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**BALKAN REGIONAL PROFILE: THE SECURITY SITUATION AND THE
REGION-BUILDING EVOLUTION OF SOUTHEASTERN EUROPE**

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I. Introduction

Close to a year after the launch of the attack on Iraq, the list of problems facing the occupation forces has changed in terms of content, but not complexity. The chaotic post-conflict situation in the areas of security, social welfare, political stability, and economic reconstruction in Iraq is hardly balanced by the efforts of interim US administrator of Paul Bremer and the nascent Iraqi armed forces and security services. Shi'ites and Sunnites are becoming more antagonistic towards each other, and fighting among them has become a major preoccupation of the foreign peacekeeping troops. Hardly any doubt remains that the trivial prediction frequently made one year ago - that terrorist activities would intensify if Iraq were occupied by US troops - has come true. Al-Qaida has focused its terrorist activity to a great extent on Iraq. The broader regional situation around Iraq is not conducive to counter-terrorist operations and to the stabilization of the country. One argument is winning ground in the US presidential campaign: an effective fight against terrorism requires dominating intelligence information positions and effective international cooperation. Public opinion in Europe and North America expects a more transparent assessment of the roles of certain Muslim states in their relations with al-Qaida and terrorism.

These issues are not raised out of curiosity or because of a need for abstract analysis. The countries of Southeastern Europe are closely involved in the global counter-terrorist fight as well as in the post-conflict rehabilitation in Iraq. Developments in February prove that Bulgaria, Romania, Turkey, and Croatia have directly dealt with their countries' involvement in post-conflict Iraq and Afghanistan. Greece – a longtime NATO member - is involved both in Afghanistan and Iraq. The fragile stability of the Western Balkans and of broader Southeastern Europe is growing dependent on developments in the greater Middle East, especially in Iraq and Afghanistan, where many Balkan countries are engaged militarily on the ground.

Whatever the problems, the enlargements of the EU and NATO, coupled with a proactive US involvement, will contribute tremendously to the cohesion and stability of Southeastern Europe.

II. Security Threats and Post-Conflict Developments in the Balkans

1. Terrorism, Nuclear Proliferation, and the Post-War Reconstruction of Afghanistan and Iraq

a. Terrorism: Greece. On 24 February, the chief of the US Federal Bureau of Investigation (FBI), Robert Muller, said that al-Qaida was still the major threat to US interests at home and abroad. He defined the Olympic Games in Greece in August as one of the likely terrorist targets this year. NATO has offered assistance in providing security at the Olympics, and is currently discussing with Greek authorities what help it can provide. Helping safeguarding the Olympics will be an unprecedented role for NATO. Greece formally requested such help from NATO during the visit of NATO Secretary-General Jaap de Hoop Scheffer in Athens on 27 February. AWACS surveillance aircraft will be part of the NATO support package. Australia, Britain, France, Germany, Russia, Spain, Israel, and the US will provide advice to Greece on security measures. The security of the Olympic Games will be an international effort, not just a Greek one. Private security companies have already been involved in providing protection for the games. However, only Greece will deploy armed forces in the country. The threat of domestic terrorism, according to government sources, has dissipated.

b. Post-War Reconstruction in Afghanistan. NATO Secretary-General Jaap de Hoop Scheffer said on 7 February in Munich that NATO's priority was "to get Afghanistan right". NATO's ability to follow through on the mission – its first outside of Europe – has become a crucial test for the Alliance. In August 2003, NATO took command of the ISAF peacekeeping force in Kabul. As a test case for expanding beyond the capital, Germany took charge in January of a security team in the northern city of Kunduz. The US-led coalition force of 13'000 troops has seven teams of its own and intends to set up more. The teams, known as Provincial Reconstruction Teams (PRT) and consisting of 80 to 200 soldiers each, provide security for aid workers and engage in small development projects. The PRT are crucial not only to providing greater security in the province, but also to extending the authority of the Afghan government, since troops of the new Afghan army work with the teams. According to SACEUR General James Jones, five more PRT will be established. Britain, Italy, Turkey, and Norway will lead one team each. The Netherlands may head one as well. The NATO teams could be set up by the

summer, and a formal decision may be taken at the Istanbul NATO summit in June. It will be difficult to transform the failed state and restore human rights in Afghanistan. NATO has no other choice but to be successful. Greece, a NATO member, has twice turned down a NATO request to boost its troop contribution in Afghanistan in the last four months, because it needs military personnel at home to provide security at the upcoming Olympics. Greece currently has a contingent of 122 soldiers, mostly engineers and medical personnel, deployed in Kabul. NATO will discuss Greece's contribution again after the Olympics.

c. Post-War Reconstruction in Iraq.

