

## **SERBIA AFTER DJINDJIC**

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## SERBIA AFTER DJINDJIC

### EXECUTIVE SUMMARY AND RECOMMENDATIONS

The assassination of Serbian Premier Zoran Djindjic on 12 March 2003 means that Serbia has lost its most skilful and realistic politician. The great question is whether the assassination provides a catalyst that energises the governing coalition to restart the long-stalled reform process and thoroughly clean out the interlocking nexus of organised crime, war criminals, and police and army officers hiding behind "nationalist-patriotic" slogans and organisations. There are some initially encouraging signs: the police appear to be energetically pursuing the prime suspects, and sweeping reforms of the military have been promised. Djindjic's successor, Zoran Zivkovic, has yet to acquire his predecessor's authority, however, and he will need encouragement – both carrots and sticks – from the international community to hold the course that should have been pursued from October 2000.

Djindjic's killing is believed to have been carried out by shadowy elements in the closely linked local underworld and the state security apparatus that had long exploited the struggle between Djindjic and former Yugoslav President Kostunica to gain protection from one or the other of the contenders and prevent reforms. Djindjic's victory in that duel in late 2002 left them more vulnerable. Those alternate power structures were originally created by Milosevic to finance and protect his regime, and in order to unseat Milosevic, Djindjic and DOS were forced to make deals with them. However, while Djindjic was sensitive to Western pressure on delicate matters like cooperation with the Hague War Crimes Tribunal, wanted to reorient the crumbling socialist era economy to the free market, and was keen to align the country with Western European institutions, those same forces were the greatest source of opposition to any program of reform and modernisation. Recently, more confident of his political position, he had begun to move more

vigorously on Hague cooperation, against organised crime and state corruption, and to some extent on economic reform as well.

That process must continue but there are real doubts that, left on its own, the deeply fissured Serbian body politic will be up to the challenge. It needs at this crucial time continued and increased international help. In particular, Djindjic's assassins should not be rewarded by a softening of the international community's terms of conditionality. The new state of Serbia and Montenegro needs to eradicate the poisonous legacy of Milosevic from its ruling structures before it can be admitted to the Council of Europe, NATO's Partnership for Peace, or begin negotiations on a Stabilisation and Association Agreement with the European Union.

And demonstrable progress – not only on cooperation with the Hague but also on specific steps to clean out corrupt and criminalised structures, to establish definitively civilian control of the security services, and to put transparent and democratic modes of governance in place – ought to be the clearly stated prerequisite for significant economic assistance.

There are a number of causes of concern about Serbia's future. Much of Serbian society and political culture has appeared to be drifting towards the nationalist right, accompanied by the emergence of strongly conservative clerical elements in alliance with segments of the security forces. Intolerance towards national minorities, for example, has been on the rise, as have ethnically and religiously-motivated attacks.

Belgrade has also continued to oppose the international community's goals in both Bosnia and Kosovo, and it had been fanning the flames of

regional tension in both areas prior to the assassination. Until it changes those policies, it cannot be viewed as either a reliable partner or a guarantor of regional stability.

The new state of Serbia and Montenegro, created as a successor to the Federal Republic of Yugoslavia for a trial run of three years under heavy European Union pressure, is a country in flux, an amorphous creation that neither of its constituent members really wants. Djindjic's death could well slow down the development of the joint institutions it is supposed to acquire.

In all these areas, each tied in some fashion to the still oppressive legacy of Slobodan Milosevic, Serbia either faced difficulties or was creating difficulties for its neighbours before 12 March. With the strong and for the most part progressive leadership of Djindjic removed, there is more need than ever for the U.S., the European Union and other key donor nations to remain deeply involved.

If the international community is to play a useful role helping Belgrade's beleaguered reformers put their country irrevocably on the path that Djindjic was promising, there is no case for drawing down troop levels and financial assistance to the Balkans any time soon. Indeed, it may well have to devote more, not less, financial and military resources to maintaining regional stability. Otherwise, there is a real risk that the assassin's bullet will have killed the dream of a progressive and prosperous Serbia as surely as it killed that dream's strongest champion.

## RECOMMENDATIONS

### To the European Union, the United States and others in the donor community:

1. Provide clear incentives, including increased financial and technical assistance, to Belgrade's reformers to combat organised crime and corruption.
2. Provide Serbia's reformers with access to law enforcement specialists and intelligence sharing.
3. Apply strong conditionality in order to help reform forces advance their program:
  - (a) maintain existing conditionality requirements – full compliance with the international war crimes tribunal in the Hague, implementation of civilian control

of the military, and respect for the Dayton accords and UN Security Council Resolution 1244 – for membership of the Council of Europe or NATO's Partnership for Peace, or commencement of negotiations for a Stabilisation and Association Agreement with the European Union; and

- (b) condition new and substantial economic assistance upon demonstrable progress in cleaning out corrupt and criminalised structures and putting transparent and democratic modes of governance in place.

4. Resist all Serbian efforts to link Kosovo's final status to that of the Republika Srpska in Bosnia and Herzegovina.
5. Monitor closely the contacts between the armed forces of Republika Srpska and of Serbia and Montenegro, and impose sanctions if they are in breach of the Dayton Agreement.
6. Encourage links between the Ecumenical Patriarchate (and other liberal orthodox churches) and the Serbian Orthodox Church.

### To the government of Serbia and the government of Serbia and Montenegro:

7. Arrest and prosecute those responsible for the series of political killings culminating in the 12 March assassination of Zoran Djindjic.
8. Comply with the International War Crimes Tribunal in the Hague by taking into custody and transferring the remaining indictees, including as a priority Ratko Mladic.
9. Institute clear codes of conduct and financial disclosure statements for all elected officials, election candidates, political parties and military officials in Serbia.
10. Enforce civilian control over all the security forces, including paramilitary structures outside the regular army.
11. Stop trying to link Kosovo's final status to that of Republika Srpska.
12. Stop encouraging Republika Srpska's nationalist diehards to believe that they have a future outside Bosnia and Herzegovina.
13. Restart the economic reform process using the original G17+ program as a template.

14. Remove the mechanisms for state control of the media and cease harassment of independent journalists.
15. Carry out complete lustration of the Serbian judiciary, coupled with a process of general reappointment.
16. Increase support for the newly formed office of the Special Prosecutor, who is designated to lead the war against organised crime.

**Belgrade/Brussels, 18 March 2003**

## SERBIA AFTER DJINDJIC

### I. THE DEATH OF ZORAN DJINDJIC

#### A. THE ASSASSINATION

Zoran Djindjic, the normally fleet-footed Serbian Premier, was moving slowly on 12 March 2003, hobbled by the crutches he was using for a broken tendon suffered playing soccer several weeks previously. At 12:25 PM a single shot from a high-powered sniper rifle struck and killed him almost instantly as he exited his armoured limousine at the side entrance of the Serbian government building located at the corner of Nemanja and Kneza Milosa streets.<sup>1</sup> Djindjic was rushed to hospital, where efforts to resuscitate him failed, and he was pronounced dead at 1:30 PM. Three armed men, one carrying a sniper rifle, were observed leaving a building a short distance away from the Serbian government building.

The death of Zoran Djindjic, who had survived an apparent attempt on his life as recently as 21 February, is a severe blow for Serbia's efforts to rid itself of the Milosevic legacy, complete the transformation into a stable, democratic government and achieve a prosperous market economy. His pragmatic and vigorous approach provided the international community with a highly competent interlocutor whose ideas for moving Serbia towards European integration found little support among those intent on protecting the Milosevic legacy. He was the chief organiser of the electoral victory the DOS alliance gained over Milosevic in September 2000 and the brains behind the subsequent removal of the dictator on 5 October 2000.

In order to oust Milosevic, Djindjic was forced to make deals with some of Serbia's darker forces, who would soon return to first block reforms and then

eventually kill him. As Serbian Premier, Djindjic initially pushed the rapid reform agenda favoured by the international community, but then became locked in a power struggle with Yugoslav President Vojislav Kostunica. Although Kostunica and the forces supporting him successfully blocked reforms for over one year, Djindjic pressed forward, eventually vanquishing Kostunica. He was assassinated, it seems, because the dark forces were conscious not so much of their strength as their vulnerability.

Djindjic was the most energetic and consistent force behind Serbia's lagging reform efforts, who gave progressive politicians, especially the technocrats associated with G17+, the backing necessary to implement such measures as were passed. And it was Djindjic who was responsible for the Serbian cooperation there has been with The Hague Tribunal. Most notably, he took the politically risky move of transferring Milosevic to The Hague, over the opposition of Kostunica.

The death of Djindjic leaves an enormous gap, not least because he was apparently the only politician with the authority and tactical ability to keep most of the numerous squabbling DOS parties in line at any time. His successors will have difficulty matching the skill with which he frequently guided fractious DOS parliamentarians towards compromise.

After the assassination, Serbia's governmental institutions continued to function. No coup occurred, nor has any one faction or individual attempted to take power. This indicates that the shock to the national body politic can be contained in the short to medium term. Serbian vice-president Nebojsa Covic is provisionally filling the post of Premier, as the first of the five vice-presidents who will rotate as chairman of the cabinet until a new Premier is approved.<sup>2</sup> The

<sup>1</sup> A bodyguard, Milan Verulovic, was wounded in the attack.

<sup>2</sup> The other four vice-presidents are Zarko Korac, Jozef Kasza, Dusan Mihajlovic, and Miodrag Isakov; Cedomir

government and DOS have announced that they intend to continue Djindjic's reform-oriented policies. Covic has announced that Djindjic's Democratic Party (DS), as the largest in DOS, will retain the premiership. Acting President of Serbia Natasa Micic has nominated outgoing Federal Interior Minister Zoran Zivkovic – who would otherwise have become the first Defence Minister of Serbia and Montenegro – as the new Premier. He successfully obtained the parliamentary votes necessary for confirmation<sup>3</sup>.

