The Balkans have traditionally been characterized by political instability and turmoil. In the 19th century, the region was the object of Great Power rivalry and resurgent nationalism, as Britain, Russia and Austria-Hungary sought to exploit the political vacuum caused by the disintegration of the Ottoman Empire to expand their influence in the region. This rivalry exacerbated local tensions and directly contributed to the outbreak of World War I.

In the post–Cold War period, the Balkans have again emerged as a source of instability and concern. The disintegration of Yugoslavia and the collapse of communism in southeastern Europe have led to an upsurge of political instability and conflict throughout the region. As in the 19th century, Balkan conflicts have not remained localized but have quickly escalated and dragged in outside actors. Bosnia and Kosovo have both demonstrated the degree to which such conflicts have broader implications for European security.

Indeed, creating a stable security order in the Balkans is likely to remain a major challenge for Western governments in the coming decades. There have been a number of positive developments since the end of the conflict in Kosovo—most notably the change of regimes in Croatia and Serbia. But as the ethnic violence in Macedonia in the spring and summer of 2001 underscores, the potential for upheaval and disorder in the Balkans remains strong. Moreover, a number of structural problems—economic underdevelopment,
weak civil societies, aggrieved minorities, corruption, growing criminalization, and a lack of strong democratic institutions—continue to pose serious threats to political stability in the region.

Of all the countries in the European Union, Greece has perhaps the greatest stake in Balkan stability. Increased turbulence in the Balkans could unleash a new wave of refugees, exacerbating the already serious economic and social problems that the economic and political upheaval in the Balkans over the last decade have created. Trade vital to Greece’s economic growth could also be disrupted. Finally, the promising improvement in Greek-Turkish relations since mid-1999 could be jeopardized. Thus, how the Balkans evolve over the next decade will have important implications for Greek security.

This chapter examines the security environment in the Balkans since the end of the Kosovo conflict and the implications for Greece. The initial section focuses on key security challenges in the region, particularly those that developments in Serbia, Kosovo, and FYROM pose. The second section examines the interests and policies of major outside actors: the United States, EU, NATO, Russia, and Turkey. The final section focuses on the implications of these trends for Greek policy.

SERBIA AFTER MILOSEVIC

Serbia’s political evolution will be critical for Greece and for future stability in the Balkans. As long as Slobodan Milosevic was in power, there was no chance of integrating Serbia into the broader mainstream of Western policy initiatives and developing a comprehensive policy toward the region. Milosevic’s defeat in the September 24, 2000, presidential elections, however, radically changed the dynamics of Serbian—and Balkan—politics, opening up new prospects for the democratization of Serbia and its reintegration into European institutions.

Greece has a strong stake in the democratization process in Serbia. A stable democratic Serbia would make it much easier to develop a coherent regional Western policy toward the Balkans and to integrate the Balkans—and Serbia—into a broader European framework. With its historically strong ties to Serbia, Greece is well placed to play an important role in promoting this integration process.
Serbia’s transition, however, is likely to be long and difficult. After 10 years of war and economic deprivation, the Serbian economy is in ruins. Serbia’s gross domestic product (GDP) is half what it was in 1989; industrial production is one-third what it was in 1989; unemployment is over 30 percent; the foreign debt is larger than the GDP; and black marketing and corruption are rampant. Milosevic’s cronies still control many key industries and economic organizations. Thus, getting Serbia back on its feet economically will be a formidable challenge.

Moreover, the current Serbian leadership is hardly monolithic. The Democratic Opposition of Serbia (DOS) is composed of 18 different parties and forces. It showed a rare degree of unity in the weeks leading up to the September 24, 2000, elections. But this unity is likely to erode with time, making the implementation of a coherent and effective reform program difficult.

Eventually, the DOS is likely to split into two or three factions. Such splits have characterized other such umbrella groups in Central and Eastern Europe once they have taken power. Solidarity in Poland, the Civic Forum in Czechoslovakia, the Hungarian Forum in Hungary, and the SDS in Bulgaria all quickly split into various factions and parties once the initial goal of overthrowing communist rule had been achieved. The DOS seems likely to follow the same pattern.

Internal divisions within the ruling coalition have already begun to manifest themselves. President Kostunica has adopted a slow and deliberate approach to change. By contrast, Serbian Prime Minister Zoran Djindjic, the leader of the Democratic Party (the largest party in the ruling coalition), has pushed for more rapid and visible change, especially a far-reaching purge of the secret police and the army. Djindjic also took a more flexible attitude toward sending Milosevic to The Hague to stand trial.

These divisions within the ruling coalition could weaken the government’s effectiveness and ability to develop a coherent program of economic and political reform. Failure to implement such a reform program could erode domestic (and Western) support for the new government. If economic progress is not rapid, the government could face a domestic backlash like those in Bulgaria after the United Democratic Forces took power in October 1991 and in Romania after
the victory of the democratic opposition in the November 1996 elections.

Western assistance will be critical to stabilizing the new democratic government in Belgrade. Without such assistance, social discontent may grow and the government could seriously weaken, even collapse. The arrest and extradition of Milosevic to The Hague should improve the prospects for Western aid, including from the United States. But Washington and many other European governments are likely to insist that other indicted officials eventually be extradited to The Hague to stand trial as well.

The new government will also need to gain control over the army and police, both of which largely remain in the hands of Milosevic supporters. The top leadership of both institutions will need to be purged and brought under firm civilian control. This issue has been a source of tension within the ruling coalition. The police are likely to present a special challenge because they are highly criminalized. A large-scale purge of the police could lead to a rise in organized crime, with many of those purged finding employment with Mafia-like groups. The army, by contrast, is more professional. While the top officers are Milosevic loyalists, many of the junior officers support the DOS. Thus, obtaining the army’s loyalty is likely to be easier than ensuring that of the police.

Several other internal challenges compound these problems. The most pressing is the need to regulate relations with Montenegro. Since the late 1990s, Montenegro has increasingly distanced itself from Serbia and carved out a strong degree of political and economic autonomy. Indeed, Montenegro today enjoys de facto independence. The only effective federal institution still operating in Montenegro is the Yugoslav Army.

Since Milosevic’s ouster, pressures for independence have increased, particularly within Djukanovic’s own party (see International Crisis Group [ICG], 2000c). Many Western officials initially assumed that these pressures would abate with Milosevic’s departure, but this has not happened. Instead, the drive for independence has acquired new momentum.2 Although Djukanovic and his proindependence

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2A poll published in the Montenegrin daily Vijesti on October 30, 2000, showed that a majority of respondents would favor independence if a referendum were held,
block did not receive the hoped-for two-thirds majority needed to change the constitution in the April 2001 parliamentary elections, the proindependence forces gained 44 out of 76 seats in the Montenegrin parliament—enough for a simple majority. The election results may slow the movement toward independence somewhat in the short term, but the long-term prospects for the survival of the Yugoslav Federation remain dim.

Developments in Montenegro, moreover, could have a strong influence on the situation in other parts of Serbia, especially Voivodina. Under Tito, Voivodina and Kosovo enjoyed the status of autonomous provinces. However, Milosevic stripped Voivodina and Kosovo of their autonomy in 1989. Unlike Kosovo, Voivodina does not face strong separatist pressures. However, pressures for greater autonomy and regionalization have begun to grow (Neue Zürcher Zeitung, 2000). If Kosovo and/or Montenegro leave the Yugoslav Federation, pressures for greater autonomy could increase in Voivodina and Sandzak.

