscientious objection on religious, philosophical and humanistic grounds to contribute to the country’s defence and
security other than by military service. It means that military service and alternative civil service are constitutionally equal ways of fulfilling the compulsory military duty. As mentioned above the number of conscientious objectors rapidly increased in the past 10 years and my argumentation was that this growing number is the consequence of the ineffective military training. This is only partly true, as surveys are showing a high presence of post-modern values among the young population in general. Therefore, the objectors are the result of general social changes and changes in the values of the society. In the case of Slovenian Army, it is possible to observe the trend of ineffective training in the cases of conscripts who decide to ask for an objector’s status during the period when they are in service, which is possible according to the Regulations of conscientious objection, but it frustrates the officers, NCO’s and other soldiers to the extent, that many officers try to get rid of such people at the beginning of the training. Therefore, they send many conscripts out of the units in the first two weeks, usually to the military psychological unit which proves the unpreparedness of a young man for the communitarian values of the military, or they suggest the young man to ask for objector status in order to help him find the way out, and in order to help the unit get rid of the unmotivated and disturbing individual. In such cases, the alternative civil service is a positive channel of excluding the disturbing soldiers (who might be too educated for NCO’s and officers, or too critical towards the military, are unmotivated, not able to accept the military responsibilities, show some personal trauma, etc.) from the military.

8. Officers’ Professional Socialisation

Slovenia never had any kind of military academy on its territory; therefore, there is a lack of experiences with the education of military professionals. In 1991, Slovenia was challenged with its own lack of experiences in this field, the changing nature of military officers in the post-cold-war Europe, the changing balance between the institutional and the occupational characteristics of the modern officer (according to Moskos, Wood, 1988), and the perceived civilianisation of military education in western European countries. The Government decided to educate military officers at civilian universities in order to have B.A. degree personnel as input into the military education. An Officer’s School was established in the framework of the Centre of Military Schools, which lasts 1 year and provides the applicants with the specialised military skills and knowledge. The system of military education was in part convergent (theory of convergence-divergence of military education according to Caforio, 2000) and in part divergent (Officer’s School is not recognised as a step in the formal education, it serves to get military promotion) to other civilian professions (B.A. from a civilian university provides the high school authority and a chance for conversion). The
education system seemed successful in socialising the officers for the conscripts’ army, but they are not sufficiently military socialised and trained to meet the challenges of the all-volunteer force. Many officers, who are now employed in units with a high percentage of all-volunteers, were sent to different military courses in foreign countries. Therefore, with possible abolishing of the conscription, or with intended higher concentration on AVF, Slovenia is forced to upgrade its military education system. One of the solutions is based on the experiences of the university defence studies, designed 26 years ago to educate civilian experts on the defence matters at the University of Ljubljana, where half of the offered courses are on defence or military topics. Greater amount of military exercising, which should become a part of the education of those defence studies students who are interested in military jobs, would improve the military socialisation of the future officers, and slightly shift the existed convergent system of education into a more divergent system.

9. Democratic/Civil/Political/Subjective Control of the Armed Forces and Intelligence Services

The political control of the defence sector was one of the hot issues in the disputes between the former YPA General Staff and the Slovenian civil society movements in 1980s, the YPA and the defence sector as a whole (it was predominated by the military, although the doctrine of total national defence presupposed the involvement of all political and economic organisations and institutions in the defence matters). When establishing the defence system of independent Slovenia, its creators tried to create an equilibrium between the three pillars of defence system (civil defence, rescue and self-protection, and military organisation) in order to exclude the tendency of military predominance. The control of the defence sector was institutionalised through the civil defence minister, the government, the president as supreme commander and the parliament and its special committees. The real problem was the effectiveness and the understanding of the control. First, newly elected MPs were educated in the former Yugoslav military and many of them did not have a chance to exercise or to have direct experiences with the new Slovenian Army. Second, the control of the defence sector was understood as the control over the feud, which belonged to the political party where Defence Minister originated. The service members of the military were not allowed to be members of a political party, they were asked to be politically neutral. Many of them accepted this prohibition and took it as a good way to hide their political emotions, while some of them were more subjected to political corruption from different party members, due to their political sterility.
10. Women in Arms: Emancipation or Capriciousness?

In the history of World War II, women played an important role in the Slovenian resistance against occupation. Many of them were a part of the armed units as combatants, many were nurses and partisan medical officers. After the war, all of them were demobilised. The culture of women, able to fight against the aggression remained as one of the positive elements of political socialisation of the Slovenian society. Since women were excluded from the former YPA, the newly established army decided to show its difference in comparison to YPA also with the inclusion of women into rank and files. Some women were already involved in the battles of armed conflict in 1991, where they showed their combatant abilities. The high percentage of women integrated in the armed forces was a proof of the military progressivism. Nevertheless, it was mainly a symbolic gesture at the beginning of the military organisation. There is a tendency to push women to the posts and jobs, which are traditional women jobs also in the civil society (education, motivation, logistic, communication). As these jobs are not combat and operational in nature, the promotion is very limited. There are 13% of women on different operational and non-operational posts within the military organisation, and many of them perceive the military job as a way of emancipation. The male part of the military perceives them as competitors for the same jobs, which should be originally reserved for men (as military should be the male organisation) and are not supportive of the female desires for emancipation. Some male service members think that female integration to the military is more a capriciousness of feminists rather than the contribution to the military combat effectiveness.

**Relevant Lessons Learned**

**National Security: Top-down or Bottom-up Process of System’s Definition; Civilian Defence Minister.**

According to the predominant position of the military in the past total national defence doctrine, it is very important to place the military as one of the subsystems of the national security and not as the predominant one. It is clear that the threat perception in the society is changing, that military threats are perceived as marginal, and other economic, ecological, social threats are more and more prevailing in the post-socialist countries. Therefore, the security is perceived as multidimensional security, where different mechanisms should be engaged. The key figure to balance the desires of the different parts of defence system in order to benefit from the defence budget is the civilian defence minister, who tends to control the defence sector on behalf of the political party (elite) to which he belongs. Defence ministers have weak ties to the political
parties are more effective in exercising political control over the armed forces, but on the other hand, they are, as free-riders, subjected to quick changes. The political culture at the Balkans favoured the top-down definition of the defence system, which is still possible in the post-socialist time, where the structure of the Parliament is changing with every election and the newly elected MPs are not familiar with the inner-reality of the defence system. The existence of the civil defence experts is of high importance in such cases.

Civil Part of the Defence System

Due to the changed nature of the threats and perceptions of security through its different dimensions, particularly in the South Eastern Europe, the civilian part of the defence system should be established as a counter-weight towards the military organisation. According to the trends in western democracies, military becomes one of the security providers, but not the most important one, as it was designed in the past total national defence in the former Yugoslavia. In countries where the military traditions are very deeply rooted in the political culture (such as Serbia) it would take some time to educate people not to mix defence with the military and not to narrowly describe defence as military defence only. The military alone is the last one prepared to accept the diminished role in the public eye, especially if its legitimacy is based on a victory from a recent war, as it was in case of Slovenia. If the military is perceived to betray the national interests (it lost the war or armed conflicts in recent past), the possibilities to place it as one of the subsystems in the defence system are much higher. It also means that the civilian part of the defence system, whether that is civil defence and/or rescue and self-protection subsystem need to be developed. Slovenia took the advantage of the previous total national defence doctrine, where the two civilian defence subsystems were well developed.

Civil Experts of Defence Matters

Former Yugoslavia had the tradition of educating civilian experts in defence matters at civilian universities. This personnel was highly qualified to understand the needs of the military organisation, but they were also educated to develop the preparedness of all organisations and institutions in the society for defence. In 1975, defence studies were established at the following 5 universities in the former Yugoslavia: University of Belgrade, University of Skopje, University of Sarajevo, University of Zagreb and University of Ljubljana. The study programs in Skopje, Sarajevo and Ljubljana survived the changes of 1991. There are plans for re-establishing similar studies in Zagreb in 2001, which would be mainly oriented towards the national and international security. Furthermore,
ideas of the re-establishment of the Faculty of civil self-protection in Belgrade have been announced. According to the experiences with the Defence Studies in Ljubljana, the importance of its graduates is growing. First, they are the basin for recruitment of the civil administration workers at the Defence Ministry. Second, they are inevitable in the process of definition of the holistic defence system within the country. Third, due to their integration into the international scientific networks of defence, security, war studies and military sociology, they are able to transfer the international findings into the domestic defence practice. Fourth, and this is specific in Slovenia, they are forming the corps of career officers of the armed forces. Fifth, the Defence Studies developed research capabilities and became the most important autonomous civilian research centre for defence and security related issues in the country. They are surveying the civilian environment and, in many cases, they serve as the most trustful research organisation for internal issues of defence system. Sixth, Defence Studies developed the methodology and subjects of defence on the scientific level and organised the postgraduate defence sciences’ courses where higher-ranking members of the defence sector can obtain master or doctoral degree. As a part of the civilian university studies, they provide the possibility for the military persons to meet the civilian public servants from the other sector of the national security, and they offer largely recognised level of education, which helps, especially military persons, to prepare for possible conversion into the civilian employment.

Military Part of the Defence System

1. Length of Military Service
Slovenian Government decided to base the mandatory military service on 7 months of military service and further refresher courses (the male military duty lasts from age 18 – 50 for soldiers, and till 55 for officers). The problem is that the part of mandatory service, which should be done in refresher courses, occurs seldom and if held, proves to be useless (bad organisation, poorly equipped reservists, low motivated reservists at training). There are some studies of the Armed forces of western countries, which doubt whether conscripts can be sufficiently trained for more and more complex requirements of the new military technology or the new peace support operations. German studies from 1996 stated that a conscript had to be trained at least 12 months before sending him to peace operations. To deploy him with less training would be militarily irresponsible. Similar Swiss report from 1998 claims that some missions (abroad) in the Swiss militia call for professional personnel. Slovenia was aware of the inadequate military preparedness of the conscripts in 1997, when the decision to send the professionals to peace operations took place. Furthermore, it is constitutionally forbidden to send conscripts
abroad. Additional problem of the military service is that 7 months spent in the army are not equally intensive. The main training period is the first 3 months, and this period is often cited by the conscripts as the most interesting. The refreshing trainings and the main combat duty of Slovenian armed forces – guarding, are perceived as the most boring part of the service. Therefore, the country should prepare a very clear conscript training plan, and also it should clearly decide where and how to deploy them. The substance of the training should include the skills for the expected military tasks.

2. Demobilisation and Conversion of Military Officers and Soldiers
All post-socialist armies are subjected to huge demobilisation of officers, NCO's and enlisted soldiers. It is the consequence of decreasing military threats after the end of the Cold War and the decreasing defence budgets. The demobilisation is a huge and sometimes dangerous process in the war-affected areas, such as the Balkans. Demobilisation and ill-treatment of the veterans is one of the most critical issues in Croatian society, where veterans are in the forefront of many social movements and radical demonstrations. Slovenia was not affected by these processes because it had to establish its armed forces from the beginning and the officers of different origins were urgently needed to fill in the ranks. The problem was that the officers were from the former YPA, reserve officers, officers educated at foreign military academies and officers trained at the Slovenian Officer’s Schools, gathered together in the same officers’ corps, but they did not develop a common professional culture. After 10 years, they still work as fractions of the same corps and look at each other as competitors. Some of them were quickly promoted to very high ranks, without adequate advanced military education, which caused additional problems. Now, after 10 years, some of them are not particularly motivated for work with conscripts or any kind of military jobs. They should be retired or transferred to civilian jobs as soon as possible in order to make place for fresh young officers and to exclude divergent tendencies in the officers’ corps. Successful transfer is possible if military officers hold a civilian degree. According to the experiences from 1991, the officers whose only occupation is “the officer”, have a lot of problems with the transfer and some cannot find an appropriate job. Many officers who returned from the YPA and other Yugoslav republics in order to live in Slovenia after 1991, had to wait for a long time at the Employment Agency, but since their occupation was “officer of YPA” it was nearly impossible to find them a job. Due to these conversion problems, Slovenia decided for its system of officers’ education, as described in section 2. It means that officers of the Slovenian army hold a civilian degree, which would enable them to find a job on the civilian market in case they would leave the military.
3. De-secularisation of the Armed Forces (introduction of military chaplaincy, respect of human rights), Ideological Pluralism
The post-socialist armies were challenged by the ideological pluralism brought about by multi-party elections. Slovenian officers were prohibited to become party members, but at the same time, they were exposed to different ideologies and patterns of thinking, together with the other strata of the military. They were exposed to the process of de-secularisation. Due to the division of state and church in socialism, the religion practice was not allowed in the former YPA. For the Slovenian Army, it was a new experience to face the expectations of some conscripts to be allowed to practice religion within the military service. Due to the fact that free expression of religion is one of the postulates in the Constitution, and the awareness of the need to have motivated soldiers, the Slovenian Army introduced the military chaplaincy in 2001. The equality of all religious communities is brought from the civilian society to the military and chaplains are supposed to care for all soldiers of all different religions. Furthermore, they are prohibited to proselytise among the soldiers. The Slovenian Army is also searching for a solution of having spiritual service for atheists.

4. Social and Functional Imperative of the Armed Forces
Slovenia learned that the equilibrium between social and functional expectations regarding the army is needed in order to maintain the legitimacy of the military. For the Slovenian Army, it was important to learn that the public expects its help in natural disasters, although it was not trained for disaster relief. The cooperation in peace support operations is the new source of army legitimacy.

5. Balancing New Missions and Tasks – National and International
According to the public opinion, the defence reform, in which Slovenia transferred its military duties from just homeland’s defence to include also the peace operations, proved to be one of the most important changes in military doctrine. International missions became a place of comparison with other militaries; a place where soldiers learn about other cultures and train to use less force than it is expected in training for homeland’s defence. The army should preserve the balance between the defence of the homeland, the peace support operations and aid in natural disasters. The three mentioned tasks are the top tasks of the modern western European armies according to the public opinion (and it is the same in Slovenia).

6. Women in Arms
Women in the armed forces are the symbol of their progressivism. They should be accepted and promoted on a broader level than it was the case in the former Yugoslavia and other socialist countries. They should be encouraged for voluntary military service (as in Sweden, Finland,
Switzerland), which helps them in a broader national emancipation processes. It is important to educate the officers to be prepared for this new minority entering the army.

7. De-professionalisation of Officers, Reforms in Military Education
According to the recent trend in military education, the majority of the European countries are moving from divergent model of officers’ education into a more convergent one (see Caforio, 2000). In addition, due to the new tasks and missions of the militaries, a lot of new courses (such as political science, international law, anthropology, foreign languages) are introduced in the military education, which help officers adapt to the requirements of the peace support operations. The tendency to change officer profession into an occupation, which is comparable to the civilian occupations, initiates the process of de-professionalisation or de-institutionalisation (see Moskos, Wood, 1988). It is on the way to become the job like others.

8. Decline of Mass Army and Abolishing of Conscription
After the end of the Cold War, the Post-socialist countries and also other countries, were exposed to rapid decreasing in the manpower. The decline of mass armies in Europe initiated a debate on how and if to prolong with conscription, which is the main basis for massive recruitment. Universal conscription changed into a selective conscription after considering the conscientious objection and medical drop-outs. Beside, some countries (Germany, Sweden) maintained conscription as an easy way to provide the flexibility of actually drafted soldiers. When the defence money becomes scarce, the number of enlisted and tested male citizens can be lowered without complaints by the affected. It also provides a type of probationary period to recruit military volunteers.

9. Political Neutrality or Political Sterility of the Military Professionals
Political neutrality of the military professionals is the transition characteristic, which marked the step from officers devoted (and controlled) to/by one party, to the officers able of serving under different political parties. After 10 years of political sterility of the officers, it became clear that it is impossible to prohibit people from political thinking. The political engagement is one of their human rights, suspended because of the military job. The official exclusion from the political practice gives the impression that officers are public servants. It helps to restore the public legitimacy of the military.

Civil Society and Political State

One of the most important steps to civilianise the armed forces and to show that modern armed forces are able to respect human rights is the
recognition of the conscientious objection. It might lead to the overwhelming escapism from the military service (as in Slovenia). Due to the selective conscription, which is now reality, there are less people with direct experiences with the military. Therefore, the military urgently needs somebody to present it to the public, and this is media. The media mediates between the military and the society, but it also serves as the main source of civilian control over the armed forces, especially in the countries where political elite is not strong enough to control the AF. The militaries are challenged with the decrease of the defence budgets, but the requests for fulfilling the new tasks are greater. It means that they have to do more with less money and less personnel. A rise of post-modernity among young population has been observed in surveys, which threatens the processes of recruitment for conscription armies and also for AVF.

International Impact on Defence Reforms

Slovenia is an example of a country exposed to the huge defence reform due to its international co-operation and involvement in negotiations for security and political alliances. In the process of approaching NATO, Slovenia obtained many security obligations. It was forced to standardize the system according to NATO standards. Furthermore, it was expected to actively participate in the international peace support operations under the UN flag, and also under the NATO command. The participation in international missions, exercises, training, and multilateral military settings brings the international control over the armed forces. It means that Slovenian armed forces are under domestic political and public control, and also under international control and evaluations.

Sources:
- Caforio, Giuseppe (2000): The European officer: A Comparative View on Selection and Education. Pisa: Edizioni ETS.
The phenomena of the increasing transnationality of security threats and risks, originating especially in the Southeastern Europe (SEE), contributed to the blurring of the distinction between the national and international aspects of security in a modern state. In this respect, the Slovenian national security has been affected by the negative events in the SEE more than only in an indirect fashion. As a relatively new nation-state, Slovenia is increasing its efforts to develop the concepts, policies, and institutions, which would ensure its national security and contribute to the regional security in the SEE. Slovenia can contribute to the regional security most effectively by, firstly, ensuring an adequate and satisfactory level of national stability and security; secondly, fostering friendly and non-conflicting relations with the neighbouring countries and, thirdly, contributing militarily and non-militarily to the international security endeavours in the SEE. In other words, every state has to begin by ensuring an adequate level of own national security and continue by contributing to the security in its immediate region with all available means. One of the most important inputs to the policy-making on these security issues in a democratic state is public opinion, which is reflected in the opinion polls.

The aim of this paper is to outline the public opinion aspect of the following points regarding the assurance of the Slovenian national security: public perception of the security threats and risks in Slovenia, public perception of conflicting relations with the neighbouring Croatia and public perception of the Slovenian military (peacekeeping, peace-supporting and peace-enforcing operations) and non-military (Stability Pact, International Trust Foundation (ITF), opening of the Slovenian airspace for allied aircraft during operation Allied Force in 1999, etc.) contribution to the international security endeavours in the troubled neighbouring region. Several credible opinion polls were used for this purpose. SJMs (Slovensko javno mnenje) of 1994, 1999, 2001 and 2002 are perhaps the
most credible Slovenian opinion polls due to their “face-to-face nature” of data gathering and purely scientific motive. The SJMs used in this paper are based on the statistically credible samples of more than 1000 respondents, which is more than sufficient for such a small country. Also, Politbarometer (monthly opinion poll financed and used by the Slovenian government), Ninamedia and DELO Stik telephone opinion surveys were used. The reader of this paper should note that these polls reflect only the opinion of the Slovenian residents with a static telephone connection. Nevertheless, these are respected and credible statistical sources for interpreting the Slovenian public opinion.

**Threats to the Slovenian Stability and Security**

Slovenia was born through the blood and war, same as most of the other countries in the world. The militarily threatening state of 1991 gradually changed in favour of the non-military threats to the national security, which is reflected in the public opinion polls and official government documents.

The Defence Research Centre at the University of Ljubljana continuously measures the perception of the Slovenian population regarding security threats. A survey performed in the last quarter of 2001 displayed that approximately 72 percent of the respondents felt safe and only 11 percent felt threatened (SJM, 2001). This is probably the best indicator of the actual security situation in the country. On a more specific level, the Slovenian population felt threatened mainly by non-military threats of social, political, economic and environmental character (see Table 1).

**Table 1: Threats to the Slovenian national security in 2001 and 1999 – rating based on the mean value on the scale from 1 to 4 (1 = issue does not represent a threat, 2 = weak threat, 3 = medium threat, 4 = big threat) (SJM 2001; SJM 1999; see also Grizold & Prezelj, 1999; Prezelj, 2002).**

<table>
<thead>
<tr>
<th>Threat</th>
<th>Average answer in 2001</th>
<th>Average answer in 1999</th>
<th>Average answer in 1999</th>
</tr>
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<tbody>
<tr>
<td>Drugs, narcotics</td>
<td>3.41</td>
<td>3.46</td>
<td></td>
</tr>
<tr>
<td>Crime</td>
<td>3.28</td>
<td>3.46</td>
<td></td>
</tr>
<tr>
<td>Traffic accidents</td>
<td>3.24</td>
<td>3.22</td>
<td></td>
</tr>
<tr>
<td>Unemployment</td>
<td>3.14</td>
<td>3.35</td>
<td></td>
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<tr>
<td>Environmental deterioration</td>
<td>3.07</td>
<td>3.35</td>
<td></td>
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<tr>
<td>Poverty</td>
<td>3.05</td>
<td>3.13</td>
<td></td>
</tr>
<tr>
<td>Low birth rate</td>
<td>3.00</td>
<td>3.29</td>
<td></td>
</tr>
<tr>
<td>Economic problems</td>
<td>2.99</td>
<td>3.23</td>
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</tbody>
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1 For further elaboration on results from SJM 1999, see Grizold & Prezelj, 2000.
<table>
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<tr>
<th>Threat Category</th>
<th>Score 2001</th>
<th>Score 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suicides</td>
<td>2.88</td>
<td>3.09</td>
</tr>
<tr>
<td>Selling of social property</td>
<td>2.87</td>
<td>3.14</td>
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<td>Natural and technological disasters</td>
<td>2.76</td>
<td>3.20</td>
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<tr>
<td>Refugees, illegal immigrants, immigrants</td>
<td>2.74</td>
<td>2.98</td>
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<td>Domestic instability</td>
<td>2.53</td>
<td>2.94</td>
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<td>Infectious diseases – AIDS, etc.</td>
<td>2.43</td>
<td>2.78</td>
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<tr>
<td>Lagging behind in science and technology</td>
<td>2.33</td>
<td>2.84</td>
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<td>Extreme nationalism</td>
<td>2.20</td>
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<td>Terrorism</td>
<td>2.09</td>
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<td>Conflicts in former Yugoslavia</td>
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<td>2.75</td>
</tr>
<tr>
<td>Military threats from other states</td>
<td>1.79</td>
<td>2.21</td>
</tr>
</tbody>
</table>

The table reflects the cognitive intensity of 19 possible sources of threat to the Slovenian security according to their average score on the scale from 1 to 4. It is evident, that the threats are not perceived as extremely intense or extremely weak. The most pressing threats in the year 2001 are those of medium intensity, such as drugs (with an average value of 3,41), crime (3,41), traffic accidents (3,24), unemployment (3,14), environmental deterioration (3,07), poverty (3,05) and low birth rate (3,00). The least possible or weakest threats were those of “hard-security” nature, such as terrorism (2,09), conflicts in the former Yugoslavia (2,09) and military threats from other states (1,79).

A comparison with the SJM surveys of 1999 and 1994 shows a very similar situation. Namely, the non-military sources of threat to the Slovenian national security were also more important than the military sources. In a survey performed in 1994, the military threats from other states were perceived as not significant. Only 12,2 percent of the respondents identified them as strong, 28 percent as medium and 32,8 percent as weak threats. However, a further comparison with the results from SJM of 1990, just before the war in Slovenia broke out, reflects a higher cognitive significance of internal military threats at that time.

The cognitive insignificance of military threats from other states is not surprising when reviewing the results of the 1994, 1999 and 2001 surveys. Yet, for an outside observer, the cognitive insignificance of conflicts in the former Yugoslavia is likely to be surprising, especially due to the relative proximity of the problematic countries of former Yugoslavia. The explanation for this is to be found in the psychological aspects of the Slovenian existence. The motive to join the European integrations after gaining independence in 1991 was so strong that the majority of population did not accept the armed conflicts in Bosnia, Kosovo and Macedonia as issues in their backyard. Another surprise is the relative insignificance of terrorism threat in 2001. Especially due to the fact that the respondents were interviewed after the September attack on WTC and Penta-
gon, which should logically contribute to the higher perception of threat by terrorism.²

The spill-over effect of the most pressing crises, such as wars in the SEE, is usually expressed not only in the expansion of military fighting, but also in various economic, immigration, terrorist, environmental and other transborder problems, which could potentially evolve into national security threats. Although the military expansion of the Yugoslav heritage over the neighbouring international borders was stopped, the crises affected the Slovenian security in non-military terms. In addition to the loss of the market in the former Yugoslavia, Slovenia faced significant immigration waves after each escalation of war in the SEE. In 1997, the Slovenian police caught exactly 7,093 illegal immigrants. This number increased to 13,740 in 1998 and 18,695 in 1999. Furthermore, in the year 2000, 35,892 foreigners illegally crossed the Slovenian border, representing a 91 percent increase in the number of immigrants since 1999. In September of 2000, the increasing number of illegal immigrants resulted in housing problems. The already overcrowded national capacities simply did not suffice (two centres out of three offered only 285 beds), while the local communities opposed to the establishment of new housing facilities in their areas. In fact, there was no local community who would not express a strong disapproval regarding the resettlement of the immigrants. More than 43 percent of the respondents in the Delo Stik opinion poll (February 3, 2001) denoted such reactions as reasonable, 29 percent as partly reasonable and only 19 percent as unreasonable.

This increasing immigration trend slowed down in 2001. Nevertheless, Slovenia became a final destination for some immigrants in addition to being a transit country for the immigrants from the SEE, Africa and Asia. The public perception of the above-mentioned immigration pressure was reflected in the opinion polls. The Delo Stik analysis determined that the majority of the Slovenian population (63.6 percent) felt that illegal immigrants represented a threat to the people from local communities, 23.9 percent disagreed and only 12.4 percent were undecided. Based on these results, we can identify a slight level of xenophobia, especially due to the fact that 90 percent of Slovenians did not have any negative experiences with these immigrants (Večina Slovencev se počuti ogrožena, 2001) and the crime level among the immigrants was minimal according to the police estimations (Vlada nad težave bolj sistematično, 2001). Furthermore, the Slovenian government stated that illegal immigrants pose a

² The same question was posed one month after this attack to the students of defense studies and students of international relations at the University of Ljubljana. A similar insignificance of terrorist threat to Slovenia was also observed by this survey.
threat to the stability in Slovenia and, in case of increasing number of immigrants, might threaten the Slovenian national security (Press Release of the Slovenian Government, January 12, 2001).

The Slovenian national security policy and key security documents reflected the above-mentioned findings of the discussed opinion polls. The cognisance of minimal military threats to the national security was already explicitly expressed in the Resolution on the Guidelines of the Concept of National Security (1993: 3682) and in the Resolution on the Strategy of National Security (2001). These two documents emphasize the growing importance of non-military threats as opposed to the military threats to the national security of Slovenia. Direct military threats were mentioned only in connection with the possibility of a serious European or world crisis, while indirect military threats could present a problem after “the deterioration of the security situation in some SEE countries” and due to the potential claims and attempts to “correct unjust and unhistorical boundaries” regardless of argumentation.

We can conclude this chapter by saying that Slovenia is not extremely threatened by any source of menace. It does face some problems that could potentially escalate into big security threats. However, the values of threatening phenomena indicators, such as intensity of conflicts, crime, terrorism, economic problems, environmental degradation, human rights abuse, health problems etc., are relatively low in comparison with the other European countries.

Slovenian Relations with the Neighbouring Croatia

Slovenian relations with the neighbouring countries have generally been friendly. The relations with Croatia are particularly significant in our discussion. Slovenia helped Croatia militarily (with military equipment) and non-militarily during all stages of war. Yet, there are some unresolved bilateral questions that burden our relations, such as the question of ownership of the nuclear power plant Krško, the foreign currency savings of the Croatian depositors in the “old” Ljubljanska banka and unresolved land issues, especially the sea border issue. Public opinion polls show that Slovenian public perceives bilateral relations with Croatia as bad, while bilateral relations with other neighbouring countries (Austria, Italy and Hungary) as somewhat good (see Graph 1).
Graph 1: **How would you assess the bilateral relations of Slovenia**
(Politbarometer, January, 2001; June, 2002) (average answer on scale from 1 = “very bad” to 5 = “very good”).

The graph clearly displays that bilateral relations with Croatia worsened in June of 2002 when compared to the bilateral relations in January of 2001. The main reason for this is to be found in the gradual increase of tensions regarding the borderline between Slovenia and Croatia since 1999. In their declarations of independence, both states obliged themselves to respect the mutual borders as valid on June 25th of 1991. However, the land border between the two former Yugoslav republics was not defined precisely enough and the sea border was not defined at all. Due to this fact, the bilateral climate was spoiled by several **border incidents**. For example, in March of 1999, Delo reported that the Slovenian police spotted the Croatian police inspecting the fishermen in the Slovenian sea, while Croatian Ministry of internal affairs notified the public that Slovenian fishermen and police boat trespassed the border many times (see V zalivu budni na obeh straneh, 1999). The reason for this paradoxical situation lies in the different perceptions of the borderline in the gulf of Piran. Croatia claims the control till the mid-line in the gulf, while Slovenia claims the control of the whole Piranian gulf, as was the case at the time of the above-mentioned declarations of independence and later. Croatia also claims a sea-border contact with Italy, while Slovenia, on the other hand, claims the inherent right of access to the international waters. A similar type of incidents reached a second peak in the summer of 2002, which seriously spoiled the climate of neighbourly relations.

A joint telephonic public opinion surveys by CATI in Slovenia (N=366) and PRISM Research in Croatia (N=550) displayed a worrying predomi-
nant opinion of respondents from both states that these incidents were organized moves by the government of the other state. Namely, 48 percent of Slovenes and 50 percent of Croats expressed such an opinion, while only 18 percent of the respondents from the first group and 12 percent from the second group thought differently. The next graph shows the attitudes towards the potential outcomes of the border crisis in the gulf of Piran.

Graph 2: How will the border question in the gulf of Piran be solved?

Approximately one third of the Slovenian respondents believed that an unchanged situation would continue, while only 5 percent of the Croats shared that opinion. Less than one third of Croats and more than one third of Slovenes believed that the problem would be solved with international arbitration. Slovenian responders showed more pessimism regarding the signing of the bilateral agreement than the Croat responders.

The border delimitation problem is the only classic bilateral problem, which might be relevant also in security terms. The scientific analysis of the causes of most serious conflicts among states by Holsti (1991: 307) shows that they derive from territorial disputes. In fact, as much as 50 percent of all wars in the period from 1648 to the First World War were caused by unresolved territorial disputes. In the period from 1945 to 1989, this percentage decreased to 31 percent, which was still the highest among all other potential causes of armed conflict. These facts point to
the immense importance of resolving the bilateral dispute between Slovenia in Croatia.

The democratic peace theory draws attention to the non-violent resolution of bilateral conflicts among democratic countries (see Mansfeld and Snyder, 1995: 5; Starr, 1997; Russet and Starr, 1996). Slovenia and Croatia (after the regime of Franjo Tuđman) are democratic countries that have the wisdom and the capacity to solve this problem peacefully. Within this peace framework, it is of ultimate importance to solve the problem in a non-radical manner and also to temper the extreme manifestation of national interests, because the question will slowly become much less important and explosive, provided that both countries enter the European Union. Proposed solution by arbitration is the worst positive solution, since it would point to the incompetence of both governments. Furthermore, such solution would require bilateral agreement (Prezelj, 2002).

Slovenia retained a positive attitude towards Croatia despite this inconvenience in bilateral relations. In this respect, Slovenia is strategically interested in Croatian entering the Euro Atlantic and other international integrations, which is reflected in the active Slovenian support of Croatia in these forums. The stability and peace in the SEE will be even firmer if Croatia is systemically and mentally integrated with Europe.

**Slovenian Contribution to the Security in the Southeastern Europe**

The Slovenian national security interest is to contribute militarily and non-militarily to the security and stability in the SEE. This includes the prevention of threatening events in the countries of this region and discontinuance of their transnational transfer. Virtual isolationism and irresponsible attitude towards many potential security problems in partially stabilized countries of the SEE have the potential of striking back transnationally in a much less manageable manner. Slovenia, as a country of former Yugoslavia that reached an enviable level of stability, is in a position to transfer its stability to the SEE. This logic is quite simple from a contemporary perspective. However, it was a long learning process for Slovenia. The intention of the public and the administration to separate Slovenia from anything related to the former Yugoslavia was so strong in the first half of the nineties that Slovenia did not contribute much to the international crisis management endeavours in the SEE. According to the SJM of 1994, the majority of the Slovenian population (44 percent) estimated the involvement of Slovenia in the international efforts to solve the crisis in other parts of former Yugoslavia as satisfactory, 8.6 percent as exaggerated and only 26 percent as not enough. Since then,
the Slovenian public opinion has been gradually changing from non-active compassion towards the support for Slovenian contribution to the security in the SEE. In March of 1998, the situation changed. The active participation of Slovenia in the international efforts to bring peace to the other parts of the former Yugoslavia was supported by 72 percent of the respondents, while only 20 percent were against. The supporters of active participation in the crisis management of the region favoured more humanitarian actions (93 percent) and diplomatic-political contributions (88 percent) than active participation in peacekeeping forces (80 percent) (Politbarometer, 3/1998) with military and police personnel. According to the SJM 2001, the majority of population (69 percent) supported the participation of Slovenia in international peace operations. Interestingly, the overall participation of the Republic of Slovenia in peace operations received more support from the respondents that felt less threatened. For example, 73 percent of the respondents who did not feel threatened, supported the participation of Slovenia in peace operations, while the support dropped to a mere 59 percent in the case of the respondents who felt threatened. Also, the majority of the population estimated the crisis management involvement in the area of former Yugoslavia as just satisfactory (52 percent), 8 percent as exaggerated and 18 percent as not satisfactory. At the time of the gradual escalation of problems in Kosovo in October 1998, the Slovenian public opinion favoured only humanitarian cooperation in solving the Balkan crisis (74 percent) and giving permission for air and road transit through Slovenia (57,5 percent), while the military and police participation was supported only by 31,9 percent, 53 were against and 14,9 undecided (Politbarometer, 10/1998).

The change in public opinion regarding the crisis management contributions in the SEE corresponded to the change in the positions of the Slovenian government. The Slovenian political elite of the first half of the nineties considered the crisis management involvement in the SEE as unfavourable due to the “hygienic” reasons. Overly active participation in these efforts could have exposed Slovenia as part of the problem. Every year since then, Slovenia contributed more militarily and non-militarily. It was not until 1997 that the Slovenian military and police participated in their first peacekeeping and peace-support operations in the SEE. The first military contingents were part of the UN operation UNFICYP and the SFOR operation Joint Forge, the first police participation was in MAPE II in Albania. Also, key national security documents of this period reflected a more favourable attitude towards crisis management in the SEE. For example, the Foreign Policy Declaration of the Republic of Slovenia (1999) states the friendly relations with the neighbours and the stability in SEE as one of the fundamental strategic national interests. It is also evident that the eagerness of Slovenia to participate in crisis man-
agement in the SEE was increasing simultaneously with the wish to join EU and NATO. In this respect, the above-mentioned declaration emphasizes the importance of Slovenian cooperation with NATO in the area of former Yugoslavia for building partnership with NATO, or in other words, for joining NATO. In fact, Slovenia also gained a status of a regional expert and sometimes even an advisor to the foreign more or less benevolent powers.

**Public Opinion on the Slovenian Military Contribution to the Security in the Southeastern Europe**

Slovenia contributes militarily to the security in the SEE in many different ways. Only the popular support for participation in peacekeeping and peace-support operations in the SEE will be addressed in this chapter. Contribution in the framework of SEDM (Southeastern European Ministerial), MLF (Multinational Land Force formed by Italy, Hungary, Slovenia and also supported by Croatia), help with the military equipment, etc. will not be addressed.

UNFICYP was the first typical peacekeeping operation for the Slovenian military. Slovenia participated in this operation from September 1997 to June 2001 in the framework of Austrian-Hungarian-Slovenian battalion. The termination of the mandate for the mentioned unit was the official reason to withdraw from the operation. The Slovenian military forces were, in fact, redeployed to other crisis spots closer to Slovenia. The next table shows the total numbers of participants in the peace-support missions in Slovenia’s immediate vicinity.

The table shows that Slovenia contributes approximately one hundred soldiers to the international peace-support missions in the SEE. In 2003, Slovenia will participate in SFOR with an additional company (approx. 110 people). Yet, these are not high numbers in comparison with other larger states. For example, Italy contributed 6860, Great Britain 7253, Austria 598 and Hungary 755 soldiers in peacekeeping and peace-support missions in SEE in 2001 (see Military Balance 2001–2002). However, these are absolute number that exclude a relative size and capability of compared states. A relative comparison shows that Slovenia is more active in the SEE than some NATO members, not to mention the candidates for NATO membership. In terms of the number of total active military personnel per peacekeeper in the SEE, Slovenia contributes more than USA, Czech Republic, Poland, Turkey (NATO members) and Bulgaria, Estonia, Lithuania and Slovakia.
Table 1: Participation of the Slovenian armed forces’ units and members in the peace-support operations of 2000, 2001 and 2002³.

<table>
<thead>
<tr>
<th>Peace-support oper. (or UN mission)</th>
<th>Int. forces</th>
<th>Unit or members of the Slovenian Armed Force</th>
<th>Year 2000</th>
<th>Year 2001 and 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint Forge</td>
<td>SFOR</td>
<td>MP platoon in SFOR-MSU</td>
<td>4 12 10</td>
<td>26 4 12 10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Additional MP platoon in SFOR-MSU (30. 9. 2001)</td>
<td>1 12 10</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Medical unit - ROLE 1</td>
<td>2 4 6</td>
<td>12 2 4 6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LHO - aviation unit</td>
<td>14 4</td>
<td>18 14 4</td>
</tr>
<tr>
<td>Joint Guardian</td>
<td>KFOR</td>
<td>Group of SAF officers in KFOR headquarters</td>
<td>6 6 6</td>
<td>6</td>
</tr>
<tr>
<td>UNFICYP</td>
<td>UN</td>
<td>Army platoon</td>
<td>6 8 15</td>
<td>29</td>
</tr>
<tr>
<td>UNTSO</td>
<td>UN</td>
<td>Military observers</td>
<td>2 2 2</td>
<td>2</td>
</tr>
<tr>
<td>UNMIK/ UNMAS</td>
<td>UN</td>
<td>Officer in Coordination centre for demining</td>
<td>1 1 1</td>
<td>1</td>
</tr>
<tr>
<td>OHR</td>
<td>UN</td>
<td>Officer in the Office of High Commissioner in Sarajevo</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>SUM</strong></td>
<td></td>
<td></td>
<td>35 28 31</td>
<td>94 31 32 26 89</td>
</tr>
</tbody>
</table>

Such intensive participation in the peacekeeping and peace-support missions in the SEE has a very pragmatic aspect. The Slovenian government interpreted this participation as a contribution to the strengthening of the credibility of our state in taking over the responsibility for strengthening the peace and security in the SEE and also increasing the chances for inclusion in NATO. This participation was also regarded as an opportunity to obtain experiences for operations in a multinational environment (see Press release of Slovenian Government, 4. 6. 1998).

