

Policy Paper
**“NATO and the Regional Stability of Western Balkans:
Smart Power Approach”**

Executive Summary

The strategy of the international community was NATO to contribute to security, and the EU to constitutional solutions and the economic development of the Western Balkans. The first means extended presence of NATO in the region, and the latter requires the Union to assist in the transformation in the region with a promise that it will become a member. Thus the Euro-Atlantic integration should contribute to the stability and development of the whole region. NATO and EU are involved in the Western Balkans as a result of their activities related to enlargement, through the NATO MAP process and the EU Stabilization and Association Agreements. Also, their involvement is manifested through crisis management in Macedonia, Bosnia and Herzegovina and Kosovo. The political, economic and military power of NATO and EU gives significant influence to these organizations, which comes as a result of the wish of most of the countries in this region to join them.

Over a longer period of time, the countries of the Western Balkans have been facing numerous challenges, starting from resolving some constitutional issues to problems related to reinforcement of their state institutions. This year we have some positive movements towards accession of the region into European mainstream. Croatia became a member of the EU, Montenegro is following the example of Croatia and conducting the association process with the EU, Serbia is waiting for a date for starting the negotiations and Albania and Kosovo are looking forward to improve the status of their respective countries in relation with EU after successful election and the agreement with Serbia. On the other side, Bosnia and Herzegovina awaits restructuring of the federation in order to proceed on the way to European integration while the Republic of Macedonia is faced with a difficult compromise with Greece on “the name issue” as a precondition for the NATO and EU membership.

The future of the Western Balkans countries will depend on whether the states will be successful in overcoming these challenges. Western Balkan countries’ obstacles are between meliorating and concealing old problems with a new “smart power approach” assessing strengths and weaknesses of the regional cooperation mechanisms.

Key points and Recommendations

Western Balkan countries are missing the momentum of Euro-Atlantic partnership and, partially, membership incentives. For Western Balkan countries, along with the integrative processes and new security challenges, priorities for the members are prone to reassessing value for integrative involvement in old regional projects and real efficiency of the new ones. Therefore, the Western Balkans countries are considering their position towards a smart power approach as reinforcement for regional stability and Euro-Atlantic integration. The global security environment poses new challenges for NATO and partners. US – European security relations have changed dramatically while small Western Balkan states are looking for their position in international relations. Our recommendations for NATO and the Western Balkan countries regarding regional cooperation are the following:

1. NATO should include the countries from the Adriatic group, (Macedonia and Montenegro) in its family. Furthermore, Bosnia and Herzegovina should start with the implementation of the Membership Action Plan (MAP) and Kosovo should be involved in the Partnership for Peace Program (PfP) as soon as possible.
2. The Alliance needs to provide bigger financial support to the regional cooperation activities and to encourage dialogue about non-military security aspects (such as economic and cross border cooperation, thus contributing to decreasing of ethnic tensions).
3. NATO should contribute more to enable bigger practical support in establishing and implementing of bilateral and multilateral confidence building measures in the region.
4. Regional governments need to make improvements in their societies in key areas such as public administration, rule of law, freedom of the media etc.
5. Countries from the region must reconcile the diverse internal problems and repair broken relationships among them.
6. The role of the middle range actors in the region including academia should be more proactive.
7. Regional integration of the economies of small countries assisted by good governance, transparency and accountability is necessity because small separate economies are not as effective as regional investment and productive capacity building.
8. Pooling and sharing, and smart defense could assist acquisition projects that are unaffordable for a single country.
9. The region suffers from many overlapping initiatives. Efforts to nationalized and harmonized initiatives would lead to high degree of mutual trust and confidence in the region.
10. NATO member countries will need to remain deeply engaged in the Western Balkans in the years to come. One element of this engagement needs to be to reinforce support of regional cooperation and provide political and material support for maximizing this cooperation.
11. The Western Balkan countries need to act together, regardless of the fact that each of them will get integrated according to its own progress.