Western policy remains opposed to the breakup of the Yugoslav Federation. Neither the United States nor the EU wants to see more ministates in the Balkans. But the effort to keep the Federal Republic of Yugoslavia together may prove as illusionary as the West’s attempt to preserve the Yugoslav Federation in 1990–1991. As in Yugoslavia at the time, the disintegrative trends in the current Yugoslav Federation have gone too far to be easily reversed. Thus, the West may eventually have to accept that Humpty-Dumpty cannot be put back together again.

Montenegro’s independence today, however, would not present the same type of danger that it would have when Milosevic was in power. At that time, a Montenegrin declaration of independence could have led to a military coup and possible civil war. However, with Milosevic gone, the danger of military intervention has significantly receded. Both President Kostunica and Prime Minister Djindjic prefer to keep the Yugoslav Federation together but have made clear that, if Montenegro wants independence, they will not stand in its way. Thus, if Montenegro does decide to leave the Federal Republic

of Yugoslavia, the breakup is more likely to resemble the “velvet divorce” between the Czech Republic and Slovakia in 1993 than to be accompanied by large-scale civil strife, as might have been the case when Milosevic was in power.

The main impact would be on Kosovo. Montenegro’s departure could give new impetus to calls for Kosovo’s independence and could make keeping Kosovo as an integral part of Serbia more difficult. It would also have repercussions for Serbian domestic politics. Kostunica would, in effect, become the president of a nonexistent country and would then probably run for president of Serbia.

The final challenge is a deeper political and social challenge—and, for that reason, all the more difficult. As in Germany after World War II, there will need to be a process of *Vergangenheitsbewältigung* (overcoming the past), in which Serbs seek to come to terms with their role in facilitating Milosevic’s rise to power and his disastrous nationalist policies. After all, Milosevic did not create Serbian nationalism but exploited it for his own political purposes. Serbian nationalism has deep roots in Serbian society and Serbian political life, and the willingness of many Serbs to support Milosevic’s nationalist agenda is closely connected to the Yugoslav crisis.3

The process of *Vergangenheitsbewältigung* cannot happen overnight. It will take time, and Western statesmen should show a degree of patience and understanding for the difficulties the new government in Belgrade faces. But such a process is essential for the development of democracy in Serbia and Serbia’s reintegration into European democratic institutions. Without it, the democratization process in Serbia will be short-circuited and incomplete.4

Given its geographic proximity and close historical ties to Serbia, Greece is particularly well suited to facilitating Serbia’s democratic transition and reintegration into Europe. Greek investment could play an important role in helping revitalize the Serbian economy.

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3For detailed discussion, see Pesic (1996).

4Both Kostunica and Djindjic have spoken of the possible establishment of a “Truth Commission,” which would examine Milosevic’s crimes and their origins. Such a commission could form the basis for a more far-reaching examination of the forces that led to his rise to power and his ability to maintain it.
Greece’s successful transition from authoritarian to democratic rule after 1974 may also provide some useful lessons for Serbia’s own transition.

THE KOSOVO PROBLEM

Kosovo’s future poses a second major challenge for the West—and for Greece. A stable, democratic Kosovo is a precondition for stability in the Balkans and for Greek security. Unrest in Kosovo could undermine the prospects for democratization in Serbia and possibly destabilize FYROM. Both developments, especially the latter, would have a serious impact on Greek security.

Despite some progress toward restoring political order since the end of the air campaign, the situation in Kosovo remains worrisome. Local political institutions are weak; the economy is in shambles; lawlessness and an atmosphere of fear and intimidation persist in many places; freedom of movement and interaction between the Serbian and Albanian communities are virtually nonexistent; and public order has not been restored in many areas, despite the presence of NATO troops. Most importantly, Kosovo’s political status remains unclear.

Restoring political order in Kosovo will not be easy. The political scene in Kosovo remains highly fractured. Most Albanian parties tend to be collections of individuals grouped around a prominent leader. All support Kosovo’s independence, but few have clearly identifiable platforms or articulate clear solutions to Kosovo’s economic and social problems. Many of the parties are regionally based and are dominated by particular clans and powerful regional families.

The Democratic League of Kosovo (LDK), led by Ibrahim Rugova, is the largest and best organized party. Rugova’s image was badly tarnished by his much-publicized meeting with Milosevic during the Kosovo conflict and his failure to return to Kosovo immediately following the end of the air campaign. However, the LDK has managed to regain some of the support which it initially lost from 1997 through 1999. It did well in the local elections in October 2000, winning 58 percent of the votes and 21 out of 27 contested municipali-
ties. If a national election were held in Kosovo today, the LDK would probably win.5

The Kosovo Liberation Army (KLA) has been weakened by internal splits since it formally disbanded in September 1999. The PDK is strong in the Drenica area but does not enjoy widespread national support. Its relatively modest showing in the October 2000 municipal elections—it came in second, with 27 percent of the vote—was a clear blow to Thaci’s political fortunes. Many Kosovars appear to have held the KLA responsible for the violence and disorder that occurred after the end of the air campaign, a fact that damaged Thaci’s electoral appeal.

Thaci’s claim to the KLA heritage has been challenged, moreover, by Ramush Haradinaj, a former KLA commander with an exemplary military record. Haradinaj resigned from the Kosovo Protection Force and founded his own party, the Alliance for the Future of Kosovo, a coalition of citizens and small parties. The alliance came in third in the local elections, with 7 percent of the vote.

The October 2000 municipal elections were encouraging in several respects. First, they were generally considered fair and took place without major violence. Second, they led to an overwhelming victory for the moderates centered around Rugova. Third, they provided an opportunity for the Kosovar Albanians to begin to take charge of their own affairs. Following the municipal elections relatively soon with national elections should help to defuse some of the dissatisfaction that has been building up among Kosovar Albanians regarding the international community’s slowness in setting up interim democratic structures. The more Kosovar Albanians can begin to take responsibility for their own affairs, the greater the chances of stability in Kosovo over the long run.

At the same time, the international community needs to develop a coherent long-term policy regarding Kosovo’s future. The current Western policy—support for autonomy within a Federal

5A KFOR poll conducted in Kosovo in April 2000 found that 47.6 percent of those polled favored Rugova’s LDK, and only 12 to 14 percent supported the Democratic Party of Kosovo (PDK), led by Hashim Thaci, the former KLA leader. Other polls conducted by the newspapers Zëri and Kosovo Sot in June 2000 also show the LDK leading the PDK, although not by as wide a margin. See ICG (2000a), p. 21.
Yugoslav—is likely to prove untenable over the long run. It has no support among any of the key actors in Kosovo—including moderates like Rugova—and is not likely to be acceptable to the Kosovar Albanians even if a more democratic regime in Serbia emerges. As a recent ICG report noted,

Kosovo Albanians have not the slightest interest in “substantial autonomy” as an end point in their relationship with Serbia. They are convinced that the international community has an obligation—some claim to believe that they have been promised this—to transform what they consider the de facto independence they now enjoy from Serbia into de jure independence within a few years. Should Kosovo Albanians conclude that this is impossible, their attitude toward the international mission in Kosovo would shift fundamentally. (ICG 2000b, p. 10.)

Paradoxically, Milosevic’s ouster has had an unsettling effect in Kosovo. As long as Milosevic was in power, Kosovar Albanians could count on certain sympathy from the West. The election of a democratic government in Belgrade, however, has made it more difficult to demonize Serbia and has weakened the prospects for Kosovo’s independence. As the realization sets in that independence is not around the corner, younger Albanians may become impatient and disillusioned with the international community. This could erode support for the moderates around Rugova and strengthen the hand of the hard-line nationalists.