In response to the assassination, the Serbian government imposed a state of emergency, which gives the police broad powers of arrest and the right to detain individuals for up to 30 days without filing charges, and establishes severe restrictions on the media. It also permits the army to intervene in internal affairs if called upon by the government. The police quickly announced that the assassination had been carried out by an organised crime group called the "Zemun Clan",<sup>4</sup> and that this group was also responsible for two earlier assassination attempts against nationalist politician Vuk Draskovic, the disappearance and murder of former Serbian President Ivan Stambolic, over 50 other murders, and numerous disappearances and kidnappings since 1999. In the first four days after Djindjic's death, over 300 people were taken into custody and numerous others interrogated. The police began to demolish the Zemun home of Dusan "Siptar" Spasojevic, one of the suspected ringleaders, and arrested former State Security chief Jovica Stanisic and Franko "Frenki" Simatovic, the founder of the Red Beret special forces, as well as Serbia's answer to Madonna, the pop-singing sensation Ceca.<sup>5</sup>

No claim has been made that whoever fired the fatal shot has been taken into custody. Neither is it yet known whether those who directly carried out the assassination enjoyed political support from individuals or groups within or outside the government. However, the Zemun Clan, which is

accused of organising the deed, is believed to have received support and information and otherwise cooperated with individuals within the police, government and army, as well as several key politicians, both during Milosevic's regime and after, and to be providing bodyguards at present for Ratko Mladic, one of the most notorious Hague indictees still at large.<sup>6</sup> As an arm of Milosevic's parastatal structures, carrying out numerous deniable actions against political enemies, it is said to have been deeply entrenched within the State Security (former DB, now BIA). This suspicion was given apparent confirmation when acting Premier Nebojsa Covic stated shortly after Djindjic was killed, that the police had raided the State Security offices as part of their investigations, and that the Zemun Clan had assisted the state in counter-insurgency efforts in southern Serbia.<sup>7</sup> Simatovic's Red Berets are notorious for their brutality during the wars of the 1990s in Croatia, Bosnia and Kosovo, and are widely believed to be enmeshed in drug smuggling and other criminal activities.

The nexus of nationalist elements in Serbia's police, army, political elite, state security and organised criminal gangs is the single greatest threat to regional Balkan security. So long as it remains an important factor in Serbian politics, the international community's approach to the entire region will have to prioritise containment of these nationalist forces above the promise of European integration. To understand why Djindjic was killed, it is necessary to understand the illegal parallel state Milosevic created that often exercised more power than the legitimately elected authorities and that DOS has not dismantled.

## **B. THE CRIMINAL DIMENSION: SERBIA'S "AXIS OF EVIL"**

There are a number of alternate centres of power inside Serbia that are at least as powerful as the legitimate institutions of government. After maintaining a low profile in the first two years since Milosevic's fall, they have begun to play an increasingly visible role in politics and society. They are largely focused around the State Security (DB) structures Milosevic created to help wage his wars and keep domestic order, as well as around counterparts associated with the Yugoslav Army

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Jovanovic of the Democratic Party is likely to be nominated as an additional vice-president.

<sup>3</sup> The Serbian parliament has 250 members, a majority of whom must vote for the new Premier; 128 voted for Zivkovic.

<sup>4</sup> Zemun is a suburb of Belgrade where many of the reported key figures of the clan reside.

<sup>5</sup> Ceca, whose real name is Svetlana Raznjatovic, is the widow of the notorious gangster and war criminal Zeljko "Arkan" Raznjatovic. According to Belgrade's tabloid press, she is currently involved in a relationship with the suspected organizer of the assassinations, Milorad "Legija" Lukovic.

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<sup>6</sup> ICG interview with anonymous Serbian source.

<sup>7</sup> *VIP Daily News Report*, 2495, 14 March 2003.

(VJ) Counterintelligence Service (KOS). They include illegal financing mechanisms and parallel military formations under the command of the police and DB, as well as military, domestic and foreign intelligence networks. Djindjic's assassins almost certainly came from and were supported by some part of these alternate centres of power.

In order to finance his wars and to create the security structures necessary to carry out the more distasteful tasks of ethnic cleansing and murder, Milosevic developed mechanisms to divert revenues from the state and from the state-controlled export and import sector. The DB plundered the assets of a number of former Yugoslav firms – for example nearly U.S.\$30 million from the state-owned trading company GENEX – and set up seemingly privately-owned front companies.<sup>8</sup> These, and individuals listed as their owners, enjoyed special monopoly privileges over exports of raw materials such as wheat and iron ore and weapons, as well as special import privileges. Some had the right to smuggle high-tariff items, such as alcohol, tobacco, petroleum products, and coffee. Trafficking to and manufacture of drugs for Western Europe and other Balkan countries, auto theft, trafficking in women and illegal immigrants, and illegal export of weapons were other revenue sources.

The fact that Milosevic had to do most of this illegally meant that the State Security and the Police were fully criminalised, as were participating elements of the state bureaucracy, the banking sector, and military intelligence. The then DB head, Jovica Stanisic, was widely recognised as leader of these parallel structures, alongside his chief.<sup>9</sup>

Milosevic used these structures to finance not only his own activities, but also occasionally those of political rivals. Control over financial flows gave him leverage over many of Serbia's political leaders, as well as a powerful patronage network that helps explain why many supposedly anti-Milosevic politicians entered coalition governments with him at one time or another. Towards the end of the Milosevic era, these powerful DB-associated

“businessmen” began to peel away from the regime in search of continued opportunities to make money and more reliable protection. Were it not for the direct acquiescence and support of Serbian State Security and these “businessmen”, and the direct understanding a number of them reached with Djindjic, DOS could not have ousted Milosevic in October 2000.

These “businessmen”, some of whom are known or believed to be under indictment (open or sealed) by The Hague Tribunal,<sup>10</sup> have an interest in protecting their own illegal incomes and their colleagues. They also feel that their wartime activities were justified and that those who are described by the international community as war criminals were patriots. With these common motivations, they form an interlocking system of mutual protection. Given their training, access to weapons, close ties to the VJ and police and state security, and their ability to mobilise relatively large numbers of marginally-employed well-trained war veterans with criminal records, their ability to obstruct Serbia's transition and reform process is considerable.

Upon reaching power, DOS avoided a confrontation with these alternate centres of power, in part out of a legitimate fear of the real firepower – both within the police and state security – that they could wield. The wholesale housecleaning of Milosevic-era officials that was widely expected did not occur, and as the power struggle intensified between Djindjic and Kostunica, these centres sought protection from one or another of the opposing camps, essentially making any move against them a move against their political patron. In return, they appear to have offered generous financing to various political factions and a form of physical protection from rival groups and individuals. Since 5 October 2000, these elements had otherwise only occasionally emerged from the shadows – most notably during the Red Beret “revolt” of November 2001 – though they were believed to have had a hand in a number of assassinations with

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<sup>8</sup> The names of a number of these companies are known to Western intelligence circles, which track their activities (ICG interview with Western intelligence sources).

<sup>9</sup> For further details on these activities, see the forensic financial analysis presented to the ICTY in “Amended Expert Report Of Morten Torkildsen,” 7 June 2002, available at [http://hague.bard.edu/ICTY%20documents/Torkildsen\\_financing.pdf](http://hague.bard.edu/ICTY%20documents/Torkildsen_financing.pdf)

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<sup>10</sup> These are widely suspected to include Stanisic, the current head of Serbia's uniformed police, Sreten Lukic, Zandarmerija commander Goran “Gurij” Radosavljevic, and Red Beret founder Franko “Frenki” Simatovic. Another is former Red Beret commander Milorad “Legija” Lukovic, who is prominently suspected of having masterminded the Djindjic assassination. He is a former commander of a notorious Red Beret special forces unit and allegedly a significant narcotics trafficker. The boundaries between the criminal organisation he is suspected of leading, his demobilised veterans, and the State Security and Police have often appeared to be minimal.

political overtones. The pace of those killings apparently picked up in the last quarter of 2002.<sup>11</sup>

After Djindjic vanquished Kostunica in early December 2002 (as described further below), the two main factions, based in the towns of Zemun (pro-Kostunica) and Surcin (pro-Djindjic), both near Belgrade, were no longer able to play their political patrons off against each other, and violence among the criminal fraternity increased in the capital as Djindjic's government began to act more decisively against crime.<sup>12</sup> Djindjic appeared to be trying to remove or neutralise the influence of key individuals in the government and police who have been alleged to be protecting or associating with at least the power centres connected with the Zemun Clan. He had recently sacked Andrija Savic – a Legija ally – as head of the Security-Information Agency (BIA, successor to DB). The position of Sreten Lukic, the head of the uniformed police in January 1999, had appeared increasingly wobbly.<sup>13</sup> In the wake of the arms-to-Iraq scandal<sup>14</sup> and in a move that may also have been connected to these matters, he appeared to have somewhat marginalised Interior Minister Dusan Mihajlovic in favour of the assistant Interior Minister and Djindjic-loyalist Nenad Milic.

In addition, Djindjic seemed to be chipping away slowly at targets of opportunity, with raids against traffickers of women and drug rings the most visible examples. This also included a raid on a prominent member of the Surcin mafia, Ljubisa "Cume" Buha. The day after Djindjic's assassination, Serbian vice-president Zarko Korac stated that it was only within the previous week that the government had finally been able to gain access to information and

documents that proved Legija and his gang were guilty of a number of heinous crimes. Allegedly on the very day Djindjic was shot, he had been scheduled to sign an arrest warrant for Legija.

During his term as president, Kostunica had tried at least three times to unseat Djindjic through armed intervention.<sup>15</sup> All these attempts failed, and Kostunica was no longer in a position where he could pursue this option. However, as Djindjic become more active in recent months in arresting Hague suspects and attempting to shut down their related organised crime networks, the loyalty of the armed forces – state security militarised formations, regular police and the VJ – and their associated criminal allies may have been brought into question.