1) NATO. At the Istanbul NATO summit in June, a decision will be taken on possible additional roles for NATO in Iraq, US NATO Ambassador Nicholas Burns said after his meeting with Bulgarian President Georgy Parvanov in Brussels on 12 February. NATO Secretary-General Jaap de Hoop Scheffer listed preconditions for possible broader NATO engagement: democratic elections, legitimate government in Baghdad, and a UN request for broader NATO presence in Iraq. The involvement of NATO in Iraq could be delayed after UN Secretary-General Kofi Annan concluded that it would be premature to hold parliamentary elections in Iraq in June. His special envoy on the elections in Iraq, Lakhdar Brahimi, studied the situation in Iraq during the second half of February. In an earlier statement of 7 February, Scheffer said it was not acceptable for some countries to do the 'dirty work' in Iraq, while others preferred diplomatic shuttles. That is why, if Iraq asked, NATO would contribute to a future peacekeeping force there. At present, NATO is ready to help any member state contributing to multinational division in Iraq. NATO currently supports Poland and may later assist Spain after taking the command. Turkey is also ready to make a contribution to the stabilization of Iraq within a NATO framework if the Iraqi government should invite Ankara, and if there is a resolution of the UN Security Council on the issue.

2) Bulgaria. The death of five Bulgarian soldiers in Kerbala, Iraq triggered various efforts to correct the decision-making processes as well as the training for participation in peacekeeping operations. The driving principle in this issue is minimizing the risks of such incidents as the one in December last year. The pressures of society, the media, and the civilian expert community played an important role alongside the official institutions'

reactions. The second Bulgarian contingent of 500 soldiers fully replaced the first one. At this stage, the investigation of the 27 December 2003 incident implicates the 'Ansar al-Islam' terrorist group, linked to al-Qaida, as the organizer of the suicide bombing. Future Bulgarian peacekeepers will receive a more substantial counter-terrorist training. Police and armed forces in Bulgaria established an intensive cooperation, aimed at solving this issue.

2. Post-Conflict Developments in the Balkans

a. Macedonia. (1) At the end of February, the government of Macedonia decided to apply formally for EU membership. The accession to EU membership would inevitably have a positive influence on the internal cohesion of the young state, especially in resolving the complicated ethnic issues. (2) Macedonian President Boris Trajkovski died in an airplane crash on 26 February on his way to an international conference in Mostar, Bosnia-Herzegovina. As one of the new generation leaders in the Balkans, with clear visions for the Euro-Atlantic future of his country and the region, Boris Trajkovski contributed substantially to the pacification of his country and to the improvement of the regional security situation. The death of Trajkovski leads to doubts about the stability in the country. Presidential elections will be convened 40 days after his death.

b. Kosovo. NATO announced on 9 February that it was planning to reduce the number of peacekeepers securing the Kosovar capital of Pristina and the central part of the province. A smaller unit composed of soldiers from different countries will replace the present 2'000 troops from Sweden. The new unit, the Multinational Task Force (MTF), will focus on intelligence-based operations and rely on more mobile troops for securing the capital and the surrounding region. SACEUR General James Jones said earlier in February that Kosovo was a "test-bed" for reforms designed to make the North Atlantic Alliance smarter and more flexible.

c. Bosnia and Herzegovina. (1) At the ICTY in The Hague, former Bosnian Serb leader Momcilo Krajisnik, a right-hand man of Radovan Karadzic, pleaded 'not guilty' on 4 February to charges of genocide and other war crimes committed during the 1992-95 war in Bosnia. Krajisnik is one of the most senior Bosnian Serb officials to stand trial at the ICTY. The trial is expected to last two years. Krajisnik is considered one of the responsible persons for starting the war in Bosnia and Herzegovina alongside with