Thus, the international community needs to begin to develop a clearer roadmap regarding Kosovo’s final status. Without a clearer perspective on its political status, the influence of the hard-liners within the Albanian community is likely to grow. Many Kosovar Albanians could begin to regard the international community, rather than the Serbs, as the main obstacle to self-determination. This could lead to renewed violence, even reprisals, against NATO and the UN. Indeed, the West could be faced with the emergence of a “Palestinian problem” in the heart of Europe.

Most Western states, Greece included, oppose a change of borders and favor Kosovo remaining an autonomous part of the Federal Republic of Yugoslavia. However, this given that this solution is unacceptable to the majority of Albanian Kosovars, all of whom support independence as an end goal. Thus, in the long run, indepen-
dence for Kosovo may be difficult to prevent. But how and when independence occurs is important. Independence before Kosovo has developed functioning democratic institutions and while the Balkans remain plagued by ethnic strife could be highly destabilizing. However, independence will be less disruptive and dangerous if it is the final stage of an extended transition process and if it occurs after the Balkans have been integrated into a broader European economic and political space.

One possibility would be to put Kosovo under UN trusteeship for a specific period while the mechanics of Kosovo’s final political status were worked out. This could be modeled on the process used for some colonies after World War II. Under this plan, the Kosovars would exercise self-rule, with the possibility of self-determination after a specific period—say 10 to 15 years—as democratic institutions were consolidated. During the transition period, the UN would exercise overall administrative responsibility but the Yugoslav Federation would officially retain sovereignty.

At the end of the transition period, Kosovo would have the option of self-determination or staying within the Yugoslav Federation (or as a part of Serbia if the federation collapses). Full independence would be made contingent on

- the establishment of effective, truly democratic political institutions
- respect for minority rights, especially the rights of the Serbian community
- respect for the territorial integrity of its neighbors, above all, FYROM
- complete freedom of movement for the Serbian community in Kosovo and Serbia to visit Serbian churches and other important Serbian cultural sites.

Such a solution would have a number of advantages: First, it would postpone the final status issue and allow time for democratic institutions in Kosovo to take firm root. Second, it would allow time for

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6 I am indebted to Evangelos Kofos of the Hellenic Foundation for European and Foreign Policy (ELIAMEP) for this suggestion.
consolidating democracy in Serbia without overburdening the political agenda in the initial phases of this process. Third, it would allow an orderly transition under international supervision. Fourth, it would make independence contingent on the fulfillment of specific conditions, especially respect for the borders of its neighbors. Finally, it would provide time for the international community to stabilize the rest of the region.

Admittedly, such a solution would not be without risks or pain. It would require Serbia to give up sovereignty over an area that has been regarded as an integral part of Serbia since the Middle Ages. Against this, however, must be weighed the political, economic, and social costs of trying to maintain control over Kosovo. Over the long run, trying to hold on to Kosovo is likely to suck Serbia into a quagmire of endless violence and repression that will create major obstacles for Serbia’s internal democratization and its integration into Europe.

In the end, as France was forced to recognize in the case of Algeria, the political and social costs of trying to maintain control over Kosovo may simply outweigh the costs of letting the region go, painful as such a course may be. Indeed, the choice for Serbia may ultimately be between maintaining Kosovo as an integral part of Serbia or joining the European mainstream. But unlike General de Gaulle, no Serbian leader seems willing to face this reality—or to display the political courage to act on it.7

KOSOVO AND THE ALBANIAN NATIONAL QUESTION

One of the arguments often cited against Kosovo independence is that an independent Kosovo could spark pressures to create a “Greater Albania.” However, there are strong reasons to believe that this would not necessarily be the case (see Troebst, 2000, and Schmidt, 2000). Historically, the Albanians have not lived in a unified state (except during a brief period from 1941 to 1944, under Italian occupation). During the Ottoman period, they were concen-

7 Kostunica has often cited the general as one of his heroes but seems to have missed the parallels between the choice he faces in Kosovo and de Gaulle’s historic decision to give up Algeria.
trated in four separate administrative units (*vilayets*): Shkoder, Kosovo, Jannina, and Monastir, in what are today Albania, Kosovo, northern Greece, and FYROM, respectively.

Moreover, there are important tribal, regional, and cultural differences between the various Albanian communities. Most in the southern part of Albania are Tosks, while most in the more mountainous north are Gegs. Most Kosovar Albanians are Gegs. Thus, unification would upset the political balance of power in Albania in favor of the Gegs.

These tribal differences are compounded by deep political divisions. The northern parts of Albania are the stronghold of the Democratic Party, led by former President Sali Berisha. The south, by contrast, is dominated by the Socialist Party, which is the ruling party in the current government in Tirana. The south is also religiously more diverse—there are large Orthodox and Catholic populations—while the north is largely Muslim.

During the communist period, there was very little communication or exchange between the Albanians in Albania and the Albanians in Yugoslavia. This tended to accentuate regional and cultural differences within the Albanian community. Economically, the Albanians in Yugoslavia were much better off than the Albanians in Albania. Culturally, the two communities had evolved along quite different trajectories. Hence, when the restrictions on travel between Kosovo and Albania were lifted in the 1980s, many Kosovar Albanians found they had very little in common with their much poorer cousins in Albania.

Even within Yugoslavia itself, there were important differences between the Albanian communities. While the Albanians in Kosovo gradually expanded their rights in the 1970s and 1980s, the Albanians in Macedonia faced increasing restrictions on their political and cultural rights. Indeed, the Albanians in Macedonia would have been happy to have had the same rights that their brethren in Kosovo enjoyed. Moreover, neither the Albanians in Kosovo nor the Albanians in Macedonia showed a serious interest in uniting with Albania. The Albanians in Kosovo wanted Kosovo to become a republic within

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8For a detailed discussion, see Clément (1998).
a federal Yugoslavia while the Albanians in Macedonia demanded greater political and cultural rights (see Schmidt, 2000, p. 378).

Important religious differences reinforce these cultural differences among the various Albanian communities. Islamic practices are much stronger and more deeply rooted among the Albanians in Macedonia than among Albanians in Albania and Kosovo.9 In Albania, 30 percent of the population is non-Muslim—either Catholic or Orthodox (compared to 5 percent in Kosovo). Catholics and Orthodox adherents in Albania fear that the unification of the Albanian lands would lead to an increasing “Muslimization” of the country (Clément, 1998, p. 377).10

These cultural, tribal, and religious differences work against the creation of a Greater Albania. To be sure, Albanians in Albania maintain a strong interest in the fate of their kinsmen in the former Yugoslavia, especially Kosovo, but the main emphasis of successive Albanian governments since 1994 has been on internal reform and joining Europe, not the creation of a Greater Albania. Even the Berisha government—which was far more nationalistic than the current government in Tirana—did not openly promote secession of the Albanians in the former Yugoslavia or call for the creation of a greater Albanian state.

In the last several years, in fact, the Albanian government has increasingly played a stabilizing role in the Balkans. It has explicitly rejected the idea of a Greater Albania and has emphasized instead the need to make borders more open and porous. During the Macedonian crisis in spring 2001, the government went out of its way to appeal for moderation and asked NATO to patrol Albania’s borders to prevent its territory from being used for attacks on Macedonia by the insurgent National Liberation Army (see Judah, 2001, p. 16).

