



SPECIAL REPORT

ABOUT THE REPORT

On May 13, 1998, the United States Institute of Peace hosted a meeting of its Balkans Working Group to discuss potential solutions to the conflict in Kosovo, the negotiation process between Serbia and Kosovo, and possible outcomes of those negotiations. The working group, made up of representatives of various government agencies, think tanks, and nongovernmental organizations, meets frequently to address issues of Bosnia peace implementation and Balkan stability. Ambassador John Menzies, former Ambassador to Bosnia-Herzegovina and currently a Senior Fellow at the Institute, chaired this and other working group sessions. The opinions and recommendations of the working group session on Kosovo are summarized by Senior Fellow Daniel Serwer, Program Officer Lauren Van Metre and Research Assistants Kristine Herrmann and Albert Cevallos. A related Special Report on an earlier working group meeting on Serbia is also available from the Institute by calling (202) 429-3828.

The views expressed in this report do not necessarily reflect those of the United States Institute of Peace, which does not advocate particular policies.

Kosovo Dialogue: Too Little, Too Late

Introduction

The purpose of the May 13, 1998, working group meeting was to discuss possible outcomes to the talks on Kosovo as well as the negotiation process itself. The broadcast news on that day made the meeting timely: Reports from the region indicated that U.S. Special Envoy Richard Holbrooke had brokered an agreement between Yugoslav President Slobodan Milosevic and Dr. Ibrahim Rugova, leader of Kosovo's Albanian community, to begin discussions on the Kosovo crisis. The first meeting of the parties occurred May 15 and is to be followed by weekly negotiating sessions. Some participants in the working group noted that the process of dialogue itself may be useful for easing tensions between the two sides. They also discussed optimal conditions for the negotiations and offered thoughts about possible outcomes.

Key Points

The Negotiations

- A dialogue between leaders of Kosovo and Serbia is perhaps useful in the short-term for easing tensions between the two sides, but, with the current players, it will not result in a solution to the crisis acceptable to both sides.
- Ibrahim Rugova, president of Kosovo's parallel government, no longer holds sufficient popular political support to deliver support from the Albanian side on any agreement short of independence. Slobodan Milosevic's political position is so strongly associated with depriving Kosovo of its autonomy that an accommodation with the Kosovars would put his hold on power at risk.
- Representatives of the U.S. Administration, Slobodan Milosevic, and Ibrahim Rugova share an interest in preventing the legitimization of the Kosovo Liberation Army (KLA) by excluding its representatives from the negotiations. Yet, with its effective control of the countryside and substantial funding from the Albanian diaspora community, the KLA is the driving force in Kosovo today. With the decisive vote on the implementation of any agreement, the KLA cannot be excluded and its views must be considered if a negotiated settlement is to stand.

Broader Thinking Required

- Recent decisions by the United States and its allies limit the effectiveness of the international community to leverage an acceptable outcome to the negotiations. Working group participants noted the limited tools used so far in dealing with

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Milosevic and called for a more integrated approach, drawing on political, economic, and military instruments.

— Hard currency, primarily from the sale of state assets to foreign buyers, fuels Milosevic's political patronage system. Getting Milosevic to agree to a Kosovo solution may require a threat to his control of the Federal Republic of Yugoslavia (FRY) by reviving the prohibition on hard currency investment in Serbia.

— Efforts should be made to get the Organization for Security and Cooperation in Europe (OSCE) back into the FRY, so long as deployment of monitors to key areas is part of the package. Expulsion of the FRY from the OSCE has had no discernible effect. Democratic forces throughout Serbia would benefit from the exposure to the organization and its representatives in the region.

— Military options have been prematurely and unnecessarily dropped. A stabilizing effect similar to that of the UN preventive deployment mission in Macedonia might be introduced by North Atlantic Treaty Organization (NATO) troops positioned on the border with Albania and the establishment of no-fly zones and checkpoints to stop the illegal flow of arms into the region. NATO troops must also be prepared to intervene if the crackdown in Kosovo continues.

- The United States and its allies need to consider a broader range of possible outcomes, rather than limiting consideration to enhanced self-administration for Kosovo. Working group participants felt that (1) the Serbianization of Kosovo, (2) an independent Kosovo state, (3) partition with the secession of the rump south and the absorption of the northern territory into Serbia, and (4) autonomy for Kosovo within the FRY (as a third republic) or within Serbia, were all outcomes that deserved further analysis.