National militaries can cooperate in the international crisis management efforts in many different ways. The Slovenian public supports the participation in humanitarian operations without weapons and opposes the participation in peace enforcing operations (see graph 3). The same question was repeated in the opinion poll of 2002 (SJM 2002) with practically identical results.

³ As valid on 25 October 2002.

⁴ Only the number of participants in one relay is shown. Mandate of one relay typically lasts 6 months. “O” stands for officers, “NCO” for non-commissioned officers and “P” for privates.
Further analysis of the results of the 2001 opinion poll, shows that the participation of the Slovenian military in all three types of operations was more supported by those respondents who generally did not feel threatened. For example, the participation in peace-enforcing operations was supported by 40 percent of the respondents who felt safe and 33 percent of the responders who felt threatened. The participation in humanitarian operations received more support from the younger, more educated and better financially situated respondents. On the other hand, those with less education and a smaller income supported the participation in the peace-enforcing operations more.

Contemporary armed forces send various categories of military personnel to the international peace operations. Slovenian public mostly supports participation with professional soldiers (68 percent for and 18,3 percent against), as has been the case in all Slovenian participations. Furthermore, the participation of the Slovenian military with volunteers from conscripts (55,3 percent for and 32,5 against) and from reservists (48,9 percent for and 35,3 against) was supported (SJM 2001).

SJM 2001 also indicated that the popular interest in the military and police participation in peace operations decreases as the distance from the troubled state increases. In this respect, the Slovenian public supports the participation in Bosnia and Herzegovina, while the participation in Kosovo and Macedonia are less favoured, though not unfavoured.
Some Public Opinion Aspects of the Slovenian Non-Military Contribution to the Security in the Southeastern Europe

A few of the many non-military aspects of the Slovenian contribution to the security in the SEE will be presented in this chapter; such as public attitudes towards the participation in the Stability pact, ITF demining activities, the NATO operation Allied Force and police participation in the peacekeeping operations.

Slovenia has been an active member of the Stability Pact for the SEE since its foundation in 1999. Nevertheless, the mentioned scepticism and fear of regional reintegration emerged in the public vis-à-vis this pact. Some parts of the population of the “fugitive” republic and economically the most successful state among all former Yugoslav republics, perceived the international initiatives, such as the Stability pact, as an attempt to tie Slovenia back to the economically underdeveloped, war prone, war torn and unpredictable region. For example, the Ninamedia opinion poll of August 17 and 18, 1999 showed that 20.6 percent of the respondents thought that the Stability pact represented a beginning of a new attempt to revive Yugoslavia, 47.3 percent disagreed and 32.1 percent were undecided. Similarly, 22 percent of the respondents believed that the Stability pact represented a danger to Slovenia, while 32.7 percent of them perceived it as an opportunity for Slovenia. The Politbarometer opinion poll on the role of Slovenia in the Stability Pact (graph 4) again displays such an undecided stance of the Slovenian public.

Graph 4: The role of the Republic of Slovenia in the Stability Pact for the SEE (Politbarometer, 7/1999).

According to this graph, only approximately 30 percent of the Slovenes supported an active role of Slovenia in the pact, while more than 50 percent of them refused any substantial activity in or through this institu-
The active role was supported predominantly by the respondents holding a university degree (diploma) and the respondents who also supported joining the EU.

In the light of such scepticism, the Slovenian government stressed the participation of Slovenia in the Stability pact as a Central European country and as a donor country (security exporter and not consumer). The Slovenian government started its activities in the pact with a great deal of caution in order to prevent any institutionalised arrangement, which would attach Slovenia to the region more than necessary (see Strah pred priklenitvijo na Balkan je odveč, 1999). Gradually, the fear of the forceful integration with the SEE disappeared. The triple governmental motive to participate in the Stability pact was clearly taking shape. Firstly, the motive originated from the increasingly obvious understanding of the positive meaning of stability and security in the SEE for security and stability of Slovenia itself. Secondly, the motive was grounded on the increasingly strong wish to revive the economic cooperation with the SEE states. Slovenia has been exporting to this area between 15 and 16 percent of its total export in 1999. And thirdly, the participation in the Stability pact served as a platform for Slovenia to increase its international credibility and visibility. The initial public scepticism regarding the participation in the pact was explained by the inadequate level of public information available on this issue. The majority of the respondents (52.4 percent) felt that the government did not adequately present all the dimensions and consequences of entering the pact. Only 18.7 percent of the respondents felt adequately informed on this issue (Ninameđia, 17, 18 August, 1999). The government (see Press Release of the Slovenian Government, September 9, 1999) consequently noted the need for informing the Slovenian public on the Stability Pact in order to achieve greater transparency of the governmental work and consecutively increase the trust in government. Slovenia is today active in all three Working tables of the Stability pact. Possibly the most visible contribution would be the bygone co-chairmanship of the Working table 1 on the Democratisation and Human Rights in the first half of 2001 and the successful ITF (International Trust Found) demining activities all over the SEE.

The Slovenian contribution to the security in the SEE in the field of mine clearance and mine victims assistance is of high significance. Anti-personnel mines are typical tool of militaries in conflicts designed to kill, incapacitate or injure military personnel as well as civilians. The problem with the mines in the SEE (and elsewhere) is that they remain in the area long after the conflict ended and pose not only a threat to lives and free movement of several generations of civilians, but also hamper the agricultural and economic development, stiffen the delivery of humanitarian
assistance, prevent the resettlement of refugees and internally displaced population, etc. Affected countries are those who suffered a protracted military conflict (Croatia, Bosnia and Herzegovina, Yugoslavia with Kosovo, Macedonia and Albania). Bosnia and Herzegovina is one of most affected countries in the SEE in this regard. According to the reliable estimates for this country, more than one million anti-personnel mines remain in the 19,000 mined areas (minefields). Most of the mines are in the separation area, with 1100 km total length and the width up to 4 km. In addition, many of the land mines have not been identified yet. If the demining operations continue at the current pace, this country will not be mine-free until 2050. In Bosnia, more than 1200 people were killed or injured between January 1994 and August 2000.

Slovenia contributes to the Ottawa process\(^5\) in the SEE in order to solve the above-mentioned problem. In this regard, the government (Ministry of Foreign Affairs, Ministry of Defence and Ministry of Health) established the International Trust Fund (ITF) for Demining and the Assistance to Mine Victims. Its objectives comprise of organizing and financing the demining activities in Bosnia (since March 1998), Croatia (since September 1999), Kosovo (since spring 2000) and Albania (since June 2000), as well as, the rehabilitation of mine victims. Slovenia is in the position to do this effectively due to its experience in demining (from the first and second World Wars and independence war in 1991) and the fact that it is one of the richest countries in the region. Poorer nations cannot remove the mines without a serious effect on their economy. ITF demined almost 9 million square meters of mined territory in the mentioned countries by the year 2000, and found around 5000 mines and more than 10,000 unexploded ordnances. In regards to the mine victims, the Slovenian Institute for Rehabilitation established a Centre for the Rehabilitation of Mine Victims in May 1998. This institution is offering the maximum capacity for the rehabilitation of approximately 250 patients annually. Also, education and training for doctors and medical technicians from Bosnia has been provided. ITF exceeded all expectations in terms of gaining a very strong international support, raising money from donors and demining such vast areas. The ITF demining activity became one of the most successful activities of the Republic of Slovenia in the Pact of stability for SEE. Nevertheless, it is difficult to determine the public support of the ITF activities, since an opinion poll with such question has never been performed. Based on other facts, we could determine that the Slovenian public has a positive or at least indifferent attitude

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\(^5\) **Ottawa convention** on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-personnel Mines and on their Destruction (signed in 1997, came into force in 1999). The signatory countries are obliged to start with mine-clearance and demining activities in their countries and finish them until 2009.
towards the ITF activities. This conclusion was based on the mostly positive or at least neutral media reports on the ITF activities in the past years.

The NATO operation Allied Force in Yugoslavia commenced on March 24, 1999. In opinion poll one day later, the 55 percent majority of the respondents denoted the NATO bombardment as an adequate response action to the crisis, while 27 percent disagreed and the rest were undecided (Politbarometer, 3/1999). This attitude remained unchanged even one month later (see Politbarometer, 4/1999). Ninamedia polls of April 7th indicate that a majority of the respondents (70,7 percent) perceived the intervention as needed. This position did not change much until the end of the intervention. Namely, 62,2 percent of the respondents still maintained their position on June 2nd, only days before the completion of the intervention. Approximately 28 percent of the Slovenes perceived Kosovo as an internal problem of Yugoslavia without any need for interference of other states, while approximately two thirds perceived this problem to be more than just Yugoslav internal problem (DELO Stik, 31 March, 1999). The same opinion poll determined that Slovenes generally did not felt threatened by the NATO intervention in Yugoslavia. 61,6 percent of the population perceived no threat from the intervention, 28,1 percent perceived a threat, while 10,3 percent remained undecided.

In May of 1999, the majority of the respondents (67,3 percent) thought that the alliance should end the bombardment only when Milosevic accepts the proposed conditions for ending the violence in Kosovo and only 21 percent supported immediate conclusion of the operation. The operation ended on June 10th when Milosevic accepted the conditions of NATO. Throughout the operation, the possibility of NATO land attack was being discussed in public. The Slovenian public did not clearly express support for this option. In April and May, the Politbarometer polls indicated only approximately 47 percent of the respondents to support the land operation, while 38 were against and the rest were undecided. Obviously, the respondents believed that this type of action would complicate the situation in Kosovo and result in unpredictable consequences, which caused a lower level of support.6

The Serbian national community in Slovenia organized a public protest against the NATO campaign. According to DELO Stik poll (March 31, 1999), this protest was tolerated by 35,5 percent of the respondents, while 46,9 percent were against and only 8,9 percent supported it.

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6 A characteristic of all measured public responses by Politbarometer was also that male part of Slovene population supported any kind of offensive interventionist action in Kosovo in higher proportion than the female part.
These general pro-Allied Force attitudes should be observed in parallel with the support for the Slovenian contribution to the solution of the crisis. With the commencement of the Allied Force operation against the Milosevic regime, Slovenia, in the framework of PfP, opened the airspace for transit of NATO aircraft and allowed potential emergency landings for the damaged aircraft. According to the government estimates (see Press Release of the Slovenian Government, March 25, 1999), the security of Slovenia was not threatened by the operation in FRY. Also, additional (antiterrorist) security measures were taken in the most vital parts and objects in Slovenia and its borders with Croatia. However, the Slovenian armed forces did not increase the level of readiness. At the beginning of the operation, only slightly more than 47 percent of the respondents supported the governmental decision, 34 percent thought that the government should have evaded any support, including the transfer permission, and the rest were undecided (Politbarometer, 3/1999). Later, a larger majority of the public (i.e. 65 percent according to DELO Stik on March 31st, 60 percent according to Ninamedia on April 1st, 65 percent in April and 62 percent in May according to Politbarometer) thought that the permission for the transfer was proper action of the Slovenian government. It is important to note, that the above-mentioned support was very high, especially due to the practical problems with Slovenia’s participation. Opening of the air space to the military aircraft meant, at the same time, the closing of a part of airspace (south of the line Trieste-Ljubljana-Budapest above 3600 meters). Delo reported (Nato-va letala so zgoraj, Adrijina spodaj, 1. 4. 1999) that the opening of a part of the airspace for military operation created not only difficulties in navigating the civilian aircrafts, but also forced the main Slovenian airline company, Adria, to cancel several flights, which in turn damaged the state revenues from flight taxes. By the end of April 1999, the effects on the Slovenian tourism in the form of decreased interest for visiting Slovenia were evident. The government discussed these effects in two sessions (see Press Releases of the Slovenian Government, April 22nd and May 6th 1999) and estimated a 23,1 percent decrease in the number of foreign guests and a 5,8 billion SIT yield from the tourism in the private sector with consecutive national tax loss of 2,5 billion SIT and 15,6 billion SIT damage to national economy. The government proposed adequate measures to minimize the losses, such as additional promotion activities (in the value of 375 million SIT), simplifying the border crossing for countries with visa regimes, decreasing airport taxes, taxes for aircraft fuel and sailing the Slovenian sea.

The mentioned difficulties contributed to the formation of a low support for indirect and direct military participation in the future NATO operations in FRY (see graph 5).
Graph 5: **How should Slovenia contribute to the NATO actions in Yugoslavia in the future** (more answers possible) (Politbarometer, 5/1999).

The graph shows that the majority of the Slovenian population (77.3 percent) supported only various forms of humanitarian contribution for the refuges and residents of Kosovo. Direct and indirect military cooperation were each supported by less than 10 percent of the respondents.

In addition to the increasing military participation in the peace-support operations, a similar trend can be observed in the **police contribution**. The first mission of the Slovenian police was in MAPE in Albania with only one policeman in five consecutive relays. In the years 2001 and 2002, Slovenia participated with 27 policemen in various international missions: 2 in UNTAET in Eastern Timor, 6 in OSCE in Kosovo, 15 in UNMIK in Macedonia and 4 in OSCE in Macedonia. Public opinion polls show a gradual growth of the support for police participation in international peace operations. Only 36 percent of the respondents supported police participation in 1999 (SJM 1999), while 42 percent were against. In 2001, the share of supporters grew to 51 percent (SJM 2001).

Furthermore, other possibilities of the Slovenian non-military contribution to the international peace operations are also supported. For example, the SJM 2001 reflected high support (65 percent) for “passive” participation by allowing unhampered passage of peace forces over the Slovenian territory and air space. Participation with civil personnel, such as observers, monitors, etc. (but not police forces), gained also moderately high support (51.1 percent). Financial and material support, which are two commonly favoured possibilities in Slovenia, received the lowest support (43.1 percent).
Conclusion

The concluding thoughts of this paper are illustrated in the following paragraphs:

1) Public opinion shows that Slovenia is not extremely threatened by any source of menace. It faces some non-military problems (or medium threats) that can potentially escalate into big security threats. The perception of a typical respondent is dominated by the so-called “soft security threats”, while “hard security threats”, such as terrorism and military threats, are perceived only as weak threats. Especially, the low perception of terrorism as a threat after September 11th should be subjected to further investigation.

2) Slovenian critical relations with the neighbouring Croatia are also perceived as most problematic. The responders from both countries are mistrustful towards the actions of the other state. Surprisingly, the solution by international arbitration is supported by the highest share of the Slovenian responders (39 percent), which is even higher than the support of the Croatian responders (27 percent). Historically and comparatively, extremely high eruptive potential of this border dispute is tempered and will be tempered by the relatively developed democratic regimes in both countries and the bilateral wish to join Euro-Atlantic integrations. This conclusion was also reached by the author in the final analysis of the student simulation of incident crisis management in the Gulf of Piran in December 2002.

3) The Slovenian national security interest is to contribute militarily and non-militarily to the security and stability in the SEE. This includes the prevention of the threatening events in the countries of this region and stopping their transnational transfer. Our calculations show that Slovenia is militarily contributing more to the security in the SEE than some NATO members and candidates. The public opinion generally supports the military cooperation in classic peacekeeping operations and humanitarian operations. On the contrary, the larger part of the Slovenian public opposes the participation in peace-enforcing operations. The non-military contribution to the security in the SEE is thus even more supported than the military contribution. In relation to both (i.e. military and non-military contribution to the security in the SEE), we can identify a trend of growing support.

Sources:
Mass Media and Public Opinion. Ljubljana: ERGOMAS, FSC.

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Statistical Sources:

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- SJM – Slovensko Javno Mnenje (1999), University of Ljubljana, Institute of Social Sciences, Defence Research Centre.
- SJM – Slovensko Javno Mnenje (2001), University of Ljubljana, Institute of Social Sciences, Defence Research Centre.
- SJM – Slovensko Javno Mnenje (2002), University of Ljubljana, Institute of Social Sciences, CJM.
The economic crisis in Yugoslavia at the end of the 1980s, Slovenia’s abrupt departure from the disintegrating Balkan federation in mid-1991, and the new republic’s commitment to transform its property and market institutions to conform to those of western European capitalism presented a formidable task for the new and independent Republic of Slovenia in 1991. The immediate tasks, as we have noted elsewhere, were the creation of an independent national monetary system, restructuring the banking and financial institutions, controlling the hyperinflation which peaked at over two hundred per cent in 1992, drastically reorienting trade away from the collapsing Yugoslav market toward western Europe, raising investment and combating sharply rising unemployment as Slovenia proceeded, albeit slowly, to dismantle its socialist self-management economic system – all without disrupting the somewhat fragile political system and social harmony. (Phillips and Ferfila, 1999b)

The most immediate problem Slovenia encountered upon independence involved the loss of the internal Yugoslav market, a problem compounded by the rapid shrinkage in the markets of the former Communists countries of central and eastern Europe and the recession. According to Mencinger, Slovenia’s loss of exports with independence was 45.2%, which included a 74.1% drop in exports to former Yugoslavia. (Mencinger, 1997: 210) The resulting depression (Koyama, 1999: 9) persisted until mid-1993 when exports reached their lowest point. Slovenia, with an internal market of only two million people and heavily dependent on external trade, was forced to quickly develop alternative markets for exports, particularly given its almost non-existent foreign currency reserves which were equivalent to just 14 days worth of imports.

The problems the new country faced, therefore, were both macroeconomic, stabilizing and growing the economy; and microeconomic,
restructuring, reorienting, privatising and downsizing the industrial economy. A quick perusal of the Macroeconomic Indicators (Appendix Table 1) suggests that, despite the odds, Slovenia has been relatively successful in turning the economy around. The sharp transitional depression ended in 1993 and growth has been uninterrupted since that time, averaging in excess of four percent (real) over the following six years, a full two percent per annum faster than the EU average. Inflation was reduced from 207 percent in 1992 to 6.1 percent in 1999 before accelerating moderately to 8.9 percent in 2000 (Bank of Slovenia, December 2000). Unemployment, measured by the ILO survey method, peaked in 1993–4 at just over nine percent and has since fallen to 7.6 percent in 1999 with a further decline to an average of 7.1 percent in the first three quarters of 2000, below the average for the European Union (EU). Employment growth has been positive since 1997 and in 1999, the number of the employed rose by almost 2 percent. Real wages have risen strongly since 1992 with net wages rising by almost half by 1999, backed by productivity gains that averaged just under four percent between 1993 and 1999.

Export growth in goods and services has largely been positive, particularly in the early years of the recovery, while the effective exchange rate, deflated by the price index, has remained stable and strong, even appreciating moderately. Real interest rates have fallen dramatically, from over 20 percent in 1992–3 to the 6–8 percent range in 1999–2000 though they still remain relatively high. Throughout the period, the general government budget has remained roughly in balance with a total public debt, mainly debt inherited as its share of the debt of the former Federal Republic of Yugoslavia, of just over a quarter of GDP and declining slowly.

After absorbing considerable direct and indirect costs from the break-up of the Federation, the wars and the refugees that resulted, Slovenia appears not only to have recovered, but also to have grown and prospered, while its economic institutions have evolved into a pattern more familiar with those in western Europe. It has targeted to reach the Maastricht criteria for entry into the European Union (EU) and the European Monetary Union (EMU) by the planned accession date of 2002 although the recent uptake in inflation may have upset this timetable.¹

Indeed, Slovenia’s transition from socialist self-management to a market economy has been remarkably smooth and has not been marked by the social upheaval, economic collapse and stagnation, unemployment, and

¹ The IMF Country Report for Slovenia notes, however, that Slovenia’s “commitment to complete preparations for accession by end-2002 had thus far not been matched by an equally firm commitment from the EU regarding the date of accession.” (IMF, 2000: 9)
growth in foreign debt that has characterized the transition process in Russia and many of the other central and eastern European countries. As the IMF notes:

*Slovenia is among the most successful transition economies of central and eastern Europe.* It has a functioning market economy, a stable macroeconomic environment with sustainable growth, the highest standard of living and investment rating among transition countries, and has made significant progress towards convergence with the EU.... (IMF, 2000: 3).

The question remains, why has Slovenia performed as well as it has? One reason, of course, was that Slovenia began from a favourable position. It had a managed-market economy, a relatively high initial per capita income, a socially homogeneous and skilled labour force, a well-developed and sophisticated industrial sector, and established economic relations with its west-European neighbours, in particular Austria and Italy.

However, we would suggest that there was another factor. Slovenia did not take the advice of western economists and the IMF to adopt a ‘shock therapy’ model of transition and to encourage foreign investment. Rather, it took a slow route, which involved adapting, rather than abolishing, the institutions of socialist self-management and incorporating all stakeholders, including labour, in a corporatist, social contract. This greatly lessened social conflict and the decline in living standards of labour, and prevented the polarization of income that undermined domestic demand in many other economies that adopted ‘shock therapy’ policies of privatisation and marketisation. Slovenia also eschewed reliance on foreign investment to privatise and recapitalise enterprises and actively discouraged foreign borrowing in order to stabilise the exchange rate and reduce inflation; policies which were criticized by economists both within and without Slovenia.

**Comparisons with Other Transitional Economies**

Slovenia’s macroeconomic performance is among the best and most consistent of transition economies of central Europe. Since 1993, real growth rates have averaged 4.4% per annum (including 1999 where the reported figure is 5% growth). The average rate of growth for the first three quarters of 2000 is 5.3% (Bank of Slovenia, December 2000). Only Poland has recorded consistently higher rates, at least until its growth slowed down due to the collapse of the Russian economy and the recession in Europe late in the decade. Growth from 1993 to 1997 was 13% in the Czech Republic, 8.6% in Hungary, 20.6% in Slovenia and 32.5% in Poland.
[World Bank 1999, quoted by Koyama, 20]. Poland, however, had a per capita income just over half as great as that of Slovenia, which reached $14,800 (US) when measured in Purchasing Power Parity. This growth rate in Slovenia, moreover, was attained without any significant reliance on foreign investment. Koyama quotes World Bank figures for cumulative foreign direct investment, 1990–97 as a percentage of GDP as:

- Czech Republic — 21.8%
- Hungary — 38.3%
- Poland — 14.5%
- Slovenia — 5.7%

Slovenia has also done relatively well in terms of reducing unemployment and inflation. Unemployment in Slovenia fell to 7.6 in 1999 and has since declined further as the number of people employed, which had fallen consistently from 1991 to 1996, continued its post-1996 growth. Inflation, which was as high as 117.7% when Slovenia declared its independence, had been reduced to 8.9% by the end of 2000. This compares with 1999 rates of 2.1% in recession plagued Czech Republic, 10% in Hungary, 7.3% in Poland and 10.5% in Slovakia (IMAD, Mirror, March 2000: 8; Bank of Slovenia, Monthly Bulletin, December 2000).

Furthermore, on the public finance side, Slovenia has avoided deficit financing of its public sector maintaining a string of relatively balanced budgets since independence. The average over the 8-year period was a budget deficit of 0.2% of GDP such that debt, including that inherited from the Yugoslav Federation, has fallen from a high of around 28% of GDP in the mid-years of the decade to approximately 25% in 1999.

**The External and Banking Sectors**

The critical element in reversing the economic fortunes of the new republic, as indicated above, was rebuilding and redirecting foreign trade. Export growth in both goods and services remained positive through most of the period after 1991 though some difficulties were reported in 1999, in part due to economic decline in Croatia, Slovenia’s 5th largest export market. Exports to the EU were the most important, rising from 61% of Slovenia’s exports in 1992 to 66% in 1999. Also gaining share was the new Central European Free Trade Area (CEFTA). The major loser in share of exports was the former Yugoslavia. What is important to note here is that Current Account Balances remained positive (except for minor deficits in 1995 and 1998), and significant through most of the post-independence decade up until 1999. Combined with direct and portfolio investment and labour income flows, Slovenia has
had positive net financial income flows throughout its history, at least up until 1999, which allowed it to build up its international reserves to significant levels.

The expansion of trade required Slovenia to establish itself within international economic institutions. The introduction of the Tolar in October of 1991 was the first step in establishing Slovenia’s international status. The second was gaining membership in all the major international financial organizations, which was achieved by mid-1993. A first move towards joining the European Union was made in May 1993 when the country was admitted to the Council of Europe. In 1996, Slovenia’s application for associate status in the EU was finally approved and in June, the country applied for full membership in the European Union. At the same time, in January 1996, Slovenia became a full member of the Central European Free Trade Area (CEFTA) joining Hungary, the Czech Republic, Slovakia and Poland — the countries, which together with Slovenia are competing to become full members of the European Union. The third step in international economic integration was taken in September 1995, when the Tolar became fully convertible, made possible by the rebuilding of foreign reserves and the lowering of foreign debt obligations.

The reform of the banking system was also a necessary element in rebuilding the economy. In 1991, the first bank legislation was passed changing the status of the banks from decentralized financial agencies of the enterprises (with a resulting substantial bad loans problem) into European style independent institutions. However, most of the new banks were small and many required rehabilitation due to the bad loans, particularly given the poor performance of many enterprises in the economic depression following independence. Furthermore, mandatory foreign exchange reserves held in the former Yugoslav Central Bank were no longer accessible. Rehabilitation of the banks began in 1993 and was largely achieved by 1997 through merger, liquidation and the purchase of the debts owed to the banks by the Agency for the Rehabilitation of Banks established by the Slovenian government in 1991.

One bank, the Nova Ljubljanska Banka (NLB), dominated the banking sector. As late as 1993, it accounted for approximately 75 percent of the country’s bank assets and 80 percent of its external transactions. Divestiture of its regional and local branches, the recapitalization in July of 1994, and the subsequent downsizing reduced its dominant position, though it still remains the leading bank in the country and together with the Nova Kreditna Banka Maribor (NKBM), both still state-owned, controlled approximately 40% of all Slovenian bank operations. In 1998, the NLB Group alone controlled a 35.3% share of banking operations and, along
with NKBM and SKB Banka, the three largest bank organizations controlled an approximately 60% market share (B.S, *Annual Report, 1998*: 48). The remaining share is held by the other 20 registered commercial banks operating in the country, several of them Austrian or German owned.

In fact, the number of banks in so small a country as Slovenia has been a concern of the government and of the banks themselves, and various capital requirements were tried and restrictions placed on the establishment of foreign bank branches, but with limited results. Slovenia’s EU association agreement of February 1, 1999, forced further change and the introduction of new bank legislation to bring Slovenia into EU conformity. Nevertheless, the IMF concluded, that “despite recent steps towards consolidation, the system was overcrowded and dominated by state-owned banks; operating costs had increased and were high even by EU standards; and ...the market structure was oligopolistic.” (IMF, 2000: 14) Plans to begin the privatisation of N-BL in 1999 were postponed, apparently due to political opposition.

**Monetary and Exchange Rate Policy During the Transition**

On independence, prime responsibility for macroeconomic stabilization and growth was given to the new central bank, the Bank of Slovenia (BS), in part because of the constitutional limits placed on the levers of fiscal policy, and in part due to the preoccupation with achieving the inflation and exchange rate criteria set out by the Maastrict Treaty for entry into the European Union (EU) and the monetary union (EMU).\(^2\) The BS’s priorities, reigning in inflation, isolating the domestic currency from international financial flows, and stabilizing the exchange rate, were set out in its first *Annual Report* in 1991 and have been reiterated in varying forms annually since.

The problem with bringing down the inflation rate was two fold, one external and one internal. The external problem was the rapid inflow of foreign exchange both as a consequence of a strong current account surplus, but also inflows of portfolio investment and, with the sale of social housing to Slovenian residents, the repatriation to pay for the housing of foreign exchange previously held abroad by Slovenes as a hedge against domestic currency inflation. If this inflow was not to be monetized, a mechanism had to be developed to sterilize it to prevent an uncontrolled increase in the money supply. Furthermore, an excessive inflow of port-

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\(^2\) Slovenia also resorted to price controls that were quite widely used in the early nineties covering an estimated 50 per cent of commodity sales. As late as 1998 price controls were still applied to around 30 per cent of sales (Belaisch, 2000:41).
folio investment or borrowing abroad by Slovenian enterprises would serve to drive up the exchange rate which, while contributing to moderating inflation, would at the same time discourage exports and encourage imports, thereby forcing up unemployment and making industrial restructuring more difficult.

The internal problem was also multi-faceted. Slovenia had no functioning capital or financial markets and a banking system that was subsidiary to, and owned by, the major industrial enterprises, which were also the banks’ major debtors. In the economic depression that followed independence and the insolvency of many of these enterprises, the banks were saddled with an enormous burden of bad debts. Thus, it was necessary not only to separate the banks from the enterprises, but also to rehabilitate them through a mechanism for socializing the enterprises’ debts.

The labour market also functioned in a manner quite dissimilar to that of a capitalist labour market. This was a consequence of the history of workers’ self-management, which allowed the hiring of excess labour by enterprises and provided insufficient checks on wage inflation financed by captive banks. Furthermore, the enterprises themselves were able to pass on cost increases through prices because of monopolization of the restricted domestic market by a few large enterprises, in part also a holdover of the socialist self-management system after 1976, which provided for non-market agreements (self-management agreements) among the existing enterprises and created barriers to entry of new firms, which did not have access to social capital through the captive banking system. However, new capital investment to finance the restructuring of the economy was inhibited by the high real interest rates and restrictions on access to foreign capital, designed to restrain inflation, by the lack of functioning capital and financial markets, and by very limited inflows of foreign direct investment (FDI) due to a number of factors to be discussed below.

Thus, Slovenian authorities, particular at the BS, were faced with a classic dilemma. Macroeconomic recovery required the expansion of net export and domestic demand and economic restructuring and rehabilitation. At the same time, control of inflation called for a restrictive monetary policy and a stable exchange rate. Most western economists advised the standard austerity package including rapid and radical ‘coupon privatisation’, reliance on FDI, liberalization of capital flows and financial markets, and cutbacks in social services and transfers, advice which Slovenia, by and large, ignored. Instead, spurred on by the rapidly transforming unions, it developed the corporatist, self-reliance strategy described in the previous section.
Political developments after independence supported the growth of a moderate, evolutionary economic policy regime. After a brief period of right-wing coalition government in the early 1990s, the government has been controlled by centre parties or centre-left coalitions for almost the entire period since.\(^3\)

The Question of Foreign Investment

Economists, both within and without Slovenia, argued that in order to restructure, privatise and revitalize the economy, a major infusion of foreign investment was required. In fact, however, Slovenia managed that transformation, privatisation and resumption of economic growth without any significant reliance on FDI. The reasons for the minimal inflow of FDI were several. The Director of Research for the Bank of Slovenia, Francek Drenovec, suggested a number of main reasons. (Drenovec, 2000).

The first, and perhaps the most important from the supply side, is the size of the domestic Slovenian market. Population of the republic is just under two million and, despite its high per capita income relative to all the other transitional economies, the total domestic market remains small, approximately a tenth the size of the domestic economy of Poland, a fifth that of the Czech Republic, and a third that of Hungary [Phillips and Ferfila (2000), 4]. A second reason for FDI would be to utilize low cost labour in export platforms producing for markets in the EU or for third countries where Slovenia might have some competitive historical or political advantage. The problem is that Slovenia is not a low wage country, nor does it have large pools of unemployed labour, though it does have a good supply of relatively skilled labour, which is largely already employed. As a rough gauge of the potential low wage labour pool available (i.e. unemployed workers) calculated from relative unemployment rates, we have estimated that the unemployed pool in Hungary is around six times the pool in Slovenia, over four times in the Czech Republic and thirty two times the Slovenian pool in Poland. In fact, almost all the FDI in Slovenia is the result of joint ventures entered into before independence and directed at the former Yugoslav and western European markets.

The lack of a large domestic market and the limited attraction of Slovenia as an export platform only explain the lack of FDI in new ventures. They do not, however, explain the failure of foreign capital to participate

\(^3\) There was only one brief period in the summer and fall of 2000 when the right-wing Janez government interrupted the continued reign of the centre-left administration led by the Drnovsek Liberals.
in the privatisation process and to invest in existing enterprises and industries through the purchase of all, or portions, of firms undergoing or already privatised or to invest additional funds in existing firms seeking to expand or acquire new technology as had occurred in many of the other transitional economies. Drenovec suggested three additional reasons for this: lack of government encouragement for FDI, the nature of the privatisation process in Slovenia, and the lack of any critical need for FDI either for balance of payments reasons or for growth and stabilization reasons (Drenovec, 2000).

The fact was that there was no need for distress selling of domestic industrial assets to foreign owners. Slovenia did not have a cash flow problem nor any problem servicing its debt, nor was there any need for an inflow of foreign exchange to stabilize the currency or prevent an exchange rate crisis. Despite the pressure from international financial advisors to do so, Slovenia did not adopt a fixed exchange rate system as many other transitional economies did, but rather introduced a ‘managed float’ exchange rate system. Indeed, Slovenia’s problem was just the opposite of that faced by many other countries, a too great an inflow of foreign exchange which necessitated measures to restrict the inflow.

However, the factor that most restricted the inflow of FDI during the transition period was the form of privatisation process. In essence, privatisation proceeded primarily through internal labour-management buyouts (ARSPP, 1999). Almost none of the privatisations after the initial period of ‘spontaneous privatisation’ (1989–91) involved significant foreign investment. Furthermore, restrictions on the sale of shares distributed through coupon distribution and the underdeveloped state of the secondary securities market suggest that significant foreign equity participation will not likely occur in the immediate or near future. Drenovec argues that there will be no inflow of FDI into established firms until ownership of shares is consolidated allowing block sales to foreigners. Nevertheless, it is at least arguable that Slovenia’s macroeconomic stability and growth has been, at least in part, because of, not in spite of, limited FDI during the transition process which has allowed the country to maintain a greater degree of control over its economy and the macroeconomic levers, in particular, monetary policy.


As noted previously, the implementation of monetary policy was constrained by a number of institutional and market factors, not least being the absence of a functioning money market. This, and the dominant position of the banking system, precluded the use of open market opera-
tions or overnight and inter-bank loans to control the interest rate. Rates were established by the banks and these rates were inflexible and not susceptible to easy management or change. Further, given the small size of the economy and its openness, such that the combined value of exports and imports exceeded 100 per cent of GDP, the need to manage the nominal value of the exchange rate to retain currency stability was paramount.

For these reasons, the Bank of Slovenia, in its attempt to reduce inflation, targeted the money supply rather than the interest rate. It was able to control the money supply primarily because of the lack of a money market or any alternative financial institutions or credit instruments to the regulated banks other than foreign exchange market, which the BS moved to contain. From 1991 to 1996, the target was M1 adjusted on a monthly basis. The main problem that faced the BS in implementing the strict control of the money supply (high-powered money and M1) was the current account surplus and the excess supply of foreign currency. In fact, the BS moved quickly to utilize the foreign exchange market to carefully control the supply of money by sterilizing the inflow of foreign currency and monetizing only that amount that would provide for expansion of M1 within it predetermined target band.

By 1992, the BS developed its primary _modus operandi_ in the face of a continued surplus of foreign exchange. The Bank did not automatically buy the surplus to prevent Tolar appreciation, because it would thereby lose control of the Tolar money supply. It achieved its goal by selling foreign exchange bills, while at the same time “intervening on the open market with lombard loans and the purchase of foreign exchange, meanwhile conditioning this intervention on the amount of foreign exchange which the banks had to purchase from exports, and with the exchange rate at which the transactions were made” (Annual Report, 1992: 19) supplemented by various forms of foreign exchange controls.

Thus, by mid decade the instruments and goals of monetary and exchange rate policy became established and refined. The BS continued to withdraw base money from circulation by issuing foreign currency bills, Tolar bills and twin bills (denominated in both Tolars and foreign currency), all of which could be used as collateral for lombard or liquidity loans or for repos in order to maintain liquidity. Such loans were usually conditional on the purchase of foreign exchange. Meanwhile, BS intervention in the foreign exchange market “was again the most important source of base money creation” (Annual Report, 1994: 28).

The BS, despite its primary anti-inflation posture, wanted also to develop the money market and to reduce interest rates to competitive European
levels to lessen appreciation pressure on the Tolar. Central to the development of a flexible and responsive money market, however, was the need to reform and rehabilitate the banking system. A first step was, effectively, to 'nationalize' the banks, which had previously been tied to enterprises, in order to relieve these banks of bad loans and obligations, particularly loans to debtors in enterprises in the former Yugoslavia and obligations in the form of foreign currency deposits in the old Yugoslav National Bank (YNB). An additional goal was rationalizing the fragmented banking system in order to reduce the excessive operational costs.

The technique adopted in 1993 was to write-off current losses against capital, to sell bad assets to the Agency for the Rehabilitation of Banks (established in 1991) in exchange for bonds issued by the Agency, thereby eliminating the problem of bank insolvency, and thirdly, to recapitalize the banks through purchase by the Agency. The capital adequacy rate was established at 8 percent. Thus, the Agency became “the largest single creditor in Slovenia” and a key player in real sector restructuring (Annual Report, 1993: 23). The intent was that once the rehabilitation process was complete, the banks would be sold to private owners. However, in 2000, the two largest banks, the Nova Ljubljanska Banka and the Nova Kreditna Banka Maribor, which together controlled close to half the banking business in Slovenia, remained state owned.

**1995–2000**

By mid-decade, however, the macroeconomic climate began to change. In 1995, the main source of money creation became loans to enterprises, households and the government. However, continuing inflows of foreign exchange strained the system and necessitated an increase in the foreign exchange reserve requirements. Furthermore, as the money market developed, the Bank’s practice of implementing monetary policy through targeting M1 became both less feasible and less credible. This induced the BS to abandon M1 as the intermediate monetary target in favour of M3, while actual day-to-day monetary policy became focussed on, and adjusted to, market interest rates and other monetary indicators. Also in 1995, new regulations were introduced to control the inflow capital through foreign currency loans. In February, the BS introduced a non-interest bearing, compulsory deposit of 40 percent of foreign, non-trade related loans with maturities of less than 5 years.

However, the major challenge to the prevailing system came the following year, in 1996, with a major increase in portfolio investment inflow, which necessitated further changes in the conduct of monetary policy. The expressed intent of the central bank was to reduce inflation to Euro-
pean Union levels in order that Slovenia could begin the transition from its managed float to a fixed exchange rate system as a requirement for entry into the EMU. Further, the Bank was obviously unhappy with its monetary policy being obligated to function simultaneously as an income policy.

Again, the tension between the role of monetary policy in restraining domestic prices and incomes and in maintaining a stable effective exchange rate became manifest. This was exacerbated in the latter months of 1996 because of a growing volume and unpredictability of portfolio investment inflow and the consequent effects on the money supply. Reduction of interest rates to dampen the inflow would fuel domestic inflation which remained stubbornly high because of “price acceleration in non-tradable sectors” and the lack of any alternative and effective instrument of income policy (Annual Report, 1996: 11–12). As a result the obligatory non-interest bearing, custodial accounts were extended to loans of up to 7 years and a further 10 percent non-interest bearing custodial deposit was required on loans with maturities greater than 7 years (Annual Report, 1996: 24).

These measures had, in part, the desired effect. As the BS reported, in 1997 (unlike 1996) the major part of foreign exchange inflow was in foreign equity and portfolio investment, not foreign loans. However, the portfolio inflow also posed a destabilizing threat that forced the Bank to extend custodial accounts to portfolio investment though with a promise to the EU that such capital controls would be removed within four years of the coming into force of the Association Agreement (Annual Report, 1997: 33).