Moreover, the relationship between Albania and Kosovo is complicated by personal rivalries and deep-seated animosities between key leaders in both entities. During the early 1990s, ties between Rugova and Albanian President Sali Berisha were quite close. Rugova’s rela-

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9 On the role of Islam in Kosovo, see ICG (2001a).
10 For detailed discussions of the role of Islam in Albanian society see Lederer (1994) and Trix (1995).
tions with Tirana cooled, however, after the Socialist Party under Fatos Nano returned to power and remained frosty under Nano’s successors.¹¹

The end of the Kosovo conflict and the return of the Kosovar politicians, including Rugova, to Pristina has further reduced Tirana’s influence on Kosovo politics. With their return, the center of gravity of Kosovo politics has once again returned to Pristina. At the same time, the internal balance of power within Kosovo has gradually begun to shift back toward Rugova—at least for the moment—which is bound to further complicate relations between Tirana and Pristina.

In short, the real danger is not the creation of a Greater Albania, but the reradicalization of the Kosovar Albanian population and the growth of extremism in Kosovo because of the suppression of Albanian aspirations for self-determination. The longer the international community fails to deal with these aspirations and the issue of Kosovo’s political status, the greater the danger that the Kosovar Albanian population will become radicalized and that extremists in Kosovo will seek to achieve their goals by violent means.

MACEDONIA: THE CRITICAL LINCHPIN

The growing ethnic tensions between the Slav majority and the Albanian community in FYROM pose the most immediate threat to Balkan stability—and Greek security. Significant instability and unrest in FYROM could result in a massive influx of refugees into Greece and, in extremis, could even spark territorial claims on FYROM, reopening the age-old “Macedonian Question.” It could also make resolving the Kosovo problem more difficult and could seriously complicate Greece’s relations with Albania. Thus, Greece clearly has a strong strategic interest in the maintenance of a politically stable, democratic FYROM.

Ethnic Albanians constitute the largest non-Slavic ethnic group in FYROM. According to the 1994 census—which was monitored by the

¹¹ During the Kosovo conflict, Rugova refused to visit Albania and never thanked Albania for giving shelter to thousands of Kosovars driven out of Kosovo by Milosevic’s ethnic cleansing. In response, the government in Tirana recognized Thaci’s provisional government, established after the Rambouillet conference. See Lani (1999).
Conference on Security and Cooperation in Europe—they constitute 22.9 percent of FYROM’s population. Most observers, however, put the figure closer to 30 to 35 percent.\textsuperscript{12} In the 1970s and 1980s, the Albanian community in Macedonia was subject to sharp discrimination.\textsuperscript{13} Albanians in Macedonia were considerably worse off than Albanians in Kosovo. The Macedonian authorities, however, were reluctant to address the grievances of the Albanian community, fearing that any significant liberalization or move toward autonomy would inexorably lead to secession.

Since FYROM’s independence (1991), relations between the Slav majority and the Albanian community have remained strained. Unlike the Kosovar Albanians, however, the Albanians in FYROM have not opted for secession but rather have sought to achieve their goals by reform from within. Their main demands have focused on increasing their representation in state institutions, changing their constitutional status to that of a constituent nation rather than a minority, establishing an Albanian University in Tetovo, and achieving recognition of Albanian as an official language.

While the Macedonian authorities have made some effort to address Albanian grievances—most recently, by accepting the establishment of the Albanian university—considerable mistrust and mutual suspicion continue to characterize interethnic relations. Many in the Slav population fear that the development of “parallel structures,” such as a separate Albanian university, may generate secessionist pressures for the western part of the country (where much of the Albanian population is concentrated) to join Kosovo. These fears are reinforced by the fact that many of the Albanian university’s teaching staff were educated at the University of Pristina in Kosovo.

The Albanian political scene in FYROM, however, has undergone an important shift in the last several years. The Party for Democratic

\textsuperscript{12}The 1994 census counted only individuals who were Macedonian citizens at the time of the census. FYROM adopted a very restrictive citizenship law in 1992, which effectively excluded about 100,000 Albanians living in FYROM from the census. Moreover, in recent years, quite a few Albanians from Kosovo have emigrated from FYROM. Some 14,000 Kosovar refugees also remained after Milosevic’s ethnic cleansing in 1999. At the same time, a large number of ethnic Slavs have emigrated from FYROM in recent years.

\textsuperscript{13}For a detailed discussion, see Clément (1998), pp. 365–372.
Prosperity (PDP), which participated in the government in the early and mid 1990s, has been marred by internal strife and has steadily lost support, while the Democratic Party of Albanians (DPA), headed by Arben Xhaferi, has gained influence. Originally the more radical of the two Albanian parties, the DPA has softened its position in the last few years. After the 1998 parliamentary elections, it joined the government as part of the ruling coalition with the Internal Macedonian Revolutionary Organization–Democratic Party for Macedonian National Unity (VRMO-DPMNE) and Democratic Alternative.

However, Xhaferi’s more moderate stance has cost him support within the Albanian community, led to the emergence of several small nationalist parties, and driven the PDP in a more radical, leftist direction. Within the DPA, Xhaferi faces a growing challenge from Ruli Osmani, the former mayor of Gostivar. Osmani’s popularity has been growing among ethnic Albanians who believe that Xhaferi has been coopted and has betrayed their cause. Moreover, Xhaferi’s deteriorating health has raised questions of how long he will be able to maintain effective control and leadership of the DPA. His departure could lead to a growing radicalization of politics within the Albanian community in FYROM.

The outbreak of ethnic violence in Macedonia in March 2001 has also weakened Xhaferi’s position, as has the formation of a new ethnic Albanian party, the National Democratic Party (NDP). While the leaders of the NDP deny any link to the KLA, the party is clearly designed to exploit the growing dissatisfaction with the current Albanian leadership of the two main Albanian parties, the PDP and the DPA. The NDP supports a federal solution to Macedonia’s ethnic problems—a move that most members of the Slavic majority reject.

Macedonia’s future—and stability in the Balkans more generally—will depend to a critical extent on the degree to which the Slav majority addresses the concerns of the Albanian community and gives them a stake in FYROM’s political and economic life. Unless the Albanian community feels a stronger sense of “ownership” in the new Macedonian state, secessionist pressures are likely to grow.

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14Osmani was arrested in July 1997 and sentenced to 13 years in jail for ordering the Albanian flag to be flown from public buildings during public holidays. He was later released as part of an amnesty in February 1999.
Moreover, the Albanian population’s high birthrate argues for addressing these problems now, while the Slav population is still in the majority, rather than waiting until the Albanian community has increased its numerical and political strength.

At the same time, developments in Kosovo will significantly influence FYROM’s stability. Unrest in Kosovo could spill over into FYROM, aggravating ethnic tensions between the Slav majority and the Albanian community. Indeed, as the ethnic violence in Macedonia in the spring and summer of 2001 underscores, there is a close connection between developments in Kosovo and Macedonia’s internal stability. Many of the Macedonian insurgents were former KLA fighters and received logistic support from Kosovo. Moreover, two of the principal founders of the National Liberation Army in Macedonia, Ali Ahmeti and Amrush Xhemajli, were founding members of the KLA in Kosovo (see ICG, 2001b, p. 8). Thus, it will be difficult to stabilize Macedonia without also achieving a satisfactory resolution to the broader problem of Albanian aspirations in Kosovo.

