CATO HANDBOOK FOR CONGRESS

POLICY RECOMMENDATIONS FOR THE 108TH CONGRESS



52. Moving on in the Balkans

Congress should

- support the transfer of peacekeeping responsibility in Bosnia and Kosovo to America's European allies;
- insist on the withdrawal of all U.S. ground troops from the Balkans by 2004;
- wean the futile nation-building schemes in Bosnia and Kosovo from American aid by reducing government funding to zero over the next few years;
- oppose any new U.S. nation-building or peacekeeping missions in the Balkans, particularly in Macedonia;
- resist the urge to tell the Europeans, and the Balkan peoples themselves, how to govern the region;
- avoid using (or threatening) trade sanctions to force Serbia and Montenegro to accept Washington's views in the future; and
- encourage political and economic liberalization in the Balkan States.

The Balkans have been a major focus of U.S. foreign policy since 1992. In the last 10 years, the United States has spent billions of dollars and a sizable diplomatic and military effort trying to establish peace and build new nation-states in the region. However, in view of America's negligible interests in the Balkans, the region's position on Washington's agenda has been disproportionate to its importance.

Equally troubling, America's Balkan policy has largely been a disappointment. Although an uneasy peace has been achieved, Washington's wards in Bosnia and Kosovo are hardly closer to becoming lasting, stable multiethnic democracies than they were when they were created. Indeed, the region as a whole is still roiled by ethnic strife that threatens to unravel what little has been accomplished and entangle the United States in further

difficulties down the road. Unfortunately, at a time when America's focus and resources are needed elsewhere, there appears to be no end in sight to the quagmire our Balkan policy has become.

Considering American interests and the security environment since September 11, 2001, the United States needs to fundamentally overhaul its Balkan policy. This should include a removal of U.S. peacekeeping troops, an end to Washington's nation-building activities, and a more honest approach to the realities of the region. Fortunately, Washington can safely rely on its rich and powerful European allies to pick up the slack and maintain peace and stability as the United States withdraws from the Balkans.

NATO Peacekeeping

The United States should end its participation in NATO's peacekeeping missions in the Balkans. With few interests in the region, considerable responsibilities around the globe, and threats to its homeland security, the United States needs to stop using its military forces as well-armed babysitters. Although the Bush administration made a campaign promise to terminate this overlong intervention and several thousand troops have been pulled out over the last two years, a sizable number of U.S. soldiers remain in Bosnia and Kosovo. Yet President Bush continues to assert that the U.S. military presence should not be "indefinite." Congress should insist that the administration translate its promises and rhetoric into action that leads to a final exit of U.S. troops.

The United States can start the departure process by redefining the mission. Because Europe has significantly greater interests in the region, the seven-year-old peacekeeping mission in Bosnia and three-and-a-half-year-old peacekeeping mission in Kosovo should both be reframed as European operations. This will allow the 2,500 U.S. troops in Bosnia and roughly 5,300 in Kosovo to depart at a sensible but certain pace.

The departure of American forces will have significant benefits for all parties involved. For the United States, one important benefit would be to distance itself from the region's ethnic disputes—troubles that are unlikely to end any time soon and only stand to worsen in the decade ahead. If these conflicts do escalate, the United States would be well advised to stay out the next time and allow the Europeans to handle them. Indeed, a more realistic and potentially longer-lasting approach would allow the parties to the conflict to resolve it themselves. At most, the

United States should provide diplomatic support for solutions that do not require its military arm.

Another benefit of a U.S. pullout will be significant savings, allowing resources currently allocated for peacekeeping to be used for more pressing tasks at home and abroad. Not only will the United States save the nearly \$2 billion annually that now supports Balkan peacekeeping, but it will free thousands of U.S. troops to focus on more important missions such as the war on al-Qaeda. This will be especially welcome considering that military leaders have complained about the lack of available troops.

The departure of U.S. troops will also stop the drastic readiness slide suffered by units tasked with peacekeeping. No longer would units be so strained by their peacekeeping duties that they are deemed practically unfit for war fighting, as recently was the case with the Army's Third Infantry Division.