12. Education of young generations and investment in human resources is a key area for future NATO engagement.

Background

Introduction

It is clear that the defining of the term “region” is not a simple issue of geography, but it is also linked to the politics, economy, society, culture and, the last but not the least, security. From the security aspect, “region” is understood as a separate and important subsystem of security relations existing among a complex of states whose destiny is to be situated geographically close to each other.¹ For more comprehensive analysis of the regional security, an analytical framework of the security complex is used, which is defined as a group of states whose primary security concerns are correlated closely enough so their national security cannot really be analyzed one without the other. Such analysis also requires the research of the national security of a certain state to take into account the interrelation of the region with the international system as a whole. The security complex enables a systematic approach to the security analyses which require the necessary attention to the macro level, the influence of the global actors on the system; to the medium level, the relations among the states in the region and to the micro level, the situation in the security sphere of the states themselves. Paying attention to all three levels the security complex underlines their interdependence. Firstly, the external influence in the resolution of the internal problems of the states; secondly, the mutual local influence among the states and thirdly, the limitations that the domestic problems in the states have on the external influence. In our analysis we will use the analytic approach to the security complex in order to highlight the key moments of all the three levels of interaction in the search for the answer to the perspectives of the regional security of the Western Balkan countries.

1. *Global security environment: challenges for NATO and partners*

The global security environment poses new challenges for NATO and partners. NATO’s challenge is connected with this new world dynamic. The contemporary approach has changed substantially with different perceptions of the specific geographic definition and having or not having the willingness and responsibility of intervening in a particular conflict case. This along with democratization, crisis management and enlargement of the Alliance gave security to the region? Counter terrorism as a additional task for NATO although not included in security concept along with cyber attacks with more than 80 espionage victims per second, energy security issues, maritime counter piracy and protections of global commons with the overall economic and financial impetus very quickly emphasizes the need for new capabilities. With those global challenges at stake there is a new concept of what NATO will deal with and what NATO will fight for. More efficient and flexible partnerships remain one of the priorities of the Alliance; however, the impact of the deep financial constraints and the influence of emerging powers on the global stage require regular strategic recalculations.

US relations with Europe are changing in accordance, but the possibilities and needs to deal with global challenges remain more or less mutual. There is additional financial

¹ This policy paper will analyze the security of the region defined as the Western Balkans (Croatia, Albania, Macedonia, Bosnia and Herzegovina, Serbia, Kosovo and Montenegro).

implication in the US-EU relationship. Although just a few European allies reach the defense expenditure goal of 2% of their GDP research and development, procurement and smart defense are becoming more prevalent. Despite some details in the first and second mandate, EU for the Obama administration is not a priority, nor a problem and not a solution to his problems. However, transatlantic trade and an investment plan between the US and Europe has increased dramatically. US administrations will always look for traditional partners in doing business. With global trend expectations it could be likely to see Europeans thinking more strategically.

Within the global security environment, challenges for a small state are even bigger. International organizations are the natural field where they can flow. Therefore openness for coalitions and alliances can help in adopting an active role and changing the self-perception of small state.

NATO contribution to peace and stability

The external engagement in the region has had two dimensions. First, a short-term dimension with the military involvement of NATO in the attempt to stop the war actions and establish a stable security environment; then, a long-term dimension, through the EU stabilization and association process to offer to countries a road map to a stable and prosperous future that can be strengthened with EU membership. These two mechanisms have acted together as an incubator and have provided a climate that has enabled the region to move forward.

The Dayton Peace Accords signed in Paris in 1995, which was reached under the auspices of the USA, gave to international organizations, particularly to NATO, an engagement role in the Balkans, with an enlarged regional dimension. NATO has tried to minimize the bilateral character of the Partnership for Peace (PfP) by encouraging the multilateral PfP activities in the Balkans as a means of building confidence and cooperation in the region. This understood, it organized military exercises that included different Balkan countries and NATO members, other types of multilateral training, defense education and similar activities. The regional cooperation in the Balkans has been one of the main areas of discussion within the Euro-Atlantic Partnership Council (EAPC) ever since it was created.

Several years after the signing of the Dayton Peace Accords at the margins of the Washington Summit in April 1999, the NATO South East European Initiative (SEEI) was launched with the intention to promote “the regional cooperation and lasting security and stability in the region”. This initiative was founded on the establishing of the SEE Security Consultative Forum², promoting regional cooperation in SEE through activities under the auspices of EAPC, use of PfP mechanisms and programs for security cooperation among the countries in the region. The objective of the initiative is “to ensure transparency in defense planning, crisis management and defense management”.³ This

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¹ The Consultative Forum in the beginning includes: NATO members, SEE Partner countries (Albania, Croatia and Macedonia) and Bosnia and Herzegovina. Than Serbia and Montenegro was included.