Albanians Are a Regional Issue

- A regional solution to the Kosovo crisis deserves separate and more in-depth consideration. Kosovo has reawakened Albanian nationalism, which, while not united in its objectives, has the potential to cause regional instability. Participants felt that ultimately Albanian aspirations for economic prosperity and basic human rights depend on Serbia's political transition and the continued democratization of Macedonia and Albania.

The Players

The Holbrooke initiative came after a long period during which the Kosovo problem had been largely ignored by the international community in favor of focusing on Bosnia. Opportunities at Dayton and thereafter to push the Yugoslav authorities into returning to Kosovo its autonomy were passed up. While the "outer wall" of sanctions that denies FRY membership in the international financial institutions was kept, little else was done. The passive nonviolent stance of the Kosovars created little sense of urgency and allowed calls for independence to be ignored.

The emergence of the KLA has changed the situation rapidly and dramatically, leaving the international community well behind the curve. Until recently, every effort was made to ignore the KLA, and then to denounce it as a terrorist organization. The parties to the dialogue have a common interest that arises from fear of the

KLA, which threatens Serb control over Kosovo, Ibrahim Rugova's control over the Kosovar Albanians, and U.S. ability to keep the lid on the situation.

Ibrahim Rugova. The Kosovar elections in March gave Rugova more than 90 percent of the vote for president of Kosovo's shadow government (he ran unopposed). Yet participants agreed that his political and popular support is weak; the March elections were considered more an anti-Serb referendum than a vote of confidence for the Rugova regime. Nonviolent resistance, Rugova's approach since the region's loss of autonomy in 1989, is widely perceived by Albanian Kosovars as ineffective. Increasingly, after Dayton, Rugova had difficulty attracting the attention of the international community to the Albanian cause. The once-supportive Americans made it clear that they liked Rugova's commitment to nonviolence but would not support independence, despite Rugova's claims that they did. With unemployment among Albanians at critical levels primarily because of Belgrade's economic policies, and with the West's focus on Bosnia, most Albanian Kosovars today believe that nonviolent resistance has benefited primarily Slobodan Milosevic. Its continued practice in light of the recent Serb crackdown is considered political suicide.

Rugova had staked out a firm position in favor of international mediation of the Kosovo conflict. He failed to get this and settled instead for a remote American observer presence. Under these circumstances, working group participants considered Rugova's meeting with Milosevic an encounter of "Bambi with Godzilla," with a predictable outcome for Bambi. Absent an international mediator, the parties' negotiating power is lopsided, to the detriment of the Albanians. Having given up a key condition of the Albanians for negotiations with the Serbs, Rugova enters the negotiations with his political support further eroded and his negotiating team fractured. Rugova is now so weak that he will be unable to deliver Kosovar Albanian support for a solution short of independence.

Slobodan Milosevic. Milosevic is using the crisis in Kosovo to rally Serb nationalist sentiment and domestic political support. The Kosovo crisis is particularly beneficial to him in his efforts to reassert authority over the Republic of Montenegro and defeat its president, Milo Djukanovic. Elected to power on a platform of economic reform, democratization, and ethnic tolerance, Djukanovic has begun to shake up politics at the federal level and threaten Milosevic's position as president of the FRY. Djukanovic's victory in the May 31 Montenegrin parliamentary elections allows him control of Montenegro's 20 seats in the upper house of the Federal Parliament (the same number held by Serbia). He will be able to tie up the legislative process in Belgrade, maintaining constraints on the FRY presidency. The Kosovo crisis has diverted attention from the Montenegrin elections and their outcome and has served as a rallying point for supporters of Momir Bulatovic, a Milosevic loyalist recently installed, over Djukanovic's objections, as prime minister of the FRY. While it is impossible to predict Milosevic's next move, it is likely that he will try one way or another to reassert central control.