The United States will benefit in less obvious ways as well. First, American soldiers and statesmen will no longer be distracted by these nonvital missions. Second, military morale and retention will likely improve since peacekeeping missions have contributed to declines in both since the Balkan intervention began. Third, less pressure will be placed on National Guard and reserve units, freeing these citizen-soldiers for a return to civilian life or for other, more pressing military needs.

However, the United States will not be the sole beneficiary of an end to U.S. peacekeeping in Bosnia and Kosovo. Europe will reap rewards as well. In carrying out the Balkan operations itself, Europe would take a long overdue step in building a common security and defense identity, one that does not depend psychologically and militarily on transatlantic participation of the United States. That would not only make those with more at stake in (and closest to) Bosnia and Kosovo responsible for maintaining regional stability, it would also strengthen the credibility of European security institutions and improve the quality, impact, and visibility of their operations. A peacekeeping mission will be an ideal way for Europe to exercise its security muscles and for the European states to reemerge as responsible security actors. As former U.S. ambassador to NATO Robert E. Hunter noted, "The Balkans is the place to test the possibilities that now exist for a true European security and defense identity."

Lest Congress fear that Europe cannot effectively replace the U.S. presence in the Balkans, it should take heart from several recent positive developments. Foremost among these are NATO efforts to facilitate the

development of European security institutions. For example, the European Security and Defense Policy and the Combined Joint Task Force have been created to allow Europe to act without engaging the full apparatus of the transatlantic alliance (i.e., the United States). The development of these NATO-friendly institutions also negates the argument that an American pullback will adversely affect the credibility of the alliance.

Congress can derive further confidence from the Europeans' relatively positive peacekeeping performances in their sectors of Bosnia and Kosovo. Even more promising was their execution of Operation Alba in which Italy, Greece, and others intervened militarily in Albania in 1997 in order to restore order and deliver humanitarian assistance. Indeed, a European takeover of the Balkan missions could help build a foundation for longer-term benefits: the normalization of international politics in Eurasia and the end of the U.S. burden of providing security for Europe. In short, an end to the U.S. peacekeeping missions would be a positive step for both the United States and Europe.

Bosnia

The 1995 Dayton Agreement ended more than three years of ethnic war and called for the creation of a unitary, multiethnic Bosnian state. Despite great efforts to build a stable, well-functioning, and democratic nation-state comprising Bosnian Muslims, Croats, and Serbs, the international community is scarcely closer to meeting that goal than it was at the end of the war. Instead, nation building in Bosnia has primarily squandered resources, created imperious international rulers, and served as a bad example of democracy in action for the Balkan people. Indeed, Bosnia is little more than a protectorate of the West that has become dangerously dependent on the international community running the country.

Despite billions of dollars in assistance, Bosnia remains an economic basket case. Of course, nation builders will argue that the new country has experienced positive growth. However, most of that so-called growth reflects the influx of international aid, not an expanding national economy. An official in the Office of the High Representative, the de facto international ruler of Bosnia, even admitted: "There's really no economic growth. . . . There's no job creation."

The truth is, Bosnia is not improving economically. State-owned businesses are struggling to stay open or are dormant, while a majority of Bosnians are out of work. Those who are working are dependents of the

international organizations that employ them—a recipe unlikely to produce long-term economic growth and stability. Fraud and corruption are also rampant. Numerous other drags on economic growth exist, including onerous taxes and regulations that stifle business activity and deter investment. The situation is such that the Organization for Security and Cooperation in Europe's Robert Barry concluded, "You've got to be crazy to invest in this country where it is a given that if you obey the laws you're going to lose money."

Unfortunately, there is little hope for change. Privatization moves at a snail's pace, despite the pro-market rhetoric of eager Bosnian aid recipients. Instead, the socialist economy of the past lives on and is staunchly defended by those who benefit from it. Change is hindered by Bosnian officials resistant to relinquishing the communist era's bureaucratic system of jobs and privileges, and equally determined to avoid ceding control to their ethnic rivals. This reticence is especially difficult to overcome since, in most cases, the leaders of Bosnia's major state-owned enterprises are also members of the local ruling political parties—themselves divided along ethnic lines—who use these enterprises to further their financial and political interests. Ironically, the international community in Bosnia pays large amounts of rent to these state-owned businesses, thus effectively funneling money into nationalist parties that are considered the principal obstacles to peace. In short, despite Western efforts, Bosnia's economy has not seen the radical overhaul it needs, and the outlook is bleak. A recent economic study ranked Bosnia as one of the "most unfree" economies in the world, not exactly an international success.