All things considered, changes in monetary and exchange rate policy in the second half of the decade were moderate and, with the exception of the capital controls on the inflows of short-term money, directed at a gradual reduction in regulation, the development of European-style financial markets and institutions, stabilization of the exchange rate, controlling the domestic money supply, and reducing inflation. In all of these areas, except perhaps the last, Slovenia was largely successful. Monetary policy is, at best, a crude lever for the implementation of an anti-inflationary incomes policy. It works primarily through unemployment and the suppression of domestic demand brought on by credit rationing and high interest rates. Since combating unemployment, gen-

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4 In any case, interest rate transmission of monetary policy, according to Belaisch, was hampered by two factors: indexation of interest rates “since forward-looking inflation expectations did not affect the level of interest”; and because of the non-competitive banking system which determined interest rates “primarily with the view to preserving banks’ margins.” (Belaisch, 2000:42).
erated by restructuring, and maintaining social harmony were also prime goals of the Slovenian government, an excessively tight monetary policy was politically difficult. Furthermore, it would also tend to cause the Tolar to appreciate and exacerbate the inflow of short-term capital, causing further problems in controlling the money supply. In any case, because of still widespread indexation of financial instruments, wages, pensions and other benefits, and combined with the low levels of consumer, corporate and government debt, interest rates remained a poor transmission mechanism between financial and real-economy markets.

Indeed, recognition that monetary policy was a poor substitute for a real income policy came in 1994 with the establishment of the Economic-Social Council and the adoption of the first Social Pact (Lukšič, 1996a: 166). The Pact, and subsequent agreements, was credited with containing inflationary cost pressures during the second half of the decade despite an initial minimal, and subsequent declining, commitment to tripartite social contracts by the government.5

Macroeconomic and Monetary Policy and the Opening to Europe

The real challenge to an effective independent monetary policy designed to stabilize and promote growth and reconstruction of the economy comes not from within Slovenia, but rather from the very process of integrating into Europe, liberalizing its financial structures, deregulating its markets and opening up the economy to foreign capital, a process underway throughout the period since independence, but which was greatly accelerated as the decade ended. The key in this acceleration was the EU Association Agreement signed in February 1999 and the Foreign Exchange Law passed in September 1999, which followed from a European Commission report in November of the previous year that was critical of Slovenia’s slow progress toward liberalizing financial markets and opening up the economy to foreign capital (IMF, 2000: 8).6

The EU Association Agreement removed or greatly reduced most regulations restricting capital account transactions including barriers to entry of foreign bank branches and restrictions on FDI and foreign owner-

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5 The origins and impact of the Economic-Social Council and incomes policy will be discussed in a forthcoming paper by the authors.

6 In addition, a new Pension law was adopted which, in the IMF’s view, helped in “rationalizing the structure of public finances”. The law, passed in December 1999, “strengthened the financial prospects of the current pay-as-you-go system by gradually raising the retirement age, changing the basis of calculation of benefits, and launching a supplementary social insurance scheme, and introducing a voluntary, private pension pillar”. (IMF, 2000:8).
ship. Restrictions on foreign portfolio investment were to be removed after four years although Slovenia retained the right to introduce temporary (six months duration) capital account controls should capital flows threaten to destabilize monetary and exchange rate polices. Custody accounts were retained at a reduced percentage of foreign loans for a period of two years (Annual Report 1998: 80; IMF, 2000: 8). The provisions of the Association agreement were further accelerated by the Foreign Exchange Law in September 1999 (IMF, 2000: 8) and by the new banking act that went a great way toward harmonizing Slovenia’s banking system with EU directives.

In addition to these central measures were a host of other legislation opening up and deregulating the Slovene economy and promoting privatisation and private sector development. The IMF Report lists a total of sixteen new pieces of legislation or other measures passed in 1999 or January 2000 to conform to the model of an open, neo-liberal capitalist economy. There is, however, a high degree of risk in adopting this open-market policy prescription, in particular higher exchange rate volatility, a risk that even the IMF recognizes (IMF, 2000: 9; Belaisch, 2000: 53).

**PART 2: SOUTHEASTERN EUROPE: PROSPECTS FOR INCREASED ECONOMIC INTEGRATION**

For the last two centuries the concepts of Southeastern Europe (SEE) and integration have rarely been linked. Indeed, given the history of conflict in this region, and more recently the violence of the 1990s, SEE and integration seem to be oxymoronic notions. Nonetheless, this paper asks if changes in the last several two decades have created circumstances whereby increased economic integration is more probable. These changes are: (1) Greece’s entry, and the consideration of other countries in the region for entry, into the European Union (EU); (2) the revolutions of 1989 which began the transformation to capitalism and democracy for the former communist countries in the region, with exception of Yugoslavia whose transformation was delayed until 2000; and (3) the continuing advance of technology and its impact on changing the needs for developing countries to reach sustainable economic development.

The position taken in this paper is that these changes have increased the likelihood of greater economic cooperation despite the region’s historic

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7 FDI was redefined to include stakes in companies of as little as 10% (formerly 50%) and portfolio investment of over 4 years (formerly 7 years).

8 “These measures enhanced Slovenia’s credibility and were recognized by the European Commission in its October 1999 Regular Report.” (IMF, 2000:8)
lack of economic integration and the significant differences and tensions that exist between the countries involved. Nonetheless, increased economic integration, technological change and economic development do not exist in a political vacuum. The principal threats to expanded economic integration are political, or more specifically, the inability to sustained improvement in Greek-Turkish relations and the presence of a large unstable area in the middle of Southeastern Europe, namely Yugoslavia. Although the October 2000 electoral victory of Vojislav Kostunica and subsequently popular uprising, which removed Slobodan Milosevic from power, gave rise to justifiable hopes that Yugoslavia will be a positive force in the reconstruction of the region’s political stability and economic development.

Ten countries are included in this particular definition of Southeastern Europe. There is no need to be unduly rigid in determining which countries are a part of SEE and which are not, since this type of debate tends to be rhetorical and detracts from the principal arguments about economic integration. The ten countries selected for analysis are:

– Croatia, Macedonia-FRYOM, Bosnia-Herzegovina, Yugoslavia
– Albania, Romania, and Bulgaria
– Greece, Turkey and Cyprus.

The principal motivation for including these ten countries is that they are contiguous and have sufficiently common economic agendas, that is, they are neighbours and face similar challenges and opportunities. It was not because they have similar cultures and a history of cooperation. Re-arranging the members of this regional identification on the basis of similar cultures and friendly relations can be justified for some purposes, but this discussion is limited to economic integration and therefore other criteria were employed. For example, Catholic Croatia could be excluded and paired with Slovenia and central Europe for a number of reasons, but Slovenia is already well on its way to integration with the European Union (EU), and Croatia has close economic, linguistic and cultural ties to other countries in SEE. One could reasonably include Moldova in this group. Also, Greece, Cyprus and Turkey are included because of their shared economic interests, not their level of political cooperation. I

9 These ten countries suggested as a Southeastern European unit is both similar and different to variety of organizational lists and schema. For example, the establishment in 1996 of the US inspired Southeast European Cooperative Initiative (SECI) includes Hungary, Slovenia and Moldova, but not Cyprus and, for political reasons, not Yugoslavia. US Overseas Private Investment Corporation’s business development fund, which has taped George Soros as its director, includes Slovenia and Montenegro, but not Yugoslavia, and excludes Cyprus and Greece. Two points need to be made. The inclusion of countries in Southeastern Europe as defined in this paper is not based on domestic or international political concerns, and the list is subject to reasonable changes.
would suggest that while one must certainly be aware of, and account for, historical traditions and political relations, geography and common issues of economic development are the paramount variables. The fires that swept through SEE in the summer of 2000 did not consider whether they were destroying Catholic, Orthodox or Muslim properties. They were the result of similar weather patterns and geographic proximity. The reasoning for defining SEE as the above noted ten countries is similarly based on geography and the needs of these ten countries for sustainable economic development.

Selecting countries using primarily geographic and economic factors opens the door to criticism based on the general insensitivity of political-economic analysis to critical cultural differences. This criticism has been justifiably levelled at Marxists and neo-liberals alike. My own beliefs come closest to the neo-liberal camp, but do not ignore the importance of cultural differences in assessing the needs of a region. My neo-liberal views are going to favour free trade and open boarders for Foreign Direct Investment, but they are not going to diminish the role of specific historical determinants nor individual states. The author’s positions do not posit undue faith in the market and thus advocate the presence of weak political entities in the misguided belief that economic development should be only the work of non-state actors. It is held that economic development in SEE will be assisted by the presence of strong and effective governments, the continued enhancement of free market activities, a closer relationship with the EU (and eventual membership for many of these countries), and enhanced regional economic integration.

Globalization and Regionalism

The undeniable presence of increasing global economic integration has given raise to several misconceptions about its impact. It is often incorrectly assumed that globalisation will lead to economic homogenisation (for a thoughtful rejection of this idea, Gray). Also, discussions of the global economy usually do not give sufficient focus to cultural, political and economic backlashes (Friedman), and there is sometimes a tendency to overstate the demise of the powers of the nation-state and, unduly enhance as the power of regionalism. As is usually the case, there are elements of truth in each of the above misconceptions, but they are exaggerated to the point of distortion.

Global economic integration, as measured by the levels of foreign trade, Foreign Direct Investment (FDI), the activities of multinational corporations and technologically driven connectedness, is indeed a powerful actor in the world today. Furthermore, regional economic zones transcend some aspects of the Westphalian concept of the sovereign state.
These regional associations and “the emergence of a new global economy raise(s) the spectre that the old bases of territorial affiliation will be shattered” (D. Kaplan, 1999, 42). While the state remains, and will remain for some time to come, the most relevant political entity, the trend is that some of the powers previously held as a monopoly of the state are being ceded to regional common markets and global forces (multinational firms and advanced technology) and that some traditional attitudes and identities may have to be altered in order to accommodate affiliations which extend beyond the individual state. One example would be the controls over its economy, which Greece relinquished when it entered the European Monetary Union on January 1, 2001.

It would be unwise to discuss the economic integration of SEE without noting the central role of the European Union (EU) and its planned expansion. Furthermore, the saliency of the EU, as well as the impact of the global economy, are going to be increasingly critical variables in the future. Heightened regionalism within Europe, the presence of transition economies with open markets and privatised assets which facilitate foreign trade and investment, as well as advanced technology that has little respect for geographic boundaries, have all converged to make economic integration in SEE more probable, and more necessary.

A world in which email and the Internet connect billions of people, products and ideas in different countries with a speed that past generations could not have imaged is a new development. For example, in the mid-1980s there were several thousand computers connected to the Internet, but by the end of the century that figure was over 50 million. The relative importance of foreign trade and FDI (for both advanced and developing countries) has grown to reach uncharted territory in the 1990s. While foreign trade rose throughout the 19th century from about 4% to 11% of the world’s GDP, the trade barriers following World War I caused that figure to drop significantly and only to return to pre-1914 levels by 1970.

However, since 1980, foreign trade has grown to equal 15.5% of the world’s GDP, despite the fact that the GDP has itself increased six-fold (Scott, 1998: 25–29). The lowering of tariffs as a result of the World Trade Association and the growth of regional custom unions (EU, NAFTA or MERCOSUR) has had a positive impact on the level of foreign trade, as has the expanded presence of multinational firms. For example, the largest 38,000 multinational firms in the G-7 countries tripled in value (in dollars) between 1985 and 1994, and their intra-firm foreign trade levels are significant. Some scholars (Dunning) estimate that multinationals are directly and indirectly responsible for over one-half of all foreign trade. Surely their impact is too large to be ignored.
There is also a connection between advanced technology and multinationals in the area of FDI. The significantly upgraded quality of relatively inexpensive, instantaneous information available to corporations enables them to place production and services at multiple sites, often in other countries, manage these facilities at low costs\textsuperscript{10}, and also be closer to customers, reduce transportation expenses and sometimes wages, thereby maximizing efficiencies and profits. Their investments are likely to have important economic ramifications (directly and indirectly via domestic suppliers and technological spin-offs) for the host countries, specifically for the emerging or developing economies of SEE. FDI and intra-firm trade have a positive impact on increasing the developing host country’s ability to export more “human-capital intensive” goods. It has been estimated in 1996 that over three-quarters of Hungary’s exports of manufactured goods were from foreign owned firms (Smith, 2000: 182).

Today’s high level of global economic integration is readily apparent from the stunning increases in FDI. FDI inflows increased seven fold between 1980 and 1995, and accumulated FDI stock has expanded from $700 to $1.7 tr., becoming “the principal vehicle of the deeper integration of the world economy” (Rienicke: 1999, 3). This upward trajectory has been maintained in the last six years despite the unfavourable investment climates in developing and emerging markets since the ‘Asian crisis ’beginning in the fall of 1997, and especially after the meltdown of the Russian economy in August 1998.

While 37.2\% of all FDI inflows went to developing countries in 1997, this was dominated by a few countries, especially China and Brazil. Given the increasing importance of technological and communication infrastructures to the profitability of FDI, there is no guarantee that this money will continue to flow into developing economies like those in SEE. In fact the percentage of FDI (but not the absolute value) targeted for developing countries has been rather sharply decreasing since 1997. Also, FDI will not be a “kick-start” for economic development unless the host countries are prepared for its effective utilization (Meyer). Nonetheless, developing economies have increased annual FDI inflows from $12 bl. in 1986 to $108 bl. in 1995 (Meyer, 1998). In terms of the transforming economies of eastern Europe and the former Soviet Union, FDI was modest in the early 1990s, but has since become an increasingly important factor in the transition process (United Nations, 1999: 162; Financial Times Survey, 1998a). FDI in SEE will be discussed in greater detail

\textsuperscript{10} Horst Siebert (1999:8) employs a dramatic example to demonstrate technology’s impact on reducing costs for the multinational firm in the global economy. In 1930 a three minute telephone call to London cost $250, in 1950 that call cost $50, but in 1990 in was only $3.32. In 2000 email and the internet usage has reduced even that low figure.
below, but at this point suffice it to say that FDI is an important aspect of the new constellation of forces which determine the ability of developing and emerging markets to reach sustainable economic growth, and which also lead to increased regional and global integration.

**Economic Integration in Southeastern Europe**

The economic advantages of regionalism and the powerful presence of the EU and its planned expansion, the newly opened markets and privatised assets of SEE, the generally enhanced conditions for FDI in the 1990s, as well as technology advancements which serve to increase trade and the reach of multinational firms, all point to the probability of enhanced economic integration in SEE.

The strongest economy in the region, Greece, has been a member of the EU since 1981. While it has had solid economic growth since joining the EU, Greece’s relative lack of restructuring and the continued dominant role of the state in the economy has not allowed it to experience the exceptional growth enjoyed by Ireland or Spain after their entrance (World Bank, 1999: 18). However, Greece’s membership in the EU, and especially its drive to join the EMU in January 2001, have placed restrictions on the leadership’s previously undisciplined approach to managing the economy, and provided Greece with a strong market for its exports, agricultural stability and significant funds for infrastructure projects.11

In sum, Greece has become more of a regional player and in the 1990s it has responded by becoming a leading force in the economic development of SEE.

The spirit and letter of the rules governing the EU membership do not only affect Greece, even though it is presently the only SEE country in the EU. Of the ten countries included in this discussion, Cyprus is in the first tier of countries slated for inclusion, while Bulgaria, Romania and Turkey are in the second tier, and will probably soon be joined by Croatia. Hence, six of the ten countries of the region will someday (but, except for Greece and Cyprus, probably not before 2010) be members of the EU. The entrance date is important, but one cannot underestimate the magnitude of the impact on their economies while they are in the process of satisfying EU rules for membership. The impact of the EU includes: pressure on the aspiring members to maintain stricter monetary policies; access on equal footing to the large EU market for their goods and services; the need to restructure their industries to become more competitive, which will include expanding the privatisation process as well as

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11 Greece’s net contribution from the EU totals about 4 % of its GDP.
increasing efficiencies, often requiring a reduction in the number of workers at a firm; modernizing the agricultural sector in order to compete with EU countries; and continued opening of their economies to external trade and investment. EU membership should also allow the relevant countries of SEE to take advantage of agricultural subsidies and increased funds for needed infrastructure improvements, although the present status of the EU’s Common Agricultural Policy and Structural Funds will probably be altered and the conditions for the entering countries are not known at this time.

It is necessary to make three points about the relationship between the EU and SEE. First, the level of economic integration within SEE is presently very low (Cetinić, 1999). In the mid-1990s, only about 6% of the total foreign trade of the countries of SEE was intra-regional, while most depended on the EU for anywhere from about 30% (Romania) to over 60% (Greece) of their imports and exports (Gianaris, 1996: 143). Second, while Greece is the strongest economy in the region, it is still a relatively small emerging market and the impact of its economic leadership on the region cannot be equated with the impact of Germany throughout eastern Europe, nor with Scandinavia on the Baltic countries. Third, the EU may be important for the countries of SEE since it receives from one-quarter to two-thirds of their exports, depending on the country, but SEE is not economically important to the EU for whom trade with SEE makes up less than 1% of its total foreign trade (Tsoukalis, 1994). Therefore, while the impact of the EU is and will continue to be very important, the key basic ingredients for sustainable economic growth in SEE are going to remain internal restructuring (as is usually the case) and increased intra-regional cooperation.

Obstacles to Economic Integration

The first and most critical set of obstacles to economic integration are cultural and political, often connected to long standing and continuing conflicts and feelings of mistrust that exist among the peoples of SEE. If these conflicts, real and potential, cannot be neutralized, or if feelings of aggregate mistrust cannot be reduced (Gallagher, 2000), ordinarily persuasive arguments for increased integration based on economic rationality will have very little saliency. While analyses of the prospects for sustainable economic growth in emerging or developing countries have not sufficiently focused on the damaging impact of nationalism, which has been the breeding ground for conflicts and mistrust (Donnorummo, 2000), this paper is not the appropriate place for an extended discussion of this critical variable. Yet the need for intra-regional political stability in SEE is an undeniable prerequisite for increased economic integration.
SEE, and especially the term Balkans, have become synonymous with conflict and the media has been quick to conclude that this is an area of the world where people have fought with each other throughout history. This is far from a full and accurate picture since the various peoples of SEE have also shown an ability to cooperate and live together, or at least co-exist. Furthermore, scholars like Misha Glenny (2000) have noted the important role of the West in exploiting and fanning the flames of mistrust among the peoples living in the region. Recognition of nationalistic differences in SEE is needed to underscore its continued importance, but it is also important to note that its existence is not necessarily an intractable condition, which will forever prevent increased economic integration.

It is clear that serious issues of internal and trans-national conflicts remain on the agenda for SEE. The tensions (albeit seemingly reduced of late) between Greece and Turkey over a number of issues and particularly Cyprus, as well as the deep scares left from recent fighting in Croatia, Bosnia-Herzegovina and Kosovo are acute obstacles to integration. The spill-over effects from potential internal conflicts in Yugoslavia (Montenegro), Bosnia-Herzegovina, Macedonia-FYROM, or the Kurds in Turkey could also produce dangerous, negative centrifugal forces, negatively impacting the entire region. One of the most serious obstacles to regional economic integration, sanctions against an ostracized Yugoslavia, has been greatly reduced since the removal from power of Slobodan Milosevic. Prior to the dramatic events in the autumn of 2000, Yugoslavia was accurately described as a blank spot on the canvas of a painting attempting to envision increased regional integration (Wagstyl and Buchan, 2000). Now that dangerous blank spot is being replaced by numerous hopeful signs that suggest, while the difficulties for Yugoslavia and the region are far from over, at least the foundation for increased political and economic stability and interaction with Europe and SEE is now in place (Kaplan, 2000).

One can point to several additional signs that suggest that politics might not stand in the way of increased economic integration in the coming decades. For example, a regime change through the ballot box in Croatia in 2000 produced a more integrative-friendly climate for cooperation with the EU and neighbouring states (Financial Times Survey, “Croatia”). The decision of Greece and the EU to place Turkey on the list of accession countries is also encouraging. It has been insightfully noted that in the long run it is in Greece’s best interest for Turkey be a Euro-centred, rather than an Islamic state isolated from Europe (Tsoukalis). Greece has also shown that disruptive bilateral disputes can be resolved as was the case with its sanctions against FYROM-Macedonia. Furthermore, as we shall discuss below, intra-regional trade and FDI, while modest, it is growing.
In addition to political obstacles, there are important barriers to increased economic integration which stem from the fact that these are poor countries and, in some cases, economies where agricultural production represent a large share of the GDP, thereby generally reducing the variety goods and services available for foreign trade. While these factors are not going to disappear in the near future, they should not impose insurmountable barriers to expanded integration.

In terms of GDP per capita, these are poor countries relative to the EU (about 25% of the EU average). Their GDP per capita wealth ranges (on a US dollar exchange rate basis in 1997) from relatively wealthy Cyprus, excluding the Turkish section, Greece (the poorest of the existing EU countries with a per capita GDP of about $9,000), the Turkish part of Cyprus and Croatia (about $4,000), Turkey at $3,500, Romania, Bulgaria, Macedonia-FYROM and Bosnia-Herzegovina between $1,000 and $1,500, Yugoslavia estimated at $800 (but maybe actually closer to $500), and Albania with only $700. There are also high levels of unemployment in all the states of the former Yugoslavia, as well as Albania, Romania and Bulgaria, and inflation has long been a serious problem in Turkey. Inflation can be reduced much easier than the high rates of unemployment since many of these countries have significant redundant industrial labour forces, which need to be reduced as their firms are modernized and restructured. Also, Albania, Bosnia-Herzegovina, Macedonia-FYROM and Turkey have rapidly growing populations, which makes the need for job growth even more essential. The Croatian economy has been stagnating for two decades, and in the last decade, the SEE countries in transition have lost a significant part of the GDP. Between 1989 and 1997, the Romanian economy shrank by about 18% (but even more since 1997), Albania by 21%, Macedonia-FYROM by 32%, Bulgaria by 37%, and Yugoslavia by 50% (but again more since 1997) (United Nations, 1998: 199).

This low level of economic development signifies that these countries have a weak position relative to EU countries in terms of non-farm goods available for export, level of technology, and transportation, financial and other infrastructures. It also reflects inefficiencies in their industrial facilities, services and farms that will be forced to compete on the European and global markets. This lower level of wealth and economic development increases the urgency of continuing to trade with and seek investments from the EU, while at the same time developing additional intra-regional networks where they will have the advantages of geographic proximity and fewer of the disadvantages of competing with more efficient economies of the EU.
In terms of the structures of the economies of the region, there is again a wide range but one that is generally much more heavily weighted toward agriculture than is the case with the existing EU countries. While less than 10% of Croatia’s economy is dependent on agriculture, in 1997 the figures go higher with Bulgaria (14%), Turkey (15%, but a very large 46% of the people employed in an inefficient and heavily subsidized agricultural sector), Greece (17%), Romania (19.0%), and continue up the scale with Bosnia-Herzegovina, Macedonia-FRYOM and Albania. Yet it should be noted that there has been a steady decline in the relative importance of agriculture in these economies over the last half century. Except for Albania and Bosnia-Herzegovina, the majority of people in the region live in cities, and in some cases (Bulgaria, Greece, Croatia and Macedonia-FYROM) over 60% live in cities (Bogosavljevic, 1999: 106). Nonetheless, the presence of a large farm population in countries like Turkey and Romania, which may have negative feelings about opening their domestic market to foreign goods, might cause the push for entrance into the EU to result in spirited political debates. Conversely, the EU is justifiably concerned about the expense associated with adding poor, agricultural exporting countries.

Outside of agriculture, several other conditions should be noted. Much of the industrial base of the former communism countries is generally in disrepair and in need of either liquidation or technological modernization. Also, as discussed briefly below, the countries of SEE, especially Turkey, are energy deficient. On the positive side, they have well educated work forces whose strengths have not yet been effectively utilized. Furthermore, Cyprus has developed a niche for itself in the financial service sector, and together with Greece and Croatia, tourism is an important and profitable part of these economies (over 25% of the Croatian GDP in 2000). Also the populace of these three countries, as well as sections of the Turkish population (Financial Times Survey, “Turkey: Finance and Industry”), possess strong market oriented skills. However, these same skills are just beginning to surface in Bulgaria, Romania and Albania where they were not employed under communism. The economies of Kosovo and Bosnia-Herzegovina are heavily dependent on foreign aid, which cannot be a long-range solution to their underdevelopment. On balance, the problem is one of relatively low of economic development and the presence of large agricultural sectors, which produce similar good not conducive to high levels of foreign trade.
Measuring Economic Integration

The focus will be on foreign trade and FDI as measures of economic integration. Both are very useful indicators, but do not reflect the entirety of economic integration. As noted above, historically and at present, there is surprising little trade among these contiguous countries. Relative poverty, large agricultural sectors, war and political divisions have all worked to keep intra-regional trade low. However, the tearing down of the Berlin Wall in 1989 set in motion a series of important developments for many of the countries of the region that are having a generally positive impact on foreign trade and FDI. Yet there were, and remain, severe disruptions in foreign trade patterns following the collapse of communism in the region: For example, Bulgaria was no longer able to depend on the Soviet Union to buy its, often inferior, goods. Almost one-third of Bulgaria’s exports of value-added machinery and equipment in the 1980s was in the form of poor quality computers to the Soviet Union (Smith, 2000, 157). This market no longer existed and Bulgaria lost its market for computers and many other goods. This was a severe blow to its economy, but one, which also begs for enhanced economic relations with the other countries in SEE. In addition to rearranging trading patterns from east to west, the former communist countries, as well as Greece and Turkey, but for different reasons, began to privatise their economies. The end of the restrictive former communist trading bloc and the privatisation of enterprises in SEE has contributed to expanded foreign trade and FDI in the 1990s.

Examples of expanded foreign trade would include Greece’s trade with Albania which was a mere $12.2 ml. in 1991, quickly reached $221 ml. in 1994 (Gianaris, 1996: 58). While second in importance to Italy, by 1998 Greece’s share of Albania’s foreign trade had grown to the point that almost 30% of all Albania’s imports came from Greece (Financial Times Survey, 2000a). Greece’s total trade with the Balkan countries jumped from only $240 ml. in 1989 to $1.4 bl. in 1996 (Triantaphyllou), and represents about 20% of its total foreign trade. While the economies of eastern Europe have been opened up in the 1990s with a doubling of their foreign trade levels between 1991 and 1997, these are small and relatively poor countries and the sums involved are not large.
### Table 1. Foreign Trade, 1997, in millions of US dollars

<table>
<thead>
<tr>
<th>Country</th>
<th>Exports</th>
<th>Imports</th>
<th>Major Trading Partners, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>.2</td>
<td>.7</td>
<td>Italy (47 %), Greece (21 %)</td>
</tr>
<tr>
<td>Bosnia &amp; Herzegovina</td>
<td>.6</td>
<td>2.2</td>
<td>Croatia (34 %), Slovenia (16 %)</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>4.9</td>
<td>4.6</td>
<td>EU (43 %), CIS/Baltic (8 %)</td>
</tr>
<tr>
<td>Croatia</td>
<td>8.2</td>
<td>11.4</td>
<td>Italy (21 %), Germany (19 %)</td>
</tr>
<tr>
<td>Greece</td>
<td>5.4</td>
<td>23.7</td>
<td>East. Europe (21 %), Germany (19 %)</td>
</tr>
<tr>
<td>Macedonia</td>
<td>1.2</td>
<td>1.6</td>
<td>EU (43 %), Ex-Yugoslavia (28 %)</td>
</tr>
<tr>
<td>Romania</td>
<td>9.8</td>
<td>12.4</td>
<td>Italy (22 %), Germany (17 %)</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>2.7</td>
<td>4.8</td>
<td>East. Europe (33 %), Bosnia-H. (19 %)</td>
</tr>
</tbody>
</table>


There is not a single country of the region for which trade within the region is larger than that its trade with the EU, including then sanctioned Yugoslavia. The general pattern was 60% of foreign trade with the EU, and a range of trade percentages with other SEE countries that settles on an average of about 25% (Cetinić, 1999: 126–127). It has been justifiably concluded that “the Balkans as an economic region is practically non-existent” (Cetinić, 1999: 128).

The trade between the countries of SEE and the EU is rather heavily weighted in favour of the EU. In 1997, only Bulgaria had more exports than imports with the EU, and this was largely the result of Bulgarian post-1996 economic downturn, which caused it to lack the funds to import goods from the EU. In 1997, Turkey, for example, imported $10.5 bl. more than it exported to the EU. Countries like Croatia, which had a $3 bl. negative trade balance with the EU (all trade data from Cetinić, 127), would do well to increase its trade with SEE countries in order to help address this foreign trade imbalance. Increasing exports to the EU is both necessary and possible, but will not become a reality until a number of conditions develop in SEE: internal restructuring resulting in more efficient firms; increased FDI expanding trade within and between larger companies; niche activities are developed which would include tourism and modest shifts in the agricultural sector to more specialized production of such items as perhaps olive oil in Croatia, wines in Bulgaria, Croatia and Romania, or organic food foods in Turkey.

Intra-regional FDI is a very important ingredient for increasing intra-regional trade. FDI is aided to a limited degree by cultural similarities (Meyer, 1998), but also obstructed to a much larger degree by high political risks. This means that while there are positive geographical and cultural motivators for Greece’s relatively aggressive FDI in SEE (Financial

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12 Taken from Cetinić, Tables 1, 2 and 3, 125–126, who used data from Deutsche Bank Research.
Times Survey, 1998b), reduced political risks are the paramount factor in allowing the expansion of FDI which is a decision based on the ability to enhance profits, which in turn requires political stability. The combination of somewhat reduced political risks and the lure of the large Turkish market (70 million people) has led to an increase in Greece’s trade activity with Turkey. Greece’s trade with Turkey increased from $221 ml. in 1995 to over $1 bl. in 2000. While the growth is impressive, it still represents less than 4% of Greece’s total exports and a mere 1.5% of its imports. Nonetheless, the trend is encouraging, and there exists the possibility for expanded Greek FDI in banking, energy and infrastructure projects in Turkey (FINANCIAL TIMES, 2000d: V). Turkey has also become a more active participant in FDI, and again political stability is a key factor. An empirical study of Turkish firms that invested abroad showed that while Turkey’s cultural ties with Central Asia were important, the most important factor in deciding whether to invest was the potential for profit and that the quality of governmental relations; both were more important than cultural or linguistic similarities (Demirbag et al., 1998). This type of decision-making underscores the fact that if political risks can be reduced, the opportunities for increased intra-regional FDI will be based on the prospects for profit, not traditional likes or dislikes.

FDI flow into the transforming former communist countries of eastern Europe is another component of the regional prospects for integration. The level of FDI in eastern Europe was modest in the first half of the 1990s, but grew substantially in the second half of the decade. At first only Hungary and to a lesser extent the Czech Republic were attracting significant amounts of FDI, but after 1998, Poland became the area’s leader in absolute terms. In 1997, Hungary was number one in terms of FDI per capita ($1,548), followed by the Czech Republic ($838) and Estonia ($760). The comparable per capita figures for SEE are Croatia ($259), Bulgaria ($105), Romania ($97), Albania ($97), and Macedonia ($24) (United Nations: 1998, 163). The only large investor, besides Greece, in SEE is the South Korean carmaker Daewoo, which invested over $550 ml. in Romania in 1996. However, given Daewoo’s severe financial problems at the end of the 1990s, their position in SEE is a very doubtful base for further investments. The principal investors in the countries of eastern Europe are Germany, US and Austria. While in 1994 the FDI stock

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13 The data are from Demirbag, et al. and were based on a comprehensive survey of Turkish firms. The data also show that despite the focus on Turkey’s FDI in Central Asia, in 1994 its external investments were substantial only in Kazakhstan and that Turkey’s primary location for foreign investment was the UK. Besides the UK, Turkey invested more heavily in Germany, the US and the Netherlands than in any other Central Asian state besides Kazakhstan.
in eastern Europe represented only .7% of United States’ FDI and 2.3% of Germany’s, Austria has a much more focused eastern European approach, since this region is responsible for 30.9% of its outward FDI stock (Meyer: 1998: 35). There is not much intra-regional investment in SEE. For example, while Greece is the second largest investor in Albania (Italy is first), the six largest investors in Bulgaria are all from outside SEE, and the seven largest investors in Romania also are outside of the region (Meyer, 1998: 12).

As with foreign trade, Greece’s FDI in SEE has increased dramatically throughout the 1990s. These are interconnected phenomena. By 1996, there were over 3,000 Greek firms investing in SEE. In that same year, over 1,000 Greek firms had invested in Bulgaria and were responsible for about 10% of that country’s FDI; yet that was well behind the level of the German investment. Greece’s relatively small $65 ml. investment in Albania did, however, represent 27% of that country’s total FDI in 1996. Also the 300,000 Albanians living in Greece sent home about $400,000 in remittances (Triantaphyllou, 1999).

While the levels of intra-regional FDI are modest, there is a base being formed and Greece’s total investment of about $3 bl. is leading the way (Financial Times Survey, 1999b, 2000d). While Greece has provided public funds for aid and incentives for external investments, the main players are private firms, especially telecommunications and banking lead by the Hellenic Telecommunications Organization (OTE), which committed about $1.5 bl. to Bulgaria, Romania and Yugoslavia. The dispute over the name Macedonia did not stop Greece’s largest bank, National Bank of Greece, from investing in Macedonia-FRYOM’s largest bank or Hellenic Peteroleum from building a pipeline connecting Thessaloniki to Skopje. Another component of Greece’s FDI in SEE, and beyond, is its participation in the Black Sea Trade and Development Bank located in Thessaloniki. Greece, along with Russia and Turkey, are the largest shareholders.

Putting the Greek investment of FDI in SEE in perspective, one should note that it is a sensible and substantial approach by the Greek government and its private sector, and that it is part of the puzzle for constructing a foundation for increased economic integration for the region. Nonetheless, it should also be recognized that the Greek economy is not capable of shouldering the entire burden and that other factors need to play a positive role in order to make expanded integration a reality.14

14 Nonetheless, one should not underestimate Greece’s role, nor the substantial expansion of its FDI in 1990s. By way of comparison, the figures published by the OCED for FDI in 1994 did not even have a row for Greece as a provider of FDI, yet in a very short time it has become a significant regional player.
One such factor is the region’s absence of energy. In the process of supplying Turkey and the other countries of SE E with oil and natural gas, a large number of regional energy and infrastructure projects will be realized which will increase external and intra-regional FDI, and will contribute to increased foreign trade and interdependence of energy sources.

A focus on the energy issue itself would move the present discussion beyond SEE, specifically to the east – the Caspian Sea. It would also require an emphasis on foreign policy and pipeline plans. Since these issues are beyond the scope of this paper, this discussion will be limited to a few salient points and examples.

The energy needs of SEE are critical since the region posses limited domestic sources. This is situation is compounded by several other related developments. Bulgaria gets about 40% of its energy from a dangerous source, the outdated and unsafe nuclear facility at Kozlodui. Greece is dependent on natural gas from Russia via the Yarmal-Europe pipeline and wants to secure alternate suppliers. Yet the largest single determinant of the region’s energy future is the seemingly unsuitable appetite for oil and gas of the rapidly growing Turkish population. The almost 70 ml. people of Turkey are increasing their energy consumption 7% per year and in 20 years it will expand more than four fold. Presently, primary domestic energy production accounts for 38% of Turkey’s needs, but by 2010 domestic sources will meet only 29% of its needs, and by 2020 an estimated 25%. Turkey’s consumption is now equivalent to 76 million tons of oil per year, but this will increase to 179 million by 2010 (Arikan, 2000, 194). In sum, Turkish hydro-powered electricity and coal (predominantly low quality lignite) are not going to be able to service the needs of its growing population and modernizing economy. Hence a variety of external factors will become increasingly important and this is directly and indirectly positive for increased economic integration in SEE.

Electrical grid connections between Turkey and Europe are not yet in place, but feasibility studies exist and there is hope for Turkey’s inclusion in the future. Presently Turkey has an agreement to purchase electricity from Bulgaria in return for Turkish infrastructure investments in Bulgaria (Arikan, 2000). Turkey is also at the centre of a variety of plans for oil and gas pipelines. In addition to the proposed Baku-Tbilisi-Ceyhan pipeline, there is a Turkmenistan-Turkey-Europe gas line and the “Blue Stream” project which would bring gas from Russia to Turkey via lines underneath the Black Sea. This movement of oil and gas from the Caspian Sea to Europe places Turkey and SEE in a very pivotal position.
Greece is also involved in the transmission of oil out of the Caspian Sea. This involves the movement of Caspian oil along the existing pipeline to Novorossiysk in Russia to Burgas, Bulgaria, to be connected via a $1 bl. pipeline to Alexandroupolis. Greece also plays an important role in integrating the SEE via the construction of two highways in northern Greece that would more conveniently link people and goods throughout SEE, and the region to central Europe. In addition to the EU support for highways, it also contributes to the construction of the new airport in Athens, which will serve as a transportation hub for the region.

**Conclusion**

Slovenia has had a very successful decade of transition from socialist self-management to capitalist market economy. It has been perhaps the most successful of all transitional economies of central and eastern Europe. Our analysis suggests that it is precisely because Slovenia had the good sense not to accept the economic advice of western economists and financial and trade institutions to adopt economic “shock therapy” and rapidly liberalize and deregulate its markets, particularly financial and foreign exchange markets, that its economic performance has been as good as it has been. If this is the case, then there is no assurance that Slovenia’s performance will continue to be as strong in the future.

Slovenia’s use of the levers of monetary policy that it has employed so successfully in the decade after independence to stabilize the economy have now largely been precluded by recently adopted legislation, while growth is now conceded to be dependent on exogenous foreign demand beyond the control or influence of Slovenia. Full accession to the EU and the EMU will preclude independent monetary and fiscal policies to either stabilize the economy or to promote growth.

Furthermore, the neo-liberal prescription of *market flexibility*, in particular labour market flexibility, endorsed by the EU, the IMF, and the OECD (as part of the so-called “Washington Consensus” for developing nations and for renewed European growth), has increasingly come under attack by many prominent economists involved in the field of trade and growth.15 Perhaps the most damaging criticism has been that of Joseph Stiglitz, a former member of President Clinton’s Council of Economic Advisors, and former Vice-President and Chief Economist at the World Bank. Writing while still with the World Bank, Stiglitz notes:

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15 The most sustained and detailed attack based on case studies, including the role of such policies in the destruction of the former Yugoslavia, can be found in Michel Chossudovsky, *The Globalization of Poverty: Impacts of IMF and World Bank Reforms* (Penang: Third World Network, 1997).
It is certainly theoretically possible that greater wage and price flexibility actually leads to a lowering not just of welfare ...but of output. Recent cross section estimates of output variability and the likelihood of recessions suggests that greater wage flexibility is either un-associated with greater output stability or may actually contribute to an enhanced likelihood of a recession (Stiglitz, 2000: 8).