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¹ NATO Initiative for South East Europe, Washington, 23-25 April 1999.

objective is being accomplished through holding workshops on topics of interest for the countries in the region and with the aim to promote stability through regional cooperation and integration. A South East Europe Security Coordination Group (SEEGROUP) has been established to coordinate the regional projects. At the foreign ministerial of the initiative member countries held on 29-30 May 2001 in Budapest, the South East Europe Common Assessment Paper on Regional Challenges and Opportunities (SEECAP) was approved. The paper is significant because the participants in the process agreed that “there wasn’t a direct danger from military aggression against the national sovereignty, territorial integrity or political independency” among the SEE countries.⁴ This paper served as a basis for the preparation of individual threat assessments of the countries in the region.

Another instrument used by the countries of the Western Balkans, the aspirants for NATO membership (Albania, Croatia and Macedonia) is the Membership Action Plan (MAP). Although at the time when this Plan was promoted it was not intended only for the Western Balkan countries, with the accession to the Alliance of the seven Vilnius countries, it remained to be “a practical manifestation of the open door policy” and an instrument for evaluating the progress of the rest of the aspirant countries on their way to NATO membership. However after the integration of Croatia and Albania into NATO structures in 2009, it seems that the Alliance is losing interest in the region. Having in mind the problems that the Balkan countries have been facing and the unsolved problems still existing among them, there is enough space for NATO to continue and perhaps expand its activities in this region.

2. NATO in the region: National and Alliance perspective

The Western Balkans region, exhausted by a decade of conflict, is recovering stability and the capacity to cooperate. That is the main reason why today NATO promotes itself as key factor for the Western Balkan states. Countries from the region must reconcile the diverse situations and repair broken relationships among them. In addition, NATO has established new relationships with individual countries of the region with the need to deal with state-building issues such as borders, minority questions, which require a regional approach. However, the main case for a regional approach to NATO enlargement in the Western Balkans stems from the specific nature of the region’s predicament: to reconcile the apparently contradictory tasks of nations – state building and Euro-Atlantic integration. That is, there is a need for a regional approach to the Western Balkan countries – we call it a “Smart Power approach”.

Over a longer period of time, the countries of the Western Balkans have been facing numerous challenges, starting from resolving some constitutional issues to problems related to reinforcement of their state institutions. This year we have had some positive movements towards accession of the region into the European mainstream. Croatia became member of EU, Montenegro is following the example of Croatia and conducting the association process with EU, Serbia is awaiting a date for starting the negotiations and Albania and Kosovo are looking forward to improving the status of their respective

countries in relation with EU after successful election and the agreement with Serbia. On the other side, Bosnia and Herzegovina awaits restructuring of the federation in order to proceed on the way to European integration while the Republic of Macedonia is facing a difficult compromise with Greece on “the name issue” as the precondition for the NATO and EU membership.

Many have considered Macedonia as the only success story of peaceful transformation in the Western Balkans. The state has managed to emerge from the shades of the 2001 armed conflict and acquire EU candidate status in just four years. Although, the first among the countries from the Western Balkans to sign a Stabilization and Association Agreement in 2001, nowadays, Macedonia, is considerably lagging behind on its EU/NATO accession path. Formally, the country is situated in the Brussels waiting room, while other countries from the region have developed closer ties with both Brussels and Washington: Croatia and Albania joined NATO in 2009; Croatia joined the EU in 2013. Montenegro, though gaining its independence only in 2006, is expected to be the next in the enlargement line with the EU accession negotiations starting in the summer of 2012.

At the technical level, Macedonia has shown progress in the implementation of the recommendations issued by the European Commission. These are part of the Annual Progress Reports, which are considered the main reforms’ guidebooks for any aspirant country. Already in 2008, the progress report recommended that Macedonia should start accession negotiations with the EU. The European Commission repeated this recommendation four times in the respective reports up to 2012. However, due to Greek objections to Macedonia’s integration in both the EU and NATO, Macedonia is still in the waiting room. Meanwhile, democratic reforms slide back. To retain the Commission's recommendation, the government needs to make improvements in key areas such as public administration, rule of law and freedom of the media.