THE WIDER BALKAN STAGE

Developments on the Balkan periphery will have a significant influence on prospects for stability in the Balkans. Stabilization of the periphery could help to build a firewall against the spread of instability from the Balkans westward. Conversely, instability on the periphery could make it harder to stabilize the region as a whole.

Of all the states in the region, Slovenia has made the most progress. Since achieving independence in 1991, Slovenia has moved rapidly to establish a viable market economy and a stable democratic political system. It is likely to be included in the next round of EU enlargement and is also a prime candidate to be invited to join NATO in the next round of enlargement. Thus, Slovenia is well on its way to being integrated into the most important Western political, economic, and security institutions.

Croatia’s transition, by contrast, has been much slower, largely because of the policies of Croatia’s former president Franjo Tudjman, which retarded reform and impeded Croatia’s efforts to forge close ties to Europe. However, Croatia’s prospects have improved since Tudjman’s death at the end of 1999. The new Croat-
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ian government has embarked on a course of major economic reform and reversed many of Tudjman’s policies, especially regarding implementation of the Dayton Agreement. However, the government’s austerity measures have caused widespread discontent, which could weaken support for reform and slow Croatia’s integration effort.

Bulgaria’s transition has been bumpy. The socialist government of Prime Minister Jan Videnov brought the country to the brink of bankruptcy in 1995–1996. Bulgaria’s economic and political performance has improved significantly since 1997. However, Bulgaria still has a long way to go, both economically and politically. Bulgaria is not among the countries with which the EU intends to open accession negotiations, and its chances of joining the EU in the next decade are slim. Its chances of being included in the next round of NATO enlargement are also small. Hence, Bulgaria could be faced with a “double whammy”: inclusion in neither the EU nor NATO in the near future. This could result in a political backlash that could seriously undercut support for the reformist forces in Bulgaria.

Romania’s transition has been the slowest and most uneven, in large part because of the devastating legacy of Nicolae Ceaucescu’s rule. The democratic opposition’s November 1996 victory inspired hope that Romania would finally embark upon a course of comprehensive economic and political reform. However, reform has stagnated in the last several years, undercutting Romania’s chances for both EU and NATO membership. Indeed, unless Romania makes more vigorous efforts to implement a program of comprehensive economic reform, it could fall further behind the other states on the Balkan periphery.

In short, the prospects for stability on the Balkan periphery remain uncertain. With the exception of Slovenia, none of the countries on the periphery has strong chances of gaining admission to the EU and NATO in the near future. Moreover, there is a danger that Bulgaria and Romania could be neglected as Western governments rush to buttress the new government in Belgrade and shore up FYROM in the aftermath of the ethnic violence there. This could cause a backlash in both countries and could impede efforts toward reform.
It is important that Bulgaria and Romania remain firmly committed to reform and preserve their Western orientation. As a member of both the EU and NATO, Greece is in a good position to help in this regard. Close economic political and security ties between Greece and these two countries can help to ensure that they remain firmly tied to the West and can also give them a greater incentive for reform.

WASHINGTON’S UNCERTAIN TRUMPET

The prospects for stability in the Balkans will be heavily influenced by the role that the United States decides to play in the Balkans in the future and the degree to which it remains politically, economically, and militarily engaged there. U.S. intervention was critical in Bosnia. Without it, there would have been no Dayton Accord. The United States also played an indispensable political and military role in ending the ethnic cleansing in Kosovo.

However, active U.S. engagement in the Balkans cannot automatically be taken for granted. American involvement in the region was largely a product of the Cold War and the geostrategic rivalry with the Soviet Union. In the early postwar period, the United States provided assistance to Greece and Turkey—and later Yugoslavia—to prevent the spread of Soviet control and influence in the region. The United States also gave important political support to Romania’s attempt to pursue a more autonomous policy after 1964.

However, after the collapse of the Soviet Union, U.S. interest in the region diminished. The George H.W. Bush administration initially saw the disintegration of Yugoslavia and the ensuing crisis in Bosnia largely as a European problem.15 As Secretary of State James Baker put it at the time, “We don’t have a dog in that fight.” Only when the Europeans and the UN proved incapable of handling the issue did the United States step up its engagement.

The Clinton administration was also initially hesitant to become deeply involved in the Balkans, becoming strongly engaged in Bosnia only in fall 1995, when the crisis threatened to seriously undermine

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15 For a detailed discussion, see Larrabee (1997b).
NATO’s credibility and damage President Clinton’s chances of reelection. After Dayton, the Clinton administration came under strong congressional pressure to withdraw from the Balkans militarily and not to participate in the Stabilization Force (SFOR) in Bosnia. Only strong lobbying by the European allies, coupled with the threat to withdraw their forces if the United States pulled out (“in together, out together”), succeeded in convincing the United States not to withdraw.

However, congressional hostility to U.S. military involvement in the Balkans remains strong. In the summer of 2000, the Clinton administration barely beat back a congressional resolution (the Byrd-Warner Amendment) to cut off funding for U.S. troops in Kosovo. While the resolution was defeated, the congressional debate made clear that unease about the U.S. military involvement in the Balkans is widespread on both sides of the congressional aisle.

The election of President George W. Bush has created new uncertainties about the future of U.S. engagement in the Balkans. During the presidential campaign, Bush strongly criticized U.S. military engagement in the Balkans, and some of his advisors suggested that, if elected, Bush would halt the peacekeeping mission in the Balkans and seek a new “division of labor,” in which the United States would be responsible for deterring and fighting wars outside of Europe, while the Europeans would be primarily responsible for peacekeeping operations in Europe (Gordon, 2000).

Such statements raised concerns in European capitals—especially in the Balkans—that Bush might reduce U.S. engagement in the Balkans or even withdraw U.S. forces altogether. However, since coming into office, the administration has backed away from much of its early campaign rhetoric and has assured its European allies that it will not undertake any precipitous withdrawals. Moreover, the outbreak of ethnic violence in Macedonia makes early withdrawal unlikely.

However, while the United States is likely to remain engaged in the Balkans, there is little chance that it will increase its military involvement. Instead, as its reaction to the crisis in Macedonia underscores, Washington is likely to look increasingly to others, especially its European allies, to pick up more of the political and
military burden for stabilizing the region, while it focuses on security problems outside of Europe, particularly Asia. It is unclear, however, whether Europe has the political will—and military muscle—to carry out this task on its own.

THE EUROPEAN UNION AND BALKAN STABILIZATION

Regardless of what role the United States eventually decides to play, the EU is likely to be the leading player in the Balkans over the long run. The European members of the EU provide 75 percent of the economic assistance to Kosovo (versus 28 percent for the United States) and 65 percent of the troops (versus 13 percent for the United States). The EU's Stability Pact is also playing the key role in coordinating economic assistance to the region.

The EU's deepening engagement in the Balkans has raised new challenges for the EU's CFSP. At the same time, this engagement poses new challenges to the process of European integration and will compel the EU to make further changes in its integration strategy. In particular, the EU will have to synchronize the policy toward the western Balkans with the ongoing enlargement process. As Heinz Kramer has pointed out,

> Brussels has to keep a certain coherence in its policy approach toward the whole region in order to prevent the development of new political and economic “borders” within the Balkans that could lay the ground for new potential conflicts (Kramer, 2000, p. 26).

There is a danger that different speeds of integration into the EU will impede the process of regional cooperation and integration. As Hungary and Slovenia move closer to EU membership, they will have to adopt EU regulations, including visa controls that could impede regional trade and cooperation. Thus, the EU will have to develop effective regional border-control mechanisms that will not prevent regional free trade and freedom of movement of persons in the region.