The possibility always loomed that if Djindjic crossed a line that endangered their revenues and businesses by acting too aggressively against organised crime and on cooperation with the Tribunal, these elements might take active measures to remove him. On 21 February 2003, there was an unsuccessful attempt on his life. This occurred only two days after a failed attempt to arrest Veselin Sljivancanin, who was indicted at the Hague for his role in the Vukovar massacres during the war with Croatia in the early 1990s, and shortly after a raid on a major illegal narcotics factory associated with the Zemun Clan.<sup>16</sup>

It is possible that Legija or others thought they had political support for an attack on Djindjic. One anti-Djindjic Belgrade tabloid that hit the news stands the day before the shooting claimed that Serbs in the custody of The Hague tribunal had ordered the prime minister's assassination.<sup>17</sup> The source of the story was allegedly Serbian Radical Party (SRS) leader Vojislav Seselj, who had turned himself into

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<sup>11</sup> The victims include former Serbian State Security officer Momir Gavrilovic (3 August 2001), senior Yugoslav Interior Ministry official Bosko Buha (10 June 2002), and in recent months leading mafia figures Sredoje "Sljuka" Sljukic (27 September), Jovan "Cuner" Guzijan (5 October), and Zeljko Skrba (26 November) and Nenad Batocanin (a senior police official and former Milosevic bodyguard, killed with Skrba on 26 November).

<sup>12</sup> Since mid-December the Belgrade media has highlighted the increasingly high-profile feud between Ljubisa "Cume" Buha of the Surcin Clan and Lukovic of the Zemun Clan. See the 30 January 2003 cover story of *Vreme*, as well as the 29 January 2003 cover story of *Blic News*. Many observers commented that Belgrade was beginning to resemble Moscow in 1992.

<sup>13</sup> Lukic was head of the police in Kosovo at the time of the Racak massacre in January 1999.

<sup>14</sup> See ICG Balkans Report N°136, *Arming Saddam: The Yugoslav Connection*, 3 December 2002.

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<sup>15</sup> These attempts include a July 2001 attempt by Kostunica to order the VJ to occupy Serbian Republic offices, the events surrounding the assassination of Momir Gavrilovic on 3 August 2001, and the Red Beret revolt in November 2001. These events were reported respectively in ICG Balkans Briefing, *Fighting to Control Yugoslavia's Military* (15 July 2002); ICG Balkans Report N°117, *Serbia's Transition: Reforms Under Siege* (21 September 2001); and ICG Balkans Report N°126, *Belgrade's Lagging Reform: Cause for International Concern* (7 March 2002).

<sup>16</sup> "Izgleda da je bio pokusaj ubistva", *Blic*, 28 February 2003. The Serbian government has now officially accused Legija of organising this assassination attempt.

<sup>17</sup> This tabloid, controlled and owned by the Zemun Clan, has since been closed down by the Serbian government. "Djindjic meta slobodnog strelca, haski Srbi narucili atentat", *IDENTITET*, 11 March 2003.

The Hague two weeks before, warning as he did so that there might be a “repetition of 29 May”,<sup>18</sup> the date in 1903 when King Alexander Obrenovic of Serbia was murdered in his bedroom by a group of army officers, in a successful attempt to block proposed reforms of the Serbian military and change the thrust of the country’s foreign policy.

While the Zemun Clan may be on the run, as a result of the actions Djindjic had begun and the attention now being focused upon it by those investigating the assassination, it is premature to conclude that a page has been definitively turned. The Surcin Clan has largely escaped public attention during recent events and may still have to be reckoned with. Beyond that, it is far from certain whether the Serbian government will continue to move resolutely against the war criminal-criminal nexus, perhaps especially since the Djindjic assassination suggests the very real dangers involved. Until and unless it does, however, underworld figures in the alternate centres of power will hide behind “patriotism” while blocking reforms and keeping Serbia in a political twilight zone.

### C. THE POLITICAL DIMENSION: A FRAGILE FUTURE

By the start of 2003 it had become clear that Djindjic had defeated Kostunica in their long-running power struggle. Kostunica still enjoys tremendous popularity with the Serbian electorate. But ironically, the two failed elections for president of Serbia, though he won both decisively,<sup>19</sup> meant that he was jobless following the adoption of the constitutional charter and the establishment of the state of Serbia and Montenegro that replaced the Federal Republic of Yugoslavia. To contest the elections, Kostunica had to expend valuable political capital. By winning, yet simultaneously failing, because total participation failed to reach the 50 per cent required by Serbian law to validate a poll, he appeared weak and ineffective. This appearance of weakness would have cost him dearly in any future struggle against Djindjic. In the meantime, Djindjic had been able to flush pro-Kostunica politicians inside DOS – such as Nebojsa Covic and Velemir Ilic – out into the open, thereby strengthening his own position. He thus entered the new year as the unrivalled master of Serbian politics.

The DOS parliamentary coalition that won the elections of September and December 2000 had largely fallen to pieces. Most notably, Kostunica’s Democratic Party of Serbia (DSS) had abandoned the coalition’s reform platform before September of 2001, although it did not officially leave DOS until mid 2002.<sup>20</sup> Although DSS has 47 seats of 250 in the Serbian parliament, the same as Djindjic’s Democratic Party (DS) and more than any other, Djindjic had significantly reduced its ability to influence policy and legislation. He could count on 129 votes, sufficient to ensure a majority on many matters but a number of DOS members – such as the deputies from Velimir Ilic’s New Serbia (NS, 8 seats) and occasionally Vladan Batic’s DHSS (7 seats) – are fickle. They could have been expected to support Djindjic’s government on most issues, and in particular to oppose any no-confidence vote, because they feared that in new elections their parties would not pass the 5 per cent threshold needed to remain in parliament. They were also expected to vote with Djindjic on crucial legislation, particularly when offered cash, as allegedly happened with the constitutional charter vote.<sup>21</sup>

To shore up his support, therefore, Djindjic had begun increasingly to turn to temporary alliances with Hague indictee Vojislav Seselj’s Serbian Radical Party (SRS, 23 seats), Ivica Dacic’s wing of Milosevic’s Socialist Party of Serbia (SPS, 37 seats), and Borislav Pelevic’s Party of Serbian Unity (SSJ, 14 seats). Given the narrowness of Djindjic’s margin in parliament, the DSS was set to continue its long-running struggle to bring down the Serbian republic government. Nevertheless, Djindjic had seemed in good position to keep his government in power through at least the end of 2003, and perhaps until the parliamentary elections due in September 2004.

Hopefully, Djindjic’s death will provide a catalyst for the Serbian government to renew its stalled reform efforts. However, if DOS politicians hold true to past practice, the new premier, Zoran Zivkovic, may find it harder to maintain the ruling coalition and keep its internal squabbles under control. He is 42, a former businessman who rose to prominence as the mayor of the important city of Nis in 1997, when he organised and led anti-Milosevic

<sup>18</sup> See *VIP News*, 13 March 2003.

<sup>19</sup> For complete election results see the CeSID web site [www.cesid.org](http://www.cesid.org).

<sup>20</sup> ICG Balkans Report N°117, *Serbia’s Transition: Reforms Under Siege*, 21 September 2001.

<sup>21</sup> ICG interview with Serbian parliamentarians. See also “Koliko kosta glas narodnog poslanika”, and “Skupstina Srbije na prodaju”, *Blic*, 8 February 2003.

protest walks through the streets. His credentials as a democrat and a reformer are solid, and he has been active in supporting the NGO community and participating in such programs as "Energy for Democracy" by which the international community helped anti-Milosevic local governments in the late 1990s. European Union officials who worked closely with him at that time give him high marks.<sup>22</sup> More recently he has been Federal Interior Minister. Less positively, perhaps, he also served on the board of the trading company Jugoimport, which was involved with the arms-to-Iraq scandal in 2002.<sup>23</sup>

Immediately following Djindjic's assassination, Kostunica called for a "concentration government" that would permit him to regain power and pick up several ministerial positions in the Republican government. Kostunica is seen, however, by the present coalition partners as too obstructionist. It is most unlikely that any of them would be prepared to step down from ministries to make room for the DSS. Meanwhile, Kostunica's other hope of an early return to office – presidential elections – is in limbo. Djindjic had decided to avoid new elections until the Milosevic-era Serbian constitution was rewritten and harmonised with the Montenegrin constitution, as called for in the constitutional charter. Nataša Micić, who as speaker of the Serbian parliament is acting President of Serbia, had announced that the election of a new President would have to wait until the new constitution was finished.<sup>24</sup> The Serbian Constitutional Court will review her decision, but for the time being no presidential election seems likely.

Djindjic's publicly stated aim was for Serbia to have a new constitution by September 2003,<sup>25</sup> but in fact he and the government had a strong interest in maintaining the transitional status quo and delaying both the new constitution and any new elections as long as possible. The plan was to delay the actual drafting of a constitution for at least six months and then drag the process out through the end of the year or beyond, pleading the need to harmonise the Serbian and Montenegrin documents. Once written, that new Serbian constitution may well give parliament the power to appoint the president, which would have permitted Djindjic to handpick a

successful candidate and again leave Kostunica without a job. It remains to be seen whether Zivkovic will have the strength to follow this plan.

The victory over Kostunica should have given Djindjic eight to ten months of relative domestic political calm, without a prominent opposition leader. During this time Kostunica's popularity might reasonably have been anticipated to continue to fall, due to his perceived weakness, and media manipulation by Djindjic. Once again Zivkovic's ability to take advantage of these dynamics is yet to be tested.

The major political bumps along the road for the new premier potentially will be domestic unrest caused by efforts to deal with the increasingly visible organised criminal elements, attempts to arrest Hague indictees, and growing public dissatisfaction with the economy and overall paucity of reforms. Kostunica can be expected to question the legitimacy of the ruling coalition, with reference to his own undoubtedly still significant popularity, and to press for an election. Given the uncertain state of affairs, important new reforms or arrests of Hague indictees may be unlikely for some time, especially if the international community should be less than united and strong in insisting on them as the condition for aid and other help.