Bosnia's troubles are unfortunately not simply economic. The political situation is unresolved and ripe for failure. The country is essentially divided into three ethnic regions dominated by nationalist parties. The fall 2002 elections underlined this fact. Moreover, the hoped-for reintegration of society has not occurred. Displaced persons have rationally not returned to areas where they would be in the minority. The fact is, Bosnia's rival ethnic groups do not want to live with each other—or fear that they cannot.

More troubling, and perhaps fatal to the nation builders' hopes, is that the Dayton Agreement contains the seeds of Bosnia's self-destruction. Essentially, this political framework creates incentives for group-oriented behavior since it generates an internal security dilemma: any increase in the power of one group is a potential threat to individuals belonging to other groups. In such a situation, it is strategically rational for individuals and groups to behave in ways that threaten the long-term viability of a

multiethnic Bosnia. Although peacekeepers can prevent widespread killings, they can do little more than mitigate the effects of the deep-seated ethnic animosity and suspicion that are rampant throughout Bosnia.

Another problematic feature of the current political arrangement is that Western officials running the country are treating Bosnians to an ineffective political education. The Office of the High Representative is giving the Bosnians a good lesson in colonial rule rather than democracy. It regularly flouts democratic norms, rules by decree, shows utter disrespect for the electoral process, and violates any semblance of media freedom. Indeed, former high representative Wolfgang Petritsch virtually imposed a new constitution on Bosnia—one neither tenable nor endorsed by the country's people. This same man recently bragged that he had "powers that would make a 19th century viceroy envious" and "did not hesitate to use my authority to impose legislation and dismiss domestic officials." Rather than helping the situation, autocratic Western nation builders are running roughshod over Bosnians, imposing their social engineering projects on people who are ignored if they complain. This effectively creates dependents who will not be able to act on their own when given the chance and sours them on what they are told is democratic rule. Thus, any short-term gains and the appearance of progress are coming at a serious future cost.

The United States has sunk billions of dollars in a country that seems to have little hope of surviving on its own as presently structured. That money has been put to ineffective and illiberal uses and subsidized the institutional remnants of a defunct communist state. Congress should stop funding this Western experiment in social engineering and neocolonialism.

Kosovo

In 1999, NATO defeated Yugoslavia (Serbia and Montenegro) in a short air war that centered on the political situation and ethnic conflict in Serbia's southern province of Kosovo. After that "victory," the United States joined a Western nation-building project in Kosovo fleshed out in UN Security Council Resolution 1244. That resolution essentially committed the United States to an effort to develop democratic structures that will "ensure conditions for a peaceful and normal life for all inhabitants of Kosovo" and pave the way for a "substantial autonomy." In other words, the West was agreeing to create another Bosnia—a multiethnic democracy comprising former combatants. This time, the constituent groups were Kosovar Serbs and Kosovar Albanians, and somehow the

province was expected to remain part of Serbia but enjoy significant autonomy.

Clearly, the international community has had its hands full accomplishing such a difficult task. Nearly 40,000 foreign troops, including 6,000 Americans, occupied Kosovo as part of the NATO-led Kosovo Force (KFOR). Accompanying these troops under the UN Interim Administration Mission in Kosovo (UNMIK) were thousands of administrators and police who were tasked with running the province (assisted by a small army of aid workers sent by nongovernmental organizations).

Since the end of the war, Kosovo has become nothing less than a Western protectorate. Of course, this does not seem to bother Balkan nation builders. Carlos Westendorp, former high representative in Bosnia, declared that "a full international protectorate is required" for Kosovo. He deflected criticism by arguing, "This is not the moment for post-colonial sensitivities." Apparently it is not, at least among the UNMIKistas.