The need for coherence is complicated by the fact that the countries in the Balkans are in different stages of economic and political development. Slovenia, Bulgaria, and Romania have association agreements with the EU, which provide for the possibility of membership
when the countries have fulfilled the Copenhagen criteria. However, Slovenia is likely to enter the EU well before Bulgaria and Romania. The countries of the western Balkans are even further behind. With the exception of FYROM and Croatia, they do not qualify for Stabilization and Association Agreements (SAA) with the EU.

The EU was slow in responding to the challenge the disintegration of Yugoslavia posed. The EU really began to develop a coherent and comprehensive approach to the western Balkans only after the signing of the Dayton Agreement. Under the “Regional Approach” to the western Balkans, adopted in 1996, cooperation was made contingent on

- establishment of a functioning democracy, including respect for human rights and the transition to a market economy
- establishment of cooperative relations with neighboring countries

The Kosovo conflict gave new urgency to the need to tie the countries of the western Balkans more closely to the EU. In the aftermath of the Kosovo conflict, the EU offered the countries of the western Balkans SAAs. These agreements are designed to facilitate the long-term integration of the countries of the western Balkans into EU structures. The conclusion of an SAA with a particular country is contingent upon the country’s progress toward establishing a democratic system, substantial economic reform, and cooperation with its neighbors. The EU concluded an SAA with FYROM in April 2001, and negotiations on an SAA with Croatia have been initiated. Albania and Bosnia-Herzegovina still have a way to go before they have fulfilled the requirements for beginning such negotiations.

The SAAs essentially represent reshaped and streamlined versions of the former EU programs for regional assistance, rather than a new and innovative approach to the region. The only new element is the prospect of gradual integration into EU structures based on the Amsterdam Treaty and the Copenhagen criteria (Kramer, 2000, p. 32). In effect, this offers these states the same long-term perspective that the EU has offered other former communist states since
1990. In addition, it implicitly acknowledges their “Europeanness” and potential inclusion one day into the EU.

As presently conceived, the conclusion of an SAA is a prerequisite for being considered for accession to the EU. However, as Michael Emerson has pointed out, the dilemma is that the countries of southeastern Europe need the support of a strong EU integration trajectory now, not in ten years. Otherwise there will be a stagnating transition, or worse, a relapse into chaos, repression, or violence. However, the EU cannot admit new member states faster than it can reform its own institutional structures or faster than candidate states can meet the Copenhagen criteria for membership, which may take years (Emerson, 2000).

In short, the EU will need to decide whether to stick to its current policy of insisting that the countries of the western Balkans conclude an SAA before applying for membership or to adopt a more flexible approach on the number of countries in the preaccession category. Sticking to the current policy risks slowing the transition process. But allowing the countries to apply for membership before they have met the Copenhagen criteria could emasculate and erode the accession process.

The changes in Serbia make this dilemma all the more acute. Serbia’s transition opens up prospects for a comprehensive EU policy toward the Balkans. The dilemma for the EU is whether to reverse its current policy toward southeastern Europe, taking measures to maximize the speed of Serbia’s transition, and integrate all of the countries of the western Balkans faster and deeper into the EU or to take a more modest approach in which Serbia is allowed to join the long queue of existing SAA and EU accession states and leave overall southeastern Europe policy on its current trajectory.

Greece has an important stake in the outcome of this debate. If EU policy is simply put on autopilot and does not adequately respond to the magnitude of the challenge, the transition process in many of the Balkan states could be undermined, and further instability could wrack the region. This could have direct consequences for Greek security. Thus, it is incumbent upon Greece to work with its European allies—especially those who are most directly affected by Balkan instability, such as Italy and Austria—to develop a more active and comprehensive European policy toward the Balkans.
Macedonia, moreover, represents a critical test for the EU’s capacity for crisis management. Javier Solana, head of the EU’s CFSP, has played an active and high-profile role in mediating the crisis in Macedonia. Much, however, depends on the outcome of the mediation effort. If the fragile truce worked out in July 2001 breaks down and new violence erupts between the Slav majority and the ethnic Albanian community, the EU’s image as a crisis manager could be tarnished.

NATO AND THE BALKANS

NATO’s future evolution—especially its approach to enlargement—will also have an important influence on regional stability in the Balkans. At its Washington Summit in April 1999, the Alliance announced that it would review the question of further enlargement at its next summit, which is expected to be held in Prague in November 2002. A number of countries in the Alliance favor a “southern opening” that would include Slovenia, Romania, and perhaps Bulgaria. However, the next round of enlargement is likely to be more difficult than the first round for several reasons:

1. The strategic rationale for the next round is not clear. The first round was designed to stabilize Central Europe. But it is unclear what the strategic rationale for a second round is or should be. Some Alliance members think it should be to stabilize southeastern Europe, while others feel it should be to complete the stabilization of Central Europe.

2. At present there are no clearly qualified candidates ready to assume the responsibilities of membership. With the possible exception of Slovenia, none of the ten aspirants is clearly ready to assume the responsibilities of membership. And while Slovenia meets the economic and political qualifications, its inclusion in NATO would do little to enhance NATO’s military effectiveness.

3. The U.S. attitude toward enlargement is not clear. While President Bush is on record as favoring enlargement in principle, the administration has yet to develop a coherent policy toward the next round of enlargement. Moreover, the U.S. Senate is likely to take a more skeptical approach to the next round of enlargement than it did to the first. In the aftermath of Kosovo, the Senate will
be more concerned about the impact of further enlargement on NATO’s military effectiveness and cohesion.

4. There is no consensus among the United States and its key allies about the timing or modalities of the next round of enlargement. In the first round, the United States could count on strong German support and leadership. However, Germany does not have the same strategic interest in a second round of enlargement that it had in the first round. Thus, the United States cannot count on strong German leadership in the second round. Britain remains skeptical about an early second round, while France is more concerned about strengthening the EU’s security and defense role.

5. Many allies are concerned about the effect of any further enlargement on Russia. They may be reluctant to embark upon a new round of enlargement before stabilizing relations with Russia. This is particularly true if Russian-European relations are on the upswing. Indeed, the enlargement issue could provide a convenient means for Russia to play the United States off against Europe and divide the Alliance.

6. There is a danger that the politics of enlargement could get entangled in broader concerns affecting U.S.-European relations, particularly the debate over missile defense. If differences over missile defense lead to new transatlantic tensions, it will be much more difficult for the United States to obtain European support for a second round of NATO enlargement.

Moreover, the political landscape in Eastern Europe has changed significantly since the Madrid summit. Just after Madrid, the prevailing view was that the next round would probably include Slovenia and Romania. Slovenia remains a strong candidate. However, Romania’s chances have slipped since Madrid, largely because of the continued infighting within the ruling coalition and a slowdown in economic reform.

At the same time, Bulgaria’s chances have improved somewhat as a result of its strong economic and political performance since the May 1997 elections, which resulted in the emergence of a more democrat-

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16For a detailed discussion, see Larrabee (1999b).
ically oriented reformist government in Sofia. However, Bulgaria still has a long way to go before it is ready for membership, especially on the military side. Moreover, admitting Romania without Bulgaria could leave Bulgaria isolated and could have a very negative effect on the prospects for Bulgaria’s democratic evolution.