The prospect for significant early reform is also hampered by the weakness of the party that most forthrightly calls for it. As part of its election campaign in 2000 DOS ran on the reform program created by G17+. The long-awaited emergence of that group as a political party in its own right on 15 December 2002 has added an interesting new political force to Serbia's political scene. Comprised primarily of reform-oriented technocrats, such as Federal Deputy Prime Minister Miroslav Labus and National Bank of Yugoslavia Governor Mladan Dinkic, G17+ has already been the prime mover behind what few economic reforms have occurred. Most significantly, this group – together with Foreign Minister Goran Svilanovic, leader of the pro-reform Civic Alliance of Serbia (GSS) – has been the prime driving force behind Serbia's efforts at greater international and European integration. The presence of experts such as Dinkic and Labus has boosted credibility with international financial institutions and foreign donors.

Unfortunately for the new party, while G17+ figures appear to enjoy greater public respect than any of Serbia's other politicians with the exception of

<sup>22</sup> ICG interviews, Brussels, 16-17 March 2003.

<sup>23</sup> On that scandal, see ICG Balkans Report N°136, *Arming Saddam: The Yugoslav Connection*, 3 December 2002.

<sup>24</sup> "Nataša Micić: predsednički izbori posle novog ustava Srbije", Radio B92, 6 February 2003.

<sup>25</sup> B92 on 2 February 2003.

Kostunica, this popularity and trust is not matched by parliamentary seats. Its late entry into politics means that it will not become a true political force until at least the autumn 2004 parliamentary elections.

Despite their apparent ideological affinity and the practical use each made of the other on many issues, G17+ and Djindjic became political foes. The poor showing of Labus in the second round of the first Serbian presidential election in September 2002 (31 per cent) was in part due to active efforts Djindjic's cabinet made to undermine his campaign. Given the popularity of some key G17+ politicians, Djindjic viewed the party as a rival for power. He also had personal differences with Dinkic, and attempted repeatedly to remove him as head of the National Bank of Yugoslavia during its transition into the Serbian National Bank. That said, Djindjic was much the most capable politician who backed a reform-oriented program. With him gone, it remains to be seen whether Zivkovic will have the capacity to persuade his ruling coalition to promote any of the reform elements of the original DOS/G17+ program, and perhaps even to reconcile with the young party.

On the other hand, if the new premier does attempt to move on reform, opponents of such a course would face difficulties of their own. While Djindjic's death has given the nationalist right a window of opportunity that it could use to exploit popular anti-reform sentiment, there is no democratic mechanism available at present through which it can return to power.

The nationalist electoral bloc – although performing relatively strongly in the presidential elections – is now essentially leaderless. In spite of the strong nationalist sympathies of the majority of Serbia's population, no single figure appears able to step forward and unite those forces. Vojislav Seselj is in The Hague facing trial, and Vuk Draskovic is an irrelevant relic of a former time. Other potential leaders of a nationalist bloc, such as Borislav Pelevic of the Party of Serbian Unity (SSJ) and Velimir Ilic of New Serbia (NS), lack a sufficient following, and may have difficulty returning their parties to parliament in new elections. Although Draskovic has made an open challenge to Kostunica, asking him to step forward and lead a new opposition bloc, it is unlikely that he would either accept such a challenge, or be capable of organising an effective opposition movement. While Kostunica is not a fully spent force, his star is clearly waning, and political organisation has never been one of his strengths.

## II. INTERNAL REFORMS: WHERE'S THE BEEF?

All post-communist countries experienced public dissatisfaction over the economic dislocation of a transition to a democratic market economy. As a result, few anti-communist reformers have won consecutive elections anywhere in Eastern Europe. Serbia is in many respects similar: public opinion is increasingly disaffected with the DOS politicians and the way they have handled the reform process. The difference is that Serbs – most of whom underwent great economic hardships under Milosevic – feel that DOS simply has not done enough since coming to power. Average Serbs looks around and see few, if any, of the reforms they expected when they voted against Milosevic in September 2000. In the government bureaucracy, judiciary, media, and other public institutions, few faces have changed, while the economy continues to sputter, burdened by bureaucracy and regulations. So bad are things that fully 30 per cent would consider emigrating, given the proper circumstances, and more than 50 per cent of young people have stated they would like to emigrate.<sup>26</sup>

Serbia's reformers got off to a rapid and promising start. Led by a team of brilliant technocrats, including Miroljub Labus, Mladan Dinkic, Bozidar Djelic, Goran Pitic and Aleksandar Vlahovic, the Serbian and Federal parliaments and governments instituted a rapid series of measures, primarily macro-economic and macro-financial. Their achievements include a stable dinar-to-euro exchange rate, eradication of the payment bureau system, creation of a fledgling stock market, privatisation legislation, and restructuring of the banking and financial sector. Unfortunately, after approximately ten months of solid work, the reforms ground to a halt following the Red Beret revolt in November 2001 and concerted obstruction from Kostunica and the DSS.

Other areas underwent either cosmetic changes or none at all. With the exception of some tax measures in June and late November, the Serbian parliament passed no economic reforms during 2002. The micro-economic sector is largely untouched. Several ICG reports in 2002 documented the failure of

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<sup>26</sup> See public opinion surveys in the OSCE-commissioned Partner Marketing Research Agency public opinion survey of November 2002.

attempts to bring the armed forces under civilian parliamentary control.<sup>27</sup> Education, health care, the pension system and numerous other sectors have yet to see any significant innovation.

Most importantly, perhaps, promised judicial reforms have not occurred, and the Ministry of Justice is a significant disappointment. The Helsinki Committee for Human Rights in Serbia has extensively documented the shortcomings of the court system.<sup>28</sup> The courts are still packed with Milosevic appointees, many compromised through their association with and connections to the parallel structures from that era that are discussed above. Reports of bribery and influence peddling are common. The courts are woefully unable to deal with the numerous smaller-scale war crimes trials that Serbia will be expected to organise, should cooperation with the Hague improve.

Justice Minister Batic appears to have spent as much energy agitating for Serbian independence as working on reforming the judiciary. Legal reform efforts – such as there have been, – have been blocked both by the judges themselves and Kostunica's DSS, which stymied an attempt in 2001 to pass legislation. The recent sentences handed down in the trial of State Security officers accused of four political assassinations on the Ibar Highway in 2000 were disgracefully short – the ring-leader, former DB head Rade Markovic, receiving only seven years. The response by the judiciary to the 21 February assassination attempt against Djindjic was utterly inadequate: the suspect was released after 24 hours, even though he had attempted to crash a stolen lorry into the Premier's limousine, was in possession of forged identity papers and had a long criminal record.

Without complete lustration of the Serbian judiciary, coupled with a process of general reappointment, it is difficult to see how the system can regain credibility. This process should have started in October 2000; the events leading up to March 2003 indicate how great the need still is. Two positive recent innovations, however, should be noted. First, the position of Special Prosecutor for combating organised crime

was created by Serbian legislation in July 2002 (reinforced by FRY legislation in December 2002). While the need is obvious, the Special Prosecutor will need more organisational and financial support, including a separate department in the Interior Ministry, to be effective. Secondly, new legislation on witness protection appears to have been crucial in the decisions of several persons recently under investigation for links with organised crime to turn state's evidence. Indeed, it appears that evidence from such protected witnesses may have enabled the Serbian government to draw up the arrest warrants that Djindjic had been due to sign on the afternoon of 12 March.

The media reforms promised by DOS have not yet occurred, and the government still maintains de facto control over much of the landscape.<sup>29</sup> It appears that, upon coming to power, Djindjic and his colleagues discovered exactly how effective the Milosevic-era media constraints were, and decided to use them for their own purposes. The Serbian government has yet to undertake any serious actions to establish a legal framework that guarantees freedom of the press. As a result, media outlets are potentially subject to capricious rules and regulations, and the threat of politically motivated tax inspections is always in the background. Current and former officials regularly sue under restrictive Milosevic-era libel laws. Attacks against journalists are also frequent. The Vienna-based South East Europe Media Organisation (SEEMO) recorded 64 attacks against the media in Serbia last year, many by government and police officials. This was more than in any country of the region monitored by SEEMO.<sup>30</sup>

The Helsinki Committee for Human Rights in Serbia also concluded in a recent report on media freedom that little had changed since the Milosevic era.<sup>31</sup> Without Djindjic's leadership, it is questionable whether the ruling coalition and parliament will be willing to take on the sticky challenge of media reform, and Djindjic himself seemed to appreciate the increased influence the government's control over the media provided. Nonetheless, in the days immediately prior to his assassination, the

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<sup>27</sup> See ICG Balkans Briefing, *Serbia: Military Intervention Threatens Democratic Reform*, 28 March 2002; ICG Balkans Briefing, *Fighting To Control Yugoslavia's Military*, 15 July 2002; and ICG Balkans Report N°136, *Arming Saddam: The Yugoslav Connection*, 3 December 2002.

<sup>28</sup> "Judicial System and Independent Judiciary," Helsinki Committee for Human Rights in Serbia.

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<sup>29</sup> The one media reform law that was passed has never been implemented, due to the government's failure to appoint an oversight board.

<sup>30</sup> SEEMO Press Release, 31 January 2003.

<sup>31</sup> "Izveštaj Helsinškog Odbora Za Ljudska Prava U Srbiji O Medijima Za 2002. Godinu"

government had actually begun to undertake steps to move forward on some of the media issues.

Due to the lack of reforms, particularly in the judiciary and the micro-economic business environment, foreign investment has been disappointing. Unemployment is still a significant problem, with only 30 per cent of Serbs believing there has been improvement since Milosevic, and 44.5 per cent considering the overall situation better.<sup>32</sup>

An additional area of key importance is transparency. The adoption of clear codes of conduct and financial disclosure statements for elected officials and candidates has proved vital for cleaning up the political space in other transition countries, notably Bosnia. This is also needed in Serbia and Montenegro, and given the particular role of the military in political and economic life, it should be extended to senior military officers.