Karadzic. (2) NATO defense ministers met in Munich on 6 February and discussed plans to end NATO's mission in Bosnia, which began in 1995, and to replace it with police and military forces from the EU. The proposal is very likely to be approved at the NATO Istanbul summit in June. A small NATO headquarters unit with a US two-star general in charge would continue to provide counter-terrorism assistance and hunt for war crimes suspects still wanted by the ICTY in The Hague. (3) Bosnia failed to appoint a single defense minister by mid-February and risks not being accepted as a PfP member. This factor may also jeopardize Bosnia's participation in the NATO Istanbul summit in June. The defense reform plans in Bosnia have not yet been implemented in practice. The appointment of a civilian defense minister who would oversee the armed forces would have been a significant step in the reform process. This process has been delayed by domestic political quarrels among the leading parties. Eight other positions in the Defense Ministry, the General Staff, and the Operational Command have not been filled yet. The international community is not likely to tolerate the slow speed of reforms in Bosnia.

III. The National Perspectives of the Balkan Countries: Specific Issues

1. Serbia and Montenegro. (1) ICTY Chief Prosecutor Carla Del Ponte said on 12 February that Bosnian Serb war crimes suspect Radovan Karadzic was hiding out in Belgrade. She said that Belgrade was a safe haven for two fugitives – Ratko Mladic and Radovan Karadzic. Del Ponte also said that cooperation between the Tribunal and officials in Belgrade was frozen. Fifteen fugitives from the ICTY are considered to be hiding in Serbia, and Vojislav Kostunica, the new prime minister, is against cooperation with the court in The Hague. (2) A six-week political deadlock in Serbia ended on 15 February. A minority coalition with the participation of the Socialist party of Slobodan Milosevic, led by the Democratic Party of Serbia of former Yugoslav president Vojislav Kostunica, supported the latter as the new prime minister of the country. The winner of the parliamentary elections in December 2003, the nationalist Radical party, was not able to secure enough support to form a government, and it has no allies.

2. Albania. (1) On 21 and 24 February, tens of thousands of protesters took to the streets in the Albanian capital Tirana, demanding the resignation of Prime Minister Fatos Nano.

A coalition of 10 opposition parties is calling for Nano's resignation, accusing the Socialist Prime Minister of corruption, links to organized crime, manipulating election results, and failing to reform the economy. The protests were peaceful. Sali Berisha, a former president of Albania, was the main organizer of the protests. The protesters are demanding early elections by the end of the year. (2) On 23 February, Albanian Prime Minister Fatos Nano declared that the government would forgive Albanian citizens US\$129 million of unpaid electricity bills. The 'financial amnesty' initiated by the prime minister covers a ten-year period. However, only those who agree to have electrometers installed in their homes will have their debts annulled. The 'amnesty' is made at a critical period for the government, as the opposition insists on the resignation of Nano.

3. Bulgaria. The main opposition party in Bulgaria, the Bulgarian Socialist Party (BSP), considered to be the most consolidated left-wing party in Southeastern Europe, is preparing a 'vote of no confidence' against the government in parliament on 4 March. The main motive for this draft bill is the 'anti-social policy of the government'. The other opposition party, the UDF (Union of Democratic Forces), was divided after quarrels among its leadership. Now former foreign minister Nadezhda Mihailova is chairing the party, and former prime minister Ivan Kostov will organize a new right-wing party. The UDF's allies from the Agrarian Union and the Democratic Party decided to continue their mandate as independent MPs. This BSP bill has little chance of success, and the cabinet of Simeon Coburgotski will probably complete its mandate. The upcoming full integration of Bulgaria into NATO and the rapid pace of EU accession are adding to the present cabinet's political authority.

IV. State of the Bilateral, Multilateral, and Regional Relations in the Balkans

1. Bilateral Relations: Turkey-Bulgaria. The speaker of the Bulgarian parliament, Ognyan Gerdzhikov, visited Turkey from 22-24 February. He met with Turkish leaders and discussed a broad range of bilateral issues. He also visited the small Bulgarian community in Istanbul. Trade relations between the two countries reached a total volume of US\$1.2 billion in 2003. Bulgaria hopes to become part of the "Nabuko" gas pipeline project starting from Central Asia, passing through Turkey, and planned to end in Austria.