Slovakia’s prospects have also improved. As long as Vladimir Meciar was in power, Slovakia’s chances of NATO (or EU) membership were almost nil. But the election of a democratic government in Bratislava in September 1998 has cast Slovakia’s candidacy in a new light. The current government, headed by Mikulas Dzurinda, has embarked on a significant reform path and made membership in NATO and the EU a top priority. If Slovakia continues on its reformist course, it will be a strong candidate for NATO membership in the second round.

Finally, the prospects for at least one Baltic state being invited to join the Alliance at the Prague summit have significantly improved. Indeed, the possibility that all three might be invited to join at the summit cannot be excluded. This idea was literally unthinkable at Madrid, where the Baltic states had to fight hard just to be considered eligible for membership at all. Now, however, the Baltic issue is clearly on the table.

Expectations in the Balkans, however, are high. A number of countries in the region—particularly Albania, FYROM, Bulgaria, and Romania—took considerable risks in the Kosovo conflict by allowing the Alliance to use their airspace and other facilities despite the fact that public opinion was opposed to NATO’s actions. These governments expect their support to bring tangible political and military benefits. NATO membership is high on their wish lists. If these expectations are not met, the pro-Western, proreform governments in many of these countries could be seriously weakened.

It is unlikely, however, that NATO will extend an invitation to any Balkan country at the upcoming NATO summit in Prague in fall 2002, with the possible exception of Slovenia, which does not consider itself to be a Balkan country. Thus, as part of its enlargement strategy, NATO needs to develop a strategy for dealing with countries that are not included in the next round of enlargement, particularly those in the Balkans. They need to be given a perspective for membership and an incentive to continue on the path of reform.
Greece could play an important role in this process by acting as the patron for the Balkan aspirants and ensuring that their concerns remain high on the NATO agenda, just as Germany did for the countries of Central Europe in the first round of NATO enlargement. Increased bilateral military cooperation with these countries could also help tie them more closely to the West and provide an impetus for reform of their military establishments. Finally, increased multilateral military cooperation through such organizations as the Southeast European Defense Ministers and the Southeast European Brigade could also contribute to greater regional security. While the latter organization is still in its infancy, it could eventually play an important role in peacekeeping activities in the Balkans if it continues to evolve.

THE RUSSIAN FACTOR

Historically, Russia has had a strong interest in the region. During the 19th century, Russia regarded the Balkans as a gateway to the Dardanelles and the establishment of Moscow as a “third Rome.” After World War II, Moscow extended its influence in the Balkans, turning most of the countries in the region, with the exception of Yugoslavia, into Soviet satellites. However, Moscow’s influence in the region visibly declined during the Cold War, as first Yugoslavia, then Albania, and finally Romania slipped out of the Soviet orbit, leaving Bulgaria as Moscow’s only reliable ally in the region.

Moscow’s influence has continued to decline since the end of the Cold War. And all the countries in the region have oriented their policies toward the West, further reducing Russian influence. While Moscow played an important diplomatic role in the final phase of the Kosovo conflict, other factors—particularly the damage done to Serbian infrastructure by allied bombing and the fear that NATO might launch a ground invasion—were probably more important in convincing Milosevic to capitulate (see Byman and Waxman, 2000).

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17 On the historical dimensions of Russian policy in the Balkans, see Lederer (1962). See also Larrabee (1997a).
18 For a detailed discussion, see Lendvai (1969).
Milosevic’s departure has dealt a further blow to Moscow’s Balkan ambitions. As long as Milosevic was in power, Moscow could portray itself as the indispensable interlocutor with Belgrade. But with Milosevic gone, Russia has lost the ability to play the Serbian card and act as a critical mediator. Serbia is increasingly likely to look west rather than east and give priority to closer ties to Euro-Atlantic institutions, especially the EU. Thus, the much heralded—and often exaggerated—Russian-Serbian “special relationship” is likely to atrophy further.

However, it is too soon to count Russia completely out of the Balkan game. If the United States withdraws from the Balkans or sharply reduces its engagement, Moscow’s fortunes could brighten, and Russia could begin to play a more important role in the region. A U.S. departure would leave no adequate counterweight to Russia and could encourage Moscow to pursue a more active policy in the region. Moreover, Russian gas deliveries remain important for some countries in the Balkans, especially Serbia.

Some Greek strategists have tended to see Russia as a geostrategic counterweight to Turkey in the Balkans and have advocated that Greece develop closer ties to Russia. However, Greece should resist the temptation to try to play the Russian card. This can only backfire, causing suspicion and distrust among Greece’s Western allies and its Balkan neighbors, many of whom have suffered under Russian hegemony and remain suspicious of Russian ambitions in the region. Rather, Greece should step up its efforts to help the Balkan states integrate more quickly into the EU and other Western institutions. This is the best guarantee of stability and security in the Balkans in the long run.

TURKEY’S NEW ACTIVISM

Historically, Turkey has also been an important actor in the Balkans. From the 14th century until the end of the 19th century, the Ottoman Empire dominated the Balkan Peninsula. However, with the establishment of the Turkish Republic in 1923, Turkey effectively abandoned its presence in the Balkans. During the Cold War, Turkey’s

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19 On the impact of Ottoman rule on the Balkans, see Todorova (1996).
main foreign policy priority was strengthening ties to the West, especially NATO and the United States. While Turkey did try to improve bilateral ties with some Balkan countries, the Balkans remained of secondary importance.

Since the end of the Cold War, however, the Balkans have reemerged as an important focal point of Turkish foreign policy. Ties with Albania have been strengthened, especially in the military sphere (see Zanga, 1993). Turkey is also helping modernize Macedonia’s armed forces. The most far-reaching improvement, however, has occurred in relations with Bulgaria. During the Cold War, relations between Ankara and Sofia were marked by considerable hostility, in particular because of Bulgaria’s discrimination against the Turkish minority, which constitutes nearly 10 percent of the Bulgarian population.

However, relations have improved significantly since the collapse of the communist regime in Sofia in November 1989. The rights and property of the Turkish minority have been restored, and more than half of the 320,000 ethnic Turks expelled in 1989 have returned to Bulgaria. In addition, several agreements on confidence-building measures have been signed that have helped to reduce threat perceptions and have contributed to better mutual understanding. Today, Turkish-Bulgarian relations are the best they have been since before World War II.

In the early 1990s, Turkey’s more active engagement in the Balkans caused concern in some Greek quarters (see Valinakis, 1992). However, Turkey’s policy in the Balkans has actually been relatively cautious. Turkey has not tried to “play the Muslim card.” The Islamic Erbakan government, for instance, virtually ignored the Balkans. Turkey has also shown no inclination to take any unilateral military action in the Balkans. On the contrary, all its military actions in the region have been carried out within a multilateral context, as part of either NATO or UN operations.

Greece and Turkey actually share many common interests in the Balkans—a fact that both capitals increasingly recognized. Both want to see greater stability in the region; both favor including the countries of the Balkans, especially Bulgaria and Romania, in the next round of NATO enlargement; and both favor keeping Kosovo as
an integral part of the Yugoslav Federation. These common interests have helped to dampen the rivalry evident in the early days after the collapse of Yugoslavia. At the same time, they provide a solid basis for expanding cooperation in the Balkans.