### III. THE NEW STATE: A DYSFUNCTIONAL MARRIAGE?

On 27 and 29 January 2003, the Serbian and Montenegrin parliaments respectively adopted the constitutional charter, and on 4 February the Yugoslav Federal parliament did so despite the opposition of Kostunica's DSS, which did not wish to see its president suddenly unemployed. The new state's parliament has since been constituted. Selection of the five ministers who will comprise the government was postponed from 13 March to 17 March due to Djindjic's assassination. The new state arrangement and postponement of the de jure dissolution of Serbia and Montenegro represented a triumph for EU foreign policy, although at the cost of a political investment that was perhaps disproportionate to the returns.<sup>33</sup>

The new union faces tremendous hurdles and can probably be made to work only through persistent international arbitration.<sup>34</sup> Already both republics are acting independently, and neither seems willing to surrender powers and prerogatives. Both seem to be looking more towards the expiration of the three-year opt-out clause than towards creating functional joint mechanisms. In the meantime, their republic governments will continue to strengthen the competencies of their own institutions.

Many Serbs resent the conditions imposed on their republic under the terms of the agreement mediated by the EU and the constitutional charter. They argue that it has given Montenegro excessive influence over Serbian political life, while holding Serbia's economy hostage to that of Montenegro. Serbia's leading economic experts – including Labus, Dinkic and Finance Minister Bozidar Djelic – have gone on record numerous times with their opposition to the economic aspects, saying that Serbia would be better off as an independent state. Labus claims that the

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<sup>32</sup> See public opinion surveys in the OSCE-commissioned Partner Marketing Research Agency public opinion survey of November 2002.

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<sup>33</sup> The new ministers are: Goran Svilanovic as Foreign Minister, as Defence Minister, Rasim Ljajic as Minister for Protection of Human and Minority Rights, Branko Lukovac as Minister for Foreign Economic Relations, Amir Nurkovic as Minister for Internal Economic Relations, and Boris Tadic (replacing the original nominee, Zoran Zivkovic, who is to replace Djindjic as Premier of Serbia). Svetozar Marovic, as President of Serbia and Montenegro, also carries out the role of Prime Minister of the new state.

<sup>34</sup> "Slobodan Samardzic i Ivan Vejvoda, savetnici predsednika SRJ i Premijera Srbije, slozni: Zajednica opstaje samo uz arbitrazu EU," *Blic*, 31 January 2003.

new arrangements will cause economic harm to Serbia,<sup>35</sup> while Dinkic claims that they will endanger Serbia's arrangements with both the International Monetary Fund and the World Bank.<sup>36</sup> Already the IMF has delayed the payment of its third tranche – due in March – until at the very earliest mid April, by which time the Serbian parliament is supposed to adopt a rebalanced budget.<sup>37</sup> Should the parliament fail to do this, it could lead to what Dinkic terms “a serious crisis.”<sup>38</sup>

Pro-independence sentiment is echoed by other politicians, such as Justice Minister Vladan Batic, who leads the Demo-Christian Party of Serbia (DHSS), and Velimir Ilic, who leads the New Serbia (NS) political party. According to opinion polls, well over 50 per cent of Serbia's population agrees with them,<sup>39</sup> while only 40 per cent feel that the union represents a genuine single state.<sup>40</sup>

One of the main challenges facing the new state union will be imposing civilian control over the armed forces. In its last few weeks, the federal parliament had begun taking steps to impose parliamentary control over both the security services and the VJ – now the VSCG, the Army of Serbia and Montenegro. Whether these reforms will be passed on to the new union, and whether they will be effective after Serbia creates its own Defence Ministry, remains to be seen, but Defence Minister Boris Tadic has clearly stated his intention of bringing civilian control to the military. Since Serbia will finance nearly the entire VSCG budget, its parliament will certainly attempt to exercise increased control. The Serbian government may be reluctant to permit the parliament to pass such legislation, which in any case might not extend to the militarised formations originating in state security and controlled directly – albeit non-transparently – by the Republic government. With Djindjic gone and a possibly weakened government, it is unclear who will have the political clout necessary to engage the

armed forces forcefully, particularly those within the State Security structures.

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<sup>35</sup> “Nova drzava cista steta,” *Reporter*, 14 January 2003.

<sup>36</sup> “Guverner NBJ Mladan Dinkic: zbog Ustavne povelje ugrozeni aranzmani sa MMF i Svetskom bankom,” *Danas*, 15 January 2003.

<sup>37</sup> “MMF ponovo odlozio uplatu trece transe kredita,” *Danas*, 13 March 2003.

<sup>38</sup> “Dinkic: rebalans budzeta SCG uslov za isplatu Zajma MMF-a,” *Radio B92*, 7 February 2003.

<sup>39</sup> See the OSCE-commissioned Partner Marketing Research Agency public opinion survey of November 2002.

<sup>40</sup> “Okolo 40 odsto gradana vidi SCG kao jednu drzavu,” *Radio B92*, 10 February 2003.

#### IV. FOREIGN RELATIONS: THE HAGUE FACTOR

Foreign Minister Goran Svilanovic set three goals for Yugoslavia to achieve by the end of 2002: membership in the Council of Europe, membership in NATO's Partnership for Peace (PFP), and the start of negotiations on a Stabilisation and Association Agreement with the EU.<sup>41</sup> All these goals were within realistic reach, and the international community offered numerous incentives. However, none was achieved, and they may be as far away in 2003 as twelve months earlier.<sup>42</sup> Svilanovic described 2002 as a "lost year".<sup>43</sup> The failure of the FRY to achieve these goals in its final twelve months was due in large part to strong obstruction by Milosevic's old guard and those who sought to protect their legacy, including Kostunica. The primary obstacles were a lack of cooperation with The Hague Tribunal (ICTY), failure to pass the constitutional charter on schedule, and the inability of civilian authorities to assert control over the armed forces.

Continuing failure to cooperate adequately with the International Criminal Tribunal for the Former Yugoslavia in the Hague remains the biggest single obstacle for Belgrade's foreign policy goals. Even since Milosevic was forced from power, it has been evident that without strong coordinated outside pressure, it will not comply with its obligations. Towards the end of 2002 and in the first weeks of 2003, the international community had closed ranks and was beginning to harden its stance on this matter. The EU has made cooperation with ICTY a precondition for a Stabilisation and Association Agreement.<sup>44</sup> The U.S. State Department has also said unequivocally that if Ratko Mladic and the remaining two members of the Vukovar Trio are not sent to The Hague by 31 March 2003, the U.S. will cut off all assistance to Serbia and Montenegro.<sup>45</sup>

<sup>41</sup> ICG Balkans Report N°126, *Belgrade's Lagging Reform: Cause For International Concern*, 7 March 2002.

<sup>42</sup> "Udaljavanje Srbije od EU", *Danas*, 23 January 2003.

<sup>43</sup> A phrase first used by Svilanovic in an interview with *Reporter*, "Zastoj nije morao da nam se dogodi", 19 November 2002.

<sup>44</sup> See the "Conclusions" of the EU's General Affairs and External Relations Council of 19 November 2002. See also the Commission Staff Working paper, "Federal Republic of Yugoslavia – Stabilisation and Association Report", Brussels, 4 April 2002- SEC(2002) 343.

<sup>45</sup> "Problem se mora resiti odmah i zauvek", *Danas*, 22 January 2003.

This was a significant shift by the State Department, which had historically preferred to lobby Congress to remove conditionality language from the appropriations legislation. The most recent U.S. legislation has made 15 June the date by which the administration must certify to Congress that Serbia and Montenegro are in compliance with the conditions established in the aid legislation. In the meantime, unless there is a change because of the Djindjic assassination, it appears there may be a two-month gap in U.S. foreign aid.

As part of its efforts to join the Council of Europe, the FRY did finally ratify the December 1995 General Framework Agreement for Peace (Dayton Peace Accords) for Bosnia and Herzegovina. It also signed up to an ambitious list of conditions, including cooperation with the Tribunal. The two main obstacles to FRY membership were the failure to complete and adopt the Constitutional Charter and cooperation with The Hague. While the constitutional relations between Montenegro and Serbia remained unresolved, the Council of Europe could not be certain what state was joining. In addition, several members of the Council – including the United Kingdom, Denmark, Germany, the Netherlands, Sweden, Norway and Ireland – are hesitant to permit accession without full cooperation with the ICTY.<sup>46</sup>

Lack of cooperation with the ICTY will also continue to keep Belgrade out of the Partnership for Peace, as was pointed out explicitly during Svilanovic's most recent visit to Brussels.<sup>47</sup> Cooperation with the ICTY is also a significant factor in domestic politics. As demonstrated by Djindjic's assassination, any attempt to cooperate with the Tribunal, particularly in the area of arresting suspects, could force a confrontation between the more moderate and pragmatic factions in the government and the old guard, backed by the alternate centres of power, and committed to preserving Milosevic's political, criminal and financial legacy. Nevertheless, given the war criminal/organised crime nexus in Serbia, cooperation with The Hague is the key that can help dismantle the Milosevic-era structures that still

<sup>46</sup> See the statement by UK Ambassador Charles Crawford in "Britanski ambasador traži hapšenje Ratka Mladića", B92online, 21 January 2003. Also ICG interviews with diplomats from other Council of Europe member states.

<sup>47</sup> "Svilanovic i Covic u Briselu", Radio B92, 26 February 2003. ICG interviews with NATO officials and representatives of NATO member states.

plague today's Balkans. Without this cooperation – which would inevitably remove key individuals from the scene – the battle against organised crime in the region cannot be won.