Furthermore, he argues that labour market flexibility can undermine industrial relations and worker participation in decision-making, thereby reducing productivity and growth (Stiglitz, 2000: 9). It is also likely to exacerbate social conflict to the detriment of the economy at both the aggregate and individual level.16 As Stiglitz points out, capital market liberalization in East Asia benefited few and impoverished many through falling wages and increased unemployment. Such liberalization pays no heed to the welfare of workers

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"apart from sermons about the virtues of bearing pain....[A]dvising countries to have more flexible labor markets may be tantamount to telling them to give up hard won advances in labor standards. And even the welfare gains may be problematic, once the social costs of the risks imposed and the adverse macro-economic effects ...are taken into account (Stiglitz, 2000: 19, 21–22).
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Moreover, the whole strategy of free trade and capital-flow openness as a development strategy for small countries has been questioned by leading trade economists. Speaking before an IMF seminar in May 2000, Dani Rodrik of Harvard University questioned the whole rationale of international economic integration as a development strategy.17 He noted that capital market integration can have perverse effects on capital flows, increase credit rationing and the volatility of boom bust cycles, and promote periodic financial crises. He argues:

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Thus, despite what passes for the prevailing conventional wisdom, integration into the world economy may not, by itself, be the best or only way for countries to grow,... The issue ...is not
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16 “But long-term social contracts between firms and their workers may make them more accepting of –and more promoting of – change and progress. Indeed, the breaking of the social contract and the undermining of social capital is increasingly being given “credit” for the huge decreases in productivity in the former Soviet Union.” (Stiglitz, 2000:16)

“more trade versus less trade,” or “more openness versus less openness.” It is, rather whether globalization is a viable development strategy in and of itself. What policy makers should focus on ...is the degree to which policies and institutional reform should be targeted on trade and capital flows, as opposed to domestic investment, technological capabilities, and institutions that serve purposes far beyond that of facilitating globalization.... But the choice of priorities and institutions should be home grown; tailored to domestic needs, aims, and objectives; and based on a consensus drawn from all segments of the domestic population (Rodrik, 2000: 192).

The recent moves by Slovenia to surrender “the choice of priorities and institutions” to the EU may yet prove to be the unravelling of the highly successful monetary and foreign exchange stabilization policies and of the co-determination and corporatist industrial relations policies of the transition period that have resulted in Slovenia’s superior macroeconomic and growth performance since 1993.

The catalysts to economic integration in SEE are the EU, Greece and Turkey. The principal mechanisms for increased economic integration will be intra-regional FDI, which will be an important component for expanded intra-regional foreign trade. There has been a modest expansion of cooperative economic activities in the 1990s, but enhanced future interactivity is both necessary and quite probable. The efforts of the EU and Greece in the 1990s have been encouraging, but continued and deepened integration will, to a large extent, depend on the ability of Greece and Turkey to restructure and make their own economies more efficient, and to jointly reduce bi-lateral tensions and play major roles in the rebuilding of the economies of the region.

In addition to the importance of Greek-Turkish relations, there must be political stability and expanded cooperation between numerous countries outside region, and Yugoslavia. The outcomes of both situations will largely be determined by the people of Greece, Turkey and Yugoslavia, but it is advisable for external actors (US, Russia, the EU and NATO) to be involved and pro-active. The economic carrots held out by accession to the EU are providing incentives for changes that encourage increased economic regional integration, which is seen as the most effective vehicle for SEE’s chances of prosperity and stability in the future.
### Appendix Table 1. Macroeconomic Indicators Slovenia 1991–2000

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<tr>
<td>Change in real GDP</td>
<td>-9.3</td>
<td>-5.5</td>
<td>2.8</td>
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<td>4.1</td>
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<td>4.6</td>
<td>3.8</td>
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<td>Per capita Income (PPP, USD)</td>
<td>(9.108)</td>
<td>8,109</td>
<td>8,579</td>
<td>9,465</td>
<td>12,500</td>
<td>13,200</td>
<td>14,100</td>
<td>14,800</td>
<td>15,000</td>
<td>na</td>
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<tr>
<td>% change</td>
<td>na</td>
<td>-11.0</td>
<td>5.8</td>
<td>10.3</td>
<td>32.1</td>
<td>5.6</td>
<td>6.8</td>
<td>5.0</td>
<td>1.4</td>
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<td>Prices CPI %</td>
<td>117.7</td>
<td>207.3</td>
<td>32.9</td>
<td>21.0</td>
<td>13.5</td>
<td>9.9</td>
<td>8.4</td>
<td>8.0</td>
<td>6.1</td>
<td>8.9</td>
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<tr>
<td>Annual Change Gross Domestic Investment (% GDP)</td>
<td>15.2</td>
<td>17.6</td>
<td>19.3</td>
<td>20.9</td>
<td>23.4</td>
<td>23.4</td>
<td>23.7</td>
<td>24.3</td>
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<td>Gross National Saving (% GDP)</td>
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<td>24.9</td>
<td>21.5</td>
<td>24.8</td>
<td>23.3</td>
<td>23.6</td>
<td>23.8</td>
<td>24.3</td>
<td>24.8</td>
<td>25.8</td>
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<td>LF Growth Employment Growth</td>
<td>-0.67</td>
<td>-0.34</td>
<td>-0.2</td>
<td>-1.3</td>
<td>-0.8</td>
<td>-0.5</td>
<td>+0.8</td>
<td>+0.3</td>
<td>0.7</td>
<td>na</td>
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<td>Unemployment Rate (survey)</td>
<td>7.3</td>
<td>8.3</td>
<td>9.1</td>
<td>9.1</td>
<td>7.4</td>
<td>7.3</td>
<td>7.4</td>
<td>7.9</td>
<td>7.6</td>
<td>7.1</td>
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<td>Gross wage growth / employed</td>
<td>-10.9</td>
<td>-1.2</td>
<td>13.3</td>
<td>3.6</td>
<td>4.4</td>
<td>4.9</td>
<td>3.2</td>
<td>1.6</td>
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<td>Real growth in Labour Productivity</td>
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<td>-1.4</td>
<td>4.6</td>
<td>5.0</td>
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### Macroeconomic Indicators Slovenia 1991–2000 (Cont’d)

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<tr>
<td>Trade in Goods Exports (USD)</td>
<td>% increase</td>
<td>-6.4</td>
<td>42.1</td>
<td>-9.9</td>
<td>10.9</td>
<td>18.2</td>
<td>0.2</td>
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<td>Imports (USD)</td>
<td>% increase</td>
<td>-14.4</td>
<td>29.9</td>
<td>5.5</td>
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<td>23.0</td>
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<td>Trade Balance</td>
<td>-262.2</td>
<td>791.1</td>
<td>-154.2</td>
<td>-337.5</td>
<td>-954.3</td>
<td>-881.7</td>
<td>-771.6</td>
<td>-774.9</td>
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<td>Trade in Services Exports (USD)</td>
<td>% increase</td>
<td>-40.4</td>
<td>20.4</td>
<td>14.2</td>
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<td>12.1</td>
<td>5.1</td>
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<tr>
<td>Imports (USD)</td>
<td>% increase</td>
<td>-5.4</td>
<td>96.2</td>
<td>-2.1</td>
<td>10.9</td>
<td>23.3</td>
<td>2.2</td>
<td>2.1</td>
<td>5.6</td>
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<td>Service Balance</td>
<td>482.9</td>
<td>180.3</td>
<td>375.3</td>
<td>675.8</td>
<td>631.1</td>
<td>704.2</td>
<td>590.0</td>
<td>513.7</td>
<td>365.6</td>
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<td>Current Account Balance</td>
<td>129.1</td>
<td>926.2</td>
<td>191.9</td>
<td>600.1</td>
<td>-22.8</td>
<td>39.0</td>
<td>36.6</td>
<td>-3.8</td>
<td>-581.4</td>
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<tr>
<td>Effective Exchange Rate (1992=100)</td>
<td>42.8</td>
<td>100</td>
<td>78.5</td>
<td>68.9</td>
<td>68.6</td>
<td>61.9</td>
<td>58.6</td>
<td>57.1</td>
<td>53.5</td>
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<td>Deflated by CPI</td>
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<td>100</td>
<td>99.9</td>
<td>103.5</td>
<td>114.2</td>
<td>110.2</td>
<td>110.8</td>
<td>116.0</td>
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<td>Deflated by ULC</td>
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<td>111.2</td>
<td>111.9</td>
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<td>123.0</td>
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Macroeconomic Indicators Slovenia 1992–2000 (Cont’d)

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<td>(SIT)</td>
<td>75,842=100</td>
<td>141.2</td>
<td>210.5</td>
<td>252.4</td>
<td>296.0</td>
<td>350.5</td>
<td>430.7</td>
<td>516.5</td>
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<tr>
<td>(1992=100) M₃</td>
<td>286280=100</td>
<td>164.2</td>
<td>247.6</td>
<td>327.5</td>
<td>391.0</td>
<td>484.2</td>
<td>585.3</td>
<td>673.9</td>
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<td>Real Interest Rates</td>
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<tr>
<td>Short term</td>
<td>23.7</td>
<td>20.4</td>
<td>16.9</td>
<td>13.9</td>
<td>11.7</td>
<td>10.3</td>
<td>6.9</td>
<td>5.7</td>
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<tr>
<td>Long term</td>
<td>27.4</td>
<td>21.2</td>
<td>17.3</td>
<td>15.2</td>
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<td>Mortgage</td>
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<td>Demand deposits</td>
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<td>3.4</td>
<td>1.4</td>
<td>1.1</td>
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<td>Deposits over 1 year</td>
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<td>11.2</td>
<td>11.0</td>
<td>9.7</td>
<td>7.2</td>
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<td>4.0</td>
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<tr>
<td>TOM (annualised)</td>
<td>159.4</td>
<td>22.4</td>
<td>18.7</td>
<td>8.2</td>
<td>9.7</td>
<td>8.8</td>
<td>8.5</td>
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Public Finance

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<tr>
<td>Balance (% GDP)</td>
<td>0.2</td>
<td>0.3</td>
<td>-0.2</td>
<td>0.0</td>
<td>0.3</td>
<td>-1.1</td>
<td>-0.7</td>
<td>-0.6</td>
<td>-1.0</td>
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<td>Debt</td>
<td>21.0</td>
<td>18.6</td>
<td>27.9</td>
<td>28.8</td>
<td>27.3</td>
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* 2000 figures are projections by IMAD; GDP and unemployment rate figures are averages of 1st

Source: Bank of Slovenia, Annual Reports, 1991–1999; Monthly Bulletins (selected issues); IMAD, Autumn Reports, 1993, 1997, 1999; Slovenian Economic Mirror (selected issues); Koyama (1999), Table 4; GZS (2000).

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Defense strategy is a critical component of the politics of national security, which includes the political/military chain of resources, goals, and the theory of a given country on how to best “carry out” security for itself. The defense strategy, as a component of the politics of national security, must identify possible threats for the country and must invent political, economic, military and other means of elimination of these threats. Considering possible responses, defense strategies can be grouped into three categories: offensive, defensive, and deterrent. The goal of offensive strategies is to disarm the opponent – to destroy his armed forces. The goal of defensive strategy is to not allow the opponent to reach his desired objectives. The deterrent strategy “punishes” the attacker – it increases his costs, although it does not decrease the costs of the defender. In the creation and development of an army and defense system in Croatia, the defense strategy is profiled according to the three possibilities outlined above, and limited by the following factors: the national strategy, the military strategy of the opponent, and international pressure. These factors are discussed in greater detail with the aim of determining their influence on the defense strategy of the Republic of Croatia.

The war in Croatia has been specific in many ways and it still needs to be scientifically explored. The knowledge gained should be made available to everybody, in particular to those who shall use it for prevention of future conflicts. Croatian forces did not have only JNA, a military for outside Croatia, against them as an exterior force. One of the distinctions of this war was the presence of paramilitary forces formed in the wake of it by a part of the rebel Serbs from Croatia.

Studying the war in Croatia can certainly be interesting from a defense strategy point of view. It can easily be just as interesting for a peace study, or for the theoretical elaboration about a peaceful solution of disputes. This interest could be additionally derived from the fact that
numerous initiatives have been launched and various attempts made with a single goal – finding peaceful global and local solutions for conflicts. Unfortunately, most of them have failed, and even those that were successful are still considerably unfamiliar to the wider public. They are largely unexplored and still not properly evaluated. This paper is also a result of our wishes and attempts to help perceive and explain the war in Croatia.

**Genesis of the Conflicts in Croatia**

Contemporary political achievements of the so called “Brotherhood and Unity” phenomenon, were repeatedly and severely threatened and shattered by the numerous events and developments (social changes throughout the former Yugoslavia through the late sixties and early seventies, new Constitution in 1974, and particularly in late eighties, radical changes in Croatia and Slovenia when political pluralism and multi-party systems were introduced and new political structures and forces came to power). Socialist system was the corner stone of the multinational federation, and it was being chipped away by the ever growing social changes all over SFRJ, aimed both at democratization and national and republican emancipation. Dogmatic forces, particularly those in JNA (Yugoslav Peoples Army) and in the federal state institutions, felt endangered. They opposed those democratic processes with the intention to preserve Yugoslavia as a centrally oriented federal state, which would, in return, save the high positions they held. When it was finally obvious that SFRJ was not feasible any more (after democratic elections in Slovenia and Croatia in 1990 and especially after these two declared independence in 1991), federal leaders, assisted by JNA, started the war – first against Slovenia and soon afterwards against Croatia. Paramilitary units formed by some of the rebel Serbs from Croatia joined the JNA in its actions against Croatia.

In a long period during the late eighties, predominant political strategy in Croatia was silence and avoiding any confrontation with the attempts to save a centralized federal state based on its socialistic foundation. Nevertheless, the process of democratization started and soon, almost fifty new political parties were established. Majority of them were ethically based. The elections produced a new composition of the Parliament, which had a straightforward HDZ (Croatian Democratic Union) majority among MPs. HDZ’s actions and taking of power were very noisy and saturated with emotions and national self-respect. Response and reactions from both interior and abroad differed greatly. Nevertheless, a cautious warning about the new, practical moves made by the newly elected government was predominant. Different political moves
followed and new Croatian authorities were soon exposed to the blows coming from different directions. International political forces, still inclined to the preservation of Yugoslavia’s integrity, were against them and on the interior plane, a discontent of Serbs from Croatia and (still) unreformed communists was ever wider and unrestrained.

Political Goals of the Belligerent Parties

Serbian Political Goals

In the late eighties, Serbian global national policy came into the open with the idea of “a great Serbian state” which would realize the dream (once sacrificed for Yugoslavia) of all Serbs living together in one state. This accounts for the contradictory ideas of the Serbian state – a strong Yugoslav federation (overtly) and a great Serbia (covertly) (Popov, 1996: 41). With this as their starting point, Serbian nationalist politicians, the leadership of the JNA and the leadership of rebel Serbs in Croatia defined their political goals in several variations:

1. To prevent the possible independence of the Republic of Croatia, thus maintaining it in the new Yugoslav federation by using the existing constitutional position of Croatian Serbs (that of a constitutive nation);
2. If the first goal proves unattainable, a part of the Croatian territory following the line Karlobag-Ogulin-Karlovac-Virovitica is to be invaded with the assistance of the JNA, structured as a state and joined with other “Serbian states”;
3. If the second goal proves unattainable, with the assistance of the JNA and the local Serbs, the largest possible portion of the Croatian territory is to be invaded, put under the protection of the international community for as long as possible, that is, until the conditions for its annexation are fulfilled;
4. In case the third goal proves unattainable, as many Croatian Serbs as possible are to be protected, including their withdrawal from Croatia to the Socialist Republic of Yugoslavia and Bosnia-Herzegovina, thus improving the local demographic situation.1

The analysis of military and political developments in the last six years shows that these goals were formulated before they became operational and that they were realized gradually, according to the current situation on the battleground and international circumstances.

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1 Some Serbian authors discuss only one goal. So Konstantin Obradovic, for example, in regard to Serbian rejection of the “Z-4” plan says: “Since the very beginning of the conflict Krajina Serbs have clearly had only one, openly reclaimed goal – secession from Croatia and integration with other parts of the Serbian people within a restored, no matter how much “reduced” Yugoslavia, or expecting this to happen, creation of their own independent state” (Obradovic, 1995: 3).
Croatian Political Goals

The main Croatian political goal was the establishment of an independent and sovereign Croatian state, either in the short or in the long run. For the realization of this goal, necessary constitutional changes were made by the passing of the new Croatian Constitution on December 22, 1990, which defines Croatia as the “national state of the Croatian nation and the state of members of other nations and minorities, who are its citizens: Serbs, Moslems, Slovenes, Czechs, Slovaks, Italians, Hungarians, Jews and others, who are guaranteed equality with citizens of Croatian nationality and the realization of ethnic rights in accordance with the democratic norms of the United Nations and the free world countries.” (The Constitution of the Republic of Croatia, 1990: 1237). The establishment of the independent national state of the Croatian nation was to be realized peacefully and by negotiation, but, if necessary, by other means. Croatian government was aware of the fact that immediate and full constitution of an independent and sovereign state would not be possible, which is why it put forward the proposal to form a confederal state with the other republics of former Yugoslavia, as a basis for political negotiations. However, at the same time the Croatian government started preparations for the development of Croatian armed forces in case Croatian survival and state independence is to be fought for using the military.

Strategies of the Belligerent Parties

Serbian Strategy

A certain strategy can be detected when carefully analyzing the warfare in Croatia. As its development can show, one of the well known war doctrines has obviously been applied to Croatia’s warfare – the Doctrine of the conflict with low to medium level of intensity. A low level of intensity conflict, most commonly performed in all contemporary (worldwide) circumstances, is represented with a combination of both armed and unarmed elements of fighting. Armed and unarmed conflicts are equally represented as a source of the violence applied, and the violence – in turn – is considered to be the essential ingredient of any war.

It was not easy to determine at that time and for a long time afterwards, whether the conflict in Croatia was a true war after all, specifically due to the fact that the “low level of intensity conflict” doctrine was applied in conducting it. It could not have been recognized as a war in its typical form, and it was never declared as a war as some expected it to be.

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2 This strategy was elaborated in military textbooks and rulebooks of the majority of modern armies worldwide including the JNA, and it represents one of the basic types of warfare in modern circumstances. Low intensity conflict strategy is elaborated in American military literature (see Žunec, 1994: 46–63).
Another reason for such uncertainty lies in the fact that when the “low level intensity conflict” doctrine is applied, a strategic principle usually follows the demands that the size of the goal-objective (itself determined by the size of the interest to achieve it) must determine the size of power and resources to be used for achieving it. Whereas, when a classic military doctrine is used, resources are usually of military nature and quite easily recognized as such. When the “low level of intensity conflict” doctrine is used, a conception of “force” is widened, both by its volume and its meaning, and a wide variety of resources (means) lays at hand, to be used for best effects possible. Sometimes those means are military by their nature, other times some of them are non-military, or the previous two can be combined together, again at various ratios of their respective intensity levels.

One of the most important characteristics of the war in Croatia was stimulation, organization, development and assistance given to the rebellion. All of it was performed by the exterior factors. Several pre-conditions need to be met if one wants to facilitate a rebellion in any country. Some of them are: the low average level of education, technological skills and general knowledge of the population (as all of them can easily create misunderstanding and fear from sudden and fast changes); an underdeveloped agriculture, endurance of the local elite whose members are unwilling to share their power, let alone surrender it peacefully to someone else, incapability or unwillingness of the legal government to fulfill the needs and expectations of all members of the electorate, particularly some specific ethnic groups etc. All of these conditions already existed in Croatia when democratic changes started. Nevertheless, the rebellious movement could not have begun simply because the general conditions were met. It still required some directing work in order to be applied, and the leaders of the rebellion started persuading the people that it was the government who was to be blamed for all of their problems and their insecurity. The rebellion leaders used a collection of ideas – offering solutions to the problems, promising a better future and justifying the use of violence – in order to change the average attitude of the population towards accepting an open rebellion that they were promoting.

Predominant political climate in the country also worked in the favor of the rebellion. Even when the sensitivity of the population is fairly elevated, and when another major ingredient of the rebellion – its leadership – is already existing, the successful development of the rebellion is still

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3 By definition, rebellion presents an attempt made by an organized group of people, to stimulate or initiate population of a country, or just a part of it, for overthrowing by force of existing government or other authority. Motives that such a group might have can be numerous and different, but their common goal is always forceful take-over of power.
highly unlikely for as long as the government effectively executes its authority throughout the land. The strategy and the actions undertaken by the rebellion covered a wide range between the use of completely non-violent means (most of the means used in the beginning were non-violent, all the way up to another extreme, towards the excessive use of severe violence.

Methods used at the beginning were the ones practiced legally within the existing political system, with only a slight emphasis put on a small amount of open violence. They emphasized the organization of a political party as their front view and placed very little attention to the development of the armed elements within. After that, all efforts were focused on the use of violence, including the use of armed elements. They attempted to create instability, primarily through the use of violent activities. The rebels planned and prepared conditions in which a single incident would suffice to initiate sudden uprising of the population against the government. Step by step, on the organizational plane, the rebellion party was slowly uniting with the armed elements, and superior leadership of the rebellion was gaining a double responsibility – political governing and the management of armed elements. Together with the activities aimed at gaining armed control over certain territories started the creation of mass-organizations.

The creation of a complex political structure was the next thing planned on the organizational plane agenda. It would have used both mass political organizations and the armed elements for confrontation with the government forces. The ultimate objective was to establish their own government, which would be controlled by the rebel party, on one part of the state territory.

The war in Croatia can be divided in three distinct phases, when observed from the viewpoint of rebellion development:
- 1st phase – latent stage, initial rebellion;
- 2nd phase – guerrilla war;
- 3rd phase – maneuver warfare.

First phase – latent or initial rebellion. Subversive activity at the beginning of this phase presented only a potential for danger, eventually evolving into frequent subversive incidents and actions carried out in an organized manner. Violence of an excessive volume still did not erupt, neither did any uncontrolled activity of the rebels still take place. Activities of the rebels in this phase can be comprised as follows:
- Aware of the relatively weak position they still held, the rebels planned and organized their campaign, chose the areas where they would start with their activities, reached general conclusions about
their ideological strategy and resolved necessary relations between the leaders of the rebellion;
- In order to exploit the already existing discontent of the population, and to enhance their loyalty to the rebels, they performed various psychological operations and activities;
- When the rebel party felt it was strong enough to become active outside its own ranks, its efforts were focused on gaining influence among the population, infiltrating its members into the ranks of local authorities, economic and social organizations. It also maintained challenging the legal administrative authorities and testing the capabilities of the government;
- In the later stages of that phase, their attention was focused on recruiting, arming and training;
- They have performed assaults on smaller police units and conducted other terrorist activities and minor military actions, in order to gain additional influence on the local population and at the same time test the ability of the government to maintain law and order⁴;
- They have settled the basis for a huge external material support and assistance. In most of the cases and most of the areas affected by the rebellion, it presented a deciding moment in both the development of the rebellion and its success.

Second phase – Guerrilla war. After the rebel movement gained sufficient local and exterior support, it turned its strength against the existing government. In doing so, the war entered its second phase. Activities of the rebels in the course of this phase can be comprised as follows:
- Activities initiated in the previous phase were continued and advanced. The control of the territory and the population, both political and military, had been extended;
- As the military conditions allowed, the political authority – including all the levels of the government – was established by the rebels in all the areas they dominated. In the areas free of rebel control, increased efforts were made to neutralize existing opposing groups within (as well as the ones who could potentially became opposed), and to infiltrate rebels into all levels of the local authority. With the increased use of terror and threatening the people with new guerrilla actions, intimidation of the population was increasing;
- The main objective of their military activity was to gain control over additional territory, wherever a realistic basis for that existed. The central government was forced to stress and stretch its militant forces to

⁴ In autumn of 1990 there were many incidents in which Serbian forces attacked the Croatian police. According to a report issued by the Croatian Ministry of Interior “in 1990 there were 390 explosions, 297 armed assaults, 436 criminal charges were filed against known perpetrators of criminal acts, and 80 people were held in custody. They were citizens of Serbian nationality”. Cf. Vjesnik, July 4, 1991, p. 5.
their limits, intending to protect all important spots at the same time. The rebels tried to engage the government forces in isolated areas, so the government troops would be forced to organize and perform a static defense of them alone. The rebels obstructed and damaged the government’s use of communications. They also confiscated or destroyed all material supplies and other government’s resources that could be reached.

Third phase – Maneuver warfare. The rebellion outgrew phases 1 and 2 when sufficient armed forces were created, support of the population secured, and exterior aid in arms and other resources received. The maneuver war could now begin to be fought between organized forces of the rebels and the government forces. Rebel activities in the course of this phase can be comprised as follows:

- Activities initiated in previous phases were continued and advanced;
- Larger units of rebels were used to fight government police and military troops, and to gain control over the key-spots of geographical and political significance as much as they were related to fulfilling the rebellion’s objectives. Serbian forces intensified their attacks on Croatian villages and cities in various areas, and several fronts were gradually formed. The frontlines were approaching major Croatian cities.

As the government forces were temporarily expelled from the part of the state territory, the rebels initiated activities on their own consolidation. In that course, potential enemies were put away, additional population and territory surveillance mechanisms were implemented, and a civilian authority was established.

After establishing a stable frontline, the military of the “Republic of Serbian Krajina” had a total of 55,000 men, but it was estimated that approximately 40,000 were able to participate in a full-scale war against Croatian armed forces. The military service was organized in ground “troops and air forces, which were deployed on 12,000 km² of the Croatian territory. It controlled a 600 km long frontline towards Croatia and a 100 km long frontline towards Bosnia and Herzegovina. Ground troops were organized in 5 military corps, 16 infantry brigades (each with 3000 soldiers) and 3 tank battalions“ (Vego, 1993b: 438–445)

General organizational structure of the rebel movement in Croatia consisted of:
1. Party apparatus and surveillance-executive apparatus;
2. Mass civilian organizations;
1. Party apparatus and surveillance-executive apparatus; it has functioned as a central organ for creation of policies and supervising their execution. In that sense, the party and organs of authority under its direct control were in control of the military and mass organizations. A strict discipline, hierarchy and subordination were established in the party ranks. Its summit was firmly connected with exterior centers of power, and they were the source of various kinds of aid that the rebellion received. Executives of the surveillance-executive apparatus on the territory controlled by the rebels were usually impersonated by the most distinguished members of the rebel party.

2. Mass organizations were some of the corner stones of the structure the rebels used to effectuate their influence and in supervision of the population. For example, the rebels have used them to facilitate army intelligence, recruiting new soldiers etc. The most obvious objective of the organizations was recruiting as many individuals as possible for the service of the rebel party (some of them were unaware that they served the rebel cause).

Three types of organizations prevailed within the rebel movement:
- peoples organizations;
- particular interest groups;
- local militia, which considered itself to be an element of the mass civil organizations. Its main task was isolating the population from the intelligence and surveillance that the legal government was attempting to perform.

3. Military forces presented only one of the resources they needed to reach the objectives of the rebellion. The rebel military forces consisted of two main corpses: The main corpse and the regional corpse\(^5\). The main corpse consisted of well-trained, highly motivated soldiers (even mercenaries), organized into elite combat units. The main corpse was directed and controlled from one center (command), and sent to where it was required. Those forces were mainly represented by former federal army troops on the territory of Croatia. The regional corpses were formed mainly from local men, usually drafted directly from the membership-ranks of mass civil organizations, or from local militia or units of Territorial Defence. The regional Corpse forces usually restrained their activity to a smaller territory or even to their local community.

\(^5\) At the beginning of the war in Croatia, units of former JNA and Serbian rebel forces together counted 145,000 soldiers in regular troops and 190,000 more in the reserve.
Croatian Defense Strategy
Defending its state territory, at the beginning of the war in 1991, the Republic of Croatia had not yet had a clearly defined defense strategy, but did have several variants of opposing the JNA and the Serbian forces in Croatia. One of these variants was a military one, which is why Croatia started to develop its police and military force at a fast pace. Fully disarmed, Croatia largely relied on its emerging police and military forces.6 The development of the military and the defense system led to the outline of the defense strategy, which was determined by the following factors: state policy, military strategy of the enemy and the international community.

State policy was aimed at creating an independent and sovereign state, with minimal human and material losses, and it implied a combination of diplomatic and military activities. Seeking viable variants of defense strategy within the state policy, it soon became clear that the strategy of total national defense was inappropriate for Croatia, since this defense strategy is based on an extremely high level of human engagement, afflictions of civilians and economic devastation. In 1991 Croatia entered the war with modest defense potentials, which included the police force and scanty military forces. In order to compensate for its military and technical inferiority, Croatia was initially forced to adopt the total national defense strategy, but it was gradually abandoned as the war progressed and replaced by the state defense strategy. This was reflected not only in the type of armament, but also in the increasing professionalism of the Croatian Army and the totally centralized decision making and management of the defense forces.

The military strategy of the enemy, being a significant factor, was most directly reflected in the Croatian defense strategy. In an attempt to preserve the SFRY, the JNA and its political partners were not in the position to apply the official defense strategy, i.e. the strategy of total national defense in the early days of war. This strategy was not suitable for internal conflicts, which required a new strategy to be developed with

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6 It did not take much time for the Croatian government to realize that it could not count any longer on the territorial defense, which had been completely disarmed just before 1990 elections. This is why no attempts were made by the Croatian government to turn it into its army, but instead under current legal provisions it developed its police force, which numbered about 16,000 men in May 1990. At that time the police consisted of regular, special, border and anti-terrorist units. Special units were organized according to military principles, with military discipline and training. Through continuous recruitment police forces soon numbered as many as 45,000 men: 21,360 in regular units, 1100 in special units and 22,900 reserves. However, these forces were insufficient for effective defense, which is why Croatia also started setting up new units called National Defense, using the existing structures of civilian defense. The chief goal was to create armed units, which would, following changes in the legal system, become part of the armed forces (see Javorović, 1995: 158).
military potentials being suited accordingly. The defense strategy was then replaced by an offense strategy, also applying the low intensity (to a lesser degree medium and high intensity) conflict strategy. The time needed for the implementation of these changes in the JNA and the Serbian side was an opportunity for the Croatian side to improve its defense positions.

In the early days of the war, in late June 1991, the Croatian Army, that is the National Guard numbered 10,000 men. As the war progressed, the Croatian Army increased and became stronger and better equipped and reached 200,000 people at the time when the Carafe cease-fire agreement was signed. Since then, the Croatian Army, which managed to stop Serbian forces and the JNA from progressing, has undergone reorganization, been equipped and has been reduced to a one-third of its original size.

The Croatian army recorded its first successful military actions in September 1991, when 40 barracks throughout the Republic of Croatia were blocked.7 The takeover of the barracks enhanced Croatia’s combat readiness, which was soon displayed on the battleground. Inviting JNA officers and soldiers to join the Croatian Army in September 1991 was an important move, by means of which the Croatian Army grew even stronger. The situation on the battleground was gradually improving upon the establishment of the coalition government in September 1991, which was followed by the establishment of the Supreme Headquarters of the Croatian army, and six operational zones.

Soon after the Sarajevo cease-fire agreement was signed, the Republic of Croatia decided to reduce the number of military units and the total number of soldiers. In early April 1992, when war broke out in neighboring Bosnia-Herzegovina, the Croatian Army deployed a relatively large number of combat units made up of men originally from Bosnia-Herzegovina who had been dismissed from the Croatian Army. Assistance provided for Croatian people in Bosnia-Herzegovina also included significant financial resources and logistics.

The turning point of the war in Croatia was the offensive, which the JNA started on October 5, 1991. This is when Western military experts believed that Croatia would be subjugated within 2 weeks. However,

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7 As a result of coordinated actions, 36 barracks were taken, with four remaining under Serbian control (Petrinja, Mirkovci, Vukovar and Karlovac). The 32nd JNA Corps based in Varaždin was forced to surrender, which was extremely significant, since this action resulted in capturing 100 tanks (largely T55), a large number of 155 mm howitzers, 10 203 mm howitzers and a large number of launchers and other equipment. In these barracks takeovers, Croatian Army won a total of 230 tanks, over 400 heavy arms and huge quantities of light arms and ammunition.
Croatian resistance proved to be much stronger than expected. The key factor of the Croatian resistance and further development of the Croatian Army was the four-month siege of Vukovar in Eastern Slavonia. Although Vukovar fell on November 18, 1991, the Croatian defense inflicted huge losses on two elite JNA corpses. Although Vukovar provided precious time for the Croatian army to strengthen its defense and stop the Serbian forces and the JNA. Towards the end of 1991, the balance of powers gradually changed in favor of Croatia. The Croatian Army made use of this situation by starting an offensive with the aim to win back the territory of Western Slavonia. However, due to the fact that the cease-fire was signed in Sarajevo on January 1992, this action was only partly completed. At the same time, the Croatian Army successfully completed the operation in the south of Croatia, to defend Dubrovnik.

The international community expressed its interest in ending the war in Croatia by sending UNPROFOR peacekeeping forces. The involvement of international factors in the war in Croatia had a strong impact on the defense strategy of the Republic of Croatia, as well as the conduct of the Serbian side. By accepting the arrival of UNPROFOR on the Croatian territory, the Croatian state policy expressed, in the first place, its desire to bring an end to the war and reintegrate its temporarily occupied territories as soon as possible. Such state policy was to be followed by a defense strategy. The arrival of the UNPROFOR was seen by the Serbian side as an opportunity for “freezing” the existing situation as long as possible, until favorable circumstances for the succession of these territories from the Republic of Croatia developed. Such an attitude of the opponent, supported by the inefficiency of the international community and the UNPROFOR, helped make the defense strategy of the Republic of Croatia even more active and also include, apart from political means, a military option for bringing the temporarily occupied territories back under Croatian control. Croatia continuously strengthened its military and political position and defense power both due to the pressure

8 According to foreign sources, Croatian Army destroyed about 600 tanks and armored vehicles and about 8000 Serbian soldiers. Croatian losses were estimated to be 1800, and 2600 people were reported missing (see Vego, 1993a: 203–210).

9 According to the UN peace plan, all areas under Serbian supervision at the time of the Carafe cease-fire were brought under UN protection. Key elements of the peace plan for Croatia were also the following: 1) “UN forces will not withdraw until a universal political solution to the Yugoslav crisis is reached”, 2) “Arrival of peacekeeping forces is not prejudicial to the outcome of political processes – on the contrary, their goal is to stop the fighting and create circumstances for the beginning of political negotiations”, 3) “Respecting the existing local authorities and the maintenance of law and order in UNPA zones, the arrival of peace forces will not change the status quo”, 4) “In the transitional period UNPA zones will not comply with laws and institutions of the Republic of Croatia”, 5) “UN forces will protect the local people and guarantee their safety during and after UNPA demilitarization”. Cf. Tatalović, 1993: 61.
imposed on the Serbian side for more cooperation in negotiations and to a possible military solution in regard to the status of the temporarily occupied territories.

Making use of the favorable military and political situation in Bosnia-Herzegovina, when the Western forces were outraged by Serbian occupation in the protection zones of Žepa and Srebrenica and the threats Bihać was facing due to actions of Serbian forces from “Krajina”, Croatia was engaged in intensive preparation for the liberation of the occupied areas. Encouraged by its success in Operations Miljevac, Maslenica and Peruca, Medak pocket and Flash in Western Slavonia, the well-organized and armed Croatian Army displayed its power at the military parade in Zagreb on May 30, in order to make the Serbian side accept serious political negotiations. In spite of this, the Serbian side refused political negotiations on the status of “Krajina” within Croatia, as well as the offer made by the international community, which was contained in the “Z-4” plan. When the last diplomatic efforts in Geneva failed, it was clear that the decision was made to attack “Krajina”. By concentrating substantial forces around the occupied areas, Croatia aimed to create circumstances for fast penetrations deep into the enemy’s lines, crushing them and liberating the entire Krajina area in a relatively short period of time. To the surprise of many, Croatia managed to complete the operation “Storm” in only four days, achieving all the set goals with minimal casualties. The Serbian side was completely defeated, which lead to an exodus unprecedented in this area. The operation was followed by expressions of satisfaction on the Croatian side, but also by devastation of the liberated area through looting of the abandoned property, setting fire to houses, and a few killings of Serbian civilians. In response to this the international community required the Croatian government to stop such activities, which are discreditable for a civilized and democratic state.

There was another conflict of Croatian and Serbian forces on the division line in Eastern Slavonia, Baranja and Western Sirmium, which occurred at the same time as the operation “Storm”. However, on this battleground neither side launched an offensive – it was an exchange of

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10 Although being warned by its friends that the resistance of the Serbian forces would be fierce, and that the operation was likely to succeed only if completed in a short time, the decision to attack was based on intelligence estimates that SR Yugoslavia would not get involved in the conflict. American intelligence estimated that Croatian operation would be a success only if completed within seven to ten days with estimated Croatian losses of 1000 dead and put out of action (see Višnar, 1995: 20).

11 Croatian people and the international community were regularly informed about these incidents by the Croatian Helsinki Committee, Amnesty International and numerous international organizations for the protection of human rights operating in Croatia. These incidents were also included in several resolutions and statements made by the President of the UN Security Council.
infantry and artillery fire. Assessing the likeliness of this battleground to trigger an all-out Croato-Serbian war, the international community led by the United States took energetic steps to prevent the conflict from escalating in this area, first by negotiating a cease-fire, which was followed by the Erdut agreement, which was, politically speaking, the first step in the process of peaceful reintegration of Eastern Slavonia, Baranja and Western Sirmium into the constitutional and legal system of the Republic of Croatia.

Consequences of the War in Croatia

The consequences of the war in Croatia are manifold, they are spiritual, material and political. Every war results in casualties and human suffering. The war in Croatia was a case in point. At its early stage people were largely victims of individual or group acts of violence, but as the war progressed, most casualties resulted from military actions or explosive devices and mines that had not been cleared. According to the Croatian Office for Casualties of War, in the 1991–1993 period, a total of 6,900 people were killed on the Croatian side, 31.10% being civilians. There were 26,394 wounded, out of which 28.40% were civilians. As many as 14,806 people were reported missing. Due to war operations in 1994 and 1995, the number of casualties is larger, particularly taking into account casualties on the Serbian side, for which there is currently no reliable data.

All wars are accompanied by a certain number of refugees and displaced persons. The war in Croatia was marked by a huge number of refugees and displaced persons due to the type of conflict in both Croatia and Bosnia-Herzegovina. They fled their homes due to the policy of ethnic cleansing or media generated fear and were largely directed towards their countries of origin; Croatians fled to Croatia, Serbs to Serbia. Some of them fled to other countries. At the peak of the refugee crisis, Croatia provided shelter for 240,501 people from Croatia and 248,089 people from Bosnia-Herzegovina. Upon operations “Flash” and “Storm” the majority of refugees and displaced persons found permanent residence, either by returning to their homes or by being allotted property belonging to Serbian refugees. Estimates are that, unlike Croatian refugees and displaced persons, 400,000 Serbs who fled their homes during the war in Croatia are not very likely to return to Croatia.

Modern wars are characterized by increasing material and economic damages occurring both directly, in the course of war operations, and indirectly, as their result, throughout a longer period of time. The war in

12 Source: Croatian Office for Victims of War, quoted from Javorović, 1995: 255–283.
Croatia caused huge damages, both direct and indirect, which cannot be fully estimated yet. By the end of 1993 accumulated war damages amounted to $US 22 billion (Javorović, 1995: 291).

Consequences of the war in Croatia with the longest lasting effects are political ones. After this war nothing has remained the same in Croatia. Croatia has realized its political goals earlier and with fewer casualties than the most optimistic ones expected. Apart from international recognition and control of almost its entire state territory, Croatia has built a respectable armed force and the Serbian share in its population has been reduced to 3%. However, the war in Croatia has significantly slowed down the development of democratic processes, which was apparent in the difficulties Croatia has been facing regarding its entrance to European integration processes. The Serbian side in this war is the loser in all respects. The Serbian rebels in Croatia and their policy have led not only to the exodus of Serbs from Croatia, but also to putting Serbs who have remained in Croatia in a socially difficult position. Acting on orders resulting from the global Serbian policy instead of representing their own interests and coordinating them with Croatian interests, the leadership of rebel Serbs in Croatia became an instrument of global national policy. With the breakdown of Serbian national policy and the abandonment of its goal to create a large national state, Croatian Serbs became victim of that policy. Rebel Serbs became aware of its consequences and their difficult position when it was too late for any change. Serbs in Eastern Slavonia, Baranja and Western Sirmium are an exception to this, being given a second chance owing to the efforts of the international community.