GREECE AND THE BALKANS: CHALLENGES AND OPPORTUNITIES

The Balkans have traditionally been a major focal point of Greek policy. Under Caramanlis, Greece played a leading role in promoting a relaxation of tensions in the Balkans.\(^{20}\) The Papandreou government also gave Balkan détente a high priority. The disintegration of Yugoslavia temporarily interrupted this process and led to renewed friction with FYROM and Albania. However, since 1994, Greece has engaged in a broad effort to improve relations with its Balkan neighbors and enhance regional stability.\(^{21}\)

This new active Greek policy, spearheaded in particular by Foreign Minister George Papandreou, has been remarkably successful. Since the end of the 1990s, Greece has succeeded in improving its relations with all its Balkan neighbors, particularly FYROM. Milosevic’s ouster, however, presents new challenges and opportunities for Western—and Greek—policy. As long as Milosevic was in power, there were objective limits to the West’s ability to develop a comprehensive policy toward the Balkans. However, his departure changes the dynamics of Balkan politics and opens up new opportunities to integrate the region into a broader European economic and political space.

Greece is well placed to play an integral role in this integration process. It is the most economically prosperous and politically stable country in the Balkans. It is the only country in the region that is a member of both the EU and NATO. No other country in the region enjoys such a unique combination of advantages. These advantages enable Greece to contribute significantly to enhancing regional sta-

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\(^{21}\)For an overview of these efforts, see Larrabee (1999a). See also Triantafyllou (1997) and Constas and Papasotriou (1997).
bility and security in the Balkans. Moreover, such a policy would allow Greece to carve out for itself a broader role in European security affairs.

Greece faces four major challenges in playing such an expanded role, as the following subsections describe.

**The Regional Dimension**

The first and most critical challenge is at the regional level. Here, Greece faces a number of specific bilateral challenges:

- **Serbia.** Serbia’s evolution will be critical for Greek security and for Balkan security more broadly. Without Serbia’s reintegration into European structures, there is likely to be no genuine security in the Balkans. As a result of its traditionally good ties with Serbia, Greece is in a particularly good position to help Serbia re integrate into European structures. Greek capital could play an important role in rebuilding the Serbian economy and reintegrating the country into the broader European market. Greece’s experience in moving from an authoritarian to a democratic system after the collapse of the junta in 1974 could also be helpful as Serbia seeks to build a stable democracy after 13 years of repressive authoritarian rule under Milosevic.

- **FYROM.** The preservation of an independent, democratic, and politically stable FYROM is critical for Greek security and should be a top Greek foreign policy priority. Unrest in FYROM could result in a flood of refugees into Greece and, in extremis, could destabilize the Macedonian state. Hence, Greece needs to work with its European allies to enhance stability in FYROM. Increased bilateral economic cooperation can play an important role in facilitating this process. The stronger the economic ties, the greater the stake the Macedonian authorities will have in resolving political issues peacefully. Moreover, stronger economic ties could help to make the resolution of the name issue easier.

At the same time, Greece and its European partners should encourage the Macedonian authorities to take steps to integrate the Albanian community more thoroughly into Macedonian economic and political life. If this is not done, the Albanian
community is likely to look to illegal activities, such as drug running and arms smuggling, to solve its economic needs. This could have a spillover effect on Greece and could complicate Greece’s own internal problems.

• **Kosovo.** A democratic, politically stable Kosovo is essential for Balkan—and Greek—security. The most immediate priority is to accelerate efforts toward self-rule in Kosovo. Although the local elections in October 2000 were an important step in this regard, they need to be followed by national elections. Otherwise, frustration and disenchantment among the Kosovars are likely to grow, which could play into the hands of the radicals in Kosovo.

At the same time, Greece needs to work with its Western partners to define Kosovo’s final status. Autonomy is not viable over the long run. It is not acceptable to the majority of Albanians. Thus, some sort of a transitional arrangement providing for the possibility of self-determination at some point needs to be worked out. However, self-determination needs to be made contingent on fulfillment of stringent conditions, including respect for the territorial integrity of Kosovo’s most immediate neighbors, especially FYROM.

Admittedly, such a solution has risks, but they are likely to be less acute than letting the current unsettled situation in Kosovo continue to fester. Failure to address the issue of Kosovo’s political status is likely to lead to the reradicalization of Kosovo politics and a resurgence of instability, which could undermine the democratization process in Serbia and could possibly destabilize FYROM. Either—or both—of these developments would have serious consequences for Greek security.

• **Albania.** Greece has a strong stake in the emergence of a democratic, economically prosperous, and politically stable Albania. This is the best guarantee against an uncontrolled flow of refugees across the Greek-Albanian border. It also makes the rise of pan-Albanian nationalism less likely. Finally, it increases the prospects that the rights of the Greek minority in Albania will be respected. Greece should therefore encourage private- and public-sector investment in Albania’s economic development. Greater economic prosperity will provide an incentive for Albanians to stay home and will reduce the risk of a large flow of Albanian refugees into Greece.
The Greek-Turkish Dimension

The second major challenge is to expand Greek-Turkish détente in the Balkans. As noted earlier, Greece and Turkey actually have many common interests in the Balkans. Increased Greek-Turkish cooperation here would not only contribute to Balkan security in its own right but could give new momentum to the recent bilateral rapprochement between the two countries. To be sure, the outlook for dialogue on core issues—Cyprus and the Aegean—will have a more substantial effect on the overall prospects for Greek-Turkish détente. But cooperation in the Balkans can promote common interests and remove a potential source of friction. However, Ankara’s ability to sustain an active regional role, in cooperation with others, will depend to some extent on the economic and political situation inside Turkey. Continued domestic crises could leave little energy for new initiatives in the Balkans.

The European Dimension

The third challenge is for Greece to broaden and “Europeanize” its Balkan policy. Greece should work with its European allies to create a “European consensus” regarding measures that must be taken to stabilize the Balkans, above all in FYROM. While the changes in Serbia have reinvigorated EU policy, there is a danger that, with time, EU members may fall prey to “Balkan fatigue,” especially if Serbia’s transition proves difficult—as is likely. Greece needs to ensure that this does not happen. In addition, the EU still lacks a coherent regional policy. Greece should work closely with other EU members that have a strong interest in Balkan stability, such as Austria and Italy, to help forge a more coherent EU regional policy toward the Balkans.

Stabilizing FYROM should be an immediate priority. Large-scale instability in FYROM would have major implications for Greek security. Thus, Greece needs to work with its European allies to develop a coherent plan for stabilizing FYROM and integrating it into European political and economic institutions. In particular, Greece and its European allies should intensify efforts to persuade the Macedonian government to take more vigorous steps to integrate the Albanian community into Macedonian political and economic life. This is a
**sine qua non** for stability and ethnic harmony in FYROM in the long run.

**The Transatlantic Dimension**

Finally, Greece needs to maintain good ties to the United States. The United States has played an important role in helping to stabilize the Balkans since the end of the Cold War. However, over the next five to ten years, U.S. military engagement in the Balkans is likely to decline, as the United States increasingly focuses its attention on other areas, especially Asia. It is important, however, that there be no precipitous withdrawal of U.S. troops. This could be highly destabilizing and could lead to increased violence and regional instability. If U.S. troops are withdrawn or reduced, this should occur *gradually* as part of a coherent plan, agreed upon in consultation with America’s European allies, to turn more responsibility for regional security over to the Europeans as the situation in the Balkans begins to stabilize.

However, even if the United States does reduce its military presence in the Balkans, Washington is likely to remain an important geopolitical actor in the region. Thus, close ties to the United States will remain important for Greek security. These ties should not be seen as detracting from Greece’s “European” orientation but rather as complementing it. The two policy tracks are mutually reinforcing. Together they enhance Greek security and enable Greece to play a more active and constructive regional role.