



# Cato Handbook for Policymakers

**CATO**  
INSTITUTE

7TH EDITION

## 56. U.S. Policy in the Balkans

### **Policymakers should**

- support the transfer of peacekeeping duties in Kosovo to the European Union;
- mandate the withdrawal of all U.S. ground forces from the Balkans by the end of 2009;
- eliminate foreign aid for nation-building in Bosnia, Kosovo, and elsewhere in the region;
- allow Serbs within Bosnia to seek greater autonomy or independence;
- suspend recognition of an independent Kosovo and promote genuine negotiations between Kosovo and Serbia;
- support liberalization of economic relations with and political liberalization within Serbia, but end meddling in Serbia's elections;
- leave developments in the Balkans to the people of the Balkans, backed by the EU;
- shift responsibility for Balkan security issues to the EU and individual European nations; and
- establish a future policy of nonintervention in Balkan affairs.

For more than a decade and a half, the Balkans have been a major priority of U.S. foreign policy. Washington initiated military action in Bosnia and full-scale war against Serbia to redraw the Balkan map. The United States has also devoted billions of dollars and enormous diplomatic efforts to reengineering countries and territories to suit Washington's arbitrary preferences. Yet American interests in the Balkans were (and remain) minimal at best. Absent a cold war environment that could turn a local conflict into a global conflagration, the Balkans matter much more to the European Union than to America, and not much even to the EU.

Moreover, Washington's policy has been fundamentally misguided, seeking to impose a Western vision of liberal pluralism and federalism on peoples still inclined to order their politics along ethnic lines. The United States, followed a bit more reluctantly by the Europeans, has sought to manage Balkan affairs with little concern for Russian interests, including Moscow's goals of ensuring security in the region and gaining international respect for its position. Washington's Balkan policy was one of many issues that helped spawn the Kremlin's military move into Georgia.

It comes as no surprise, then, that Washington's policy in the Balkans has produced disappointing results. Bosnia remains a largely failed state, run by diktat through the EU a decade after its creation; threatened by internal ethnic separatism; and lacking a viable, independent economic base. Kosovo declared its independence with the Bush administration's support, but has stalled at 47 diplomatic recognitions, and only 20 of 27 EU members.

Serbia is governed by a coalition that is pro-Western in the sense that it is committed to seeking entry into the EU, but opposes an independent Kosovo and that it survives only with the sufferance of Slobodan Milosevic's old Socialist Party. The largest opposition party is the hard-line Serbian Radical Party, formally headed by Vojislav Seselj, currently on trial in The Hague for war crimes. Ethnic tension remains a dangerous undercurrent in Macedonia, where nationalism continues to permeate elections. The region is still divided ethnically, politically, and religiously. While a violent breakdown of the present order seems unlikely, it is not impossible, and even an upsurge in tensions would threaten to pull the United States back into conflicts largely irrelevant to its own security.

The end of the cold war should have led to a rethinking of America's role in the North Atlantic Treaty Organization. After all, the quintessential anti-Soviet alliance had few obvious duties with the breakup of the Soviet Union and dissolution of the Warsaw Pact. However, "out-of-area activities" became the new watchword for the alliance. The Balkans were one of those areas, and policing that region turned into a justification for expanding the alliance and increasing U.S. military commitments. The aftermath of 9/11 has provided a second chance to reconsider U.S. policy. Washington is overburdened with two wars, Afghanistan and Iraq, while continuing to subsidize the defense of populous and prosperous states in Asia and Europe. The United States should begin prioritizing its foreign and military policies by turning responsibility for the Balkans over to Europe. Even if the EU and individual European nations decide to do

nothing, that is a decision that, given the fact that the Balkans are far more relevant to European than American security, Washington should respect.

## **Peacekeeping Operations in the Balkans**

The U.S. role in Balkan peacekeeping has been steadily ebbing, with American forces withdrawn from Bosnia and Macedonia, and reduced in Kosovo. The remaining 1,300 soldiers in the latter should be withdrawn forthwith. The Balkan region and the EU have accommodated the steady drawdown and can take over to replace America's final contingent. Although the European states are notable for creating large but largely ineffective militaries, with about 1.7 million personnel in uniform—not counting Turkey, also a member of NATO—the Europeans can come up with another 1,300 troops.