Spurred on by UN regulations giving it "all legislative and executive authority . . . including the administration of the judiciary," UNMIK (and its top official, the Special Representative of the United Nations) has taken responsibility for nearly every facet of life. It has overseen everything from Kosovo's health care to garbage collection. It has also declared the German mark the local currency; paid the wages of teachers, doctors, and civil servants; and decided on matters as picayune as the cost of vending licenses to sell ice cream on Kosovo's street corners. Few things have been left to the Kosovars. The Special Representative's Office has even moved to shape election outcomes and shutter independent media outlets that publish controversial material and opinions. Fortunately, devolution of some of these responsibilities is on the horizon, but the fact is, the special representative has been a colonial autocrat in all but name.

Unfortunately, there is no apparent end in sight for this mission. After years of peacekeeping and billions of dollars expended, the stated goals of Resolution 1244 are barely closer to fulfillment than they were when they were crafted. Kosovo is still rent by ethnic strife, and interethnic violence remains an all-too-regular phenomenon. Indeed, most of Kosovo's non-Albanian population has been driven out by Kosovar Albanians, fled the province in fear, or settled in NATO-protected enclaves. In the summer of 2001, Serbs were victimized by home bombings in northern Kosovo. The reintegration of society necessary to meet the UN's goal of a multiethnic Kosovo has also failed to materialize. Only a few hundred of the more than 200,000 non-Albanian residents of Kosovo driven out during and

after the war have returned home. Furthermore, the Kosovo economy remains a shambles, the province is awash in crime (including organized crime revolving around drug and even human trafficking), corruption is rampant, and minority rights are practically nonexistent. Michael Steiner, the current special representative, admits that the international community's mission will be a long one requiring significant commitments of arms and other resources.

Yet even as this nation-building project continues to falter, a more troubling problem is at the heart of the mission. To wit, a fatal and fundamental difference exists between the purported goal of the international community—an autonomous, multiethnic Kosovo within Serbia and the aspirations of the Kosovar Albanians, especially the former members of the Kosovo Liberation Army. Moderates and extremists alike in this community have not given up on their wartime goal of full independence. Therefore, even though the international effort has provided some element of peace, it is a false peace under the current arrangement. Today's Kosovo is in a state of political limbo that serves only to perpetuate local fears. This is particularly true for Kosovo's ethnic Serbs. It also energizes independence-minded Kosovar Albanians who are working toward severing the few remaining ties to Serbia. This means that Washington's attempt to build a peaceful multiethnic democracy will certainly fail. But it could be worse. Should Kosovar Albanian militants decide NATO forces are in the way of their plans for an independent Kosovo, U.S. forces could end up fighting their former de facto allies. Congress should, therefore, immediately stop funding this expensive and futile mission.

Macedonia

Macedonia has been and continues to be plagued by the same problem Serbia faced in Kosovo before 1999. In both situations, ethnic Albanian militants committed terrorist acts and incited violence to further their irredentist aims. In Serbia, the Kosovo Liberation Army played the West like a fine instrument to advance its goal of a Greater Albania. Emboldened by their success in Kosovo, Albanian irredentists have attempted to run the same game plan in Macedonia. In response to the resulting violence, the West was able to broker a deal between Albanian rebels and the Macedonian government in 2001. However, that agreement largely served to again reward the perpetrators of violence. NATO also sent several thousand peacekeepers to Macedonia, though U.S. forces already there have fortunately been restricted to support activities. Despite these efforts

(or perhaps even because of them), the situation is likely to get worse. Indeed, a recent U.S. State Department report notes that "worsening relations between ethnic Macedonians and Albanians calls into question whether the framework agreement will be able to foster long-term coexistence." Considering the difficulties and inherent flaws in its Kosovo experience, the United States should avoid involvement in a Macedonian ethnic quarrel frighteningly similar to the one that ultimately led to war and a seemingly endless nation-building project in Kosovo.

Serbia and Montenegro

The two remaining republics of the former Yugoslavia have recently agreed to remain together in a newly named federal state of Serbia and Montenegro. This is a good sign for the region and for the post-Milosevic democratic regime in Belgrade. Although many Montenegrans still harbor a desire for independence, the new arrangement devolves significant amounts of power to the two republics so that a destabilizing schism does not appear on the horizon. However, if the peaceful reconciliation proves only temporary, Congress should firmly object to any plans that will entail a significant role for the United States. It should also insist that the administration avoid giving Montenegro any security guarantees—explicit or implicit. Such guarantees would be a sure recipe for abetting the types of destabilizing forces that tore Kosovo apart.