2. Regional Relations

a. Stability Pact for Southeastern Europe. An economic forum within the Stability Pact for Southeastern Europe was convened from 10-11 February in Sofia. The coordinator of the Pact, Erhard Busek, diplomatically criticized Romania's inactivity in implementing the Danube bridge – 2 project at Vidin-Kalafat. He also pointed to the responsibilities of the two countries' Finance Ministries for launching the project, regarding which Busek was generally optimistic. Commenting on the Sofia-Nis highway project, he emphasized that the Serbian side had slowed down the project, but that the new government was fully supporting it. A third project of the Pact for launching a regional airline is in the making. A meeting of the transport ministers of the interested countries should be convened in the next months.

b. The Economic Forum for Bosnia and Herzegovina. An economic forum for regional stimulation of the Bosnian economy started on 26 February in Mostar, Bosnia and Herzegovina. Its program was changed after the tragic airplane incident involving Macedonian President Trajkovski. While canceling all cultural events of the conference, the participating regional government and state leaders decided to proceed with the working group meetings, paying tribute to the late Macedonian leader.

V. The Economic Situation of the Balkan Countries and the Region

1. IMF-Bulgaria. The IMF on 4 February completed the fourth review of Bulgaria's economic performance under a two-year stand-by arrangement. The Fund approved the disbursement of another US\$39 million under the agreement.

2. IMF-Macedonia. On 4 February, Macedonia became the 69th subscriber to the IMF's Special Data Dissemination Standard (SDDS). The latter was established in 1996 as a guide to providing more timely and comprehensive economic and financial data to the public. Countries that subscribe pledge to observe standards and to provide information to the IMF about their data dissemination practices.

3. IMF-Bosnia and Herzegovina. The IMF on 25 February approved a US\$18 million disbursement to Bosnia and Herzegovina after completing the final review of the country's economic performance under the stand-by arrangement of 2 August 2002.

Bosnia and Herzegovina continued to make significant progress in economic reform in 2003 by sustaining economic growth, despite a severe drought, and bringing inflation down to levels commensurate with an industrialized country.

VI. The Process of Differentiated Integration of Southeastern Europe into the EU and NATO

1. EU

a. EU – Romania, Bulgaria. In February, two events triggered activity and reactions by the governments and the media in the EU and applicant countries Romania and Bulgaria. First, the document presented on 18 February by Baroness Emma Nicholson, Reporter for Romania in the European parliament, proposed freezing the EU's accession negotiations with Bucharest until the reforms start moving in the right direction. Nicholson was concerned about the political criteria of Copenhagen that Romania does not meet adequately. The basic criticism concerns the absence of an independent judicial system that could guarantee the legal order in the country. Baroness Nicholson was very critical on the issues of corruption and the lack of protection of the rights of the children in Romania. She suggested continuing the negotiations when the administrative capacity and internal institutional stability in Romania had reached a satisfactory level by EU standards. The report's assessments match those reached by another Reporter –European MP Arie Oostlander. Similar criticism had been made earlier by US Ambassador to Romania Michael Guest, especially on the issues of corruption in business, education, and the judicial system, as well as concerning the limitations on freedom of speech. The Romanian opposition called for the resignation of the government, but joined efforts to solve the crisis. Romania reacted very sensitively to accusations made by the EC Commissioner on Enlargement, Günter Verheugen, to the effect that Bucharest had not met the Copenhagen political criteria - a condition without which it would be impossible to start accession negotiations at all. On 19 February, the European Parliament Commission on Foreign Relations unanimously adopted a resolution that approved the proposals of the Reporter for Bulgaria, Jeffrey van Orden, according to which the timing of Bulgaria's accession to the EU is not necessarily linked with the timing of other candidates. The negotiations with Bulgaria were proceeding smoothly, and all indications

were that they would be completed by the end of 2004. Recommendations were also made for improving the care of physically and mentally handicapped people, as well as the social integration of the Roma population. The resolution concerning Romania was intended to re-orient the EU's pre-accession strategy. The reform of the judicial system, freedom of speech, and illegal international adoptions of children were major areas of concern for the European parliament's Foreign Relations commission where Romania would have to make progress. If these conditions are not met as soon as possible, Romania will not be able to complete the negotiations by the end of 2004 and join the EU in 2007. The European parliament should vote on these resolutions in plenary session in March. An eventual re-orientation of the EU's pre-accession strategy would certainly require some additional months too.

Second, on 10 February, the European Commission (EC) provided Bulgaria and Romania with the financial framework for the period 2007-10 to allow the two countries to finish their accession negotiations by the end of 2004, if all goes well in the meantime. Bulgaria receives €3.6 billion, and Romania €5.4 billion. There will be hard negotiations concerning the financial framework of the two countries' accession, but the chances of completing the process with the present EC staff are real, and there are no unclear perspectives from a financial point of view for the period 2007-10 – the first four years of the eventual full membership of the two countries.