In the wake of Djindjic's assassination, some international officials are wondering aloud whether it is appropriate to maintain conditionality on these issues; might it not be better, they ask, to encourage Belgrade's reformers by rewarding them now for promised future policies, rather than expose them to danger by insisting on confrontation with the forces that killed Djindjic?<sup>48</sup> To weaken conditionality now in response to the assassination, however, would be a surrender to the assassins, who want to avoid paying any of the cost to Serbia of Euro-Atlantic integration. By all means offer technical assistance – and plenty of it – to help Serbia and Montenegro meet the benchmarks that are necessary for full participation in the Euro-Atlantic community. But that should not include watering down the values that make that community possible.

There can be no doubt that poorly coordinated international community policies in support of the ICTY contributed to the delay in Serbia's reforms, and helped the Milosevic old guard and its obstructionist allies. On the one hand, the European countries especially gave excessive benefit of the doubt to Kostunica and his obstructionist allies, rather than making aid more explicitly and operationally conditional. For their part, the U.S. administration and State Department consistently lobbied Congress to remove aid conditionality from appropriations legislation. On the other hand, both the EU and U.S. pressed Djindjic – knowing him to be a pragmatist who wanted good relations with the West – while ignoring or downplaying the difficulties Kostunica regularly made. In effect, the international community, rather than confronting the obstructionists directly, placed most of the pressure on the one man they knew wished to cooperate, without giving him political cover for his actions. This, in effect, emboldened the obstructionists. Had the international community taken a tougher and more united approach on conditionality, and confronted the obstructionists more directly, it would have given Djindjic more manoeuvring space.

## V. KOSOVO AND BOSNIA: DOUSING THE FLAMES

Today's Serbia and Montenegro continues to represent a major locus of regional instability. Belgrade's behaviour and official statements have been fanning regional tension with both Bosnia and Kosovo. It continues actively to oppose international community goals in both places, thereby prolonging the need for an international administrative and peacekeeping presence. Until Belgrade changes these policies, it cannot be viewed as either a reliable partner or a guarantor of regional stability, and the international community will need to maintain a heavy presence in the region.

One key reason why Belgrade continues to disrupt efforts at regional stability is that few Serbs believe that their country's borders are final, and most are dissatisfied with the status quo. This relates not only to the unresolved questions of union with Montenegro and the final status of Kosovo, but also to the all-too-frequently-mentioned possibility of partitioning and annexing portions of Bosnia and Herzegovina – anathema to the international community, but taken very seriously by even the more enlightened of Belgrade politicians. Until such time as Serbia resolves its border questions, its neighbours will continue to be nervous and regional instability will remain elusive.

### A. KOSOVO: DE FACTO PARTITION

Belgrade has consistently worked against the efforts of UNMIK and the international community in Kosovo to establish the authority of the institutions created under UN Security Council Resolution 1244 throughout the province, and to integrate Serbs into the Kosovo government structures. International budgetary support to Serbia has permitted the Serbian and Yugoslav governments to free up as much as €75 million annually to carry out a partition of Kosovo. There can also be no question that the informal Milosevic-era parallel financial structures that supported the para-state contributed significant funds to the efforts of Belgrade's security forces in the region. The attempt to create an ethnic Serb mini-entity appears finally to be close to fruition.

Djindjic started 2003 with an aggressive agenda that could have proved disruptive to the plodding, unimaginative policies that have typified the

<sup>48</sup> For a public example of this line of thought, see in particular the letter of Peter Schieder, President of the Parliamentary Assembly of the Council of Europe, to the Chairman-in-Office of the Committee of Ministers, 13 March 2003, on-line at [http://press.coe.int/cp/2003/142a\(2003\).htm](http://press.coe.int/cp/2003/142a(2003).htm).

international community's Balkan diplomacy. He sent up a series of trial balloons, the most notable of which was a proposal to begin dialogue immediately over the future status of Kosovo. This caught the EU, UN, U.S. and Kosovo Albanians completely off guard. He was the first Serbian leader to state openly that "independence [for Kosovo] will no longer be a taboo subject".<sup>49</sup> Overt moves from Belgrade on Kosovo's final status most probably died with Djindjic. Serbia will, however, continue to look to a de jure partition as a medium-term goal.<sup>50</sup> Djindjic had proposed a federal solution: partition into two politically equal entities, one Serb, the other Albanian, within the context of a Kosovo given broad autonomy, yet remaining within the union of Serbia and Montenegro.<sup>51</sup> He seemed to look to both Cyprus and Bosnia as possible models.<sup>52</sup>

Already Belgrade has established complete parallel structures in the North, ranging from telecommunications to the judiciary to the education system and security services. The recent formation of a Union of Serbian municipalities in Kosovo has institutionalised Serb efforts towards partition. At a 25 February 2003 meeting, the Assembly of Union of Serbian Municipalities voted unanimously to support Serbia's sovereignty over Kosovo.<sup>53</sup> In the event of a formal partition, the already existing parallel structures would simply emerge in their true form; essentially this is what happened to the Republika Srpska in Bosnia under the Dayton Peace Agreement of 1995.

Similarly, Serbia already maintains a discreet but pervasive security presence within the north of the province, as well as within some of the Serb enclaves. Some of these forces – both KOS and BIA – have been in place since KFOR arrived in July

1999. They may number over 1,000 men throughout the province.<sup>54</sup> The strategy is to obtain permission for the return of Serb security forces, thereby legalising the presence of those forces still in place, while simultaneously reinforcing them. At its 23 January 2003 presidency meeting, DOS called for the return of MUP and VJ forces to Kosovo in keeping with the provisions of UNSCR 1244.<sup>55</sup> Djindjic repeated this on several occasions and went so far as to write to President Putin of Russia, President Bush of the U.S., and Prime Minister Blair of the UK with his proposal.<sup>56</sup> His successor, Zivkovic, may be less activist but is unlikely to have a different agenda.

The Djindjic initiatives caused consternation among Kosovo's Albanians, who are deeply divided on every conceivable political issue except one: all want independence within Kosovo's existing borders. While impatient for status negotiations, they want the international community – preferably the United States – to negotiate on their behalf for this independence. They fear – perhaps correctly – that the Serbs are better organised and more experienced at negotiating. While there have been reports of private meetings between Serbian and Albanian officials at the highest levels,<sup>57</sup> the Albanians had little incentive to respond to Djindjic's initiative and negotiate directly. UNMIK remains in control of the province, and although it has begun to transfer power to the Provisional Institutions of Self-Government, SRSG Michael Steiner announced in February that there would be no final status discussions in 2003.<sup>58</sup> Given that there is no pressure on them to negotiate a status agreement directly with Serbia, their insecurity and suspicion of the Serbs, and that partition is a highly undesirable outcome for Albanians, it is most unlikely that any Albanian politician could sign a partition deal.

At least partly in response, Steiner invited Djindjic to participate in three-way talks with UNMIK and the Kosovo government, not to discuss final status but to resolve a number of technical issues – such as license plates – that the Serbs have obstructed for three years. Djindjic's death certainly puts any talks on

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<sup>49</sup> "Kosovo: Serben setzten auf Druck aus Brüssel", *Der Spiegel*, 1/2003, 79.

<sup>50</sup> "Kosovo se moze podeliti slicno Federaciji BiH", Radio B92, 21 September 2002.

<sup>51</sup> "Djindjic: Federalizovati Kosovo", Radio B92, 27 February 2003.

<sup>52</sup> Branislav Krstic, the vice-president of the Coordination Centre for Kosovo and Metohija published a three-part serialised opinion piece on the possibilities for Kosovo's future in *Danas* on 21, 22, and 23 January 2003. His thinking seems to reflect the official government course of action. He has also published several texts dealing with Kosovo. See also "Kosovo se moze podeliti slicno Federaciji BiH", Radio B92, 21 September 2002.

<sup>53</sup> "Usvojena deklaracija o suverenitetu Srbije na Kosovu", Radio B92, 25 February 2003.

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<sup>54</sup> ICG interview with a Serbian source.

<sup>55</sup> "Predsedništvo DOS-a o Kosovu i fenolu", 24 January 2003.

<sup>56</sup> "Djindjic pisao Busu, Bleru i Putinu", Radio B92, 4 February 2003.

<sup>57</sup> ICG interview with a Serbian government official.

<sup>58</sup> Michael Steiner, Address to the United Nations Security Council, 6 February 2003.

hold for the near future. Yet, if dialogue should occur and resolve some technical issues, it may become a foundation for further confidence-building measures that could lead to the final status process. Any high-level dialogue between official Belgrade and Pristina should be welcomed, particularly given the lack of such dialogue over the previous three years. Patience with the status quo is wearing thin on all sides, and unless the international community takes the lead, this situation could threaten the delicate peace within Kosovo and the wider region. The UNMIK-moderated discussions should provide a forum for initial official contacts and confidence building measures that could be used to pave the way towards a discussion of final status.

## **B. BOSNIA AND HERZEGOVINA: THE UNCUT UMBILICAL CORD**

Both Kostunica and Djindjic had recently questioned Bosnia and Herzegovina's boundaries. Kostunica, addressing an election rally in Mali Zvornik on the Serbian side of the Drina river across from the Bosnian city of Zvornik on 7 September 2002, stated that Republika Srpska was "a part of the family that is dear to us, near, temporarily split off, but always in our heart".<sup>59</sup> In January 2003 Djindjic – himself born in Bosnia – linked Kosovo's final status to a reopening of the Dayton Peace Accords, in which "borders in the region would have to be completely redefined".<sup>60</sup> As recently as late February, Djindjic once again linked the Republika Srpska to Kosovo, even though the two situations are in no way alike.<sup>61</sup> The sentiments expressed by Kostunica and Djindjic are shared by most Serb politicians and the vast majority of the electorate. Of particular concern for the international community is the attempt to link the partition of Kosovo – now favoured by Belgrade – to a similar partition of Bosnia, where the legal and security situations are as different as are prospects for the future and the circumstances that brought about the ethnic divide.