After the 2008 NATO Summit, the Macedonian political leadership started using patriotic and nationalistic rhetoric and put the “name dispute with Greece” in the centre of the political mainstream. This is quite visible in the ethno-centric projects such as “Skopje 2014”- revamping the capital including a grand statue of Alexander the Great in the main city square, a triumphal arc and many statues of Macedonian historic figures. Without doubt, the nationalist rhetoric among elites causes an equal nationalistic response in other ethnic groups, thus creating a circle of nationalism and hatred. This culminated in inter-communal violence, as well as inter-ethnic and inter-religious mass protests on the streets of Skopje last spring.

All those questions with Euro-Atlantic integration of Western Balkan countries are still open, and therefore, we, as part of that region and the academic community, are deeply and truly interested in researching the possibilities and opportunities for sooner integration. We think that the role of the middle range actors including academia should be more proactive. In addition, we are interested to contribute in facing the challenges of the integration process and the results of its implementation.

Regional Security Challenges – Obstacles in the Western Balkans: Old problems and New Approaches

Poverty, unemployment, corruption, growth rate, consumer boom and property transfers are only some of the economic security challenges and obstacles in the Western Balkans. The fall of foreign direct investments and inter-regional trade caused by

institutional and administrative weaknesses, political instability, organized crime and corruption further slow down the integration processes. A regional smart development network is a possible solution because it could lead to new trade zone and regional economic cooperation. Regional integration of the economies of the small countries assisted by good governance, transparency and accountability is a necessity because no one would be interested in small separate economies but regional investment and productive capacity building.

The factor of military-security cooperation is a stalemate factor of regional stabilization. Good ideas may stagnate and political support could be missing. Inter-ethnic tensions could be a problem to security cooperation, but no money available could push to broader regional cooperation and mutually addressing the common challenges. Pooling and sharing, and smart defense could assist acquisition projects that are unaffordable for a single country. There is no shortage of regional forums, rather the region suffers from many overlapping initiatives. Efforts to nationalized and harmonized initiatives could lead to a high degree of mutual trust and confidence in the region.

It is hard to maintain the ambitions and attractiveness for NATO/EU membership. Time is not on the side of the region and there are visible, dangerous tendencies in countries of the region. Ethnic division is still big. There is no one sponsor country, who will pull and support Euro-Atlantic integration of the region. There is no enthusiasm for enlargement and the process is more difficult with the awareness not to make the same mistakes announcing accession dates in advance. In addition, countries are not learning from Greece's financial scenario. Peaceful agreements as a mantra solution are mostly enforced from outside. The fairytale of multiculturalism in reality has transformed in segregation and parallel worlds and there will be constant pressure until new crises could appear. One could say that when Albania and Kosovo overtake Macedonia's integration achievements, there is a structural problem. In such circumstances, regional cooperation is not an easy task.

3. Regional Cooperation Mechanisms: Strengths and Weaknesses

At the micro level, some countries of the Western Balkans are facing internal problems that are an obstacle for bigger foreign support and its Euro-Atlantic integration. It all influences the different relations of the countries from the region with NATO and EU. Namely, Macedonia, Montenegro, Bosnia and Herzegovina and Serbia are members of the Partnership for Peace, the Euro-Atlantic Partnership Council, while Kosovo is not. Regarding the EU membership, five countries are part of the EU Stability and Association Process (SAP) (Albania, Bosnia and Herzegovina, Serbia, Montenegro and Macedonia); three are candidate countries (Macedonia, Montenegro and Serbia) and one member country (Croatia) while Kosovo is awaiting inclusion in the SAP Process. As a consequence of such internal conditions, there is a different level in the approach of the Western Balkan countries to the institutions of EU and NATO, i.e. to the economic and military assistance that they can provide for them. This causes difficulties for EU and NATO in their efforts to attract all the countries in the region equally in the activities concerning regional cooperation.

The reasons for the different levels in the relations lie in the progress these countries have achieved in the field of the human rights, economic reforms, respect of minority rights and developing friendly relations with the neighboring countries. This trend will

most probably continue in the following couple of years. That inevitably leads to different level of involvement of the countries when regional activities of cooperation are concerned. In the long-term, however, the regional cooperation in the Western Balkans will have a limited effect if the countries, which, in fact, are the biggest source of instability and conflicts in the region, are excluded. Hence, the EU and NATO face the necessity of a delicate balance, on the one hand, between the ways of a gradual approach to these countries in regional cooperation and the meeting of criteria for their inclusion in the PfP and SAP process, on the other hand.