Sources:
• Vjesnik, July 4, 1991, p. 5.
LIDija ČEHULIĆ
TRANSFORMATION
OF CROATIAN MILITARY

Introduction

Differing from many other post-communist European countries that have started the process of political, economic and military transition immediately after gaining independence, the Republic of Croatia, after declaring its independence and achieving international recognition, was forced to face the internal armed rebellion by the part of radical Serb population and the external aggression led by the forces advocating the idea of Great Serbia. Spreading of the crisis to other parts of the former joint state (Bosnia and Herzegovina, Kosovo, Montenegro, Serbia) has added to the fact that the particular forms, methods and management, as well as development dynamics of both Croatian security and defence system and the military were in the function of defending the country, its territories and newly founded state institutions.

Based on the great moral and material support of the Croatian people and the new Croatian government – strongly centralized in the President, Franjo Tudjman – the Croatian military became a national institution that enjoyed a strongly privileged position within the society. After military operations “Lightning” and “Storm”, which liberated a large part of the territory, and after a peaceful re-integration of the Podunavlje region in 1998, Croatian leadership declared Croatia to be a “regional power”.

Avoiding the fulfilment of signed commitments (Dayton), the rejection of regional cooperation (regional approach by EU, SECI, Royamount, Stability Pact) and the reluctance of Croatian government to accept and apply the standards of democratic behaviour (freedom of media, cooperation with the ICTY, return of refugees), have gradually distanced the international community, especially the US, from Croatia.

Transitional failures (devastated economy, unemployment, rise of crime rates) magnified by war destruction, participation in military operations within Bosnia and Herzegovina aimed at its division, war crimes, economic, social and moral collapse of the society and the death of president Tudjman led to the fall of the HDZ (Croatian Democratic Union).
During this time, Croatia’s security and defence system was not included in any of the new European security mechanisms, nor in the European security architecture.

On January 3rd of 2000, a six-party opposition coalition won the elections and ended the international isolation of Croatia. Shortly after Croatia became a member of Partnership for Peace, and started the negotiations for joining the WTO and defining the cooperation with EU.

Democratic Croatia, headed by the newly elected president Stjepan Mesic, started its attempt to compensate for “ten lost years”. Reform of the security and defence system, the military, their transformation to peace-time organization and tasks, reduction and professionalisation of the personnel, de-politization and de-partisation of the military and strengthening of all military-civil connections form a significant segment of overall democratization of the Croatian society. Nevertheless, due to objective and still strong subjective reasons, it will not be easy to achieve these goals. Similar to the rest of Croatia, the Croatian security and defence system is facing the crossroads between the glorification of the Patriotic War, turning the blind eye to some of its negative consequences and individuals, firm insistence on maintenance of the status-quo and existing privileges, and the objective need to accept democratic tendencies and regional cooperation, which would assure the inclusion of Croatia in the development of the new European security architecture and the new trans-Atlantic ties.

**Objective Circumstances and Subjective Weaknesses in the Development of Croatian Military Forces**

Croatia did not inherit any of its armed forces from the previous regime; instead they were created and developed during the detrimental transition and war conditions. HDZ came to power after the first elections in May of 1990. On October 8 of 1991, Croatia declared its secession from the SFRY and gained international recognition. Nevertheless, through the internal armed rebellion of the Serbian population, as well as the external Serbian aggression, a para-state called the Republic of Serbian Krajina was formed on almost 1/3 of centrally located Croatian territory. With the support of the international community, Croatia managed to liberate the largest part of the country using the military operations in spring (“Lightning”) and summer (“Storm”) of 1995. Furthermore, Croatia peacefully reintegrated the occupied Danube region (Podunavlje) in January of 1998, again with international assistance.
Under the pretext of assistance and support to Croats in Bosnia and Herzegovina, Croatia was participating in the war of the neighbouring country in various ways. It was involved in the forming of para-statal political institutions of Croats in Bosnia and Herzegovina (Croatian Republic of Herzeg-Bosnia), as well as the forming of Croat’s military forces (Croatian Defence Council – HVO). Furthermore, Croatian forces were assisting Croats in Bosnia and Herzegovina in Croatian-Bosnian “war within the war” during 1993–1994.

Transition
The war in Croatia and its neighbourhood has reflected itself on the transitional processes in Croatia. The transition of Croatian political system began after the first multi-party elections (parliamentary, presidential and local). During the period from August 1991 to August 1992, a joint government of Democratic Unity was formed, with participation of the opposition parties. Throughout the remainder of the war, the HDZ was continuously in power and was winning all subsequent elections due to a very favorable electoral law and notorious “diaspora list”. The characteristic of Croatian political system of that time was an unclear limit between the authorities of the legislative, executive and judicial powers; the majority of power was concentrated in the hands of President Franjo Tudjman.

Prior to HDZ gaining power, the media were free and independent. Now, the HDZ managed to obtain a firm control over the main daily newspaper and TV station – defined as “state television”. The television was the principal source of information for the majority of the citizens during the time of the war.

The war has further deepened the crisis in the economy caused by the transition, typical of all transitional countries. Nevertheless, one of the fundamental problems of the Croatian economic transition lays within the fact that the representatives of the ruling party came into possession of all the best and most valuable companies, most influential media, telecommunications, and similar, which was made possible with the help of the ruling party, which enabled them to obtain favorable loans, low prices of shares and/or equity of privatized companies, and other ill-founded privileges. Through such schemes, the HDZ gained control over practically everything that survived and that of any value in the Croatian economy.

The unemployment was partially amortized through the inclusion of a part of active population into the police and military forces needed for the defence of the country¹ and by employment in other ministries and newly founded institutions (Ministry of Foreign Affairs, Office of the
President). Several important parts of the national economy, such as tourism, transit traffic, shipbuilding, and others, came to a standstill due to the war. Furthermore the consequences of various new types of crime, drugs and increasing moral and material crisis were felt all over the devastated country.

International community was mostly very critical of the Croatian transition processes. Main objections were aimed at the lack of media freedom, the electoral law, the Croatian policy regarding Bosnia and Herzegovina and the problem of Serb refugees. Based on this, the doors to main European economic and security integrations were closed for Croatia, although Croatia has declared its interest to join the EU and NATO. During the time of the HDZ and president Tudjman, Croatia was accepted into the UN, OSCE, the World Bank, IMF, the Council of Europe and a regional organization of Central European Initiative. The exclusion from major organizations such as the NATO, EU, WEU, Partnership for Peace, and their activities, have disabled Croatia to strengthen its concrete political, economic and military forms of cooperation with the developed Western European countries. Furthermore, Croatia was firmly rejecting all attempts of the international community to include it in regional forms of cooperation, stating that these are all attempts to return Croatia into a “new Yugoslavia”, “Balkanoslavia”, and to again firmly link Croatia with the “backward Balkans”.

The War
Economically, the war additionally exhausted Croatia. Direct war damages are being estimated at 27 billion USD. The price of war was huge. During the war, the military expenditures were as high as 15% of the GDP.

The war intensified the nationalistic feelings. The ethnic and religious communities that have been living together in the past, (especially Croatian and Serbian) found themselves separated by a deep ditch. Both, in Croatia and in Bosnia and Herzegovina, numerous war crimes were committed on the civilians of other nationalities. People were murdered, looted and deported. This caused significant demographic changes, as well as changes in the structure of the population. The atrocities in Croatia were often justified by the aggression on Croatia, which culminated when the President of the Supreme Court stated that: “no crime can be committed in a defence war fought on our territory” (Hrvatska vojska 2000, 1999: 50). War also caused a strong national homogenization on all

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1 Estimates that during the time of the war approximately 350,000 people, or 7.3% of the overall population, were connected with the army (Hrvatska vojska 2000, 1999: 50).
three sides (Croatian, Serbian, Bosnian). Croatian government emphasized the “statehood” as a paramount value that was expected to engage all existing resources, energies and emotions of the population, and direct them to the creation and defence of the national state. In those days, a very influential president’s adviser marked the police, army and the Church as “institutions that are forming an axis of Croatian state and society”. Furthermore, President Tudjman often emphasized the significance of the development of Croatian armed forces. On several occasions, president Tudjman described Croatian armed forces as something “on which Croatian state politics and Croatian people may found their overall policy”. After the military successes in 1995, when a vast majority of the occupied Croatian territories were liberated, as well as large parts of the territory in Bosnia and Herzegovina (in cooperation with Croatian Defence Council and Croatian Army in Bosnia and Herzegovina, as well as with BH Army), the leadership declared Croatia to be a “regional power”.2 The proclaimed “strategic US-Croatian alliance” was meant to emphasize the Croatian military contribution to the overall policies of the international community in the territories of former Yugoslavia. Notwithstanding the military contribution, the relations with military-political and other Western institutions Croatia desired to join – NATO, WEU, EU – are based on the acceptance of a system of values promoted by those very institutions. Croatian authorities made the wrong assessment, believing that the strength of the Croatian army and their willingness to use it would suffice for Croatia’s admittance to the new international community as an equal partner. The systematic criticism by the international community was rising since the “Zagreb crisis” 1995–1996, when the President of the Republic refused to recognize and accept the results of the local elections in Zagreb – won by the opposition. Even more so, since the so called, “hard-security” within the overall post-Cold-War security system was being gradually replaced with “soft-security” through the introduction of democratic standards, respect of human rights, extended civil control over the armed forces, application of non-military dispute resolution mechanisms and similar. Advocates of this new direction (especially among former army commanders) were labelled by the Croatian leadership as national traitors, dilatants, devils, “sheep”, “goose”, and similar.

It may be concluded that the Croatian system of national security and the Croatian armed forces were being created and developed in an extremely unfavourable initial conditions characterized by the transition and war, with no existing tradition of democratic institutions in that segment of society. The situation on the battlefields and unclear authorities

2 Official domestic and foreign sources were, as a rule, using the term “regional power” only for Croatian military, not for the whole Croatia as a state.
between the various institutions of the political system resulted in a firm interlinkage of military and political decision-making. The solutions were primarily in the function of direct defence of the country or leading of armed battles. Both the security-defence system and Croatian armed forces of that time were certainly not meeting the criteria and imperatives expected in a democratic society.

Organizational and Legal Structure of the System of National Security and Armed Forces

The national security and defence system in Croatia consists of several institutions and organizations differing in functions, authorities and relations.

Structure
According to the Constitution, the President of the Republic is a chief-in-command of the armed forces, and according to the Law on Service in the Armed Forces, his title is “Vrhovnik” (“Supreme Commander”). His authorities and responsibilities regarding the armed forces, except the mentioned provisions, are regulated by the Defence Law. The President of the Republic issues directions, orders, decisions, rulings and other acts governing the foundations of the structure and preparation of the armed forces, as well as their training, armament and equipage. Following the proposal made by the Minister of Defence, the President of the Republic issues acts determining the overall volume, number and mobilization development of the armed forces, as well as the organization of units, services, headquarters and commands. The Military Cabinet is at President’s disposal, as a counselling and preparatory body, as well as the Military Adviser.

Croatian Sabor (Parliament) is the highest legislative power in the country. It consists of the House of Representatives and the House of Counties. In the field of national security, the House of Representatives issues legislation governing the obligations that the national defence imposes on the citizens, their property and determines the basic principles of the organization of defence. Deliberations on the draft Military Budget Law, adopted every year, should enable all interested MPs to familiarize themselves with the defence situation and to state their minds regarding the further development of defence and military policy. Prior to the deliberation on certain issues in the House of Representatives, these issues are discussed at the Sabor’s Committee for internal policy and national security. The scope of responsibilities of this Committee is very wide and issues such as national security and defence represent only a narrow segment of these responsibilities. The State Auditing Office is directly
accountable to the House of Representatives. This is the only body through which Sabor may control the activities of the Ministry of Defence and Croatian Army, namely through the control of finances. Until the 1998, the State Auditing Office was not auditing the Ministry of Defence or the Ministry of Interior, or at least, was not submitting those findings to the House of Representatives.

The Cabinet of Ministers proposes the legislation to Sabor within the scope of its authorities, among others the legislation governing the military; and if presided by the President of the Republic, it may issue certain decisions regarding the defence policy.

National Security Office (UNS) is a state executive body entrusted with coordination and supervision of the work of other administrative bodies, especially of ministries dealing with matters relevant to national security. The Office is run by the Chairman appointed (and may be relieved) by the President of the Republic. The UNS is a mixed civilian-military body, encompassing also following services: Croatian Intelligence Service (HIS), Headquarters for National Security (SONS), Security Headquarters and Intelligence Academy. During the President Tudjman’s mandate, a military unit – I. Croatian Guard Regiment – assigned for president’s security, was also a part of the Security Headquarters.

Ministry of Defence of the Republic of Croatia (MORH) is one of the so-called state ministries, and performs administrative and expert tasks in the area of defence, as regulated by the Defence Law, Law on Service in the Armed Forces, State Administration Law, as well as tasks ordered by the decisions of the President of the Republic.

Ministry of Defence has undergone several transformations since its creation in 1990. The present structure is regulated by an un-published Decision on Basic Structure of the MORH, of December 1997. The Decision should have been applied as of August 1998, but allegedly, it was applied only partially as of October 1998. This structure was to replace the so-called wartime structure with the peacetime structure of the Ministry. Basic purposes of this transformation lay with the creation of the organization, adjusted to the peaceful development of the country and approaching the Euro-Atlantic standards.

The chain of command runs from the President of the Republic, as the chief-in-command, over the Minister of Defence, down to Chief of Staff and then to organizational units within their command.

Minister of Defence is heading the Ministry and has one deputy and eight assistant ministers. The State Secretary of the Ministry of Defence
conducts legal, property-related and protocol tasks at the MORH. The Minister of Defence is a civilian, while the deputy, assistants and state secretary are commissioned officers.

General Staff, Defence Inspectorate, Institute of Defence Studies, Research and Development, Administration, and Defence Offices are all part of the Ministry of Defence. Military Council, as an advisory body, is also formed within the Ministry of Defence. Apart from the Minister and the Chief of General Staff, a certain number of experts also participate in the activities of this body, appointed by the President of the Republic, based on the proposals of the Minister and the Chief of General Staff.

General Staff of the Republic of Croatia (GSORSH) is structured within the Ministry of Defence for performing professional tasks for the President of the Republic. According to the Defence Law, the Chief of General Staff is directly responsible to the President of the Republic in all questions connected to commanding and use of armed forces both in war and peace. The Chief of General Staff is the highest ranking officer in Croatian military, after the Supreme Commander, and is superior to all commanders and units, except those directly subordinated to the President of the Republic through the UNS and its Security department. The organization of the GSORSH is regulated by the act signed by Joint Chief of Staff, who also appoints the chiefs of certain units within it. A new structure of the GSORSH is regulated by the Decision on Basic Structure of the GSORSH (never published), signed by the President on December 5, 1997.

The Ministry of Defence and the GSORSH have a somewhat similar structure, but while in the Ministry the emphasis is on the preparation of the defence, the main task of the GSORSH is the operational conducting of defence and military operations. In the case of a war, a War Cabinet is formed and its members are appointed by the Supreme Commander.

Armed Forces of the Republic of Croatia are defined by law as a form of organization and preparation of the Croatian citizens for armed defence and a main pillar of armed resistance. According to the Constitution and the Defence Law, Armed Forces are prepared during the time of peace, as a principal defence force capable of timely resistance and blockage of a sudden enemy strike, or to remove other threats. In the time of peace, Armed Forces prepare human and other resources for defending the country in the case of war.

The Croatian Armed Forces had different organizational forms since the independence, due to the fact that Croatia did not inherit any armed forces from the previous state.
During the period that ended with the adoption of Croatian Defence Law (July 1991), the Croatian Armed Forces consisted of police forces (professional, reserve and drafted cadre). With the decision of the President of the Republic of April 20, 1991, the National Guard was formed (ZNG) as the first military formation of the new state. The National Guard, as the first professional, uniformed and armed formation of the military organization, was a part of the Ministry of Interior, but under the command of the Minister of Defence. During the 1991, members of the former Territorial Defence joined the defence of the country with the newly formed brigades, under the command of the Minister of Defence. With the adoption of the Defence Law, the Armed Forces and the National Guard formed the unique armed forces, subordinated to the Supreme Commander. Units of the former Territorial Defence became the reserve of the ZNG. According to the presidential decision of December 24, 1991, Domobran forces were formed as a territorial component of the reserve, filled in accordance with the territorial principle. Therefore, the Croatian Army consists of the National Guard (ZNG) and the Domobran units.

The Law on the Changes and Amendments to the Defence Law of 1996, removed the term Croatian Army from the legislative terminology, so thereafter, only the term armed forces has been used. As of 1996, the Armed Forces of the Republic of Croatia have following components: Croatian Infantry (HkoV), Croatian Military Maritime Forces (HRM) and Croatian Military Air Force.

The armed forces have a peacetime and a wartime regime. During the peacetime regime, armed forces are filled with professional cadre (officers and sentries) and recruits who are serving the obligatory 10 months of service. Peacetime composition of the armed forces is organized in six military areas of the Infantry. Seven professional guardian brigades – infantry and motorized – form an axis of this composition. Logistic support to the armed forces is provided by the Ministry of Defence.

Catholic military ordinariat, headed by a bishop, is also active in Croatian armed forces. The ordinariat has 16 chapels. There are no military priests of other religions in the Croatian armed forces.

After the war, both military courts and prosecutions have been terminated, leaving the regular courts to deal with all cases. The armed forces have kept only the internal disciplinary proceedings.

**Governance and Control**

After parliamentary and presidential elections of January 3, 2000, the Croatian security and defence system is still too big. Competitions of different institutions and organizations are overlapping and are not regulat-
ed by legislature. Legislature is not in a position to endorse even a limited control ensured by the existing laws. Ministry of defence is not submitting the yearly reports, which are customary in democratic states (The White Paper). It is not known whether the Office for national security (UNS) sent the report, required by law, to the parliament. There is no specialized body for armed forces, their development, supply and technique of the arms in the Parliament. The question of national security and defence is interconnected with other very wide questions of international and foreign policy.

There is also no control of the public in the needed level. Due to the recent connection of the Croatian security and defence forces, and the rather negative feeling among some civilians and scholars, Croatia now has only few educated civilians who are able to discuss and plan the policy together with soldiers.

Former Study of Defence, which was created at Zagreb’s Department for Political Sciences in 1975, was abandoned in 1994. It was one of the first measures of the new Croatian Ministry of Education, which was ideologically motivated to eliminate the subject of self-defence, due to the fact that this subject was offered in every school in the days of former Yugoslavia. A different subject was never offered.

Cooperation between civilians and the military, which is the basis for democratic control, and a compromise on the political and military interests of the country, does not exist yet. Starting in 1992, some research activities were started in the fields of anthropology, psychology and sociology in the framework of the Office for Strategic Research, created by the Ministry of Defence. In the same year, work was started on some other projects: Experiences from the Patriotic War, Geo-strategic elements of Croatia, Armed forces of Croatia, Global and regional strategies, Logistic of Croatian Army, Command and information system. The cooperation of civilian experts and the military was secured in these projects. One of the projects was elaborating on the strategic defence of Croatia. It was partly published, but it was never published entirely due to the fact that the project was labelled a state secret. After the war, the work on the projects was abandoned, teams of experts were not meeting any more, and finished studies were not offered for public discussion.

Research activities connected with Patriotic War were also politicised. In the days of President Tudjman no one dared to touch the issue of a

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3 It should be noted that Croatian military had recognized the results of the elections and they continued normal work with new High Commander President Stjepan Mesic (who came from Croatian National Party) and with new Prime Minister Ivica Racan (Socialdemocratic Party)
“sacred war”. But, under the influence of the international community, the new regime started to regard the war crimes in a new light, creating the conditions for cooperation with the Hague Tribunal, return of Serbs and compensation for all refugees. Nevertheless, the radical elements of the former military and civilian structures strongly criticized this policy, stating that the government is betraying the patriotic war, the sacrifices of the people, and the position of all patriotic fighters. The new Minister of war veterans was attacked as a person who started the process of revision of privileges, which were lavishly given to the veterans (pensions, disability benefits, privileges when applying for apartments, cars, schooling). The strongest attack of these forces represented a letter of 12 generals in which they asked the President to change the policy toward the international community. The main point of criticism was the new Croatian cooperation with the Hague Tribunal. The day after the letter was published, all 12 generals were asked to retire.

At the same time, the Croatian Parliament, after bitter discussion, promulgated a Declaration on patriotic war, which stated that Croatia was leading only a defensive war. It was a political attempt to cool down the pressure. But, it is quite sure that many issues connected with the war such as veteran’s privileges, war crimes, Croatian military participation in the war in Bosnia will be on the agenda in the future. They will represent a cause for potential political troubles.

Recently accepted changes in the Croatian Constitution, connected with position of the President, could clarify the relations within the military security services and improve civil military control and relations. The main precondition for this is a change in the existing military forces.

**Cadre Policy**

It was difficult to discuss the concrete structuring of the military forces without clear programmatic documents, national goals, conceptions, strategies and doctrine, and without the determined responsibility for creating these forces. All political actors in Croatia were in agreement that the restructuring is needed and that it has to be in accordance with the NATO standards.

Peaceful structure of the armed forces is mentioned to have 62,450 members of armed forces. In this number there are 38,450 professional soldiers and officers and 24,000 conscripts. 9,500 civilians on duty in the Ministry should be included in these figures. Critics are saying that even such peace projection number is too high, considering the territory of

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4 Accepting constitutional changes on 9. November 2000. Croatia has changed semi presidential system with the system of parliamentary democracy.
Croatia and the number of inhabitants. Also, it is not in the frames of the new European security architecture and particularly, it is not appropriate according to the size of security challenges. The members of NATO and the transitional countries, which are invited to NATO, have a smaller percentage of forces compared to the number of inhabitants (Poland 0.62 percent, Czech Republic 0.57 percent, Hungary 0.43 percent). With 1.34 percent, Croatia would have the second largest ratio of armed forces to the number of inhabitants in Europe, immediately after Greece with 1.59 percent (Vecernji list, 2 January, 2000).

The actual number of military forces in Croatia is difficult to predict. On January 29, 1999, the former Minister of Defence claimed that the armed forces have only 66 percent of the number projected with the new structure in service. In December of 1998, according to the obligations coming from OSCE, the Ministry of Defence informed the Organization that the Croatian armed forces consist of 61,506 men and women. Today, the number of 45,000 professional soldiers and officers is used. In the period of the next three years, the number of professional soldiers is planned to be reduced by 14,000; another reduction of 6,000 is planned in the next ten years. The numbers do not include the people who would leave the ranks voluntarily due to different reasons.\(^5\) On the other hand, such reduction of armed forces would not be easy for Croatia, due to the relatively bad economic situation (more than 380,000 unemployed, which constitutes for 22 percent of the population). The problem is that the whole Croatian economy is in the crisis, there are no foreign investments and domestic resources are not adequate to start the production. All cuts in the military sphere should be done carefully in order not to deepen the economic and political crisis. The set of measures that should be created are for example loans for employment and stimulations for employers. In addition to these unfavourable economic and social conditions, the problem is the lack of formal training of military people.

**Training**

The creation of Croatian military forces in the conditions of war and transition from one regime to another had a strong impact on a very heterogeneous composition of the Croatian military.

In the beginning of patriotic war, a smaller group of officers of the former Yugoslav Peoples Army (YPA), mostly Croats, joined the ranks of Croatian fighters. The ranks of Croatian fighters contained volunteers who expressed strong animosity toward the YPA. The former officers were confronted with these sentiments, but, at the same time, they were needed as professionals. Nevertheless, the majority of people in com-

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\(^5\) Normal fluctuation from the military is between three to five per cent yearly.
manding positions were without professional training and were getting their formal ranks due to their courage, party affiliation and family connections. This system was the main source of new officer recruitment for a long time.  

During the patriotic war, fighters were unable to get a formal civilian education. Special school was organized offering courses for the officers of different commanding levels, due to the reason of military education. Special short courses were organized for officers and a military school was created for the highest-ranking officers. The future military attaches were educated in the Military diplomatic Academy. All of the above mentioned programs were for the people who were already in the military services and were not open for the civilians. Unity and compatibility of military and civilian education systems was not created during the war and there was no sign that it could happen now. As a professional training is more and more coming as a result of peaceful development and also as a result of a new Croatian ties with NATO many officers are applying for Graduate Programe in International Relations at Zagreb’s University.

Military Expenses

The real numbers of the military budget are not very precise. Official statistics are just one part of the picture. During the patriotic war, a part of the military expenditures was not registered anywhere. President Tudjman claimed that the military forces were getting around 15 percent of GDP during the time of the war, but according to the official statistics they were getting no more than 10 percent.

The claims that the military budget was reduced during 1997, 1998, and 1999 are also not reliable. Part of the budget was re-distributed to other institutions. The so-called transfers to Federation of Bosnia and Herzegovina were removed from the military budget and were given to the Croatian part of the Federation via the Ministry of finance. The sum of money sent to Croats in Bosnia and Herzegovina (pensions for veterans, support for handicapped persons, medical care, rehabilitation) amounted to 680 million Kuna or 109 million dollars in 1999. After the change of the regime, these costs were transferred to the newly created Ministry of Croatian defenders.

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6 Minister Susak was stating that “war experience is much more important than some diplomas”, Hrvatska vojska... pp 179.

7 All efforts to create a Center for strategic Studies have no impact and the Center was not organized.

8 Croatian Prime Minister Ivica Racan stated that Croatia “will fulfill all its obligations toward Croats in Bosnia and Herzegovina: military pensions, invalidities but on transparent way through legal institutions”. I. Racan: “Making up for lost time”, NATO review-Building Stability in the Balkan, 2000: 8–10.
All these changes of transparency in military budget were made under the strong pressure of the international community, which was clearly saying that only democracy would open the door for Croatian membership in Partnership for Peace.

These structures of military budget are still not favourable on many issues. More than 90 percent of the whole budget is spent on the salaries, logistic and supply. Less than 10 percent of the budget is used for the technical equipment and modernization.

Due to all of the reasons stated above, the predicted three percent of the budget going to military purposes does not seem to be easily reachable.

### Politization of the Military and Civil-Military Relations

The paragraph 42 of the Defence law of 1991, forbids any political activities, creation of parties, organization of political meetings and manifestations in the military forces. Nevertheless, the Rules of military forces of 1992 already allow the membership of military in the political parties, which was furthermore confirmed with the change of the Defence law in 1993. During the patriotic war, and during the years when the Croatian Democratic Union (HDZ) was in power, the majority of high-ranking officers were members of the HDZ. This was confirmed by the former Minister of Defence Miljavac, who claimed that the majority of officers were active in the HDZ.

During the war, political affiliation to the HDZ was very often a substitute for the lack of formal training or military experience. Next to the President Tudjman, who was a charismatic leader of the Party and the Supreme commander of the military, the Minister of Defence, Gojko Šušak was practically the second ranking person in the Central Board of HDZ. Generals and high-ranking officers were regularly on the party election lists. In the Representative house of the Croatian Parliament (1991–1995) there were three representatives of HDZ who were also in the highest military positions (chief of staff, commander of the Osijek military area and the leader of the Office for political activities). The political activities of military in legislature and the courts were eliminated in 1995.

Croatian political opposition started to fight for the de-politisation of the police and the army in 1993. The HDZ strongly rejected their proposals,

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9 There are important differences in the salaries. Members of guard’s brigades (professionals) are having much higher salaries in relations to professionals employed in other services
claiming that it would diminish the human rights of military people. The next attempt of political opposition in 1995 also failed, but had an impact on the abolishment of the Political Office in the Ministry. Soon, it became clear that the change was only cosmetic and that its tasks were transferred to the Office of Public Relations from which slow reactions, apologetic writing, mithologization of the military and politically inspired writing were coming as a normal way of communication.  

Politicization of the military forces, the political, social and financial power of the Ministry was extremely strong during the Ministry of Gojko Sušak. A lot of special links were created with the Croats in Bosnia and Herzegovina, lucrative contracts were given by Ministry to the members of HDZ and, on the other side, 120,000 lawsuits were started against the Ministry, who was not paying the bills. After the death of Sušak, dr. Andrija Hebrang, a former Minister of Health, was appointed as a new minister. Immediately after coming to the office, he announced radical changes in the Ministry and its financial activities, the creation of a new peaceful structure, the control of the civilian sector and the new model of military training. Confronted with a very strong internal opposition in the military, minister Hebrang gave resignation after two months of crisis. Pavao Miljavac, Chief of staff, was appointed as a new minister on the same day he retired from his Chief of Staff position.

Jozo Radoš was the first minister who came to the position as a civilian and as a representative of the coalition of six ruling parties. Many transitional problems of the Ministry are still not solved and, furthermore, the relations between the Ministry and the Chief of General Staff are still complicated. Some of the functions, which would be under the authority of the Chief of General Staff in democratic states, are still under the authority of the Ministry. Furthermore, the work of the Ministry is influenced by the past scandals, such as sale of arms, drugs, and war crimes.

**Undertaken Activities after January 2000**

The following activities have been undertaken in the current period:

1. The constitutional, legal and personnel changes related to the subject took place after the agreement among the coalition partners.
2. Constitutional changes were related to the competencies in the

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10 When some croatian journals were publishing materials connected with bed behaviour of security services who were protecting President Tudjman on the islands Brijuni, Ministry of Defence issued statement in which all journalists and citizens, witnessing such behaviour of the military, were called “citizens with no croatian origin, Serbs, and children of officers and generals of former YPA who are still having strong hate for everything what is croatian”, Hrvatska vojska.... pp 175.
domain of the national safety and defence, as well as improving the system transparencies.
3. Personnel changes were executed by replacing the leading personnel in the majority of the ministries, the intelligence agencies, and inside the Croatian Armed Forces General Staff.
4. After the personnel replacements took place, the next step was to re-organize and re-structure the key ministries and the National Safety Office.
5. The first significant changes were related to the legislative changes (new laws and regulations, amendments, etc.) and various parliamentary and budgetary controls.
6. The ministries and agencies who started implementing significant changes were the following: Ministry of Internal Affairs, Police, Ministry of Finance, Administration of Justice and the Office of the State Attorney.
7. Ministry of Defence started solving the problems in the relationship between the Ministry of Defence and General Staff. It was reflected in the misunderstanding of the competencies and the rationalization (misuses of the government vehicles and cell-phone usage), which resulted in a significant budget decrement.
8. The leading officials in the Ministry of Defence and in the General Staff started creating a re-structure proposal for the new Ministry of Defence and General Staff and various laws and regulations related to the national defence (The National Defence Law, The National Safety Law, etc.). Together with these activities, the officials started creating key strategic documents (The National Safety Strategy, The National Defence Strategy, and The Military Strategy).
9. Croatia engaged the MPRI team, the UK team, and the US EUCOM team, when creating the new re-structure proposal.
10. The new Ministry of Defence and General Staff force-structure, military-territorial segregation, and the size of Croatian Armed Forces were taken in consideration during that process.
11. Parallel to the creation of the new force structure, the officials created a program for the release of the surplus of the Ministry of Defence employees, as well as clear criteria for downsizing the entire Croatia Armed Forces.
12. As the new reforms took place, the new program related to the conscripts was released with a few major changes – the conscripts have to serve only 6 months instead of 10. The whole process was re-organized according to this change. For example, the whole training drill was completely re-organized.
13. Military education certificates are not accepted as a substitute for civilian diplomas in the process of promotion, the decisions about new employments, transfer lockout, and public exposures without appropriate approval by the authorities.
14. In the Ministry of the Veterans, the officials started creating new regulations about the veterans, their rights and benefits, and revisions of their disabilities (war injures) because it was impossible to realize all of the benefits established by the previous government.

15. During the year 2000–2001, the military cooperation among partner countries, especially the USA, intensified. The goal was to increase the level of readiness of the individuals and units in the CAF, due to the need to approach the NATO standards. The purpose was to upgrade the level of interoperability and compatibility. As an additional support to all the processes, the contribution of the Croatian officers and NCOs to the international military education has increased.

16. Croatian Armed Forces officers took the contribution in several UN peace-keeping missions such as in Siera Leone, Eritrea, and Nagorno-Karabakh (the part of former USSR).

17. The lack of resources was the key reason why Croatian Armed Forces were not able to modernize the entire military. Nevertheless, certain plans and decisions were postponed for the future. Furthermore, some equipment was purchased despite this fact, such as radars and tanks. A few contracts were made for certain weapons modernization, such as fixed wings (the MIG aircrafts) and rotary wings (few helicopter types).

18. The Croatian Parliament enacted all the major laws about safety-defence subjects: The National Defence Law, The Armed Forces Service Law, the CAF Law, the Police Forces and Civilian Employees Contribution in the Peace-Keeping Operations and Other International Activities, the Law of Production, Distribution, Repairing and Overhaul of the military Products (weapons and equipment) and The National Safety Law, as well as The National Safety Strategy of the Republic of Croatia, and the Defence strategy of the Republic of Croatia. The Military Strategy is finalized and it is expecting the Parliament approval. All those documents are the major prerequisite for the fast achievement of all the reforms mentioned before.

**Conclusion**

Security defence system of Croatia should be based on the basic national interests and has to be compact with general democratic values, principles and norms of new European order.

The vital and unchangeable national interests of Croatia are: defence of the country, its integrity, independence and national identity with permanent economic and cultural development (Hrvatska Agenda 2000: 35 – Antun Tus: “Sigurnost i obrana”).
The threats to Croatian security are nowadays much more connected with domestic situation than with international realities. Despite the unsolved problems in the relations with the Croatian neighbours (Piran’s bay, savings in the Ljubljanska banka, Prevlaka, return of refugees, compensation for the war damages, succession of the property from former Yugoslavia; see Vukadinović, 1997: 63–71; Vukadinović, 2000a: 11–20) Croatian relations in the region are gradually stabilizing.

The international forces stationed in the Balkans are a very important instrument of stability, because they attempt to eliminate any idea of military threat. Their presence is helping the stability in the area and also giving an impetus for the democratic development and stabilization in the whole area of “Western Balkan”.

Political, economic and social problems of Croatian society, and consequences, which are stemming from it, could hamper reforms, further democratization of the armed forces and the democratic development of civil military relations.

Respect of the universal human rights, the democratization of society, transparency of military spending and strengthening of civil military relations are crucial not only for all integration links Croatia wishes to create (EU, NATO), but they also represent important parts of a new European security architecture. As a small country, Croatia has to do all in its power in order not to miss this opportunity and to build Euro-Atlantic democratic links.

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Historical Background: Filling In the Vacuum in Security Policy-Making

Prior to its independence, as every other federal unit Macedonia followed the common security policy of the Socialist Federal Republic of Yugoslavia. Due to the heavy historical legacies of the so-called “Macedonian Question”, the geopolitical advantages of the federal defense and security system were far more significant to the republic than the military and financial efforts invested in it. The Cold War had frozen all disputes among the Balkan competitors over Macedonian territory and population, while the Yugoslav state provided sufficient security guarantees. At least, such was the dominant security perception among Macedonian citizens for decades.

Within a partly decentralized federal system, Macedonia had control over the republic’s police forces and shared with the federal army control over the militia-type component of the Yugoslav Armed Forces, i.e. Territorial Defense. Due to the implementation of the so-called “national-key”, Macedonian representatives in federal bodies were taking part in the decision-making process although their real influence was minor.

As the former Yugoslavia’s disintegration progressed, the Macedonian leadership did not take any concrete step towards articulating the republic’s own security policy or even a clear political stand towards the ongoing crisis. Many analysts agree that, despite the spread of nationalist fever, Macedonia never had any intention to secede (Hobsbawm, 1992: 166). Consequently, independence was gained without demanding it i.e.

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1 The so-called “Macedonian Question” emerged with the decline of the Ottoman Empire and the rise of Balkan nationalisms over the territory and the population in Macedonia. Since the late nineteenth century there have been open dispute over the identity and the distinctiveness of the Macedonian nation and the “ownership” over the territory. It is believed that all wars have been waged, more or less, over Macedonia (see more in Pettifer (ed), 1999).
today’s Republic of Macedonia is not the achievement of an intended state-building policy but a by-product of Yugoslavia’s disintegration (see Troebst, 1999).

On January 25, 1991 the Macedonian Assembly adopted the Declaration of Sovereignty albeit with considerable hesitation regarding the final severing of a relationship with the federation. The issue of possible independence was on the agenda of the Assembly even on the day when war in Slovenia broke out.

Following the referendum on independence September 8, 1991 and the new Constitution of November 17, 1991, the first organic law adopted in the Assembly was the Defense Law in February 1992. After the Yugoslav Peoples’ Army (or JNA) units withdrew from Macedonia in March 1992, one can say that the new defense system coexisted with the old federal one. Avoiding hostilities was essential for the new state’s stability, even at high material costs. The JNA took all movable armament and equipment (and what was not possible to remove was destroyed). From early 1992, JNA officers of Macedonian origin returned home and were immediately included in the newly formed Army of the Republic of Macedonia (ARM).

Despite some prior calls from certain political parties, the government began to form the ARM only after the establishment of the political and legal framework. A nationalist party (MAAK) that had been calling for secession since 1990 proposed a radical solution in September 1991, and issued the so-called “Manifesto for Demilitarisation of the Macedonian Republic”. Some domestic authors were uncritically euphoric about the document claiming that the Manifesto implied a specific “Macedonian peace model” (Murdzeva-Skarik and Skarik, 1996: 11). It was instead a symbolic cry by a group of intellectuals concerned about Macedonia’s future in the hostile Balkans. It was not a product of a mature civil society’s demands, and thus it did not echo strongly in Macedonian society. The idea was not inspired by any critical evaluation of deficiencies in the previous security establishment. It was more a product of Macedonia’s passivity and self-pity than a concept generated by a proactive and democratic attitude towards national security issues. It is incorrect to conclude that demilitarisation and making an “oasis of peace” out of Macedonia were the leading ideas in government policymaking in 1991–92 (Murdzeva-Skarik and Skarik, 1996). Also, the idea of a neutral Macedonia did not get any public attention and was treated as nothing more than a nice but unrealistic idea (Gocevski, 1995).

In early 1992, Macedonia was de facto a demilitarised country since the JNA did not leave any weapons behind. From the point of view of the
new defence system build-up in 1992, the most urgent need was to utilise human and particularly professional potential and material resources. These efforts seemed hopeless in the context of a series of disadvantages, such as the double embargo from the “north” (as UN sanctions against all of the former Yugoslavia were enforced) and from the “south” (by the Greek government because of the name dispute). The UN embargo banned the export of arms and military equipment indiscriminately to all Yugoslav successor states, while the disintegration of the former Yugoslav market pushed down the level of economic development of Macedonia and all successor states.

Paradoxically, in this critical period when Macedonia was totally disarmed, the country was not directly militarily threatened. The possibility of spill-over effects from the war zones in former Yugoslavia was immense, but the traditional rivals over Macedonia did not show serious aggressive intentions toward the young state. The negative effects of the troublesome process of international recognition were decisive; the growing feeling of insecurity regarding the state identity issue inevitably gave impetus to ethnic (Macedonian and Albanian) nationalism. The internal threat of violent inter-ethnic conflict between the two major ethnic groups (Macedonians and Albanians) was becoming more and more salient. It was apparent that the young state possessed a deep conflict potential and lacked democratic culture for a peaceful conflict resolution.