The issue of partition and territorial compensation aside, Belgrade's continuing influence in Republika Srpska is unhelpful to Bosnia's economic

reintegration and political maturation. During a recent television interview, Serbia's Finance Minister, Bozidar Djelic, endorsed RS reservations over the international community's plans to introduce Value Added Tax (VAT) on the Bosnian state level and to unify the entities' customs services. This seemed to indicate that Belgrade prefers to keep Bosnia's economic space both disunited and, in effect, a playground for criminality.<sup>62</sup>

Belgrade influences events in Bosnia most in relations with the RS security forces. Although it appears to have cut off its formal ties with the RS Army (VRS), a series of informal arrangements seem still to be in place between various elements of the former DB militarised formations and VJ counterintelligence (KOS) on the one hand, and the VRS and Bosnian Serb intelligence services on the other. Many Bosnian Serb paramilitary formations were formed and controlled by the DB: some were mobilised for action in Kosovo in 1999. The VRS was almost wholly subservient to the VJ. These strong wartime ties have prevented Bosnia from developing a common Defence Ministry or equivalent structure, which is a precondition for that country's entry into NATO's Partnership for Peace.

Serbia and Republika Srpska still maintain a united air defence network, consisting of radar and anti-aircraft missile and artillery units, under the command and control of Belgrade.<sup>63</sup> This network prevents the establishment of an integrated Bosnian military command under civilian control and is a clear violation of Annex 1 of the Dayton Accords, which forbids non-SFOR foreign military on Bosnian soil.

Of equal international concern is the role Republika Srpska plays in maintaining illegal financial flows for Serbian security services, political parties, and alternative centres of power. Contrary to common wisdom, Belgrade has not been financing Republika Srpska for several years. Rather, RS has been financing Belgrade. Following the Dayton Peace Accords, Milosevic used RS as a neighbour with a friendly political environment to circumvent sanctions. The RS did so by facilitating money laundering and cash flows to finance Milosevic's parallel security structures, many of which were based on large-scale tax and customs-evasion schemes involving tobacco, weapons and petroleum.

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<sup>59</sup> "Sarajevo trazi zvanicnu potvrdu Kostunicinog kabineta", Radio B92, 11 September 2002.

<sup>60</sup> "Kosovo: Serben setzten auf Druck aus Brüssel", *Der Spiegel*, 1/2003, 79.

<sup>61</sup> "Djindjic: Federalizovati Kosovo", Radio B92, 27 February 2003.

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<sup>62</sup> "Srbija s Srpskom", *Glas Srpski*, 9 February 2003.

<sup>63</sup> ICG interviews with Western intelligence and diplomatic sources.

These have also included suspicious middle-man schemes, the most notorious of which – the recent Elektroprivreda scandal – cost the RS budget over U.S.\$90 million annually.<sup>64</sup> The revenues from these illegal activities have been largely controlled by the remnants of the Milosevic-era DB and KOS parallel structures, and some seem to have funded the bodyguards and other support structures that keep Ratko Mladic and Radovan Karadzic out of The Hague's court.

The March 2003 SFOR raids on the offices of several RS officials and businessmen, as well as the subsequent shutdown of their businesses and bank accounts, were designed to restrict this flow. Of particular concern is the fact that the Milosevic-era “businessmen” affiliated with Serbian State Security and mentioned earlier in this report, appear to control much of Republika Srpska’s revenue flows through the Ministry of Finance, and have excessive influence over the office of the Premier. Another company that allegedly provides cover for money laundering and weapons shipments is the Zepter Group, owned by Milan Jankovic (a.k.a. Filip Zepter).<sup>65</sup> Milan Jankovic was a close personal friend of Zoran Djindjic, and the pair spent time together on holidays. The Belgrade media has reported that Jankovic is directly financing the Serbian government’s lobbying effort in the United States.<sup>66</sup>

The arrest of Radovan Karadzic as a requirement of justice should be an imperative anyway if the region is to deal with the past. But it is also a vital requirement if the region is to have a future. Karadzic, and those who protect him, continue to believe that after a few more years the international community will simply give up and go away, allowing the nationalist forces to reassert their control over the levers of economic and political power throughout the region. They must not be proved right.

## VI. SERBIAN SOCIETY: RENASCENT CONSERVATIVE NATIONALISM

In Belgrade and much of Serbia the New Year and subsequent Orthodox Christmas and Orthodox New Year (7 and 13 January respectively) festivities passed with a sense of normalcy. Central heating and public transportation functioned routinely, new and imaginative holiday lighting decorated the main squares and pedestrian thoroughfares, and people went about their holiday shopping. Zoran Djindjic appeared as a winning contestant on the Serbian version of “Who Wants To Be A Millionaire”? Serbian television showed not only the Prime Minister as a prize-winner, but also the embarrassing comments of two pro-independence politicians – Justice Minister Vladan Batic and Milan St. Protic of the Demo-Christian Party – caught on the show “Hidden Camera”. Sophisticated computer-animation political spoofs of Yugoslavia’s leading political personalities played on Television Serbia’s 1<sup>st</sup> Program, making fun of Djindjic and Kostunica alike, in one case depicting a tank-top clad U.S. Ambassador Montgomery carrying a baseball bat in one hand and a carrot in the other while engaging Kostunica in dialogue.

Yet the Sunday before New Year, BK Television transmitted a Milosevic-era propaganda film from June 1999 (when the FRY was under NATO bombardment) that attacked the West, NATO, the EU, US, and UN. December was characterised by a number of racially or religiously motivated attacks, the most serious of which in its diplomatic consequences was probably the mob that successfully prevented the British Ambassador Charles Crawford from entering the Serbian Orthodox Patriarchy to hold the traditional Church of England Christmas Eve Mass in the Patriarch’s private chapel.

### A. CHURCH AND STATE

Serbian society today can be characterised as deeply conservative. As seen in a recent Helsinki Committee report on nationalism, only now are social and cultural tendencies that were suppressed under communism and Milosevic emerging fully. The most noticeable is the strengthening of the Serbian Orthodox Church and the rise of clerical nationalism. The Church seems to be increasingly and openly tied to ultra-conservative and nationalist

<sup>64</sup> See OHR Press Release of 25 February 2003, “High Representative Removes Senior Managers from Elektroprivreda RS, Enacts Law on Ministerial and Government Appointments”.

<sup>65</sup> OHR report in ICG possession about Zepter.

<sup>66</sup> “Djindjicevu promociju u SAD finansira Cepter”, *Blic News*, 23 June 2002.

groups, particularly those with ideologies emanating from the period of Serbia's Second World War fascist government.<sup>67</sup>

Milosevic used the Church for his own purposes but never really permitted it to become a serious political rival. Since DOS removed him from power, the Serbian Orthodox Church has strengthened its position in society significantly. It was able to do this in large part because of the power struggle between Kostunica and Djindjic. Because Djindjic's nationalist credentials were weaker than Kostunica's, he typically took the lead in promoting the role of the Church. As a result religious education has now been introduced in Serbia's schools, the state has donated large sums of money to the Church to help it finish the Cathedral of St. Sava in Belgrade and approximately €1 million to the Sopocani Monastery.<sup>68</sup> Djindjic never seemed to miss a photo opportunity with the Patriarch. The ability to play the two rivals off against each other gave the Church a greater degree of freedom and legitimacy than it had previously enjoyed.

The Church is a highly conservative national body that identifies with what might otherwise be considered political and diplomatic questions, i.e., state borders, the type of state Serbia should be, relations between the state and its citizens and the treatment of national minorities. Its attitudes are often anti-Western, isolationist and defensive. During the wars for the dissolution of the former Yugoslavia, it took positions that could only be categorised as extremist, and that in some cases stirred up nationalist frenzy, while turning a blind eye to ethnic cleansing, or in some cases justifying it; the church has never distanced itself from, let alone apologised for, its statements during the wars.<sup>69</sup> Even today, priests are often associated with hate-speech attacking other nationalities, and the Church categorises most other Christian religions as sects, including mainstream Protestant denominations.<sup>70</sup> Much of its current thinking derives from the writings of two right-wing anti-Semitic clerics active during the Second World War: Bishop Nikolaj Velimirovic, who received a civil decoration from

Adolf Hitler,<sup>71</sup> and Archimandrite Justin Popovic, who taught anti-European attitudes in a manner reminiscent of Russia's Slavophile movement.<sup>72</sup>

The Serbian Church is one of the most conservative and isolationist in the Orthodox world; it has refused to recognise the existence of an independent orthodox organisation in Montenegro, and eagerly accepted the high-level defection from the Macedonian Orthodox Church of the Bishop of Veles in mid-2002. The more liberal autocephalous churches, particularly the Ecumenical Patriarchate of Constantinople, but also including the Romanian Orthodox Church, should be encouraged to positively engage with those who are reluctant to adapt church structures and practices dating from Ottoman and Communist times to the modern world.

The Church, together with the VJ's counterintelligence service KOS, has been closely linked to the anti-Semitic ultra-right wing nationalist youth group *Obraz*.<sup>73</sup> The *Obraz* philosophy is based on the writings of the Serbian World War Two Fascist politician Dimitrije Ljotic, who corresponded with Adolf Hitler, as well as both the aforementioned Velimirovic and Popovic. *Obraz* has prided itself on breaking up a gay rights parade in Belgrade on 30 June 2001,<sup>74</sup> as well as covering the centre of Belgrade with posters of Hague indictee Radovan Karadzic that read "every Serb is Radovan". It may have been associated with the Christmas Eve incident in front of the Patriarchy, as well as a recent attack on a dark-skinned Canadian woman in the centre of Belgrade. The group seems to find backing not only from the Church and the VJ, but also from the Dean of the Belgrade University Philosophy Faculty.<sup>75</sup>

The activities and influence of the Church and organisations such as *Obraz* and "Blood and Honour" should be viewed as a reflection of deeper trends within Serbian society that will certainly drive

<sup>67</sup> "Karakter novog srpskog nacionalizma", Helsinski odbor za ljudska prava u Srbiji, January 2003.

<sup>68</sup> ICG interview with diplomatic source in Belgrade.