It is not enough to bring those soldiers home, though. The United States must inform its European partners that Washington will be participating in no more Balkan peacekeeping expeditions. America's current priorities include ending the occupation of Iraq, salvaging the increasingly shaky mission in Afghanistan, and strengthening global cooperation against al Qaeda and other transnational terrorist organizations. Washington continues to formally guarantee the security of South Korea and Japan and informally guarantee Taiwan's *de facto* independence, most obviously against a growing China. Some analysts and politicians would have America confront a reinvigorated Russia. Even if the next administration more sensibly begins shedding rather than acquiring obligations against China and Russia, the United States will remain very busy, far busier than the Europeans and with much more serious security work to do elsewhere.

In fact, abandoning any pretense that the United States has an obligation to patrol the Balkans would set a precedent for Washington policymakers to reconsider security guarantees elsewhere in Europe—and in Asia as well. Although the recent Russian-Georgian war has set the eastern Europeans on edge, they should look to the rest of Europe rather than to America for their security.

Although one can imagine the complaints from Europeans that would accompany U.S. disengagement, the process would be salutary for them. For years, leading European officials have promoted a separate European defense and foreign policy. One reason for the EU consolidation proposed by the Lisbon Treaty is to create a continental framework for just such a system. French President Nicolas Sarkozy made creation of an effective EU rapid-deployment force one of the priorities of his recent EU presi-

dency. Yet those efforts have routinely come to naught, since there was no pressing need for the Europeans to shift funds from expensive welfare states to seemingly unnecessary militaries. With the American safety net withdrawn, the Europeans would have to make a more rigorous and honest calculation of their security requirements—starting in the Balkans.

## **Bosnia**

One of the unfortunate developments of the immediate post-cold war period was the bloody disintegration of Yugoslavia. There was more than a little blame, and more than a few atrocities, to spread around. Rather than opening the way to a negotiated, if complicated, redrawing of political boundaries, the Western allies insisted that the new states created out of the former Yugoslavia stay intact, forcing the inhabitants to slug it out for control. Bosnia soon became the arena of the worst turmoil.

The 1995 Dayton Agreement implementing a cease-fire called for the creation of a unitary Bosnian state, within which the Bosnian-Croatian Federation and Bosnian-Serb Republic could exercise substantial autonomy. The allies essentially created a protectorate, in which the Office of the High Representative ran the territory like an imperial governor of old. The result has been ugly. There is little self-sustaining economic growth, as statist economic policies discourage entrepreneurship and business creation; Bosnia has been ranked 121 in the world on economic freedom, and well below average on business freedom, government size, property rights, corruption, and labor freedom. The West has poured billions of dollars into its nation-building project, but even as \$5.1 billion was being “invested” in Bosnia, an astounding \$1 billion was being looted.

Political advances, too, have been slow. Freedom House rates Bosnia on a scale of 1 (best) to 7 (worst), giving it an overall democracy score of 4.11 in 2008, only a modest uptick from 5.42 in 1999. Bosnia remains particularly deficient in governance, independent media, and corruption. Elections have usually been dominated by those most adept at playing ethnic politics, resulting in frequent interventions by the high representative to overturn the people’s choices. Indeed, most of the allied high representatives gloried in the exercise of their power. Wolfgang Petritsch announced that he “did not hesitate” to use his authority “to impose legislation and dismiss officials.”

The Bosnian Serbs have guarded their autonomy most jealously, refusing to integrate their police force with that of the federation. In 2007, the International Crisis Group said that allied policy in Bosnia was “in disar-

ray” and reported a long list of unfinished reforms. The decision by the United States and a majority of the EU to recognize the independence of Kosovo in February 2008 has led to increased Bosnian Serb interest in independence. Serb leader Milorad Dodik has threatened to hold a referendum on the issue, and former high representative Paddy Ashdown warns that “the division of Bosnia that was [war crimes suspect Radovan Karadzic’s] dream is now more likely than at any time since he became a fugitive.”

Indeed, it is hard to see how Bosnia will work as a real country in anything but the very long term, if then. Its people do not view it as a nation; many, if not most, Croats and Serbs feel more loyalty to neighboring nation-states dominated by their own ethnic groups. The lessons Bosnians have learned from the “international community” have not been individual liberty, economic freedom, and political democracy, but top-down, unaccountable, outside rule. Although the allied occupation was able to stop widespread violence and killing, it could not kindle feelings of national comradeship.

Moreover, whatever Bosnia’s future, it is of little relevance to the United States. Exactly why Washington should care, let alone insist, that Bosnia’s Croats and Serbs remain within a country called Bosnia has never been explained. If the Europeans believe this to be an important goal, then let them pursue what amounts to a colonial project. It is not in America’s interest to do so, whether with troops, money, or even diplomacy.