The government’s call for an international peace operation in November 1992 manifested a reasonable and critical attitude to Macedonia’s own security capabilities. The UN mission’s mandate originally was defined as follows: “to monitor the border areas with Albania and the Federal Republic of Yugoslavia; to strengthen, by its presence, the country’s security and stability; and report on any developments that could threaten the country” (UNPREDEP..., Department of Public Information, Unit-
ed Nations, web edition, updated June 12, 1997). But, if one analyses the character and changing mandate of the UN preventive deployment, it is evident that this unique mission was deployed for the wrong reasons (Oberg, 1998). It was established when external aggression from the north was a highly unlikely scenario. By the time the mandate was transformed and focused on internal conflict mitigation, neither the UN officials nor the Macedonian government had admitted officially such a changed mission. UNPREDEP’s achievements were most useful in terms of monitoring the porous borders towards Albania and Kosovo through which one could document principal routes for drugs and arms smuggling. UNPREDEP did not, however, succeed in alleviating internal conflict potential. The mission helped Macedonian Army’s border units to perform their tasks to a great extent. In the period 1993–99, the Macedonian military coexisted with another (international) military force, the mandate of which was not seen as concurrent but helpful.

During the first years, independent Macedonia was preoccupied with political survival, and had practically no security policy. For example, in 1993, the UN troops were deployed and immediately afterwards, the National Assembly declared Macedonia’s wish to join NATO. Unlike Slovenia, where security matters became “nationalised”, the process was the opposite in Macedonia. All security initiatives were motivated by the need to find a security provider rather than a result of some proactive foreign and or security policy. The decision to seek NATO membership was not an outcome of any wide public or expert debate. No other alternatives have ever been considered since, from the very beginning, NATO was imposed as a kind of dogma around which an all-party consensus has been reached. The idea was that helpless Macedonia could survive only with powerful external assistance. Through early 2001, all Macedonian governments have taken for granted a national consensus about NATO. The responsible state actors have successfully avoided the issue of economic costs of entry into the North Atlantic alliance, while the public has been led to believe that the benefits (in security terms) would be much greater than expenses (in economic terms).

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4 Officially the Macedonian President and the government in their request to the UN claimed a possible military danger from the north (FRY) as well as potential spill-over effects from other crisis points. De facto, it was clear that Macedonia was not on the military agenda of the Belgrade regime because it had no priority at that time. Namely, Yugoslavia was busy with the clashes in Croatia and Bosnia while Macedonia was not perceived as a hostile neighbor and certainly not as a militarily relevant opponent. Milosevic always thought that Macedonia would not be a difficult territory to gain – one way or another. In course of time, representatives of the UN mission in Macedonia also had become aware that the conflict potential within the country was more relevant than the external sources of instability.

5 For additional detail, see Vankovska, 1998: 146–158.
The SOFA agreement of June 1996 should have demonstrated the high level of mutual co-operation between Macedonia and NATO/USA. The Government claimed that it was an outstanding achievement of its foreign and security policy, and that Macedonia had taken a step forward towards refuge under the Western defensive umbrella. The independent media argued that the Government was misusing a rather technical issue in order to score points with the domestic public (Aleksovski, 1996).

Given so-called “Taiwanese adventure” of Macedonian foreign policy in early 1999, the termination of the UN mission as a result of China’s veto in the UN Security Council was hardly surprising.6 There were indications that the Government had (intentionally) opted for replacing UNPREDEP with NATO and/or US troops as a better security guarantee. However, NATO’s intervention against Yugoslavia and bombing of targets in Kosovo and Serbia brought the most serious security challenge for Macedonia since 1991. Security challenges of all kinds (military, political, economic, societal, and ecological) increased to dramatic levels, but the Macedonian leadership could not respond in an adequate way. Ultimately, the Albanian insurgency of 2001 revealed dramatically Macedonia’s lack of a security strategy. The lack of an articulate security policy was a severe weakness during and after Kosovo; that the country did not collapse was due only to some international assistance and coincidence, but the consequences were painfully visible at the outset of 2001.

Security Threat Assessments and Capacities: On Misperceptions and Incapacities

The assessment of the security threats does not necessarily imply an objective analysis. The subjective dimension deals with cognitive elements of the security policymaking. Nations, like individuals, create their own perceptions about reality that may differ dramatically from measurable indicators. True of false, accurate or not, the perspectives of a nation or an ethnic/social group are factors that determine their policy, behavior and possible responses to the “real reality”. The essence of the security policy heavily depends on the actor who defines what security is. In terms of the concept of securitization (Weaver, 1995), security is a speech act. In other words, a problem is a security problem when it is defined so by the power holders. The power holders, however, are not the only securitizing agents often being supported by other domestic actors (such as pressure groups, media, economic and military elites,

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6 Only a week before the session of the UN Security Council that should have extended UNPREDEP mandate for one more term, the Macedonian Foreign Ministry issued its official state recognition of Taiwan. China’s response was to cease diplomatic relations with Macedonia, so its veto was certainly no surprise.
etc.). Also an illusory alliance is being created between political elites from the West and post-communist countries. The idyllic picture of “cooperative security” and the new security agenda might be misleading. During a decade of instability, ethnic strife, economic collapse and individual insecurity in the “gray-zone” of SEE, Macedonia created its own “virtual world” where many security problems were absorbed into everyday life and have even become a way of survival.

Only recently Macedonia adopted NATO – required strategic and doctrinal documents on national security. Without any prior public debate, the White Book and the Strategy on Defense were issued as late as August/September 1998. Macedonia has been trying to catch up with the developed countries in the rhetoric of a new security agenda (most recently including the fight against terrorism). The official security policy is focused on transnational terrorism, ethnic conflict, religious fundamentalism, drugs and arms trafficking, organized crime, “white slavery”, etc. The documents’ vocabulary gives the impression that all of these phenomena happen in an undefined space on earth. Very rarely the policymakers have considered their own society as a fertile ground for these threats. Instead, Macedonia holds a self-perception of an innocent and passive victim of the negative regional developments. The concrete security agenda has often been tailored in accordance with the self-perception (very often a false one) and political purposes. Even less attention has been paid on contradictory security perceptions within the society (i.e. what was a security guarantee for one group may have been a security threat for the other).

A valid threat assessment calls for a prior definition of the level of analysis. The picture might differ depending on whether the analysis is at a regional, state and/or individual level. Nevertheless, an analysis along the lines of Barry Buzan’s five sectors of security (military, economic, political, societal or environmental) seems to be the best way to give a picture of the security threats in Macedonia.

SEE is far from being a security community, but direct military threats to Macedonia have not been probable even during the most critical periods of Yugoslavia’s dissolution. Only in February/March 2001 did a sense of external threat seem relevant. Instability in Albania and Yugoslavia (Kosovo) affected Macedonian military security only indirectly. Armed incidents on the Kosovo border in early 2000 were serious and pointed towards the danger of a larger confrontation. They had shown the military inferiority relative to illegal terrorist groups. Vulnerability of the state had become apparent, since the political/military leadership allowed to be blackmailed and even bargain with the Albanian groups. The escalation of the incidents into a military crisis demonstrated that
the Kosovo conflict was not stopped by the deployment of KFOR. In sum, Macedonia’s capability to protect the state territory, sovereignty and citizens had constantly been challenged prior to the 2001 crisis. The significance of military security (i.e. maintenance of peace in the midst of a turbulent region) was often used for internal purposes. The notion the “oasis of peace” was invented in order to earn political points and legitimacy. Elites had claimed peace as their main political capital and historical achievement although peace was more a coincidence than a consequence of a proactive policy. Data clearly indicated the state’s fundamental inferiority, despite undeniable improvements since 1991 imposed “demilitarization”. However, Macedonia’s sources of insecurity were/are deeply embedded in society.

The political security has been burdened with many deficiencies since 1991. The acceptance of democratic principles has been limited to imitation. The political parties (equally Macedonian and Albanian) have always played on the card of ethno-mobilization of the masses. Ethnification has been seen as the easiest way to get public support and votes during elections. The violent conflict of 2001, and even some provisions of the Ohrid Agreement have further petrified this tendency. The vocabulary and behavior of the political parties depends on the position they occupy or their assessments of the best electoral tactics. The political spectrum is split into two heavily antagonized blocks (along the main ethnic division between Macedonian and Albanian ethnic groups), which is additionally true for each part. Sometimes the divisions within the so-called Macedonian (or Albanian) block are much deeper than between the political/ethnic campuses. The lack of democratic political culture is evident not only in the parties’ structures, which are based of the concept of a “leader”, but also in their readiness to use violence or the “services” of the hard-liners among their ranks. Use of violence is not limited to state instruments of coercion. Various “party militias” and bodyguards as well could be seen parading, even in the buildings of the parliament and the government. The main legacy of the “small war” of 2001 is very likely to be used as a source of “legitimacy” in the forthcoming 2002 parliamentary elections. The Macedonian state has no monopoly over coercion or the means of violence, thereby raising doubts about its ability to protect the population, human rights and property. In addition to the para-military groups and “para-police” forces that operate in the western part, greater danger is the tendency of “privatization” of the state security structures. The erosion of the state leads towards the privatization of security i.e. providing security guarantees and protection on exclusivist manner (based on ethnic, religious or financial ground).

The economic security reflects the catastrophic situation in the society. Security analyses usually emphasize military or ethnic problems but
very few identify the tight relationship between socio-economic factors (underdevelopment, unemployment, poverty, brain drain) and the rise of ethnic intolerance. The vicious circle of ethnic intolerance, an unequal distribution of goods and positions in the social structure, the evident democratic deficit is unlikely to be broken soon. To the contrary, these traits still fuel explosion of conflict and a spiral of violence.

Macedonian society has been facing tremendous difficulties in terms of societal security. The conflict potential has been immense, which gave extraordinary importance to all measures for conflict prevention. Kosovo war left deep scars, particularly in terms of shaken identities and in the rival and security perceptions. Macedonia seemed to be an exception to the bloody pattern in the Balkans. However, the gap between political (macro) and societal (micro) levels has not only remained huge but also grows. The communication between the groups is best on a level of political elites. Each political (ethnic) center maintains full control over their behavior and electoral potentials of the group, which means that the elites create unprincipled coalitions and successfully conspire with their own ethnic kin to stay in power. The Macedonians and Albanians live in two parallel worlds with almost no points of contact. The most often practiced ethnic modus vivendi has been conflict avoidance and voluntary ethnic segregation. The other ethnic group has perceived strengthening each group’s identity (in terms of symbols, languages, religious affiliation, and culture) as an identity threat. The so-called ethnic security dilemma is the concept that explains the essence of inter-ethnic relations in the country.

For a decade, SEE has been repeatedly confirming and denying the differentiation of military versus non-military security threats. The number of non-military security problems is greater than ever, but at the same time heavily dependent on the ways of dealing with military security of the countries from the region. It does not necessarily mean that governing elites have defined clear security policy and doctrine in light of reality. Efficient security policy calls for a careful evaluation of available resources and responses, which will be able to secure the state and the human security equally. The problem arises when leaders misperceive security threats or their potential, or when the state security gets priority before the human security concerns.

Macedonia’s capabilities to respond to military challenges are very weak. Officially, the government has been dedicated to improving the situation in the Army. The government’s emphasis on strengthening the military capability is aimed primarily at pleasing the Western allies. Discussions on the difficult professional and social situation in the Army members were a taboo. For years the country has been facing huge difficulties ensuring the annual conscript contingent. The country lacks potential to
stimulate economic recovery or to satisfy the social demands. The government has not abandoned the idea to invest more in the military sector in order to meet NATO criteria. Thus the scarce resources are often allocated in the security sector. The external assistance comes more in the form of “humanitarian” aid than direct investments, while the “kleptocratic” habits of the establishment prevent the insufficient financial injections to reach those who badly need them.

The political system is in a deep crisis marked with growth of the democratic deficit and lack of legitimacy, accompanied with the weak civil society and frustrated citizens. Institutions are supposed to be mechanisms for peaceful resolution of societal conflicts but here de facto they are a part of the problem, producing instability and insecurity. Heavy political deficiencies do not give much hope for resolving the disputes through institutional channels. Even more impotent is the immature civil society. After the 2001 crisis and the “peace process”, the society is not far from the edge of the abyss with ethno-nationalism still deeply embedded and politically articulated in the political-security games.

The set of security threats to the state and population is still complex. Since they have a potential to feed each other, the best way to cope with them would be an integrative strategy. There was a persistent effort to proclaim Macedonia an oasis of peace long after such a description had become inaccurate. Interestingly enough, in the eyes of the international community, Macedonia is still seen as a “success story”. But now it continues with its conflict management and post-conflict reconstruction. It seems that all securitizing agents want to disregard the catastrophic security situation.

**Macedonia: A Success Story Once Again?**

Prior to 2001, Macedonia, the only exception from the Yugoslav violent conflict pattern, had been an object of two types of analyses. The country was seen as a success story in conflict prevention as well as a relatively typical case of transition towards democracy. Both theses should have proved the validity of the proposition that democratisation promotes peace and *vice versa*. The year of 2001 appeared to be, however, a “year zero” in both regards. The conflict prevention collapsed like a tower of game cards in a very short period of time, while the records in terms of the democratisation process had already been very obvious and could hardly be promising.

Analogously to the ten-year period of peace, the outbreak of the violent conflict in Macedonia indicated the same elements of a “virtual reality”.
Analysts see the developments of early 2001 differently, and possible interpretations vary greatly. Was it a “faked war” for which the background might be a previously agreed division of Macedonia? Did the crisis arise from the criminal matters in which both Albanian and Macedonian groups were involved? Have Albanians employed violence, concentrated in order to “incite” a dialogue over the final political status of Kosovo? Was this an instance of a “controlled chaos” used to speed up the process of the federalisation of Macedonia? Or, was the violence generated by the problems related to human/minority rights discourse? While these differing views are not mutually exclusive, they do draw attention to highly divergent explanations of Macedonia’s security condition and future.

An objective analysis would point out several characteristics of the Macedonian “small war” and its aftermath, which in total make the conflict unique. With the exception of the Slovenian “Ten-Day War”, Macedonia’s was surely the shortest and the most bloodless. Officially, it began in late February 2001 with sporadic shootings and clashes around the remote and practically unknown village of Tanusevci, along the Macedonian-Kosovo border. The “Ohrid Framework Agreement” was designed to mark the end of the half-year armed clash upon the signing of a peace accord on August 13th, 2001. The other version of the story may indicate that the Ohrid document can be seen as one of many cease-fire agreements in the Balkans. Despite the cries over death casualties, massacres, mass graves, tortures and kidnapping, it is a cold fact that the total number of casualties hardly speaks about the bloody civil conflict. It is incomparable to Croatian or Bosnian conflicts where in one day and in one remote village there were more people killed than in the whole “Macedonian war”.

The Ohrid Framework Agreement deserves attention because to a certain degree, it addresses some of the justifiable grievances of the Albanian population. However, its adoption and later on direct influence on the constitution-making process de facto delivered a very important message. As many Albanian intellectuals and politicians have claimed, once again (i.e. as in the Kosovo case) it has been proved that violence can be worthy. In other words, the violence has been justified as well as human victims and destruction. Definitively, after the 2001 crisis, Macedonia has become a real flesh point – i.e. a region in which violence has been embedded and legitimised.

Sadly enough, in the post-2001 period, Macedonia has changed dramatically. The rather negative peace (i.e. peace comprehended as an absence of war/conflict) of the previous decade has been replaced with an indefinitely long cease-fire. The “paradigmatic” preventive deployment of UN
troops has been replaced with post-conflict stabilisation NATO-led forces, which mandate’s scope and length is difficult to predict. What appeared as (not quite successful) a democratisation process has been replaced with a semi-protectorate’s rules of the political game. The crucial paradigm of peace AND democracy has been changed into peace OR democracy. The relatively peaceful political landscape is non-existing since violence has transformed into a bargaining chip in the process that can be hardly named political. Despite the different rhetoric that emphasises human rights and freedoms, the Ohrid Agreement and the Constitution have institutionalised ethnic differences. Both changes are contrary to the Macedonian experience of the prior decade, and probably unimaginable premises for a truly democratic society that heads towards European integration.

The post-conflict period resulted in the reduction of violence but not in its complete elimination. In mid 2002, Macedonia is not even a remnant of the oasis of peace and hardly resembles a viable state. Domestic and international publics have defined a level of “acceptable direct violence” as a part of the Macedonian “normality”. War heroism is about peace-time (or better, post-conflict) “rewards”. The most frightening fact is that cultural violence becomes part of the societal context. It concerns not only patterns of thought, but also the day-to-day public (and private) rhetoric which promotes or justifies war/violence. Both Macedonians and Albanians show impotence in dealing with their traumas and fears. Positive peace and democracy are the opposites – and the only remedies for the illness of the Macedonian society. A question remains – where to break the vicious circle of misfortune that drives the country towards the outcome without a return? A wise saying suggests that the only way out of it is through it. Macedonia has to face the lies about its reality, and the reality about the lies. Citizens bear the responsibility for moving along the road away from anything that justifies, promotes or legitimises violence – towards some kind of civilian co-existence.
Sources:

III.
OTHER SIGNIFICANT ISSUES RELATED TO PEACE AND SECURITY IN SOUTHEASTERN EUROPE
ANTON GRIZOLD and IZTOK PREZELJ

THE INTERORGANIZATIONAL DIMENSION
OF SECURITY COOPERATION:
PRE-DAYTON CRISIS MANAGEMENT
IN BOSNIA AND HERZEGOVINA

Introduction

The European security complex has changed constantly in the past 300 years. After the end of cold war, the Europe set out again on a quest for a new security complex and, within this framework, for a new security system. International organizations, such as EC/EU, NATO, recently dissolved WEU, CSCE/OSCE, CE and UN, were established and developed to meet cold war security needs and interests. After the end of cold war, they faced new challenges in the qualitatively new security environment and, since then, their legitimacy has been dependent upon adopting new missions, structures and performance in crisis management. The institutional reforms and policies of these international organizations were in large part driven by the need to effectively respond to new threats and uncertainties, especially from the area stretching from the territory of former Soviet Union through the Balkans, Near and Middle East to the Maghreb countries.

The wars in the former Yugoslavia (i.e. wars in Slovenia, Croatia, Bosnia and Herzegovina, Kosovo and FYROM) posed threats to international (especially European) peace and security. They thus played an important role in the process of building a new international security setting, its mechanisms and even the new European security and defense identity. The complex crisis and complex threat to international security that escalated in almost all parts of former Yugoslavia had been mostly characterized by the explosions of interlinked and mutually reinforcing threats in the form of military fighting, terrorism, crime, refugee movements, illegal immigration, environmental damage, economic collapse, collapse of some vital state institutions etc. The spill-over effect of most

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1 One of the key characteristics of contemporary security environment is the complex threat to security which is composed of equally important and mutually interrelated military and non-military dimensions, such as political, environmental, economic, terrorist, criminal, health, information, etc. threats. In the most severe crisis, the escala-
pressing military crises today is usually not expressed only in expansion of military fighting but also in various economic, immigra-
tional, terrorist, environmental and other transborder problems that could potentially evolve into real security threats. Although spillover of the Yugoslav conflict beyond the neighboring international borders was stopped, the crises strongly destabilized the entire region and sent shock waves throughout Europe. Such a complex crisis could have been contained not only by a multitude of uni-organizational approaches but by a more coordinated approach by all participating countries and international organi-
izations.

It has become very evident that European peace and security since the end of cold war have been guaranteed by three factors:

1. by the strengthening of international security organizations and an appropriate division of work among them;
2. the development of political and military cooperation among the countries through a network of bilateral and multilateral security dialogues;
3. creation of mechanisms preventing interstate conflicts as well as internal conflicts within each country (Grizold, 1997: 12).

The combination of first two elements has lead to gradual formation and evolution of interorganizational links and projects among associations of states, i.e. international security and defense organizations. The Yugoslav crisis was in fact a sort of microcosm for shaping the new post-cold war international security setting. If any country or international organization was to play an important role in providing security in Europe, it had to prove its crisis management capabilities in the former Yugoslavia. The problem was that no single international organization was capable of doing this effectively by acting alone. To be an effective player in the field and retain an adequate level of legitimacy in the post-cold war international security arrangement, each of the mentioned international organizations had to increase mutual contacts, resource pooling and form cooperative standing frameworks. While states are no strangers to the logic of security cooperation, international security orga-
nizations have been facing greater challenges in this regard. It is also more difficult to analytically grasp the scope and nature of such cooperation than cooperation among states.

Our goal in this paper is to test hypotheses on the inevitability, necessity and difficulty of interorganizational cooperation in international crisis management in a pre-Dayton phase of the military conflict in Bosnia and Herzegovina. Our starting point is that this sort of cooperation enables a single international organization to be more effective in crisis management, yet its self-defeating nature should also be taken into close examination. By identifying key international security organizations in this phase of conflict, as well as their evolving links, contacts and joint operations, we want to contribute to the development of qualitatively new aspect of security cooperation in contemporary crisis management.²

If the need for mutual reinforcing and other interorganizational processes recently became an inseparable element of the contemporary security cooperation, the interlocking character of key concepts that guide work of international security organizations has not changed significantly since the establishment of their institutional embodiments in form of international organizations. The concepts of collective security, collective defense and cooperative security have not been mutually exclusive. Their overlapping and mutually reinforcing character was analyzed by Carter, Perry, Steinbruner (1992: 7) and Nolan (1994: 5). In their opinion, the concept of cooperative security differs from the concept of collective security in the same sense that preventive medicine differs from acute care. While cooperative security was designed to ensure that organized aggression couldn’t start on any large scale, collective security has been an arrangement for deterring aggression through counter-threat and defeating it if it occurs. Yet, a fully developed cooperative security framework would include provisions for collective security as a residual guarantee for its members.

The inseparable character of collective defense and collective security is expressed in Art. 51 of the UN Charter, which endows member states with the right of individual or collective self-defense in case of armed attack, until the adequate collective security measures are taken by the Security Council. The inseparability of concepts and actions of international organizations in crisis management in Bosnia in a pre-Dayton

² Interorganizational approach to security and crisis management focuses on identifying the network of active international organizations, and their activities, interdependence of their policies, formalization, intensity and durability of their linkages, sharing resources, joint cooperative projects or operations, interorganizational competition etc. (Prezelj, 1998).
phase were embedded in an evolving legal and political framework. With analyzing this case, we will also show that interorganizational activities could be learned and improved.

The International Framework for Interorganizational Cooperation in the Pre-Dayton Phase of Yugoslav Conflict

In early nineties, the UN faced an explosive growth in peacekeeping responsibilities without commensurate allocation of resources. Simultaneously, the role of regional and subregional organizations in peacemaking, peacekeeping, enforcement and post conflict peacebuilding operations has increased. A combination of factors, such as growing pressure from public opinion to intervene militarily in conflicts, the search for new legitimacy among individual organizations, limited resources, and the inability of any one organization in the field to carry out its mission, led the majority of crisis management organizations to cooperate bilaterally or multilaterally. Chapter VIII of the UN Charter sets forth the legal foundation for interorganizational cooperation in crisis management. The Charter (Arts. 52, 53 and 54) invites the states to reach a peaceful settlement of local conflicts through the regional arrangements and agencies if their goals are consistent with the goals and principles of the UN. The Security Council (SC) may use such regional agencies in an enforcement action, however the latter may not carry out any enforcement action without the prior authorization of the SC except in case of collective self-defense (Art. 51). The former Secretary General (SG) of the UN, Boutros Boutros Ghali, in his vision of the new role of the UN, An Agenda for Peace (1992), strongly asserted that the cold war impaired the proper use of Chapter VIII as regional organizations occasionally worked against resolving disputes. He proposed the increased use of regional agencies and arrangements by the UN in preventive diplomacy, peacekeeping, peacemaking and post-conflict peace building while reserving central responsibility for international peace and security for the UN only. However, no specific interorganizational division of labor was proposed in this document. In the early phase of Yugoslav conflict, the SC called upon UN member-states to use the regional arrangements and agencies to resolve the crisis. The permanent members of the SC had an opinion that the Europeans should take a lead in the case of former Yugoslavia. Under the umbrella of the Chapter VIII of the UN Charter, the EC and CSCE established monitoring missions.4

3 E.g. in Resolutions 713/91, 727/92, 743/92, 752/92, 757/92, 762/92 and 802/93.

4 European Community Monitoring Mission was established in June 1992. Its first mission was to control the withdrawal of the YPA from Slovenia. The mandate was latter extended to the areas of Croatia and Bosnia and Herzegovina. The CSCE established a
In the same spirit of increasing the interorganizational links, the North Atlantic Council (NAC) expressed a belief that stability and security in Europe would increasingly be built on a “framework of interlocking and mutually reinforcing institutions such as NATO, OSCE, EC, WEU, CE and others”. The ambassadors obliged themselves to enhance cooperation among these institutions in general. With direct reference to regional conflicts, the NAC in another ministerial session recognized that NATO’s objective of coping with regional conflicts and of contributing to security and stability in Europe could be accomplished only through close cooperation with other institutions within the framework of mutually supportive institutions.

By December 1992, the Defense Planning Committee of NATO recognized the fact that the crisis in the former Yugoslavia indicated the importance of effective cooperation between the various institutional components of the new European security architecture. NAC repeatedly expressed full support for other international organizations’ efforts to find a negotiated settlement to the crisis in former Yugoslavia and willingness to contribute to UN and CSCE peacekeeping operations upon their request. After Oslo and Brussels NAC ministerial meetings in 1992, where NATO decided to participate in peacekeeping operations on a case-by-case basis, NATO started developing its own doctrine and procedures for peacekeeping operations. On 11 December 1992 the Defense Planning Committee stated in its final communiqué that these additional peacekeeping missions should be included among NATO missions.

The aggravation of the situation in the field and a failure of EC peacemaking activities contributed to the incremental increase of the UN mission in the former Yugoslavia. The UN SC established the United Nations Protection Force (UNPROFOR) in February 1992 to oversee the 15th cease-fire agreement. In UN SC Resolution 770, the mandate of UNPROFOR was expanded to protect the delivery of humanitarian assistance and authorized use of all necessary measures to do this. The UN mission to Kosovo, Sandzak and Vojvodina in August 1992 to establish the compliance with human rights principles in the area.

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5 Ministerial Meeting of the NAC – Final Communiqué, Oslo, 4 June 1992.
6 Ministerial Meeting of the NAC – Final Communiqué, Athens, 10 June, 1993.
9 For description of four phases of enhancing the role of UN at the expense of EU and the EU/UN relationship see Economides & Taylor (1996: 69–71, 79).
SG in his report\textsuperscript{10} depicted a division of work between the UNHCR and UNPROFOR more as decision-making by the former and protection services of the latter. It was the UNHCR’s responsibility to determine the priorities and schedules for the delivery of relief, to organize the relief convoys, to negotiate safe passage with UNPROFOR’s assistance and to coordinate requests from non-governmental organizations and other agencies wishing to join UNPROFOR-protected convoys. UNHCR, after consulting UNPROFOR, decided which convoys needed protection and when. The protection was to be provided only at UNHCR’s request.\textsuperscript{11}

By the mid 1994, the UN-NATO and NATO-WEU relationships also developed greatly due to shared missions in the former Yugoslavia. The intensity of NATO-CSCE link had also grown. At its Istanbul meeting in June 1994 the NAC expressed its willingness to contribute the necessary means for the CSCE to carry out agreed missions and operations and welcomed arrangements that allowed NATO to participate in the work and certain activities of the CSCE and vice versa.\textsuperscript{12}

In this paper, we analyze two significant and unprecedented cases of cooperative arrangements between two international organizations. The first is a 1992 to 1995 joint NATO and WEU naval operation for enforcement of UN sanctions and the second is the so-called “dual-key” arrangement between UN (UNPROFOR) peacekeepers and NATO. The first example shows the possibilities for interorganizational cooperation between two originally \textit{regional} collective defense organizations in sanctions enforcement operation out of their areas. The second example illustrates the chances for cooperation between universal collective security organizations and an organization originally designed for collective defense missions. In both cases, the UN, due to lack of resources, subcontracted the enforcement operations to another organization while retaining a certain level of control.

\textbf{NATO-WEU Cooperation in the Adriatic Sea: Sanctions Enforcement}

A general and complete embargo on all deliveries of weapons and military equipment to Yugoslavia (all republics) was adopted by the UN SC in September 1991 under Resolution 713. WEU and NATO ministerial

\textsuperscript{10} Report of the Secretary-General to UN Security Council (S/24540), 10 September, 1992.

\textsuperscript{11} The link between the UNHCR and UNPROFOR suffered from many conceptual and operational problems that were tried to be resolved. For more on this see Williams (1998: 36–37).

\textsuperscript{12} NATO Press Communiqué (M-DPC/NPG-1 (94) 38), Brussels, 1994.
meetings concurrently took place on the 10th of July 1992 in Helsinki. A special WEU Ministerial Council agreed to dispatch a naval force under WEU auspices to the Adriatic to monitor the compliance with UN SC resolutions 713 and 757 (i.e. economic sanctions against the Federal Republic of Yugoslavia (Serbia and Montenegro)). The same nine ministers from the WEU countries – later accompanied by their American, Canadian, Danish, Greek, Icelandic, Norwegian and Turkish colleagues – met an hour later as a special NATO Ministerial Council and agreed on the dispatch of a second force under NATO auspices. The WEU Ministers decided that the “WEU operation will be coordinated in cooperation with NATO”,\textsuperscript{13} and NATO Ministers decided that their operation would be carried out “in coordination and cooperation with the operation decided by WEU”.\textsuperscript{14} This was the unique interorganizational origin of “Maritime Monitor” and “Sharp Vigilance”.

The practical implementation of these decisions was worked out by NATO military authorities in coordination with those of WEU. This in fact meant two separate but coordinated operations. On November 22, 1992, the mission scope was broadened to include enforcement measures (i.e. stopping, inspecting and diverting ships as required) of relevant UN resolutions and the missions were renamed “Maritime Guard” and “Sharp Fence”. These two forces executed parallel actions under a joint command as well as conceptually very innovative joint political control of the NATO and WEU Councils. According to the WEU Ministers,\textsuperscript{15} the execution of these operations was made possible only with extensive and full exchange of information among the involved organizations.

On many occasions, both organizations stressed the importance of the intensification of working relations on the basis of “mutual transparency and complementarity”. On the other hand, much criticism has emerged about the irrational use of resources, redundancy of forces and even competition between NATO and WEU. Even John Roper, the former Director of the WEU’s Institute for Security Studies, diplomatically makes the point that the two organizations were motivated by “competition rather than cooperation” (referring to the WEU and NATO Ministerials in Helsinki) (Roper, 1997). The Parliamentary Assembly of the WEU represented a source of criticism. Its Report from November 1992\textsuperscript{16}

\textsuperscript{13} See Extraordinary Meeting of WEU Council of Ministers on the Situation in Yugoslavia, Helsinki, 10 July, 1992.
\textsuperscript{14} See Statement on Maritime Operations, NAC Meeting in Ministerial session, Helsinki, 10 July, 1992.
described duplication of effort in the Adriatic Sea as being devoid of common sense, costly and harmful to the organizational reputation. In this respect, the WEU Assembly recommended the WEU Council to institute a formal liaison mechanism with NATO headquarters and appropriate commands and also, with relevant United States authorities, to help promote efficient and cost-effective cooperation and to avoid duplication of effort. It must be recognized that some states faced a peculiar situation of contributing forces to two operations in the same area by two different international organizations. Nevertheless, the ultimate hierarchical relationship between the forces of the two organizations was clearly defined by NATO ministers, who stressed that NATO’s collective defense would remain the primary responsibility of the forces answerable to WEU.17

On 8 June 1993, the Councils of NATO and the WEU at a joint session18 reviewed their operations and approved a “combined NATO/WEU concept of operations” for the implementation of the UN Security Council Resolution 820, which strengthened the existing embargoes against the FRY. This concept included a unified command and control arrangement for the new combined operation “Sharp Guard” under the political authority of Councils of both organizations. Operational control of the Combined NATO/WEU Task Force (CTF) was delegated through SACEUR to Commander Allied Naval Forces Southern Europe (COMNAVSOUTH). The CTF was formed between NATO forces, mainly the STANAVFORMED and the STANAVFORLANT, together with WEU Contingency Maritime Force. Organized in three combined task groups, NATO and WEU ships conducted continuous patrolling in the southern Adriatic Sea. The Staff of the Italian commander of CTF was complemented by a WEU staff element. In practical terms, the WEU naval element was absorbed into the COMNAVSOUTH process for military decision-making, planning, and executing the operation. The whole operation was carried out on a purely ad hoc basis: this being the first example of such collaboration.

Joint Council sessions and increased cooperation in a number of fields gradually contributed to the creation of the need for a formal agreement between the NATO and WEU.19 A Memorandum of Understanding was signed between the two organizations on the 27 October 1995 at the

19 One of first proposals for a formal agreement is to be found in the Report on the Behalf of Defense Committee of WEU Parliamentary Assembly from 9th November 1993: An operational organization for WEU: naval cooperation – Part one: Adriatic operations, p. 7.
NATO Communications and Informations Systems Agency in Brussels. This was the first such agreement between two international defense organizations in crisis management in the former Yugoslavia and beyond. The NATO voice and telegraph connections were established at the WEU headquarters in Brussels, opening a channel for a direct plain and encrypted communications between the WEU Headquarters and its capitals in addition to such existing capabilities between the capitals and NATO Headquarters.20

At the end of 1995, the arms embargo phased out and economic sanctions were suspended by the UN. Accordingly, the operation Sharp Guard was modified. On 2 October 1996, the NATO and WEU jointly announced that, following the UN decision, operation Sharp Guard was terminated and that their first combined operation served as a positive demonstration of the strengthening ties and intensifying cooperation between the two organizations on the basis of principles of transparency and complementarity. NATO ministers expressed on several occasions that the conduct of joint operation Sharp Guard was an expression of NATO’s support for the development of the emerging European Security and Defense Identity and the role of the WEU.

The Safe-Area Problem and the Dual-Key Mechanism Between the UN and NATO

The UN Security Council declared Srebrenica, Sarajevo, Tuzla, Zepa and Gorazde in April, May and June 1993 as so-called “safe areas”.21 These areas were supposed to be free from armed attacks and any other hostile acts that would endanger the well being of their inhabitants. The measures were meant to assure the unimpeded delivery of humanitarian assistance as well. The mandate of UNPROFOR was extended by the SC in Resolution 824 to deter attacks against safe areas and to take the necessary measures including the use of force in reply to bombardments against the safe areas, armed incursion into them and deliberate obstruction in or around them of the freedom of movement of UNPROFOR and the humanitarian convoys.

In the same resolution, the SC foresaw the possibility that “member states, acting nationally or through regional organizations or arrangements, may take, under the authority of the SC and subject to close coordination with the Secretary General and UNPROFOR, all necessary mea-

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20 NATO Press Release on Signature of a Memorandum of Understanding between NATO and WEU, 27 October, Brussels, 1995.

sures, through the use of air-power, in and around the safe areas in the Republic of Bosnia and Herzegovina, to support UNPROFOR in the performance of its mandate...". The implementation of this resolution was marred by many obstacles in the field. First, UNPROFOR was not reinforced with an additional 34,000 troops needed to ensure full respect for the safe-areas as suggested by the Secretary General. It is evident from his report\textsuperscript{22} that a minimally reinforced UNPROFOR would have hardly represented a credible deterrent factor in the safe areas. Mayall argued that the UN forces, despite having the authority to take all necessary measures to ensure the delivery of relief aid, on many occasions failed to make their way through the Bosnian Serb blockades as they knew they could not call for reinforcements necessary to face down stiffer resistance on the next occasion (Mayall, 1996: 16). At this early stage of conflict management, the gap between the UN SC resolutions and the means available to military commanders in the field become painfully evident.\textsuperscript{23}

Second, the warring parties in many cases failed to understand or fully respect the safe-areas concept. This was evident in the case of shelling the Sarajevo market square, the Serb offensive on Gorazde, the use of safe areas by the Army of BH to rest, train, and equip themselves as well as fire at Serb positions and thereby provoke their retaliation (e.g. Bihac in October and November 1994), denial of freedom of movement of UN personnel and convoys, blocking of humanitarian aid and UNPROFOR supply, and the strangulation of Sarajevo in 1995. In short, the UNPROFOR lacked the credibility and resources to play a role in the conflict. For this reason, NATO was invited by the Secretary General to play an active role in support of UNPROFOR.

Direct involvement by NATO in the crisis started with monitoring of the no-fly zone over Bosnia and Herzegovina by AWACS in October 1992 pursuant to SC Resolution 781. Data on possible violations had already been regularly passed to the appropriate UN authorities (NATO Handbook, 1995: 62). The UN Resolution 816 from 31 March 1993 authorized the member states, acting nationally or through regional organizations or arrangements under Chapter VII, to take all necessary measures to enforce the ban on military flights in the air space of Bosnia and Herzegovina. On this basis, the NATO enforcement operation “Deny Flight” began on 12 April 1993, culminating in February 1994 with shooting down of 4 airplanes that violated the ban. This was the first military

\textsuperscript{22} Report of the Secretary General Pursuant to Resolution 844 (No. 555), New York, 9 May, 1994.

\textsuperscript{23} The so-called mission-creep effect developed due to constant broadening of UNPROFOR’s missions and simultaneous failures to support them with adequate resources.
engagement ever undertaken by the alliance. NATO ministers in a NAC meeting in Athens supported the establishment of safe areas in Bosnia and Herzegovina by UN resolutions 824 and 836. In response to resolution 836 and the expanded UNPROFOR mandate related to safe areas, the ministers offered the NATO protective air power in case of attack against UNPROFOR in the performance of its overall mandate. Detailed planning for such “close air support” commenced in coordination with UNPROFOR.24

In relation to the Yugoslav crisis and in the context of Agenda for Peace, the Secretaries General of NATO and UN established direct contacts and welcomed further contacts at various levels, including forming appropriate arrangements between NATO Military Authorities and UNPROFOR. The liaison officers were exchanged between NATO and UNPROFOR.25 The NAC tasked NATO Military Authorities to draw-up, in close coordination with UNPROFOR, the operational options for air strikes and appropriate decision-making and command and control arrangements for their implementation.26 By August 1993, NAC received the “Operational Options for Air Strikes” from the Military Committee and approved them. It also directed the SACEUR (Supreme Allied Commander), in coordination with UNPROFOR, to proceed on an urgent basis with the target identification and planning required to carry out the Operational Options. The Council also agreed that the first to authorize the use of air power should be the UN Secretary General.27

After many letters from one Secretary General to another, they met for the second time in August 1993 to discuss the peaceful settlement of the conflict in Bosnia and Herzegovina and NATO’s role in support of the UN peacekeeping mission in former Yugoslavia. They also discussed the development of closer links between them following the decision by NATO Foreign Ministers in Athens to continue to support the UN peacekeeping operations.