Bulgaria has a geopolitical interest in joining the EU together with Romania at the earliest possible date due to the complex issues that the neighboring countries face both in Southeastern Europe and in the Black Sea area. Though Romania might be delayed in completing the negotiations in 2004, there is a chance of a joint signing of the accession treaties to the EU in 2005 and full integration of Sofia and Bucharest into the EU on 1 January 2007.

b. EU-Turkey. German Chancellor Gerhard Schröder visited Ankara on 23 February and told Turkish Prime Minister Recep Tayyip Erdogan that Turkey had good chances of fulfilling the conditions for starting EU accession negotiations. The leader of the German opposition Christian-Democratic Party (CDU), Angela Merkel, had said during a visit to Ankara a week earlier that Turkey has no place in the European club. According to Merkel, Turkey could expect only a 'special partnership'. The leader of the Christian

Social Union (CSU) and premier of Bavaria, Edmund Stoiber, shares this view. Merkel may become the conservatives' candidate for the German Chancellorship in the 2006 elections. Chancellor Schröder said that Germany should be sincere in its relations with Turkey and keep to its pledges, and said that Turkish EU membership was a perspective provided by the 1963 association treaty of Ankara with the European Community. The preconditions, however, include guarantees that human rights will be respected, the protection of minorities, and a constitutional state. The German opposition does not think this is feasible. **2. NATO**

a. NATO-Seven Candidate Countries. The French Senate ratified the accession protocols of seven candidate countries to the Washington Treaty (1949) on 5 February, including those of Bulgaria, Romania, and Slovenia. France was the last of the 19 member states to ratify the protocols. The official NATO accession ceremony will probably take place on 2 April. The seven new members will participate fully in the NATO summit in Istanbul in June.

b. NATO-Slovenia. On 24 February, the Slovenian parliament ratified the accession protocol to the Washington Treaty, paving the way for the country to formally join NATO in the next few weeks. Sixty-eight out of 90 MPs supported the vote, and three opposed it. A referendum in March 2003 led to a 66 per cent vote in support of membership in NATO.

VII. The Influence of Other External Factors on the Region: National Great Powers and International Institutions: US

1. USA-Croatia. US Secretary of Defense Donald Rumsfeld visited Zagreb on 8 February. He met with Croatian leaders and said he was impressed with the progress of the defense reforms and the country's preparation for NATO. Rumsfeld thanked the government and people of Croatia for their support in the "war on terrorism". Croatia will send humanitarian aid and medical assistance to Iraq. Zagreb will increase the number of its peacekeepers in Afghanistan, adding armed forces to the police unit there.

2. US-Western Balkans. The US Treasury Department has designated 13 individual as obstructing the Ohrid Framework Agreement, relating to Macedonia and/or the Dayton peace accords, which affect Bosnia and Herzegovina. The designation allows the

Treasury to block the US assets of these individuals and to prohibit US citizens from having financial transactions with them. Assuring peace and stability in Bosnia are critical to the multilateral efforts to facilitate the region's integration into the European mainstream.

3. US-Serbia and Montenegro. US Under-Secretary of State Alan P. Larson visited Belgrade on 11 February. He reminded his hosts that US policy toward Serbia and Montenegro was to support the ambition of those who seek to build a peaceful and more prosperous future in cooperation with the Euro-Atlantic community. The full cooperation of Serbian authorities with the ICTY was required, he said. Larson also said that overcoming domestic divisiveness in Serbia was necessary to accelerate the pace of economic reforms.

VIII. Conclusions

In February, Southeastern Europe made another step towards integration in NATO and the EU. The fight against terrorism is gradually becoming important for Southeastern Europe with the upcoming Olympic Games in Greece this summer. The participation of Balkan countries in the post-conflict rehabilitation of Afghanistan and Iraq both contributes to the solution of the difficult issues there and adds experience in the improvement of development tools in post-conflict or failed countries. Domestic stabilization remains a longer-term problem in certain countries of the Western Balkans. The unexpected death of Macedonian President Boris Trajkovski was a major political setback for his country and for the entire region that Skopje needs to compensate for with rational behavior.

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