Missing the integration processes will turn the countries from the region in some other direction. Continuation of the process always needed outside steering. Energy security, infrastructure and other areas not properly developed, as well as social development could be a new prospect for regional cooperation. Political officials although generally cooperative, often question 'Europhilia' and integration processes. Countries are aware of regional cooperation but not enough cope with the international efforts put in the processes. Improving processes of cooperation in security initiatives should be written as a set of goals of a strategy that could be then presented to NATO/EU.

The Way Ahead in Regional Cooperation: Reconciliation as Part of the Toolkit

Reconciliation in divided societies is the only way transformation is possible along with self healing. There is no formula for building relations and measures in divided societies and neighbors locked into long-lasting hostile interactions with deep-rooted animosities. Elements of process and tools how to heal through standardized relations after conflict such as justice, truth, mercy, peace can assist in rebuilding confidence.

Specific cases of reconciliation processes emphasize teaching history for nation building in post-conflict societies. Some others claim that there is no necessity to learn history; it is intention to use it for reconciliation purposes. However, since all societies have some kind of divisions it does not mean that the same reconciliation tools should be used in each single case. If there is an agreement that there is no conflict that is the same, then reconciliation cannot be the same.

Reconciliations are like a part of diplomatic tool-set, there is no judiciary, and there are different dimensions to deal with depending on the need of parties. In the end there are so many divided societies and so many systematic mistakes that cause war and cannot be easily reconciled.

Conclusion

Besides the strong presence of the principal European and international organizations in this area we cannot speak about achievement of some impressive results. The enlargement policies are based on the premise that the countries can be accepted in a group; however the decisions on membership will be based on the readiness of each applicant country individually. This approach has not encouraged regional cooperation among the partner countries, and it has even, sometimes, increased the competition among them in relation to developing closer relations with the West.

While NATO needs to do more in order to improve regional cooperation in the Western Balkans, the progress of the regional cooperation cannot be separated from the wider political and security development in the region. It will not be possible for regional cooperation to develop or play a significant role if the Western Balkans are characterized by deterioration of the inter-ethnic and mutual relations. In this context, the West has not succeeded in developing an effective strategy for counteracting the reasons for regional problems caused by the defects in the democratization process and violent nationalism. In the long run, the resolution of these problems in the Western Balkan countries and the increase of stability throughout Southeastern Europe will depend on the development of the democracies that will respect the human and minority rights in all states and the principle of permanent international borders. In order to achieve this goal, the key NATO member countries will need to remain deeply engaged in the Western Balkans in the years to come. One element of this engagement needs to be the reinforced support to the regional cooperation. A challenge to the principal European and international organizations will be finding the political space in which the regional organizations will be able to develop and provide political and material support for maximizing this cooperation.

In general, international cooperation has shown readiness to get engaged with political and military means and to assist the region financially. However, NATO and in particular the EU is careful in undertaking commitments when it is necessary to integrate the region. And more than that, during this process the countries in the region need to show a bigger interest in the Union than the Union in them. This asymmetry does not encourage regional cooperation. Though this fragmented integration approach may not result in further separation of the Western Balkans countries, it does not promote the integration; that is, it does not lead to increased cooperation in the region.

With the last financial crisis in the Union and the interest of NATO for this region decreasing, it is necessary for the countries to show a -greater interest in regional cooperation. It is very possible Albania, Bosnia and Herzegovina, Serbia, Montenegro and Macedonia will not fulfill the requirements for EU membership in the foreseeable future, and NATO and America as its driving force may continue withdrawing from the region, because they have enough problems in other regions. Having in mind this situation, there are already some warnings that the region could again be destabilized if there is a standstill in the integration process as a consequence to the new challenges for NATO in Afghanistan and the crisis in EU.

Although there is a necessity to join the efforts of the Western Balkan countries in their attempt to become a part of the Euro-Atlantic family, on the contrary, the whole region is threatened with being left out of NATO and the EU for a longer period of time.

There are even considerations in some European countries that the countries of the Western Balkans need to stay out of Euro-Atlantic integration. These views may become even more influential if the crisis in the Union and the debates on the future of NATO become deeper. Because of that, the Western Balkan countries need to act together, regardless of the fact that each of them will get integrated according to their own progress. Western Balkan countries perhaps do not share the same strategic foreign policy priorities, but they share the opinion that improving, already strong, regional cooperation is among those priorities.