Meanwhile, the United States should encourage trade liberalization and privatization in Serbia and Montenegro. It should also avoid using trade sanctions as a way to whip Belgrade into line on Bosnia and Kosovo or to micromanage political developments inside the country. Such attempts to dictate from afar will only undermine the state's new democratic rulers and hurt the economic foundations of this struggling country. Should Milosevic's cronies return to power in Serbia, Congress should remain committed to trade with the republic. Trade barriers will only injure the country's private sector and stunt an emerging middle class, thus hurting those who would naturally form an opposition that supports democracy and liberalization.

Future U.S. Policy

America's extensive involvement in the Balkans has been a near total failure that needs to end. Congress should commence efforts to bring home the remaining U.S. troops and stop its financial support for the

international community's dubious nation-building efforts. However, this does not mean that the United States should ignore the region.

The United States should certainly maintain an intelligence operation in the area to provide early warning of any anti-American terrorist operations based there. Furthermore, a U.S. pullback does not rule out using military force to strike and destroy any terrorist organizations that are using the Balkans as platforms for attacks against U.S. interests.

The United States should play a role in pressing for further liberalization in the region. It can also offer its good offices to help parties there peacefully reconcile their differences. Indeed, without the necessity of rhetorically supporting its wards and its intervention, the United States would be freer to act as an honest broker in any negotiations. It would also be better able to criticize any illiberal policies adopted by Balkan regimes. The United States would also be well advised to immediately begin educating the international community about the current underlying conditions in these countries. This may awaken nation builders who try to build their castles on shifting sands and head off any potential criticism if the situation eventually gets worse under the Europeans.

Once it turns over Balkan policy to the European Union (and to the Balkan peoples themselves), the United States should firmly avoid trying to control the situation as back-seat drivers. That is true for both Congress and the executive. Instead, the United States should allow the Europeans to pursue their own agenda as long as those measures do not jeopardize American security or economic interests. In other words, the Europeans should be given a free hand, unfettered by American desires to micromanage the future of the region. Indeed, the United States should not stand in the way if Europe somehow decides that the partition of Bosnia, Kosovo, or Macedonia, or all three, is the best long-range solution. However, the Europeans should also fully realize that, no matter what course they pursue, the United States will not bail them out militarily if the going gets rough. In short, the watchword of American policy toward the Balkans should be restraint.

Suggested Readings

Carpenter, Ted Galen. "Waist Deep in the Balkans and Sinking: Washington Confronts the Crisis in Macedonia." Cato Institute Policy Analysis no. 397, April 30, 2001.

Carpenter, Ted Galen, ed. *NATO's Empty Victory: A Postmortem on the Balkan War.* Washington: Cato Institute, 2002.

Chandler, David. *Bosnia: Faking Democracy after Dayton*. 2d ed. London: Pluto Press, 2000.

- Corwin, Phillip. *Dubious Mandate: A Memoir of the UN in Bosnia, Summer 1995.* Durham, N.C.: Duke University Press, 1999.
- Dempsey, Gary T, ed. Exiting the Balkan Thicket. Washington: Cato Institute, 2002.
- Dempsey, Gary T., with Roger W. Fontaine. Fool's Errands: America's Recent Encounters with Nation Building. Washington: Cato Institute, 2001.
- Judah, Tim. *Kosovo: War and Revenge*. New Haven, Conn.: Yale University Press, 2000. Langewiesche, William. "Peace Is Hell." *Atlantic Monthly*, October 2001.
- Layne, Christopher. "Blunder in the Balkans: The Clinton Administration's Bungled War against Serbia." Cato Institute Policy Analysis no. 345, May 20, 1999.
- _____. "Faulty Justifications and Ominous Prospects: NATO's 'Victory' in Kosovo." Cato Institute Policy Analysis no. 357, October 25, 1999.
- Layne, Christopher, and Benjamin Schwarz. "Dubious Anniversary: Kosovo One Year Later." Cato Institute Policy Analysis no. 373, June 10, 2000.

—Prepared by William Ruger