<sup>69</sup> "Srpska pravoslavna crkva, patrijarha i rat", in *Zene za mir*, Belgrade: 2002, p. 199.

<sup>70</sup> ICG interviews with civil rights activists. See also "Fasizam i neofasizam danas", in *Zene za mir*, Belgrade: 2002, p. 144.

<sup>71</sup> See Ljubica Stefan's *Fairy Tale to Holocaust* (Zagreb, 1993).

<sup>72</sup> "Dva lica Srbije: Cena otetih godina", *Vreme*, 13 December 2001. See also "Srpska pravoslavna crkva, patrijarha i rat", in *Zene za mir* (Belgrade, 2002), p. 199.

<sup>73</sup> ICG interviews with leading human rights and military experts. See also "SPC iza Obraza i Krvi i casti", *Danas*, 20 September 2002. The full name of *Obraz* is "Otacastveni pokret *Obraz*".

<sup>74</sup> See the *Obraz* account at its web site <http://www.srbkiobraz.org/>.

<sup>75</sup> "Novi govor mrznje", *Helsinska povelja*, January 2002, Nr. 48.

future election campaigns and politics. On the evening television news, one sees exactly how far the government goes to marginalise Serbia's minority populations. The Muslim-majority city of Novi Pazar, the largest urban centre in the Sandzak region with a population of over 100,000, is absent from the national map during the weather report. Rather, the map and announcers refer to "Ras", a Serbian medieval settlement that once existed in the vicinity of Novi Pazar. Other broadcasts refer to the monasteries of Djurdjevi Stupovi and Sopocani, both in the Novi Pazar municipality, as "Djurdjevi Stupovic near Ras," and "Sopocani near Kraljevo". No mention is made of the Muslim majority city that has become a thriving manufacturing and trade centre.<sup>76</sup>

The two failed presidential elections of 2002 confirmed the Serb tendency towards conservative national politics. In the first round first poll (29 September) fully 72 per cent of the vote went to candidates who could be considered conservative nationalists. These included the perennial favourite of Serbia's hard-core nationalists, Vojislav Seselj, who garnered 22 per cent against the moderate, pro-European Labus' 27.7 per cent. Other conservative nationalist vote getters included Kostunica (31.2 per cent), and such minor nationalist figures as Vuk Draskovic and Borislav Pelevic.<sup>77</sup> In the second round on 13 October Kostunica defeated Labus, 67 per cent to 30 per cent. In the second presidential election on 8 December, the voters had little real choice on the political spectrum: all three candidates had a conservative nationalist orientation, and two (Seselj and Pelevic) were associated with paramilitary units that committed war crimes and have since been associated with organised crime activities. The result of this election, in which Seselj received 36.3 per cent and Kostunica 57.5 per cent, showed that conservative nationalism is not simply a product of the Milosevic era, but rather an integral part of Serbia's political scene.

Of course, the low turnout indicates that these sentiments are not shared by all Serbs, but the message to Serbian politicians is clear: no matter how much reform-oriented policies may please the West, at the end of the day it is Serbs who vote in

Serbia's elections. Any politician who wishes to win an election will have to play to popular sentiments. The rump DOS coalition includes a number of parties with strong conservative nationalist credential, such as the DHSS and NS, to name two of the most visible. Djindjic – lacking Kostunica's strong nationalist credentials – shied away from attempting to re-educate public opinion about the events of the previous thirteen (or 50) years. He attempted instead to manipulate conservative national icons to increase his popularity. Given the current political instability, it is unlikely that any politician will attempt to undertake radical moves that could cost him the national vote or coalition partners. Even if this happens, it is questionable whether the Serbian public is ready or desirous of coming to grips with its past. Any real hope for a civic option to gain power will depend in large part on how well currently marginalised parties such as G17+, SDP and GSS perform in the next parliamentary elections. In the meantime, the city of Cacak has renamed a school after Bishop Velimirovic.<sup>78</sup>

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<sup>76</sup> ICG interviews with civil rights activists. See also "Kad ponos zamene stid i nemoc", in *Zene za mir*, Belgrade: 2002, p. 171.

<sup>77</sup> All figures are taken from the CeSID web site, [www.cesid.org](http://www.cesid.org).

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<sup>78</sup> "Fasizm i neofasizm danas", in *Zene za mir*, Belgrade: 2002, p. 144.

## VII. CONCLUSION

The Djindjic assassination underlines how little progress Serbia has made in dismantling the Milosevic-era structures of power and breaking with the past. It also underlines the dangers faced by reformers who attempt to dismantle the hidden structures of power. Serbia's polity and society are still firmly in the heavy hand of their recent past. DOS's failure to try and break this grip through re-education reflects not only the lack of politicians' desire to deal with painful issues, but also the fact that many believe the nationalist myths. They are also aware that they run great risks, and not only at the ballot box, by challenging the patriotic-nationalist mindset and the criminal organisations that support it.

Strong nationalist interests hamper Serbia's progress towards European integration. These nationalist forces will continue to hold the country back until their political clout is greatly weakened. The Serbian government will risk displeasure from powerful interest groups and individuals when and if it attempts to bring the armed forces (both army and MUP) under civilian parliamentary control. As seen, efforts to dismantle the organised crime networks inherited from the Milosevic era, including through cooperation with The Hague, could prove destabilising, forcing domestic politicians to walk a very fine line.

The international community needs to realise that now is not the time to disengage from the Balkans. If they are to succeed, Serbia's reformers will need help from the international community in a variety of areas. First and foremost, they need assistance to clean house, both of organised crime and war

criminals. The international community will need to actively assist, perhaps with trained specialists in law enforcement. NATO intelligence has been tracking the activities and financial flows of many of these criminal organisations for some time. This information should be shared with Serbian law enforcement. The international community should also consider increasing its aid levels to Serbia and the broader region so as to better assist the reformers in the difficult actions they must take. In return, Serbia's reformers should also aggressively push the G17+ reform platform adopted by DOS prior to the September 2000 elections. Belgrade should likewise cooperate more closely with international goals in Kosovo and Bosnia.

While Serbia's politicians come to grips with the aftermath of the assassination, and the world adjusts to post-Djindjic Serbia, a number of other problems will remain. These include the situation in the ethnic Albanian majority parts of southern Serbia, the lack of control over the armed forces, growing nationalism, and the overall state of the economy.

The Djindjic assassination provides Serbia's politicians with a real chance to clear away once and for all the Milosevic era criminal and war criminal structures, and to begin to acquaint the population with the numerous crimes committed in its name during the 1990s. If the government and police succeed in eliminating at least part of the hidden structures of power, it will set the stage for Serbia to make significant progress towards European integration. Should they fail, the country risks becoming the next Belarus.

**Belgrade/Brussels, 18 March 2003**

## APPENDIX A

### ABOUT THE INTERNATIONAL CRISIS GROUP

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The International Crisis Group (ICG) is an independent, non-profit, multinational organisation, with over 90 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

ICG's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, ICG produces regular analytical reports containing practical recommendations targeted at key international decision-takers.

ICG's reports and briefing papers are distributed widely by email and printed copy to officials in foreign ministries and international organisations and made generally available at the same time via the organisation's Internet site, [www.crisisweb.org](http://www.crisisweb.org). ICG works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

The ICG Board – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring ICG reports and recommendations to the attention of senior policy-makers around the world. ICG is chaired by former Finnish President Martti Ahtisaari; and its President and Chief Executive since January 2000 has been former Australian Foreign Minister Gareth Evans.

ICG's international headquarters are in Brussels, with advocacy offices in Washington DC, New York and Paris and a media liaison office in London. The organisation currently operates eleven field offices (in Amman, Belgrade, Bogota, Islamabad, Jakarta,

Nairobi, Osh, Pristina, Sarajevo, Sierra Leone and Skopje) with analysts working in over 30 crisis-affected countries and territories across four continents.

In *Africa*, those countries include Burundi, Rwanda, the Democratic Republic of Congo, Sierra Leone-Liberia-Guinea, Somalia, Sudan and Zimbabwe; in *Asia*, Indonesia, Myanmar, Kyrgyzstan, Tajikistan, Uzbekistan, Pakistan, Afghanistan and Kashmir; in *Europe*, Albania, Bosnia, Kosovo, Macedonia, Montenegro and Serbia; in the *Middle East*, the whole region from North Africa to Iran; and in *Latin America*, Colombia.

ICG raises funds from governments, charitable foundations, companies and individual donors. The following governments currently provide funding: Australia, Austria, Canada, Denmark, Finland, France, Germany, Ireland, Japan, Luxembourg, The Netherlands, Norway, Sweden, Switzerland, the Republic of China (Taiwan), Turkey, the United Kingdom and the United States.

Foundation and private sector donors include The Atlantic Philanthropies, Carnegie Corporation of New York, Ford Foundation, Bill & Melinda Gates Foundation, William & Flora Hewlett Foundation, The Henry Luce Foundation, Inc., John D. & Catherine T. MacArthur Foundation, The John Merck Fund, Charles Stewart Mott Foundation, Open Society Institute, Ploughshares Fund, The Ruben & Elisabeth Rausing Trust, the Sasakawa Peace Foundation, the Sarlo Foundation of the Jewish Community Endowment Fund and the United States Institute of Peace.

**March 2003**

## APPENDIX B

### ICG REPORTS AND BRIEFING PAPERS\*

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*The Civil Concord: A Peace Initiative Wasted*, Africa Report N°31, 9 July 2001 (also available in French)

*Algeria's Economy: A Vicious Circle of Oil and Violence*, Africa Report N°36, 26 October 2001 (also available in French)

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*Dealing with Savimbi's Ghost: The Security and Humanitarian Challenges in Angola*, Africa Report N°58, 26 February 2003

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*Uganda and Rwanda: Friends or Enemies?* Africa Report N°15, 4 May 2000

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\* The Algeria project was transferred from the Africa Program in January 2002.

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