After the tragic shelling of the Sarajevo market, NATO adopted a decision to initiate air-strikes in close coordination with UNPROFOR against any heavy weapons that were not withdrawn in 10 days from the Sarajevo exclusion zone and those artillery positions which would be determined by UNPROFOR to be responsible for attacks against civilians in

24 See Ministerial Meeting of the NAC – Final Communiqué, Athens, 10 June, 1993.
25 E.g. NATO officers were stationed in UNPROFOR headquarters.
26 See Press statement by the Secretary General following the NAC meeting, Brussels, 2 August, 1993.
Sarajevo. On 21 February 1994, NATO and UN (SACEUR, UN SG SR Akashi and UN military commanders) jointly decided not to use NATO air power at that stage because virtually all heavy weapons in and around Sarajevo were withdrawn or placed under effective UNPROFOR control.28

In March 1994, the Serb offensive on Gorazde took place. NATO tried to protect the endangered UN personnel in Gorazde by close air support. Bosnian Serbs reacted by detaining a large number of UN personnel. Further threats of NATO air strikes at the request of the SG and the endeavors of UNPROFOR brought an agreement between the UNPROFOR and Bosnian Serb authorities to withdraw the Serb forces and heavy weapons from the surrounding zone.

By the end of March 1994, many incidents and violations of the cease-fire agreement in Croatia’s UN Protected Areas hampered UNPROFOR’s ability to carry out its mandate. The SC in resolution 908 (1994) decided that the Member States, acting nationally or through regional organizations or arrangements, may take, under the authority of the Security Council and subject to close coordination with the Secretary General and UNPROFOR, all necessary measures to extend close air support to the territory of the Republic of Croatia, in defense of UNPROFOR personnel in the performance of UNPROFOR’s mandate, as recommended by the Secretary General in paragraph 12 of his report of 16 March 1994 (no. 300). At that time, discussions between the NATO and UNPROFOR began on the technical aspects of this issue.

On 18 April 1994, the UN SG (in his letter to NATO SG) requested, at the earliest possible date, a decision by the NAC to authorize the Commander-in-Chief of NATO’s Southern Command (CINCSOUTH) to launch air strikes against artillery, mortar or tank positions in or around the five safe areas of Tuzla, Zepa, Gorazde, Bihac and Srebrenica. In response to this, NAC on 22 April decided on further steps to protect the safe areas. CINCSOUTH was authorized, in accordance with procedural arrangement worked out between NATO and UNPROFOR, to conduct air strikes against Bosnian Serb heavy weapons and other military targets unless they are withdrawn from a 20-kilometer radius of the center of Gorazde. NATO Military Authorities were also authorized to initiate air attacks against those who attack by heavy weapons any other safe area.29 On the same day, agreement was reached in Belgrade with SR SG to withdraw the Serb forces from 3-kilometre area from the center of Gorazde and heavy weapons from 20-kilometre zone.

In the relationship between the UN and NATO in former Yugoslavia, the so-called "dual-key" or "two-key" arrangement developed gradually as a joint coordinating mechanism for the use of NATO air power in support to the UNPROFOR in Bosnia and Herzegovina and later in Croatia. The main reason for the need of NATO enforcement capacity to be used in a peacekeeping operation was the incapability of UNPROFOR simultaneously to protect the UN designated safe areas, assure the compliance with the UN resolutions and deter attacks against UNPROFOR. The NATO "retaliatory" air strikes were to commence if the UN called for them (and if NATO agreed). Only UNPROFOR had the authority to determine a threat against the civilian population in safe areas, direct attack on the safe areas, non-compliance with withdrawal request, any concentration of forces and heavy weapons, conduct of military preparations, obstructing the movement of humanitarian relief convoys and medical assistance teams etc.

This mechanism operated under the political control of NAC and SC and operational control under joint cooperative mechanism between UNPROFOR and NATO (SACEUR). Decisions on targeting, validation and execution were taken jointly and in close coordination by UN and NATO military commanders. The targets were approved for planning through the Joint Targeting Board (JTB) process established by NATO and UN. This arrangement in fact "implied two separate but not separable command chains" (Leurdijk, 1998: 57). The dual key mechanism also provided both organizations with the right to veto or, in other words, it prevented automaticity in response to violation of UN resolutions.

By this stage, the civil – military clash in the UN had not gone unnoticed. The UN Force Commander, General Jean Cot, created some difficulties in UN political (civil) – military relations. Williams (1998: 43) argues that Cot repeatedly ignored or challenged the authority of his civilian superiors at UN headquarters. One of the reasons for this was that there had been no resident civilian head of mission. Stoltenberg, the SR SG, was based in Geneva, and latter Akashi in Zagreb. Few civil officers were in Bosnia and Herzegovina, which meant that local diplomacy was in hands of the military. In March 1994, Cot gave an interview for Le Monde in which repeatedly asked the UN SG to grant him the power to authorize the air strikes. Williams reports that the cable response by the UN SG was the "strongest reprimand ever sent to a UN commander", depicting his actions as inappropriate, and incompatible with his position. It also appeared that Cot wanted to lobby the countries with troops in Bosnia in order to press Boutros Ghali to change his mind on air strikes, and appeared to be attempting to open a channel of communication directly

30 See also Press Statement Issued Jointly by UN and NATO, 28 October 1994.
with the SC. Cot was replaced by new Force Commander De Lapresele in March 1994. Nevertheless UNPROFOR remained dominated by the military (ibidem).

The involvement of NATO in implementing the Sarajevo and Gorazde agreements required substantial additional coordination between the UN (UNPROFOR) and NATO. Exchanges of information and consultation were daily events. The inability to predict the situation on the ground led NATO to make available staff officers to UNPROFOR to assist in UNPROFOR planning.\(^{31}\) Several meetings between NATO and UN representatives took place in October 1994 resulting in agreement on revised standards for the application of NATO airpower.\(^{32}\) In a press statement issued jointly by UN and NATO, they stressed that, on the basis of series of understandings and the “dual key” coordinating arrangement, only a general warning would be given to an offending party, while tactical warning would not be given, in order to carry out the air strikes on a timely basis.\(^{33}\) On this basis, UNPROFOR requested and received close air support several times in 1994 (e.g. on 5 August and 22 September in Sarajevo Exclusion Zone, 21 November against Udbina airfield in Croatia,\(^{34}\) etc.). The August attack was ordered because the Bosnian Serbs seized weapons from a weapons collection site near Sarajevo. The September attack was against a single Bosnian-Serb tank, in response to the tank’s attack on an UNPROFOR French Armored Personnel Carrier. The attack on the Udbina airfield in Croatia followed the decision of NAC on 19 November 1994 to authorize air strikes in Croatia in response to attacks on the Bihać UN safe areas in Bosnia and Herzegovina from the UN protected areas in Croatia. Also several attacks were executed against the Bosnian-Serb surface-to-air missile sites, which proved to be a continual threat to “Deny Flight” aircraft. The results of each air strike also had to be assessed jointly by NATO and UN military officials.

In spite of existence of this cooperative mechanism, the violence in Bosnia and Herzegovina escalated in May 1995. The Bosnian Serbs were blocking and attacking Sarajevo and other safe areas, many humanitarian convoys had problems with negotiating a passage, quite a number of

\(^{31}\) See NAC decisions, NATO Press Release (94) 60, 11 July 1994.

\(^{32}\) E.g. NATO (NAC) was visited on 29 June 1994 by SR SG of UNPF in former Yugoslavia Yasushi Akashi, military commander of UNPROFOR Former Yugoslavia, commander of UNPROFOR Bosnia-Herzegovina.

\(^{33}\) See NATO Press Release (94)103.

\(^{34}\) This was in response to attacks launched from the Serb airfield Udbina in Croatia against Bihać safe area in BIH.
UN peacekeepers were detained and killed in May 1995 and beyond. In these circumstances, NATO started with contingency planning for the option of UN withdrawal. The plan would have to be finally approved by the NAC if and when a withdrawal operation needed to be implemented following a UN request. On 6 July 1995, the Bosnian Serbs launched a full attack against the safe area of Srebrenica and some days later Zepa. In spite of some help by UNPROFOR in the field and NATO close air support (which commenced only on 11 July), Srebrenica fell to the Bosnian Serbs on the same day while Zepa fell on 25 July. The massacres of the civilian population took place in front of the peacekeepers. The battalion of Dutch peacekeepers could only observe the town being overrun while some of them were detained. The massacre at Srebrenica was the worst single war crime in Europe since 1945.

In relation to these events, the SR SG in the former Yugoslavia, Yasushi Akashi, complained that the situation in former Yugoslavia indicated that the SC was not always willing and able to provide the kind of mandates and resources that are needed to cope effectively with the situation. He thought the fault lay with the Council's partial understanding of the actual situation and the lack of unified approach among the members of the Council (see Williams, 1998: 23).

The London conference by NATO, Contact Group and UNPROFOR troop-contributing nations on 21 July 1995 simplified the procedures for conducting air strikes and greatly expanded the targets available for strikes. The participants also agreed that it was necessary to provide some level of security for UNPROFOR from the air should they come under a retaliatory attack or the threat of attack on the ground. A Memorandum of Understanding (MOU) was signed on the 10 August 1995 by Admiral Smith and Lieutenant General Janvier, Force Commander UNPF, which contained the joint UN-NATO arrangements for implementing the actions specified in the NAC and UN Security Council decisions. Consistent with the MOU, and following coordination with Lt Gen Smith, Commander of UNPROFOR, Lieutenant General Ryan, COMAIRSOUTH, on the 14 August 1995 briefed the concept of operations for Operation "Deliberate Force" and obtained agreement in principle from CINCSOUTH and Force Commander UNPF for both the operation and associated targets. Additionally, in accordance with the MOU, an Air-Land Coordination Document was developed by COMAIRSOUTH, the NATO air component commander, UNPROFOR Command from Sarajevo, and Major General David Pennyfather at the Rapid Reac-

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35 In the effort to bring peace to the Balkans, 204 UN peacekeepers were killed between 1991 and 1995 (Rupp, 1998: 170).
tion Force Operational Staff Headquarters in Kiseljak, specifying the necessary operational details of joint/combined operations.

The mortar attack on the Sarajevo market on 28 August 1995, killed 38 civilians, and was a direct triggering event for the multiple NATO air-strikes against Serb anti-aircraft systems and heavy weapons in the vicinity of Sarajevo and other military facilities throughout Bosnian Serb territory. The response was initiated in order to restore the heavy-weapons exclusion zone. A dual-key decision was made by CINCSOUTH and Force Commander UNPF on the 29 August to initiate the air strikes and the operation “Deliberate Force” commenced. Also the French/British/Dutch UN Rapid Reaction Force was used for the first time in combat in a coordinated manner with NATO.

This operation was the most intense air and artillery campaign to date for NATO, using the improved procedures and new authority agreed in London. In fact, operation “Deliberate Force” integrated individual plans into a comprehensive graduated air strike plan. According to the NATO Secretary General’s words, this operation was a textbook demonstration of the use of limited force in service of diplomacy, and the first significant and sustained military operation in the history of NATO. This operation was understood as a demonstration that NATO was not only a blunt cold war instrument, but that it could be used flexibly on behalf of tightly controlled political objectives in the profoundly different and more complex military environment of the post-cold war era. He also stated that NATO and the UN worked together harmoniously to implement the will of international community.

In the spirit of signing the cease-fire agreements on 14 September and 5 October 1995, the UN and NATO agreed on 20 September 1995 that objectives of “Deliberate Force” were met because safe areas were no longer under attack. The Operation “Deny Flight” ended on 20 December 1995, with the transfer of authority from UNPROFOR to the Implementation Force (IFOR).

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37 In order to enhance protection of UNPROFOR, safe areas and civilians, the UN SC, in resolution 998 on 16 June 1995, approved the deployment of ground Rapid reaction capacity as an integral part of the existing UN peacekeeping operation.

38 See Operation Deliberate Force, Allied Forces Southern Europe – Fact Sheet, www.afsouth.nato.int/factsheets/, no date provided.

39 Deliberate Force was an air-attack operation to reduce military capability that threaten and attack safe areas and UN forces. Its targets included: fielded forces, heavy weapons, command and control facilities, direct and essential military support facilities, supporting infrastructure and lines of communication (Ibidem).

40 Speech by the NATO Secretary General Willy Claes at the 41st Annual Session of the North Atlantic Assembly, Turin, 9 October, 1995.
Difficulties with Interorganizational Cooperative Arrangements

In spite of logical interorganizational response by UN and NATO, some difficulties regarding the use of air force emerged.

The first problem was in the simultaneously mutually supporting and defeating peacekeeping and enforcing mandates of UNPROFOR. This led to strains in relations within UN and between UN and NATO. For example, the UNPROFOR military commander Rupert Smith on the 8 May 1995 demanded air strikes to suppress attacks against civilians but the political side of the UN did not agree to call in the air strikes. The established mechanism did take both keys (UN and NATO) to be turned in order to make it work, and one of them was not turning. Therefore the operation did not take place. In this way, "NATO was prevented from using air power in a way in which it might be able to further the UN mandates effectively". Kenneth Bacon described this as a frustrating situation. Others (e.g. Lt. General Kehoe, 1998) from the NATO Military Committee complained that NATO handed to another organization a decisive vote affecting NATO's capacity of will and capability (see Kehoe, 1998). On another occasion, the Dutch local commander, Col. Karremans, requested air support when Bosnian Serbs attacked Srebrenica again in July 1995. This time, the UNPROFOR Chief of Staff in Sarajevo stopped the request because negotiations between the EU mediator Carl Bildt and Serbian President Milosevic were thought to be at risk by such military action (Williams, 1998: 29).

Leurdijk describes the controversy between the UN and NATO that emerged from the unprecedented dual-key arrangement as the absence of a precise agreement as to circumstances justifying the use of force. In this respect, both organizations responded to its own priorities and intentions. The UN’s first concern was the safety of the UN personnel on the ground and possible negative effects on the peace talks and the provision of the humanitarian assistance, while NATO’s main concern was to maintain its credibility as an effective international military organization after the end of cold war (Leurdijk, 1998: 55–58). Boutros Ghali

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41 Kenneth Bacon reported this civil-military clash. See DOD News Briefing by Kenneth Bacon, Office of the Assistant Secretary of Defense, 9 May, 1995.

42 DOD News Briefing by Dennis Boxx, Office of the Assistant Secretary of Defence, 31 August, 1995.

43 According to the US State Department, the main difference was over the threshold for military action (see Fact Sheet: NATO involvement in the Balkan crisis, State Department, 9 May, 1997.)
described this situation as a cooperation between two organizations with very different mandates and approaches to the maintenance of peace and security (see Ghali, 1995).

The problem with the dual-key mechanism for the UN peacekeepers was in the difficulty of retaining impartiality, while at the same time carrying out enforcement actions or demanding NATO interventions in support of UN resolutions.44 Karns and Mingst argue that enforcement by definition eschews the neutrality of traditional peacekeeping and involves UN forces in proactive behaviors (Karns & Mingst, 1998: 205). The former is characterized by impartiality and minimum of force by peacekeepers and consent by the involved parties, while the latter represents an activity of use of force without the consent of the parties.45 On occasion not even the relief community could maintain impartiality, as they were seen in the eyes of factions as support element in the network of their opponents.

This mixture of peacekeeping and enforcement caused much conceptual and operational confusion. However NATO never officially questioned the political primacy of the UN (SC) in providing international peace and security (in the region), while it simultaneously underlined and maintained its own autonomy.

Obviously the interorganizational cooperation could create many problems, however non-cooperation could cause even more difficulties. Michael Williams argues that in the former Yugoslavia, peacekeeping

44 The Gorazde case has shown that the use of the air force in Bosnia and Herzegovina to help UN in carrying out its missions can expose the ground personnel to retaliation, with limited possibilities to protect them, concluded the SG in his report. The Bosnian Serbs regarded the limited UNPROFOR’s use of close air support as an intervention on behalf of their opponents, and therefore did act against UNPROFOR and civilians. The air support in a way helped UNPROFOR in carrying out its missions and retaining credibility, but on the other hand it created further difficulties that severely strained its impartiality. The SG has on many occasions asserted that UNPROFOR’s protection of safe areas was not intended to make it a party to the conflict. Throughout 1994 and especially after November NATO air strikes in Croatia and on Bosnian Serb missile sites, the Serbs closed down their checkpoints around Sarajevo and other safe areas, thus preventing UNPROFOR and humanitarian organizations to fulfill their mission and restrict the movement of civilians. As a riposte to the NATO air strikes against a Bosnian Serb ammunition depot in Pale, the Bosnian Serbs took over 300 UNPROFOR personnel as hostages and used some of them as human shields in strategically important locations.

45 The difference between peacekeeping and enforcement operations is in the fact that the former are more clearly under the command and control of the UN with regular Security Council review and day-to-day direction from the UN Secretary General or his representative. Enforcement action, in theory under UN control and command has emerged according to the Charter, has emerged as an essentially decentralized military operation receiving a SC blessing but little in the form of command and control (McCoubrey & White, 1996: 19).
was divorced from peacemaking activities. The latter was frequently the responsibility of the non-UN organizations or arrangements, such as EU, International Conference on the Former Yugoslavia (ICFY), created in 1992, and the five-nation Contact Group (CG), established in 1994.

The proliferation of diplomatic actors, in addition to their lack of cooperation with peacekeepers, compounded the frustration of UN military commanders. After many problems and mistakes in crisis management in the former Yugoslavia in early 1992, the EU passed responsibility to the UN. The London conference in August 1992 created a hybrid EU-UN body, ICFY, headed first by Owen (representing the EU) and Vance (representing UN). The gap between the peacemaking and peacekeeping activities increased when the CG was established (1994) by France, Germany, Russia, USA and UK. Williams notes that the CG quickly complicated the strategic operational relationship. Namely, the members of UNPROFOR complained that they had no contact with the CG, even though three of its members – France, Russia and the UK – had deployed troops in Bosnia. In August 1994, Akashi succeeded in persuading members of the group to leave their national capitals and visit the mission area. Nevertheless, the chasm between the UNPROFOR and CG remained (Williams, 1998: 28).

Concluding Remarks

In the former Yugoslavia and other operations in Africa and Latin America in the early nineties, the UN has begun to collaborate with regional organizations in peacekeeping and enforcement activities to an unprecedented extent. It is true that diplomatic negotiations (especially U.S. endeavors) brought about the Dayton agreement. However the complex crisis in Bosnia and Herzegovina could have been brought to an end only with extensive interorganizational work: joint, complementary and mutually reinforcing efforts of the various international organizations involved.

The analysis of the cases (UN-NATO and NATO-WEU) shows that interorganizational cooperation in complex crisis management is necessary.46 The analysis also shows that such cooperation is not without

It should be also stressed that the cooperative arrangements between the UN and NATO included not only cooperation in execution of common goals but required also cooperation in planning. At the request of SG, the NATO jointly with UNPROFOR devoted considerable resources to contingency planning for enforcement of no-fly zones, the establishment of safe areas in Bosnia and Herzegovina, prevention of the spread of the conflict to Kosovo and FYROM and possible UNPROFOR’s withdrawal from Bosnia and Herzegovina and Croatia.
problems for the participating organizations. A key source for interorga-
nizational cooperation in the Bosnian crisis was the incapacity of any
one organization to implement its starting goals. A failure of the EU
peacemaking activities contributed to the gradual increase of the UN
activity in the former Yugoslavia. The preoccupation of UN with the
escalating number of crises worldwide and the incapacity of UNPRO-
FOR to control the Adriatic sea, the airspace over Bosnia and Herzego-
vina and Croatia and even to fulfill its own mission of protecting the safe
areas created the need for NATO’s supportive involvement. The
UNHCR’s inability to safeguard the delivery of humanitarian aid brought
about the creation of UNPROFOR to protect the convoys.

The Yugoslav crisis in the pre-Dayton phase was a type of microcosm in
the shaping of relations among international security organizations.
NATO and the WEU tested and proved their crisis management capabili-
ties and finally began to cooperate after more than forty years of mutual-
ly inactive cohabitation. The conduct of the joint operation Sharp Guard
was one expression of NATO’s support for development of the emerging
European Security and Defense Identity and the role of the WEU in
European security setting.

The UN for the first time tested its doctrine of cooperation with regional
security organizations in Europe, while retaining the central responsibili-
ity for international peace and security. It is also important to note that
NATO did not identify its involvement in crisis management in a pre-
Dayton phase under Chapter VIII of the UN Charter as a regional organi-
zation. The Alliance remained a collective defense organization under
article 51 of the UN Charter. However in parallel with evolution of its
involvement in former Yugoslavia and debate on new tasks, the partici-
pation of members and partners in multifunctional peacekeeping on an
ad hoc basis has become a key concern.47

For the international organizations analyzed here, it was also easier to
retain legitimacy in a more complex security environment after the cold
war by intensive interlinking with others on the basis of complementary
advantages. Involvement in crisis management implied cooperation with
other participating international organizations.

This article has made clear that interorganizational cooperation con-
tributes to success in a complex crisis management but not without
some or many difficulties.48 The problem with the dual-key mechanism

47 For exploration of this aspect see Follow-on to the 1993 Athens Report on Cooperation
in Peacekeeping, Meeting of the NACC, 6. 12. 1995, Brussels, NATO Press Release M-
NACC-2(95)123.
for the UNPROFOR laid in the inability of the peacekeepers to retain their impartiality, while at the same time carrying out enforcement actions or demanding NATO interventions in support of UN resolutions. Despite the highly formalized dual-key arrangements between the UNPROFOR and NATO, their separate institutional nature and consequentially different approaches to the maintenance of peace and security could not be overcome. Still, having interorganizational problems with two international organizations with the same goals is much better than having no mutual contacts in contemporary crisis management. In any case, each participating international organization in a complex crisis management has to rationally and comprehensively decide about its interlinking with others on the basis of cost-benefit analysis.

All interorganizational cooperative arrangements analyzed here were of an experimental character. Some of them were even unthinkable during the cold war. The UN SG, Boutros Ghali, in his Supplement to an Agenda for Peace in January 1995 – based on the interorganizational lessons learned since An Agenda for Peace – identified the future forms and principles of cooperation between the UN and regional organizations. The forms extend from consultation, diplomatic support, operational support (such as NATO – UNPROFOR link), to co-deployment and joint operations (in our case operation joint NATO-WEU operation “Sharp Guard”). The principles of cooperation comprehend formal mechanisms for consultation, respect for primacy of the UN, clearly defined and agreed divisions of labor and consistency of member states of UN and regional organization. However, the SG did not mention the importance of informal relations among chiefs and commanders of various acting organizations for efficacy of the interorganizational cooperation in crisis management. The importance of this aspect has been clearly proven by many examples of international crisis management after the cold war.

48 The Secretary General of NATO expressed his opinion on the dual-key arrangement with the following words (see Speech by the NATO Secretary General Willy Claes at the 41st Annual Session of the North Atlantic Assembly, Turin, 9 October, 1995):

...It took even longer to persuade the Serbs of Bosnia, who plainly believed that the international community lacked the unity and will to use force decisively. And there was surely a reason for their attitude, given the UN forces in Bosnia were deployed strictly for humanitarian and peacekeeping purposes, and were vulnerable to hostage-taking and retaliation in the event of NATO action from the air. Indeed, their vulnerability produced the system of dual-key, which severely limited the scope for the effective application of NATO airpower. Even in the midst of these difficulties, however, we were learning important lessons for future crisis-management operations: the folly of deploying neutral peacekeepers in a civil war, where there was no peace to keep; the impossibility of combining a peacekeeping effort on the ground with a peace enforcement mission in the air; the need for clear and attainable mandate from the UN, as well as sounder relationship between our two organizations; and the need for unity of command. Last month’s operation Deliberate Force demonstrated that we indeed learned these lessons well.

Despite many problems, the UN, NATO and WEU on many occasions commended their excellent cooperation in crisis management in the former Yugoslavia.
The implementation of the Dayton peace agreement was another testing ground for cooperation among the participating international security organizations. In fact, signing this agreement indicated that stabilization of the Bosnian society required a new level of combining the assets and expertise of various international governmental and also non-governmental organizations within and between the civilian and military parts of the agreement.

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International observers frequently have trouble understanding the U.S. foreign policy decision-making. Such trouble is especially the case if the observers assume that the U.S. is simply maximizing its interests or achieving a stated goal. From this perspective, American acts might seem counterproductive or less than rational. The contention of this paper is that these decisions are almost always colored by issues in domestic politics and that the international goals are frequently secondary. If this contention is correct, it has profound implications in American policy decisions on the current situation in the Central and Southern Europe.

In this paper I will explore three cases of the U.S. decision making that have important foreign policy components. The first will be the U.S. policy in foreign arms sales. It covers the Nixon, Ford, Carter, Reagan and the first Bush administrations. The second will be the movement toward peace in the Balkans leading to the Dayton accords. It deals with the Clinton administration. The third will be the “war on terrorism” that engulfs the George W. Bush administration at present writing. Each of these cases will be informed by a consideration of rational models of decision making, in particular, by game theory.

The paper will proceed by attempting to develop a theory of the role of domestic politics that has implications for the region. It is evident that Central and Eastern Europe, although a region whose stability has consequences for the United States, does not have the immediate economic and security interests of the United States to lead to serious involvement. That at least seems to be the case, this paper will argue, with relatively conservative U.S. decision makers.
U.S. Arms Sales

U.S. arms sales contribute significantly to the American economy. These sales have grown substantially over time and became increasingly important during the Nixon, Ford, and Regan administrations, and less so during the Carter administration.

In all administrations, the conflict between the executive branch, which looks at such sales as an element of foreign policy, and the legislative branch, which looks at them as matters of domestic economic development and ethnic politics, constrained the policy.

Writers in the field of international politics tend to assume that actors in the system react to the actions of other international actors in a way described by rational models, such as game theoretic models. (Cnudde, 1996.) In these conceptions, one excludes the factors outside the “realistic view” of international politics, in which national actors pursue national interest and national security. Such conceptions often motivate the ideas of decision makers in the international sphere. In this sense, domestic politics produce confounding effects by introducing other factors. Thus, one set of confounding factors, it is often alleged, are domestic political considerations. These cannot be integrated into rational models of this kind according to these views.

Thus, the international decision maker, unconstrained by domestic political considerations, can operate in terms of the rational actor model in which international system goals and objectives are the only concerns. In this conception, domestic politics tend to introduce non-rational or extraneous issues. This view most often occurs in the United States in the debate between the executive and the legislative branches. For example, MacKenzie (1994: 311) says:

“A common executive branch perspective is that Congress too easily loses sight of the national interest and national security needs, that it is blinded by domestic politics, especially by ethnic politics.”

He goes on to show how the U.S. international arms trade, the largest in the world, is partly structured by domestic pressures on the U.S. Congress. Ethnic politics, as well as economic considerations play important roles. Greek Americans and American Jewish groups are particularly active in maintaining arms sales to Greece (amounting to a quota of no less than seventy percent of such sales to Turkey, according to Gilmour and Halley, 1994) and Israel.
Yet, the role of benefits to the domestic constituency in pure economic terms is not negligible. MacKenzie (1994: 310) said,

“One of the tactics used most successfully by the arms industry and the Defense department has been to keep members of Congress constantly aware of the economic benefits that will come to their districts when companies there receive the contracts that the new arms sales will stimulate.”

The defense industry is careful to provide contracts and subcontracts to industries situated in as many Congressional districts as possible. When President Eisenhower warned of the “military-industrial complex” he did not have a clear idea of how important that complex would become in the fifty years after his warning.

Yet, the arms sales case is instructive in that it provides an easy answer to the question of whether models of the sort that we have been considering apply to the complex situations in which domestic politics intrude on foreign policy decision. The case clearly shows that the goals of international affairs must compete with those of domestic politics. That means that to those goals must be added, in the case of arms sales, those of ethnic politics and Congressional “pork”, or economic development in the districts of legislative leaders.

Consequently, the case shows that decision makers must be seen as maximizing not only foreign policy goals, but also domestic policy goals, such as ethnic appeals and economic subsidies to the domestic arms industry. In short, such actors must be seen as maximizing in “multi-dimensional”, rather than in one-dimensional space. Neither is more or less appropriate to rational actors.

MacKenzie documents considerable difference in the willingness of the administrations in question to the foreign arms sales. While all Republican administrations were enthusiastic about such sales, Jimmy Carter departed from this pattern. Though it would be a mistake to overstate the difference, there was one in emphasis. He quotes Carter:

“The United States will henceforth view arms transfers as an exceptional foreign policy implement, to be used only in instances where it can be clearly demonstrated that the transfer contributes to our national security interests.” (MacKenzie, 1994: 302).

He goes on to say, “Administration officials trumpeted this as a new approach, aimed at reducing the growing levels of world wide trafficking
in arms” whereas the following administration of Ronald Reagan took the opposite position – that arms sales were an “indispensable” component of U.S. policy (MacKenzie, 1994: 302).

The case of foreign arms sales by the United States shows two major emphases in the U.S. policy of interest for our purposes. First, domestic politics plays a dominant role in the making of the U.S. foreign policy. For the most part, this role is an effect of the need for Congressional approval, especially of the budget to implement policy. The executive branch, however, also pays attention to domestic considerations because of the role of economic development and ethnic politics in the states, which determine the Electoral College majorities in Presidential elections. Second, there is marked difference between the parties in the support of foreign arms sales. The more conservative Republican party is more favorable. In part, this stance is due to the close relationship between the party and the industrialists in the major weapons sector. It also reflects the different incentives to decision makers for a more robust, or militaristic approach to foreign policy.

In order to begin a consideration of the implications of these ideas for the security of the Central and Eastern Europe, it is necessary to examine the recent experience of the U.S. decision makers with policy in the region. The first Bush administration refused to become actively involved in the region during the break up of the Yugoslav federation, apparently leaving any issues there to the European powers. Yet, if conservative Presidents tend to have a more robust foreign military policy, how do we explain the different approaches of the first Bush and the Clinton administrations in the Balkans? Even though Clinton frequently adopted conservative positions, by most measures Bush was seen as the more conservative policy maker. Yet, Bush refused to become directly involved in the region. How do rational actor models apply to such divergent policy decisions? That is a question to which the next case addresses itself.

**U.S. Involvement in Bosnia**

The difference between the first Bush administration and the Clinton administration in the willingness to become involved in the Balkans is well known. What factors were important in that difference? To a great extent, game theory models help to answer this question.

Richard Holbrooke (1998) used game-theoretic reasoning to account for the context in which he was developing the peace agreement in Bosnia during the Clinton administration. He said:
“In the post-Cold War world, where foreign policy was no longer a zero-sum game in which the Soviet Union profited from any American Failure, it was often better to have tried and failed—when the stakes were high enough or the chances of success reasonable—then never to have tried at all.” (Holbrooke, 1998: 367).

Holbrooke’s insight is important in that, as a diplomat, he is sensitive to what game theorists call positive-sum situations. Such situations, in which all sides benefit, are the basis for compromise and agreement. Yet, domestic political considerations put limits on the ability of international actors to achieve agreement. Domestic considerations raise zero-sum concerns almost from the start.

In the aftermath of the Bosnian resolution, Holbrooke identifies explanations for certain failures in the process. One of these was the outcome of the “weak” international police force. He said,

“This was the result of several factors, including European objections to a strong international police force, and Washington’s refusal, during a huge budget confrontation with the new Republican Congress, to ask for sufficient American funds for the police. We had identified the problem before Dayton but could not overcome our internal difficulties.” (Holbrooke, 1998: 364).

It is clear from Holbrooke’s analysis that the negotiations in the field were almost always taken with one eye on the domestic political scene. The Clinton administration’s electoral position and its ability to gain support in the Congress were crucial to his actions. In viewing these political issues uppermost in the minds of foreign policy decision makers, as it is even today, was the experience in Vietnam. Holbrooke said,

“Each and every American involvement overseas required the support, or at least the passive acceptance, of Congress and the American people. This was one of the many lessons of Vietnam, and it still applied a quarter of a century after the fall of Saigon.” (Holbrooke, 1998: 366).

What was the lesson of Vietnam? It was to avoid getting involved in a “quagmire” from which one could not extract oneself. Since the end of the war in Vietnam, policy makers in the U.S. seem to have been doing what many accuse Generals of doing - fighting the last war. What this involves for the U.S. is avoiding a long-term battle that results in large budgetary costs and high casualties.
U.S. involvement in Yugoslavia and elsewhere has been influenced by this history. The U.S. emphasis on “high tech” warfare and a limited number of ground troops has become the model. At least one eye of the administration was definitely on the domestic politics in these considerations.

The experience in Bosnia presents two conclusions important for our purposes. First, the impact of the U.S. involvement did not produce a “rally around the President” effect, as did other military missions. President Clinton’s approval ratings remained high, but not in the strata associated with this effect. It appears that the incentives to “hype” warfare is lower for liberals than for conservatives, so we should expect less of this effect when there is a liberal in office because of the different incentives for public relations. Second, the costs in the U.S. casualties were extremely low. Deaths occurred only in accidental circumstances. The administration designed a war plan that was based upon avoiding the experience in Vietnam; key to that plan was avoiding the U.S. casualties. Third, the short duration of the conflict also derived from the “lessons” of Vietnam.

The decision of the first Bush administration not to get involved in the crisis of Yugoslavia may also have derived from the need to avoid another “Vietnam.” The risks of large casualties and a long drawn-out conflict may have been too great for that administration. Those costs have distributional consequences (Lowi, 1964), in that they fall differently on different groups in society. Consequently, to avoid turning a security issue into a distributional issue, costs must be minimized.

In game theoretic terms the administration was trying to solve an international issue while maintaining its domestic support. Without that domestic support it would not be effective in the international arena. Consequently, the administration had to pay attention to the Congress and the general public. Maximization in multi-dimensional space was alive and well in the Clinton administration.

The War on Terror

In the aftermath of the worst attack on the U.S. soil, President George W. Bush said that America was at war. (Much of this discussion derives from, Cnudde, 2001.) He set out to organize an international alliance against terrorism, with the United States in the lead. He moved to closer relations with the President of Russia, and the U.S. not only courted the leaders of the Western Europe, but also, until Bush’s 2002 State of the Union speech, the nations that the United States previously branded as fostering terrorism, such as Libya, Iran, and Iraq.
More recently the administration moved against Iraq, but in the initial reactions to the attack, Iraq was seen a possible alley as it was during the earlier dispute with Iran. The new alliance-building strategy differed markedly from the Bush administration’s early foreign policy stance, which observers saw as a “unilateral,” or a go-it-alone, position.

At the beginning of the Bush administration, the President and his advisors decided that they would not participate with the rest of the world in joining the international treaty on global warming. They signaled that they would unilaterally abrogate the antiballistic missile (ABM) treaty and they signaled a “hands-off” approach to the peace process in the Middle East between Israel and the Palestinians, and to the signs of positive movement by of the two Koreas. Because of this downplaying of relationships with the rest of the world, many in Washington questioned the importance of Secretary of State Colin Powell. Now, however, the Bush team has joined the world as its rightful leader.

How can we account for this change in the administration’s foreign policy? Does the U.S. foreign policy suffer from a political kind of bi-polar pathology, moving from one extreme to the other in reaction to real or imagined events? In fact, we will see that this change is typical of a type of U.S. politics. It is necessary to look at some recent U.S. political history and a theoretical conception of politics to understand these changes.

Observers of the U.S. elections have commented upon the irony of the Republican 2000 election campaign in successfully using Democratic arguments. One favorite example is the concern for the cost of medicine for lower income groups and senior citizens. Even before the nominations, George W. Bush took this line when he famously cautioned the Republican Congress against attempting to balance the budget on the “backs of the poor.”

To some extent, this “switch” was an innovation by what we think is the conservative party in the U.S. Usually, it is the Democratic party, representing a less conservative constituency, that worries about the lower income groups.

Yet, this kind of campaign appeal is similar to the positions often taken by the Republican candidates. For example, in defending his proposal to cut taxes, candidate Bush said it was a cut for everyone, not just the rich. Of course an across-the-board cut in a progressive tax will logically result in the largest dollar amounts going to those at the top of the income scale.
Nevertheless, it is true that everyone would receive some reduction because of the across-the-board feature. This example shows that an argument that tries to appeal to everyone can cloak even something as politically risky as a tax cut favoring the wealthy.

At its deepest theoretical level, I believe these cases are in fact typical of the options available to the conservative parties and candidates. In looking at the options, we will see that what occurred in this election is not unusual and perhaps not such an innovation.

I want to expound a theoretical concept about the strategies of coalition building in these kinds of elections. Let me explain.

We define politics, following Harold Lasswell (1961), the famous American political scientist, as “who gets what”. In other words, politics is about the distribution of the goods available for distribution through the political system.

If that is politics, then politics is an inherently difficult subject for conservatives. Conservatives usually support maintaining the status quo in this distribution. Usually there are more voters interested in changing the distribution than in maintaining the status quo.

Thus, conservatives have to either avoid getting into discussions of who gets what, or they have to make the difficult, but not impossible case that maintaining the status quo helps everyone. One way that the status quo could help everyone is by the economic efficiency argument.

The economic efficiency argument assumes the knowledge of neo-classical economics. Most people are not conversant enough with the “dismal” science to easily follow such an appeal.

Clearly, the easiest proposals for conservatives are those that delete the “who-gets-what” issue. That is to say, conservatives have their best opportunity in building a winning coalition by making a campaign, in these terms, as non-political as possible.

We can return to the appeals of the Bush campaign to see that was exactly the strategy taken. Other examples are the appeal to restoring the dignity of the office of the Presidency, protecting family values, making religion a more important part of the government, and strengthening the national defense. None of these issues deal with who gets what. All emphasize the appeals that apply to everyone.
The political reality underlying this conception is that it is more difficult to gather a winning coalition around issues in favor of the status quo than for the issues dealing with distribution. In most cases, the votes are in favor of the distribution issues.

Consequently, to win, conservatives need strategies that bypass this difficulty through the appeals that are non-political in this sense. We can go back historically to see cases of winning campaigns that have followed this strategy, including Eisenhower, Nixon, Reagan, and George H.W. Bush.

The consideration of this list of successful candidates raises certain implications concerning international relations. Each of these candidates advocated and implemented a robust policy in foreign affairs. It is easy to see that the set of issues fits easily into a non-who-gets-what perspective. Few would argue in public for a weak national defense. Instead we are united for a strong defense.

The appeal in this perspective is that everyone in America would benefit by keeping America strong and victorious.

We can analyze the attack on Iraq under two Bushes and the invasion of Grenada in these terms. Under the logic of this theory, the role of the United States in international affairs varies in predictable ways.

That variation depends upon the importance of what I have called “non-politics” in successful coalition building by candidates. We can predict a robust foreign policy from candidates who need an international affairs version of a non-who-gets-what appeal.

In particular, the international conflict often induces a “rally-around-the-President” (Mueller, 1973.) effect, especially in the early stages of the conflict. This effect increases the popularity of the nation’s leader while it occurs.

An example of this phenomenon are the approval ratings, reaching ninety percent, of President George H.W. Bush at the time of the Gulf War. What it means is that if President Bush delayed the war until a time closer to his candidacy for re-election, he probably would have won.

My view is that the rally-round-the-President effect is a sub-set of the more general non-political appeal that displaces who-gets-what appeals. It again moves voters away from considerations of the distribution of resources to non-distribution concerns, such as honor and respect of the nation.
Such appeals have affected the U.S. policy in Latin America under a variety of relatively conservative administrations. Examples include, in my mind, the U.S. role in Guatemala, Chile, Panama, and, as I said earlier, Grenada.

It is necessary to point out that there are other factors, independent of this conservative position, that affect the foreign policy in the U.S. In addition, there are degrees of conservatism in the U.S., thus not only Republican administrations tend in the non-political direction that I am discussing.