While not as vulnerable as Rugova, Milosevic is also negotiating within tight constraints. On the one hand, his rise to power is so strongly associated with depriving Kosovo of its autonomy that working group participants believed an accommodation with the Kosovars would put his hold on power at risk. On the other hand, his security forces, especially the conscript army, are not enthusiastic about doing what is needed to restore order in Kosovo. Milosevic will benefit little from an end to the Kosovo crisis. A slowburn in Kosovo, one that involves significant repression but does not aim to deliver a knockout blow against the KLA, strengthens his political position in Serbia and is useful for rallying support for efforts to recentralize authority.

THE USIP BOSNIA INITIATIVE

The Bosnia Initiative of the United States Institute of Peace uses the efforts of various Institute programs to support the peace implementation process in Bosnia. The Institute has conducted training programs for staff of international and local NGOs working in Bosnia to help them in their relief and reconciliation work in the aftermath of this intense conflict. The Institute's Religion, Ethics, and Human Rights Program has supported the efforts of top religious leaders in Bosnia to form an Inter-Religious Council to work "together to replace hostility with cooperation and respect" and to acknowledge their shared moral commitment. It is also working with other members within the religious communities to support their efforts at reconciliation. The Institute also recognizes that, if any measure of reconciliation is to occur for Bosnia, war victims, regardless of ethnic affiliation, must have access to fair hearings and due process. To support citizen participation in the justice process, the Institute's Rule of Law Program has begun to work with a variety of Bosnian officials on a number of initiatives, including establishing protection for trial witnesses, more effective police screening procedures, and programs to improve the efficiency of the International War Crimes Tribunal at The Hague. It is also helping to create a Truth and Reconciliation Commission for Bosnia in response to requests from the country's judicial officials and community leaders. The Institute's Grant Program funds a variety of scholarly investigations of the Bosnian conflict and conflict-resolution projects for NGO and other practitioners in the country. Through these and other efforts, the Institute seeks to fulfill its mandate to find and explore creative solutions to international crises and conflict.

The Bosnia Initiative is under the direction of Harriet Hentges, executive vice president of the Institute.

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The Kosovo Liberation Army: Participants believed that the United States and Rugova continue to underestimate the importance of the KLA. The consensus of the working group was that the KLA is now the driving force in Kosovo. Its operating base has grown beyond the Drenica region to include strategic villages lining the Albanian-FRY border. Its popular support is structured on the traditional *besa* (fealty) system and is growing exponentially. When patriarchs join the KLA movement, they bring their clans with them. The KLA now controls the rural regions of Kosovo. Behind the KLA stands a well-organized, wealthy diaspora community made up primarily of Albanians from Macedonia and Kosovo. Citizens of neighboring Albania also contribute funds, arms, and recruits. With its effective control of the countryside and a substantial war chest, the KLA appears poised to fill the political vacuum created by popular disillusionment with the Rugova regime.

Participants predicted the emergence of a KLA political arm to rival Rugova but were uncertain as to how cohesive that arm would be. The KLA appears to have a well-organized and disciplined military chain of command united by a common political objective—secession from the FRY. It is uncertain, however, whether leaders share similar views on what should happen after independence. Will Kosovo remain its own state, or will it unite with Albania or western Macedonia? At the village level, extensive cooperation exists between Rugova's party, the Democratic League of Kosovo (LDK), and the KLA. Recent LDK defections at the party's highest levels might provide the KLA with experienced national leaders, although participants questioned the solidarity of a KLA-LDK alliance.

With its political arm and agenda still unformed, the opportunity exists to engage the KLA discreetly and influence its positions on political issues. Participants noted that the KLA holds the decisive vote on whether any agreement reached will be implemented on the ground. The KLA cannot be excluded, and its views must be considered if an agreement is to stand.

Influencing the Outcome: Strategy Needed

Participants noted that the United States has called for unconditional talks while at the same time stating it could accept neither the status quo nor independence. While this position was defended as consistent—the talks could be unconditional even if the United States has views on the possible outcomes—most participants believe it is counterproductive: It delegitimizes the talks and limits tactical maneuverability, especially of the Albanians. Already the weaker party, they are further weakened if their avowed objective is considered illegitimate by the convenor and observer of the dialogue.