## **Kosovo**

Washington’s decision to intervene in 1999 in one of the smaller of many violent conflicts around the globe—a far more violent insurgency then raged in Turkey, for instance, but the United States actually helped arm Ankara in its brutal campaign against the Kurds—had no logical basis. Allied occupation policy has been similarly flawed.

Once the allies defenestrated Serb security personnel, there was no chance that the majority ethnic Albanians in Kosovo would return to Serbian rule. However, exactly what Kosovo would become and what its geographic boundaries should be were not as obvious: despite brutal “ethnic cleansing” by the victorious ethnic Albanians after the war, Serbs remained in the majority north of the Iber River, centered on the city of Mitrovica. An obvious compromise based on partition was a possibility, but was ruled out by the allies, encouraging the Albanians to be intransigent and demand independence.

Thus, while formal negotiations ensued, they were doomed to fail, since the ethnic Albanians knew they would receive everything they desired by simply saying no to anything Belgrade proposed. After ensuring an impotent negotiating process, the United States and leading EU states declared that independence had become a practical necessity. In February 2008, the United States helped engineer Kosovo's declaration of independence, legally amputating about 15 percent of Serbia's total territory. Serbia rejected the move, and Russia blocked approval by the UN Security Council. All but one political party in Belgrade attacked allied policy: the main issue in the ensuing parliamentary elections was whether to proceed with applying for EU membership while fighting to maintain control over Kosovo. The election yielded a narrow coalition in favor of the former.

U.S. policy maintained an otherworldly quality. American officials seemed genuinely bewildered by the Serbs' opposition to Kosovo's independence. Even as she worked to dismember Serbia, Secretary Condoleezza Rice asserted, "The United States takes this opportunity to reaffirm our friendship with Serbia." Apparently without realizing the absurdity of his remarks, President George W. Bush declared, "the Serbian people can know that they have a friend in America."

Kosovo has demonstrated even less aptitude for becoming an independent state, at least along European standards, than Bosnia. More than 200,000 Serbs, Roma, and others were forced out of the territory immediately after the allied "victory." Four years ago, another round of violence by ethnic Albanian mobs created more Serb casualties and deaths, along with the destruction of Serb homes, churches, and monasteries.

Freedom House gives Kosovo dismal ratings. In 2008, Kosovo earned an overall 5.21 democracy score, with individual ratings of between 4.0 and 5.75 for electoral process, civil society, independent media, governance, judicial independence, and corruption. Many indicators were no better than in 2004, when Kosovo's democracy score was 5.5.

In November 2007, the European Commission released a report on Kosovo that concluded that "some progress was made in consolidating government," but "working tools for an efficient government" still had "to be enhanced and fully applied." Unsurprisingly, given the level of criminal activity by former guerrillas, the commission reported that "corruption is still widespread and remains a major problem." Indeed, warned the commission: "Overall, little progress has been made in the promotion and enforcement of human rights. The [international] administration is not able to ensure the full implementation of human rights standards."

Since its independence declaration, Kosovo has amassed 47 recognitions, about the same meager number of states that recognize Western Sahara's independence from Morocco. Although Kosovo has more heavyweights, led by the United States and leading European states, in its corner, UN acceptance is impossible without Chinese and Russian approval, and even the role of the EU will remain controversial so long as seven members oppose independence. Indeed, the EU could be embarrassed by an adverse ruling by a recent International Court of Justice case filed by Serbia.

The EU is now seeking to take over policing duties in Kosovo from the UN, but its effort is opposed by Serbia and Russia. So long as Serbs in Kosovo's north resist integration with the ethnic Albanian administration based in Pristina, Kosovo will remain a fragile, incomplete state, only one demonstration away from renewed violence. And unless the allies are willing to forcibly suppress independent Serbian assemblies in Mitrovica—or back their forcible suppression by Albanians—partition will occur de facto if not de jure. Of course, no Western government would like the symbolism of using its military to suppress the self-determination of Serbs and force them to submit to a state from which most of their ethnic brethren were violently driven.

Washington should end the U.S. military mission and suspend its ill-considered recognition of Kosovo's independence. The U.S. government should then propose resumption of negotiations—without a preset outcome this time, however. The parties might still resist territorial compromise, but both would benefit from a formal, agreed-upon separation. For instance, partition at the Iber River would leave both sides dissatisfied but better off. Kosovo would win widespread acceptance and a seat in the United Nations. Serbia would preserve some of its territory in northern Kosovo. Washington should not insist on this outcome but should foster negotiations in which this outcome is possible.