At times, a robust foreign policy may derive from other factors. Economic interests, for example, obviously influence the U.S. foreign policy. A conservative candidate, especially one that is pro-business, will adhere to defending the U.S. economic interests if they are at stake. Less conservative candidates may opt for other issues such as human rights.

The different approaches of the first Bush and the Clinton administrations are instructive in this regard. Clinton was much more aggressive in Yugoslavia, notably in Bosnia and Kosovo, than Bush was in the early break-up of the federation.

One reason may be that there was no compelling economic or security interest there for the U.S. while there were claims of human rights violations. Thus, for reasons other than the theory that I am advancing, robust foreign policies may be evident from time to time.

Nevertheless, in general, one can visualize a theory about how a non-political politics can arise through the strategic choices of the candidates in a competitive domestic setting. The underlying theory centers on the alternatives of defining political choices as “zero-sum” or “non-zero-sum” in game theoretic terms.

The “zero-sum” choices mean that what one group wins another loses. Those choices therefore refer to those concerning distribution. The “non-zero-sum” choices refer to those that seemingly benefit everyone, thus are non-distributional.

It is clear that we must counter any attack on the United States with a devastating response. It is also clear that an event of this kind is made to order for an administration that has incentives to rule through a non-political politics. Uniting in a war against terrorism brings everyone together against a common enemy.
Thus, George W. Bush’s popularity ratings now match those of his father, George H.W. Bush, at the time of his invasion of Iraq. The fact that his father’s ratings declined by the time of the election most observers lay to the economic recession. That recession is seen as having such domestic political impacts that it probably cost the Republicans the election.

The war against terrorism must be successful or the domestic support for it and consequently the President will wane. The American people do not respond well to failure, especially those involving foreign incursions and those that bring back “body bags.” Yet, to be successful, the new “war” requires allies, those friendly nations in Western Europe who have the intelligence networks that we need, the countries surrounding Afghanistan, including Russia, and Iraq, and most importantly, other Islamic nations.

Thus, the logic of a successful military response to the attacks in New York and Washington, D.C. forced a change in the White House foreign policy thinking. It was a change in keeping with the commonly held strategy of finding a way of uniting the electorate around a non-distribution policy appeal.

If game theory can inform our discussion of the strategies of domestically oriented public officials, it can also lead to predictions of the results that would occur from different types of officials. That is, if we know the successful strategies available to different kinds of officials and if we know what kind of official with whom we are dealing is, we should be able to predict what those officials will do when making policy. This knowledge would be especially valuable in the dangerous field of foreign and security policy.

**A Game-Theoretic Exercise**

Let us consider a simplified situation in which there are only two types of officials and let us use the common American shorthand of a conservative and liberal. In addition, let us consider two policy options available to these officials, to go to war or not. If the argument presented so far is credible, a game of the following sort would be applicable:

<table>
<thead>
<tr>
<th></th>
<th>War</th>
<th>Not War</th>
</tr>
</thead>
<tbody>
<tr>
<td>War</td>
<td>5,0</td>
<td>5,–1</td>
</tr>
<tr>
<td>Not War</td>
<td>–5,0</td>
<td>–5,1</td>
</tr>
</tbody>
</table>
In this table, the conservative actor has the options in the rows and the liberal those in the columns. The first payoff in each cell is that of the conservative and the second that of the liberal. Thus, if both chose the option of war, the payoffs given provide 5 units of value to the conservative and 0 to the liberal. Similarly, the not war option for both provides a negative 5 units to the conservative and a positive 1 to the liberal.

From this payoff matrix it is clear that the conservative has the greatest payoff from the war option and the liberal, barely, from the not war option. Does this mean that the conservative is being depicted as always being interested in the war option? On the contrary, the payoffs developed here are consistent with the logic above, which is limited only to situations in which policy can be stated in non-zero sum terms.

War may have distributional consequences, for example the financial and casualty costs of war may be spread unevenly. From the decision maker’s point of view, it is necessary to distinguish between positive and negative distributional impacts. Decision makers may see contracts for weapons systems as positive distributional impacts developing support from the firms, their employees, and their communities in which they live. On the other hand, the casualties clearly have negative distributional impacts, which decision makers seek to avoid.

When casualties are likely to be very high, the negative distributional consequences of war, should they occur, are likely to be politically dangerous. Consequently, the applicable situation is one in which the costs are low and shared evenly. When these features are absent, the non-zero conception breaks down and the theory would imply no conservative advantage in warfare.

However, in situations in which this logic is applicable, the conservative has an advantage to the war choice, while the liberal has only a slight advantage to the not war option. In fact, the liberal is depicted as having little to gain among all war and non-war options. That official is much better off pursuing domestic distributional policies. How would involvement in the Central and Eastern Europe relate to the issue of distributional versus non-distributional policy choices?

**Implications**

The logic developed in this paper leads to clear implications for understanding the U.S. security policy, generally and especially for such policy addressed to conditions in the Central and Eastern Europe. The general conclusions are:
1. Robust foreign policy positions are non-distributional in their impacts. The public relations argument of defending the nation identifies the interests of all in the policy decision.

2. Exceptions can occur in the non-distributional character of such policy positions.
   a) Arms contracts clearly are distributional in that the government spending on arms impacts particular States and Congressional districts. It also goes to particular contractors and to employees who belong to particular unions. From the point of view of the decision makers, these are positive distributional positions.
   b) Prolonged wars typically result in significant casualties and high financial costs. From the point of view of the decision makers, these are negative distributional options. This is the “lessons of Vietnam” result.
   c) Public officials thus have an interest in avoiding the negative distributional consequences of a robust foreign policy even if they have an interest in the positive consequences.

3. Conservative U.S. decision makers tend toward a more active or robust military policy toward other nations.
   a) There may be ideological reasons for this position as status-quo oriented leaders protect the national interest, as is.
   a) An important reason, which also seems to be a matter of domestic politics, including their connection to the U.S. arms industry.
   b) More importantly, a robust national security policy is non-distributional, if it leads to low-cost and low-casualty actions, and is seen to protect vital U.S. economic and security interests.

4. Conservative U.S. decision makers will avoid distributional policy positions because the votes are on the wrong side of such policies. Instead they will sublimate distributional positions with non-distributional appeals, such as national security appeals, which, under the conditions specified above, unite the nation.

5. Security issues in Central and Eastern Europe are not perceived to engage the direct economic or security interests of the United States and consequently appear to imply only distributional policy consequences.
   a) Relatively conservative policy makers will avoid direct involvement in the region.
   b) Involvement that does occur will be “low cost” from the point of view of the policy makers.
Relatively conservative administrations in the U.S. tend to avoid active involvement in the security affairs of the Central and Eastern Europe because of the gap between those affairs and perceived U.S. national security. The robust security policy interests of such administrations depend upon their non-distributional character. As I have argued, this non-distributional character breaks down when the costs are high and when perceived U.S. national security interests are low. The U.S. does have a general interest in maintaining stability in the world, including in the Central and Eastern Europe. Nevertheless, as we have seen in the first Bush administration, stability in the region is perceived to be far from vital U.S. security interests. The payoff for conservative administrations is in distracting attention from distributional politics, whereas involvement so far from direct U.S. economic or security interests does not seem to meet this test.

**Conclusion**

The avoidance of distributional policy options leads to such low cost options as membership in international and mutual security arrangements. The expansion of NATO to Central and Eastern Europe, for example, has the support of the U.S. decision makers of all ideological stripes. That expansion is at low cost, except for the support of modernization of military equipment. While the financial support for modernization is a distributional option, it is a positive rather than a negative one for the point of view of the decision makers.

As nations in the region modernize their weapons, there will be a greater market for advanced systems. A major producer of such systems is the United States. Thus, continued support for the expansion of mutual security in the region could be expected.

The general U.S. interest in avoiding instability must we weighed against the perceived costs to the decision makers in policies concerning direct involvement in security actions anywhere in the world. For conservative decision makers, the stability interest does not overcome the domestic political dangers implied in the support of a policy that could lead to negative distributional consequences. In anticipating policy choices in the United States concerning its involvement in the security issues in any part of the world, the relation of that region to the perceived economic and security interests of the United States must be examined separately to see if the domestic costs in negative distributional impacts of those decisions would be consistent with such involvement.
Sources:
Communication is the lubricant of every society. Communicative interaction explains political behaviour and preconditions any lasting communities of integration as they rely on:

“a matter of mutual sympathy and loyalties; of ‘we-feeling’, trust, and mutual consideration; of partial identification in terms of self-images and interests; of mutually successful predictions of behavior, and of cooperative action in accordance with it-in short, a matter of perpetual dynamic process of mutual attention, communication, perception of needs, and responsiveness in the process of decision-making.”

(Deutsch et al., 1957: 36)

Also, democracy and political stability in the Southeastern Europe today strongly rely on provisions for freedom of speech, professional media activity and responsible public communication. Through the years, media largely contributed to conflicts in the region, not merely by biased reporting, but by systematic provision of legitimacy to totalitarian leaderships and by construction of the war itself – nationalising, mobilising and emotionalising the public sphere with the use of specific “patriotic journalism” and “war propaganda” techniques (Hrvatin & Trampuz 2000). Thus, the fall of previous non-democratic regimes and the end of war in the region brought about sudden changes for which the new elites were insufficiently prepared. They have been facing major problems with general transition in the media sphere, establishment of media legal framework, professional work and education of journalists, public relations officers, state officials and other people involved with public communication. A true danger of ill practices exists in the field of media
regulation, media ownership and privatisation, as well as media relations and public communication activities. All these developments in the media field have been observed by most of the key international institutions involved with peace maintenance, stability and human rights in the region and in Europe at large, which have also attempted to provide assistance in this respect.

This paper will explore the role of public opinion, media and communication activities concerning security, peace-keeping and integration in societies of Southeastern Europe. It will attempt to move further from the common debates on the topic, not merely showing that media, public opinion and communication in the region do matter, but more importantly, how and why the interaction processes (can/should) take place in the real environments of Southeastern Europe. I will begin by introducing the global trends in media and communication, the reshaping international affairs, the altering conduct and perceptions of foreign policy, diplomacy and war. In addition, I will discuss the role of public opinion as the “new international force”. Further on, I will address the question of how (can/should) the foreign policy and security “speak” to the people. This will lead to an outline of main initiatives and projects by international organizations (OSCE, Council of Europe and Stability Pact for South Eastern Europe in particular) in the media and public diplomacy field. I will conclude with a study of (potential) Slovene involvement in this respect, with some relevant proposals and other policy recommendations to this aim.

Brave New Media World

In today’s world of a revolution in communications and information, as well as global interdependency, medialised politics became a general reality. Such trend can specifically be observed in the field of international and foreign affairs, where state and other actors use communication channels and public relations to a large extent in order to improve the content and, in particular, the image of their policies. In a new media-dominated governing system, international television networks such as CNN, brought about “the constitution of a worldwide homogeneously time-zoned bios politikon, instantaneously affecting worldwide political action or interaction via press conferences or public resolutions transmitted around the world” (Volkner, 1999: 3 in Thussu, 2000: 12). One argues that a major share of bilateral and multilateral relations among states is shaped by the international media, or vice versa, that all major “wars” are “fought” through the media (Ammon 2001; Gilboa 2001; Thussu 2000).
Furthermore, “the realpolitik of the new era is cyberpolitik” in which the actors are no longer only states, and raw power can be counted or fortified by information power. Internet technologies enable virtual communities to unite in order to counter government efforts, from use of violence to disabling the existing media channels. These take their cases to the international court of public opinion, whose influence over states has grown as its means to reach an increasingly greater audience have multiplied. A worldwide network is the key feature of the environment in which diplomats and generals operate (Rothkopf, 1997: 325–330).

These revolutionary changes altered the meaning and understanding of power in contemporary world politics. Not just the military and economic power, but the nation or leader’s image and control of information flow, contribute to their status in international affairs. Power is passing from the “capital-rich” to the “information-rich”, “soft power” counts more and more. This is the ability to achieve desired outcomes in international affairs through attraction rather than coercion. It works by convincing others to follow, or getting them to agree to, the norms and institutions that produce the desired behavior. Soft power can rest on the appeal of one’s ideas or the ability to set the agenda in ways that shape the preferences of others (Nye 1990; Nye&Owens 1996).

Therefore, nowadays political leaders spend as much time explaining or justifying conflicts to their public and to the media as they actually do running them. Or as put in the words of NATO spokesman: “The ability of the media to dramatize events and create a global audience for a conflict puts policy makers under pressure to take decisions faster and with less time for reflection than at any previous time in human history.” (Shea, 1999: 5) However, one must and can keep in control: “Leaders have to dominate the media and not be dominated by it. Successful conflicts cannot be media driven. Winning the media campaign is just as important as winning the military campaign.” (Shea, 1999: 8) This realization holds true also for peace keeping operations: “No matter how convincing one’s strategic rationale for a given policy might be, it must, above all, be understood by a broader public, or else it might not be politically sustainable.”(Robertson, 2001a) Thus, to secure a steady progress of the stabilization process in post-war regions such as the Southeastern Europe, it has to be managed carefully if it is to succeed in the long run, with determined engagement, patience and cooperation, also in respect to the media and public communication (Robertson, 2001b).
Public Opinion – May Force Be With You

Public opinion, largely shaped by the media, has become even more influential in foreign affairs as before and nowadays represents the common arbiter among competing policies, politicians, and statesmen (Ammon, 2001: 84–86). When debating the role of public opinion, two contradictory lines of thought can be distinguished. The first is arguing about the volatility and inadequacy of public opinion as a stable and effective foreign policy, whereas the second considers public attitudes quite stable and consistent over time and actually exercising a strong influence on foreign policy-making (Risse-Kappen, 1991). Some authors claim that the analysis of public opinion is usually one-sided, considering only the impact of something called “the populace” on the statesman, the diplomat or the military leader. “Public opinion, however, is not an autonomous force; it is frequently organised by voluntary organisations or a specific political group” (Sofer, 1991: 73).

Empirical research proved that the policy impact on public opinion does not depend solely on the specific issues involved or on the particular pattern of public attitudes, but also on the domestic structures and the coalition-building processes in the respective country (Risse-Kappen, 1991). Here, also the foreign policy elites take a considerate role while translating their decisions, moves, positions to the public opinion (Almond, 1960). Thus, a study suggests that public possesses general orientations that help inform and anchor its opinions on specific foreign-policy issues. While political judgments in the international sphere must be made under considerable uncertainty and without many of the interpretative aids commonly used in the domestic arena, public relies on its general knowledge to guide the processing of more specific information (Hurwitz&Peffley, 1987). Therefore, the public opinion and foreign policy, as well as diplomacy, should be analyzed in the process of interaction, constructing each other through existent domestic coalitions and policy networks, in the context of domestic societies (Plavšak, 1996).

The public’s understanding in the respective post-war region is initially influenced by perceptions of how and why the peacekeeper is there in the first instance (Kiehl, 2001: 136). Thus, the publics do not exist in a vacuum, patiently awaiting an Information Operation message from the intereners. In the absence of a coordinated information policy on the part of the multinational force, the information vacuum will be filled by those whose intentions are hostile to the interests of the force. Political and/or military leaders may misrepresent public opinion to justify their own agendas (Kiehl, 2001: 139).
It is important to note that public opinion across the region is dominated by daily concerns such as poverty, inflation and corruption, as to the SEE Public Agenda Survey, the first ever professional measurement of public opinion undertaken simultaneously throughout the Southeastern Europe.\(^1\) These public concerns, however, have little connection with the ethnic, historical and international issues, which are considered important by at least a section of the ruling elite in the region. In addition, the survey also reveals a critical lack of trust in official institutions of all kinds, domestic or international, across the region as a whole, with the notable exception of Kosovo. This in itself can represent an important obstacle to development, since a lack of trust means a lack of respect for rules and laws.

### How Foreign Policy and Security Speak to People?

“Foreign policy does not necessarily have to “shout loudly to be heard a little”; it simply has to speak clearly and in familiar terms, perhaps rattling a few sabers for emphasis.” (Hurwitz\&Peffley, 1987: 1115) Scholars and practitioners agree that, if policy-makers want to set the agenda and not leave it to the media, they must have one. The existence of policy that can command public support against emotional swings stirred up by television imagery is key. In the absence of persuasive government strategy, the media will be catalytic (Hoge, 1994: 2). Therefore, in the “media shaped” world public diplomacy, defined as “the way in which both government and private individuals and groups influence directly or indirectly those public attitudes and opinions which bear directly another government’s foreign policy decision,” (Signitzer and Coombs, 1992: 138), adopts new dimensions, concerned with media and communication management, and as some argue, developing to a genuine “communicative action” (Lose, 2001).

While combining the “soft” methods of media and public relations on one side, and the “hard” methods of persuasion and propaganda, more or less covered in subtle forms of cultural, education, promotion etc. programmes on the other side, it attempts to bypass the constraints of foreign governments and reach directly into the hearts and minds of foreign audiences. Hereby, the traditional “high politics” grounds become an ever-widening, “all walks of life” arena that encompasses nongovern-

\(^1\) The regional survey poll was performed 2001–2002 by International IDEA – Institute for Democracy and Electoral Assistance, an intergovernmental organisation headquartered in Sweden. It involved a total of over 10,000 in-home face-to-face interviews, conducted in Serbia, Montenegro and Kosovo, and in Bosnia and Herzegovina (with a special survey for Republika Srpska), Croatia, Macedonia, Bulgaria nad Romania. At www.idea.int
mental organizations, multinational corporations, regional and local governments, academic institutions, media and other important players. Therefore, also the actors in public diplomacy can no longer be confined to the profession of diplomats, but include various individuals, groups and institutions who engage in international and intercultural communication activities which influence the political relationships between two countries. (Signitzer and Coombs, 1992: 139)

Furthermore, specific communication activities support peacekeeping operations – International Public Information encompasses traditional civilian public diplomacy, public affairs and press relations, international educational and other exchanges, professional media training, international broadcasting, as well as traditional overt military information operations, press relations, public affairs and psychological operations. Here the public diplomacy includes the use of personal contacts, press and multimedia tools, training and long-term exchange programs by the civilian foreign policy establishment in order to inform foreign publics of a given policy, positively affect the attitudes towards that policy and influence favorable behavior toward the foreign policy interests of the state employing it (Kiehl, 2001: 138–145). When military information operation takes place in the absence of civilian public diplomacy or without close coordination between military and civilian practitioners of information operation and public diplomacy, there is a very real danger of counter-productive operations and working with cross-purposes (Kiehl, 2001: 140). “Effective communication helps to dispel rumor, to counter disinformation and to secure the cooperation of the local populations. It can provide leverage in dealing with leaders of rival groups, enhance security of UN personnel and serves as a force multiplier.” (Kiehl, 2001: 144)

International Efforts in Addressing Local Situations

Any communication program or project in the Southeastern Europe should be tailored to each specific environment, with specific economic, political, social, cultural, media situation, specific needs and perceptions of local population, including understanding of security in all its complexity and diverse dimensions. How do the initiatives and activities of the international organizations meet such requirements?

OSCE

Through different stages of CSCE/OSCE evolution a consistent promotion and upgrading of freedom of expression, free flow of information and freedom of media as basic human rights can be observed. In order to ensure an even higher level of commitment with the accepted norms and
standards, the position of the OSCE Representative on the Freedom of the Media was established and Freimut Duve of Germany was appointed to take over the Vienna based office in December 1997. His mandate stems from the realization that “freedom of expression is a fundamental and internationally recognized human right and a basic component of a democratic society, and that free, independent and pluralistic media are essential to a free and open society and accountable systems of government”. He is endowed with the task to observe relevant media developments in all participating States and to advocate and promote full compliance with OSCE principles and commitments regarding freedom of expression and free media. Here, he assumes an early-warning function in relation to governments, parliaments, the media and NGOs, and concentrates on rapid response to serious problems caused by, inter alia, obstruction of media activities and unfavourable working conditions for journalists. The latter is addressed either through interventions or visits with governments, or by outlining the issues and problems that are characteristic of more than one participating state, for example, so-called “censorship by killing”, “structural censorship”, misuse of libel and defamation laws, value added taxes on the media etc.

A report on International Assistance to Media in Southeastern Europe, commissioned by the OSCE Representative on Freedom of the Media and prepared by Mark Thompson, closely regarded many obstacles faced by the local media and governments in establishing free journalistic media in the region. It was an important lessons-learned study as it attempted to address the questions of how the international community can help and whether there was a need for a relevant legislation to be introduced by the international community. It showed that OSCE has been the main international organization involved with the matter of post-conflict media development. Offices with this particular task are operating in Bosnia and Herzegovina and Kosovo. OSCE Missions in Croatia and Macedonia (FYMO) also deal with support and assistance to independent media. After democratic changes at the end of year 2000, an OSCE Mission was newly established in the Federal Republic of Yugoslavia, carrying an important media mandate. In his capacity as the OSCE Representative on Freedom of the Media, Freimut Duve has done his utmost to improve the media situation in Serbia and counter the state propaganda: “...the basic questions of common security focus today, a quarter-century later, on other issues: above all, on how the always latent danger of ethnically motivated propaganda, and the instrumentalization of the media for that purpose, can be countered.”

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2 Mandate of the OSCE Representation on Freedom of Media, Decision No. 193, 5 November 1997, PC Journal No. 137, Agenda Item 1–at www.osce.org/fom/mandate

3 Statement at the Permanent Council (Review of Current Issues), 1 June 2000 – at www.osce.org/fom/staffreports
Council of Europe
For many years, the Council of Europe carried out a wide range of activities aimed at guaranteeing and promoting freedom of expression and information and freedom of the media in the countries of Southeastern Europe, in accordance with the principles enshrined in Article 10 of the European Convention on Human Rights and other Council of Europe legal and political instruments in the media sector. In respect to this region, the Council’s Media Division attempts to set out a regulatory framework for freedom of expression and the media in line with Council of Europe standards, and to ensure that the daily application of the regulatory framework complies with these standards and that the media can develop in such a way as to promote a climate of tolerance and mutual understanding. Its bilateral and regional activities include the organisation of information and awareness-raising activities for official circles (judges, civil servants, regulatory authorities) and training activities for media companies and professionals which complements the legislative expertise under the Council of Europe’s co-operation and assistance programmes.5

Consequently, a joint initiative by the Council of Europe and the European Union was made to adapt the legal framework in the media field in Southeastern Europe, in particular in Serbia and Montenegro.6 This provides an urgent assistance to the media experts who are preparing a new legislative framework for the media, and assist also the competent ministries and other public authorities in the further preparation and subsequent application of the new laws and regulations. A series of awareness-raising and training activities, expert and advisory missions, as well as expert conferences have been organised and carried out in the areas of broadcasting sector, general media law and European standards regarding the freedom of expression.

Stability Pact
On June 8, 2000, the Regional Table of the Stability Pact adopted the Charter for Media Freedom, a document which constitutes basic grounds for strengthening the independence of the media in the region.7 Hereby, the participating states of the Stability Pact acknowledged “that freedom of the media, free flow of information and ideas and open discussion, without the interference of public authorities, play a fundamental role in

4 Introduction by Freimut Duve, Yearbook 99/00 – at www.osce.org/fom/publications
6 Joint initiative between the European Union and the Council of Europe to adapt the legal framework in the media field in Serbia, Strasbourg, 12 April 2001.
7 The original document at www.stabilitypact.org
the development of free, stable and democratic societies; are prerequisites for the establishment of mutual understanding and good relations among states and their peoples”. In addition, they stressed the need “for a more active and better informed public debate in order to achieve the objectives of peace, stability and mutual understanding that underpin the Stability Pact”, as well as “for cooperation among media professionals from the region contributes to enhancing mutual confidence and reducing the risk of tensions in South Eastern Europe”.

The governments, the interested parties and organisations associated with the Stability Pact obliged themselves to cooperate in order to protect the freedom of expression and to encourage the observation and implementation of the leading principles of free media. Special attention has been paid to the following: media and other relevant laws in accordance to the international standards and commitments, including defamation laws and attempts for censorship; development of pluralistic and accessible electronic and printed media; provisions for economic independence of the media, free access to information, media access by minorities, and protection of journalistic sources; development of media networks in the region; legal framework for Public Service Broadcasters and state news agencies; establishment of independent broadcasting regulatory bodies; importance of media codes of ethics and self regulation; enactment of laws related to the use of the media to incite unlawful acts of racism, xenophobia or violence; promotion of the highest standards of professional journalism, including independent and diverse information and opinion.

Accordingly, Media Task Force, which was established within the Working Table on Democratisation and Human Rights, prepared an Action Plan outlining the necessary steps to implement the provision of the Media Charter.\textsuperscript{8} These include the publication and promotion of the Media Charter; establishment of national contact points and working groups; preparation of country-specific work-plans; development of regional co-operation in the media field; enhancement of the Media Task Force; support for the independent media in the FRY; encouragement of local ownership; and intensified efforts to inform Stability Pact partners and donors about activities of the Media Task Force. By the end of year 2000, the donors committed in total 29.25 mio Euro to 30 media projects in the region, covering media education and training, media assistance, support for media institutions and networks in the region, media programmes for FRY and Bosnia and Herzegovina etc.\textsuperscript{9} To date, Working

\textsuperscript{8} Adopted on 18 July 2000 – at www.stabilitypact.org

\textsuperscript{9} Final commitment for the Working Table 1 – Democratisation and Human rights was 365.81 million Euro and all in all, for Quick Start Package of projects and programmes
Groups have been established in Bosnia and Herzegovina, Croatia, Macedonia and Serbia. While the Media Task Force works closely with country working groups, it attempts to involve local media professionals in the assessment of projects; to stimulate assistance to local organisations with a proven track record and to forge closer cooperation between donors, existing (local) organisations donors and government representatives.\(^{10}\)

In Media Task Force's latest strategy (2001–2004), it is stated that “despite positive developments, the media in South Eastern Europe are still hampered by political influence, economic dependence, lack of sound journalism training, weak professional structures and – in many cases – an unclear and unfinished legislative framework.”\(^{11}\) Accordingly, further activities will focus on the following areas of action: laws and regulation, transformation of state to public media, support for private and independent media, regional cooperation, professionalism, minorities, content and archiving. Planned projects include concrete activities such as legal assistance for decriminalising defamation, Southeastern TV News Exchange, training journalism trainers for network of centres,\(^{12}\) permanent education of journalists from Southeastern Europe, Summer school for young academics in journalism, Beta Economic news service, video letters, episodes on the breakdown of JNA, investigative programme on war-related issues etc.

**Slovenia – Shiny Star in the Balkans?**

It is commonly acknowledged that Slovenia plays a considerable role as a bridge between European countries and the Southeastern Europe by exporting stability and cooperation to the region. Or as put by former US President Clinton during his visit to Slovenia on June 12, 1999: “We must build a Europe with no frontline states – a Europe undivided, democratic, and at peace for the first time in history. And Slovenia can lead the way.” This point was again made in May 2002 at the opening of International Press Institute’s World Congress, the largest global meeting of journalists, editors, media, governments’ and international organisations’ representatives, which was held, with no coincidence, in Ljub-

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\(^{10}\) Work Plan and Achievables 2002 – at [www.stabilitypact.org](http://www.stabilitypact.org)


\(^{12}\) South-East European Network for Professionalization of the Media was created in February 2000 by 17 media centers and institutes in South Eastern Europe to raise journalism standards, improve media environment on the national and regional levels and encourage cooperation among media professionals. At [www.seenpm.org](http://www.seenpm.org)
ljana: “The Slovenian media profoundly influenced and enabled the political reforms, and helped to initiate the secession from Belgrade, which ended on June 25, 1991 with the declaration of independence.”

With the realisation that the media was tragically entwined in the deadly cycle of violence in the Balkans, the debates at Ljubljana IPI Congress focused on what went wrong in the Balkans, and on specific questions of how to guarantee editorial independence and how to protect journalists in the regions of conflict. IPI’s affiliate, the South East Europe Media Organisation (SEEMO) organised a topical seminar on “The Media and Conflict Prevention in the Former Yugoslav Republic of Macedonia.

Thus, on the concrete level, how much is Slovenia truly involved with communicating security and cooperation in the region? We should point out a study case of a highly successful project within the Stability Pact and its excellent implementation also in communication respect, i.e. the International Trust Fund for Demining and Mine Victims Assistance in Bosnia and Herzegovina and the responding communication strategy “To Heal the Wounds of Earth and Soul” which in October 2000 received a prestigious award for public relations projects with social projects by International Public Relations Association in cooperation with the United Nations (Asanin & Vercic, 2000: 126–132). Otherwise, evidence shows that Slovenia (again) takes a more relaxed approach, with little concerted action and mainly through the efforts of individual experts. Though co-chairing the Stability Pact’s Working Table on Democratisation and Human Rights (January-June 2001), Slovenia’s working plan included merely a workshop on Democratisation and Support for the Independent Media in Southeastern Europe (by Slovene Ministries of Foreign Affairs and of Culture); an expert conference of the Assisting Electronic Media in the Southeastern European Countries (Slovene Ministry of Culture, Slovene media organisations); and an international conference on legislation in the field of radio and television – Public Services and Commercial TV and Radio (Slovene Ministry of Education, Science and Sport, Slovene National Commission for UNESCO).

So far no working group of media professionals has been established, and a sole non-governmental organisation is partly involved with the media projects for the region. The Center for Media Policy at the Peace Institute focuses on the strengthening of the media community in Slove-

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13 Opening Statement by the IPI Chairman Dr. Hugo Buetler, 10 May 2002
14 SEEMO, founded by representatives of 23 media organisations from nine South East European countries in October 2000, is aimed at providing a platform for debates on relevant regional issues, informing journalists in South East Europe about on-going activities in the media field, developing exchange programmes, looking for areas of cooperation between local journalist organisations and serving as a link to international press freedom organisations. More at www.freemedia.
nia, the inclusion of experts in the drafting of media legislation, and the setting-up of self-regulation and accountability systems within the Slovene media. Furthermore, it encourages international contacts, the regional and international cooperation of media companies and professional associations, organises conferences and discussions, develops training, fellowship and exchange programs for journalists and media experts, in particular from Southeastern Europe.15

**Conclusion – A Look Ahead**

The outlined projects and initiatives of the key European institutions in the media field surely work toward a common aim in the long run – establishing “rules of the game” for players in the public/media space and thereby providing grounds for security and stability, as well as for further integration and cooperation. They are well aware of the fact that the western model of free media and democratic communication cannot be simply copied, but rather transferred to the particular political, social and cultural environment of the targeted countries in the region. Still, the very sensitive factor of public opinion – the perceptions of the general population, specific interest groups and opinion leaders, is complex to handle and that’s why it is often difficult to base relevant projects truly on local needs and initiatives. Here they use diversified approaches, which, all in all, produce the effects of overlapping and complementarity.

The OSCE Representative for Freedom of Media appears the most progressive in his “political/public appeal” authority, adequately supported by a media-development function of the institution. The Council of Europe consistently follows the line of its leading principles of human rights protection also in the media field, providing expertise and assistance on the most important questions of transition such as new media and broadcasting legislation in the region. NATO, in its efforts to compensate for communication failures during its intervention on the FRY, tries to focus on broader (public) implications of its security and military activities. Also, the European Union will have to work more in this direction if it wants to effectively strengthen the role of its Common Foreign and Security Policy in the Southeastern Europe. A potential infrastructure for synergy of all these activities is offered and also increasingly used within the Stability Pact. However, still more effort is needed to provide a higher visibility of the Media Task Force activities and a closer involvement of local partners in its projects. This would also contribute to better state of informing about the Stability Pact and thereby, boost its overall positive image in the countries of the region.

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15 At [www.mirovni-institut.si](http://www.mirovni-institut.si)
In my opinion, Slovenia can share its unique experience of transition with other countries in the region and help them to avoid the mistakes in this field. Furthermore, Slovenia with its infrastructure and know-how could become a meeting point and a communication network for setting, strengthening and promoting standards in public communication; ensuring and improving transparency of media regulation, media law practice and media ownership in the region; offering information, advise and expertise in the field of media and communication; educating for professional journalistic and PR practices in the region; supporting creative communication projects in the region etc.16

Slovenia should and/or could “lead the way” under the following headings:

1. Media Regulation
In the process of passing a new media legislation in all targeted countries, Slovenia protagonists should attempt to connect legal and media experts and professionals in the region, preparing the new legislation in accordance with the Council of Europe’s and the European Union’s provisions. Particular questions should be addressed in expert forums: the role of public television, protection of journalists, development of profession codes of conduct, establishment of press and media councils or complaint commissions. A Slovene institution should also provide an easily accessible overview of key documents (with case law) and activities on media regulation of the main European institutions, as well as comparative media legislation of the countries in the region.

2. Media Ownership and Privatisation
With the opening of the media markets, a systematic and controlled transition to new forms of (non-state) media ownership by private and foreign capital should be provided. An establishment of a regional media register with current data on the ownership shares and other relevant information under Slovene auspices would secure the necessary transparency in the field and at the same time attract potential reliable investors. Also exchange visits of the experts from the European institutions and countries in the region sharing experience and advice with the media institutions still in transition largely contribute to this aim.

3. Media Relations and Public Communication
As a heritage of former non-democratic and in-stability (war) driven regimes, perceptions of mistrust and even hostility prevail in the relations between the media and state officials, thus various actors (PR offi-
cers, diplomats, NGOs) intensively communicate with domestic and foreign publics. Therefore, they have to be educated as to the established standards and practices of “fair play” media relations and responsible and efficient public communication. Slovenia competently could provide for such education and training opportunities.

4. Journalistic Practices
Western models of professional journalistic practices are only gradually acquired by the media in the region, due to the past, but still existent state and political dependence as well as strong nationalist mentality. In addition, the transition to market regulated media created a vacuum allowing for yellow press driven, aggressive journalism and low quality journalistic stories. Therefore, a proper education and training of the journalists and editors in the region should be provided – a regional journalistic school could be established in Slovenia.

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THE CONTRIBUTORS

Ljubisa Adamovich is a professor of economics and director of Russian and East-European Studies at the Florida State University. He is a member of the Academy of Arts and Sciences of Montenegro. Furthermore, he is the former Chairman of the Department of International Economics at Belgrade University. He has been published in many countries and was invited to be a guest lecturer at leading universities, i.e. Cambridge, Oxford, Harvard, MIT, MGU Lomonosov etc.

Lidija Cehulić has a M.Sc. in international relations and is an assistant at the International Relations Department, Faculty of Political Science, University of Zagreb. Her major research field is international political relations. She has published many articles in Croatia and abroad, and is an author of the book “Clinton and the New World Order”, Zagreb, 2001. She is finishing her doctoral thesis “American Policy and the New Euro-Atlantic Relations after the Cold war”.

Charles F. Cnudde, Professor of Political Science, Senior Fellow of the John W. McCormack Institute for Public Affairs, UMassBoston. He is a former Dean of Social Sciences Department at the Florida State University and Vice Chancellor of Academic Affairs (UMass Boston.). His major field of research is American politics and public policy. He published seven books, thirty articles and papers, including articles and papers in the American Political Science Review, the American Journal of Political Science, American Behavioral Scientist, and Comparative Political Studies.

Bogomil Ferfila, head of the American and World Studies graduate programs and former head of the Department of Political Science, is a professor at the Faculty of Social Sciences, University of Ljubljana, where he teaches courses on Comparative Politics, Area Studies and Public Economics. Professor Ferfila has authored more than 30 books, among them The End of Utopia (1992), The Last Reform of Communism (1993), Economic Democracy in the West (1994), Canada and Slovenia: A Comparative Study (co-author with Paul Phillips, 1999); Policymaking, Management and Budgeting: A Comparative Approach (co-author with Lance LeLoup, 1999), Security Policies of Superpowers (co-author with Anton Grizold, 2000).
Anton Grizold is a professor at the Faculty of Social Sciences, University of Ljubljana, and currently the Defence minister of Slovenia. His research area includes National Security of Slovenia, Security in International Relations, Comparative Defence Systems, Civil-Military Relations and Conflict Resolution. He published and edited numerous books, among them Slovenia’s National Security in a New European Environment (1997), European Security (1999), Contemporary national security systems (1999), Security policies of Superpowers (co-author with Bogomil Ferfila, 2000).

Ljubica Jelušić, Head of Defence Studies, Faculty of Social Sciences, University of Ljubljana and Associate Professor of Polemology, Peace Studies and Military Sociology. Her research fields include armed forces, society, peace operations, NATO, women in the military. Recent publications: Sexism in the Military Uniform (together with Mojca Pešec, 2002); European Defence Restructuring and Conversion: Military and Public View (together with Philippe Manigart), European Commission, Brussels, 2001; Defence Restructuring and Conversion: Socio-cultural Aspects (together with John Selby), European Commission, Brussels, 2000.

Paul Phillips is a professor at the University of Manitoba, Winnipeg, Canada, where he teaches courses in industrial relations, labour, economic history and regional economics. Professor Phillips is the author of more than 15 books. He was a member of the Manitoba Panel of Labour Arbitrators for six years and he served as a coordinator of the Canadian Constitution Committee. He has been appointed as a Professor and North American Director of post-graduate American Studies at the University of Ljubljana.

Kristina Plavšak, M.I.A., is a teaching assistant at the Department of Media and Communication Studies, Faculty of Social Sciences in Ljubljana. She was a press secretary in the Office of the Prime Minister of Republic of Slovenia in the period from 1996 to 2000. Her research interests include political communication, government public and media relations, international communication and public diplomacy, public opinion and communication support for the EU integration.

Iztok Prezelj, M.Sc. in defence studies and doctoral candidate, is a teaching and research assistant at the Faculty of Social Sciences, University of Ljubljana. His research interests include national security, crisis management, threat estimations and evaluations and international security structures. He published over 20 articles nationally and internationally. Furthermore, he is writing a dissertation on Crisis management system in contemporary states.

Biljana Vankovska is a professor of Political Science at the Faculty of Philosophy (Institute for Defence and Peace Studies), at the University of Skopje (Macedonia), a faculty staff member at European Peace University (EPU), Schlaining (Austria), and a Senior Fellow at the Geneva Centre for the Democratic Control of Armed Forces (DCAF) in 2001–2002. She has published two books in Macedonian and one in English. Furthermore, she was the editor of the book “Legal Framing of the Democratic Control of Armed Forces and the Security Sector: Norms and Reality/ies”, 2001.

Radovan Vukadinović is a director of the Centre for International Studies at the Faculty of Political Science, University of Zagreb, a director of the Graduate programme of international relations, a visiting professor at the Florida State University since 1985, and the author of many books published at home and abroad, among them: Politics and Diplomacy (1994), Post-communist threats to European security (1997), International political relations (1998), Security in Southeastern Europe (2002), International relations from the Cold war to the global order (Zagreb, 2001).

Håkan Wiberg holds degrees in mathematics and philosophy, and a Ph.D. and docent in sociology at the Lund University, Sweden. He is a former Director of the Lund University Peace Research Institute (1971–80); Professor of Sociology at the Lund University (1980–88); Director (1988–2001) and later Senior Research Fellow at the Copenhagen Peace Research Institute (COPRI). He is also a former President of the European Peace Research Association. He published and edited a lot of books on peace research and conflict analysis, his latest books are: Between the Past and the Future: Civil-Military Relations in Post Communist Balkan States (together with Biljana Vankovska) and Democracy Works: The People Were Right, The Experts Not (editor together with Johan Galtung).