Getting Milosevic to agree to a Kosovo solution will require a threat to his control of the FRY—a threat that the international community can help to create. He is, it was agreed, the problem rather than the solution. Participants noted the limited tools used so far in dealing with Milosevic and urged the use of a more integrated approach, drawing on political, economic, and military instruments. Overreliance on economic sanctions against the FRY has been particularly harmful, because of their deleterious effects on neighboring countries and on the general population in the FRY, as well as the serious strains they create with Allies. To use the economic “stick” effectively, sanctions must be universally applied, which is possible only with a United Nations Security Council decision.

Carefully targeted economic sanctions may nevertheless be necessary. Milosevic uses hard currency to maintain an extensive political patronage system; critical fund-

ing comes from the sale of state assets to foreign investors. The international community, therefore, has a powerful tool for leveraging an agreement. Conversely, any hard currency investments in Serbia before an agreement on Kosovo is reached will extend Milosevic's capacity to resist international pressure and make him harder to deal with in the talks.

In the political realm, Washington has now carved out for itself a remote observer role, one it will no doubt seek to enlarge. The failure to convince the Serbs to accept international mediation is a defeat not only for the Albanians, but also for the OSCE, which has institutional capabilities that would have provided eyes and ears to the international presence and ensured European engagement. Every effort should be made to get the OSCE back into the FRY, even if that means allowing the FRY back into the OSCE, so long as the deployment of monitors to key areas is part of the package. Recognition and diplomatic relations, which the United States still has in reserve, should be carefully considered; moving before the Kosovo problem is settled could significantly decrease U.S. leverage.

Military options have been prematurely and unnecessarily dropped. NATO troops positioned on the border FRY–Albania border and prepared to intervene, if necessary, as well as the establishment of no-fly zones and check points to stop the illegal arms flow into the region could have the same stabilizing effect as the UN preventive deployment mission in Macedonia. Despite Clinton Administration protests to the contrary, the Christmas warning that promised U.S. intervention to protect Kosovo from a Serb crackdown is no longer credible. To effectively threaten the use of military force would require convincing Milosevic that the Christmas warning had been reactivated. Any statements regarding military force must be convincingly linked to a political strategy.

Outcomes: Broader Thinking Needed

Participants felt that the United States and its allies needed to consider a broader range of options, rather than de facto limiting consideration to enhanced self-administration for Kosovo. They identified a number of possible outcomes, which need to be taken into consideration from an analytical perspective.

Possible Outcome 1: "Serbianization." This would entail the forced removal of some or all of the Albanian population and its replacement by Serbs. The Serbianization of Kosovo was considered the least likely of the options discussed because of expected resistance by the KLA and the international community, as well as to the reluctance of Serbs to repopulate the region after a forced Albanian migration. It should be noted that this option has considerable appeal in Serbia, where the decline in the Serb population of Kosovo over the past several decades is regarded as due to policies pursued by Tito and by the Communist provincial administration. Seselj and the Radical Party have openly advocated Serbianization.

Possible Outcome 2: Independence for Kosovo. Although the United States and Milosevic are on the record as opposing independence for Kosovo, a number of participants felt that such an outcome was possible. Kosovo presents a significant demographic and economic challenge to Serbia—one that threatens Serbia's dominant position in the FRY. Due to high birth rates, the minority populations of Serbia (including Albanians, Hungarians, and Sandjak Muslims) will outstrip that of the Serbs in a generation. Recovery from the economic catastrophe Milosevic has imposed on Kosovo will strain Serb resources already thin from the effects of inter-

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national sanctions. If Milosevic were not so dependent on the Kosovo crisis to bolster his political position in Belgrade, independence for the Albanians might be considered a viable option even by Serbia, especially if Serb historical sites could be left under Serb control. In any event, ruling out independence conditions the negotiations in Milosevic's favor.

Possible Outcome 3: Partition. Some participants felt that partition might well occur, if only because Albanians and Serbs are for the most part agreed that they do not want to live with each other. Milosevic might agree to allow a rump Kosovar state in the south to secede, while its northern counterpart would be absorbed by Serbia. If partition were "done right", i.e., leaving Serb historical areas under Serb authority while granting sovereignty to what remains of Kosovo, some participants thought it might be acceptable to all parties. Such a solution appears to be gaining support in Serbia, where the assumption is made that the Serb part of Kosovo will be substantial and will include what are regarded as important resources.