## **Serbia**

Politics in this remnant of the former Yugoslavia remain roiled by the Kosovo controversy. Helping to resolve that issue would be the finest service that Washington could perform to encourage a more liberal political environment in Belgrade. In the future, the United States should forswear open intervention in Serbian politics through government-funded institutes and other nongovernmental organizations. The United States should also reduce trade barriers to Serbian commerce, to encourage greater economic

liberalization. Moreover, although EU membership is a decision for Serbia and the Europeans, Washington should offer its full blessings to the process.

## **Macedonia**

This former Yugoslav republic suffered through its own ethnic Albanian insurgency, although greater integration of that ethnic minority, which makes up about one-quarter of the population, has at least temporarily ended most of the violence. However, serious political problems persist. Parliamentary elections in June 2008 led to a large majority by the governing coalition, which emphasized nationalism in its ongoing esoteric dispute with Greece over the name Macedonia. The contest was marred by violence and irregularities, cited by the Organization for Security and Cooperation in Europe. This electoral controversy provides a reminder that the insurgency might be in remission, but is not necessarily cured. And if Kosovo eventually succeeds as an independent state, it might create an even greater draw for ethnic Albanians, who remain spread throughout the region, including in Macedonia, the remainder of Serbia, Montenegro, Greece, and, of course, Albania itself.

Skopje remains locked in a bitter disagreement with Greece over its use of the name Macedonia. Treated as a frivolous objection by outsiders, the issue is viewed seriously in Athens and has been used to block Macedonia's membership in NATO. While the United States should encourage the two neighbors to settle the name issue, it should not further expand NATO into the Balkans, whether to Macedonia; Croatia and Albania, which have begun accession talks; Bosnia, which has initiated an Individual Partnership Action Plan; or Montenegro or Serbia, viewed as longer-term prospects. The region is not a security concern for America, and all these states would be security black holes, adding no notable military assets while bringing along a host of potential disputes and ancient hatreds. If the EU wishes to attempt to pacify the Balkans, it is welcome to do so, since it has more interests at stake.

## **Future U.S. Policy**

Washington's insistence on intervening so deeply in a region that is not even of peripheral security interest to America never made sense. The violent breakup of Yugoslavia was tragic because of the violence, not because of the breakup. The United States should have stayed out. If anyone had an interest in attempting to manage Yugoslavia's dissolution,

it was the EU, and if the Europeans didn't believe that objective to be worth military intervention, it certainly did not warrant American support.

Although it is always easier to get into than to get out of a geopolitical tar pit, Washington should take advantage of the region's relative peace today to extricate itself from the region—particularly by bringing home its remaining troops and cutting off aid funds. That doesn't mean the absence of any American involvement: the United States should reduce trade barriers to the Balkan states, conduct necessary intelligence operations in an area where terrorists may operate, and retain the option to strike militarily if necessary to destroy or disable terrorist organizations threatening American people or interests.

However, Washington should make clear to the Europeans that the Balkans are the first arena in which the EU nations need to take over responsibility for their own defense and the security of the continent. In return, the United States should promise not to hector or second-guess the Europeans. The Balkans have never been anything more than a peripheral interest for America. The United States no longer can afford—militarily, economically, or diplomatically—to make frivolous interests such as those in the Balkans a major feature of its foreign policy.

### Suggested Readings

- Bandow, Doug. *Foreign Follies*. Washington: Xulon Press, 2006, Chapter 6.
- Carpenter, Ted Galen, ed. *NATO's Empty Victory: A Postmortem on the Balkan War*. Washington: Cato Institute, 2002.
- . "A New Era of Turbulence in the Balkans?" *Mediterranean Quarterly* 19, no. 3 (Summer 2008).
- Chandler, David. *Bosnia: Faking Democracy after Dayton*. 2nd ed. London: Pluto Press, 2000.
- Deliso, Christopher. *The Coming Balkan Caliphate: The Threat of Radical Islam to Europe and the West*. Westport, CT: Praeger, 2007.
- 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, CT: Yale University Press, 2000.
- Layne, Christopher, and Benjamin Schwarz. "Dubious Anniversary: Kosovo One Year Later." Cato Institute Policy Analysis no. 373, June 10, 2000.

—Prepared by Doug Bandow