Others noted that a negotiated partition of Kosovo would provide only a short term solution and would require the presence of international military forces to ensure that the resulting population transfers were as peaceful as possible. If the international community were not willing to manage the process, the result would be widespread fighting and bloodshed. Participants also agreed that a rump Kosovo might not be a stable end state; its possible unification with Albania or constituent membership in a Greater Albanian state must be considered. So, too, must the real possibility that Milosevic will be prepared to surrender part or even all of Kosovo in exchange for Republika Srpska, thus destroying the Dayton agreement and dealing the United States a major foreign policy defeat.

Possible Outcome 4: Autonomy. The U.S. preference for "enhanced status" for Kosovo and meaningful self-administration, combined with Milosevic's reluctance to oversee independence, makes autonomy for Kosovo an option. (Autonomy is, however, rejected by all Albanians, including Rugova.) There was considerable debate among the group as to whether the United States supported autonomy for Kosovo within the FRY (as a third republic) or within Serbia. Most thought that U.S. ambivalence on this issue contributed to its ineffective leadership of the Contact Group (comprised of Britain, France, Germany, Italy, Russia and the United States)—some of whose members are believed to support the status quo in Kosovo, making them unwilling to take any action to resolve the current crisis. In any event, Belgrade is thought to be willing to accept a large measure of autonomy. The key issue will be police and security, functions that Belgrade will not want to yield and that the Albanians will insist upon.

Albanians Are a Regional Issue

Participants agreed that the question of a regional solution to the Kosovo crisis deserves separate consideration by the working group. Kosovo has awakened in Albanians throughout the region a search for a national and historic identity. While this most recent expression of Albanian nationalism is not united in its objectives, the potential for regional instability is real, with the greatest threat to the territorial integrity of Macedonia. Consideration of the Albanian communities must become a priority for the Balkans.

Enduring solutions to the problems of ethnic populations residing outside national borders have often proved difficult to find. Participants thought that Balkan countries might look to the states of Eastern Europe for ways to integrate diaspora communities. Constitutional protections for minority and individual rights, sup-

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port for minority political parties and their inclusion in the political process, and healthy relations with neighboring states have proved effective antidotes to ethnic tensions in Eastern Europe. These solutions share a common attribute: They are also the elements of stable, functioning democratic states. This suggests that Albanian aspirations for economic prosperity and basic human rights depend ultimately on Serbia's political transition and the continued democratization of Macedonia and Albania.

Conclusions and Policy Implications

The international community, with U.S. leadership, needs to get in front of the curve on Kosovo, rather than lagging behind as it has to date. This will entail fashioning a strategy that draws on the full range of political, economic, and military instruments to pressure Milosevic and the Albanian Kosovars—including the KLA—into a solution. To this end, participants believe:

- The U.S. government should begin a discreet dialogue with KLA representatives, with a view to understanding their objectives, influencing their guerrilla activities, getting them to the negotiating table in one form or another, and ensuring their support for a negotiated settlement;
- Now that supposedly unconditional talks have begun, the U.S. government should drop its too often repeated opposition to Kosovo independence;
- The FRY should be allowed back into the OSCE if it is prepared to accept a major international observer presence in Kosovo, Vojvodina, Sandjak, and elsewhere, as well as a serious program of democratization monitored by Felipe Gonzalez, Personal Representative of the Chairman in Office and Head of the OSCE Delegation to the FRY;
- The prohibition on hard currency investment in Serbia should be revived in response to the ongoing crackdown by FRY security forces and instituted on a universal basis through a United Nations Security Council resolution;
- Accelerated consideration should be given to a NATO deployment on the Albania–Kosovo border, with the objectives of reducing arms trafficking and renewing a credible threat of military intervention if the crackdown in Kosovo continues;
- The international community should begin to view Milosevic as part of the problem, rather than the solution, with the implication that his failure to negotiate in good faith will lead to tough measures (including indictment by the Hague War Crimes Tribunal and use of military force) aimed at his removal.
- The Yugoslav Army (JNA) has thus far shown its reluctance to engage in Kosovo, describing the current situation as an internal crisis best dealt with by the police. The international community should find ways to encourage the JNA's continued disassociation, perhaps by offering the military participation in regional humanitarian and disaster relief exercises organized by states participating in the South Balkans Defense Ministerials.

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