Regime Change in the Yugoslav Successor States

Boduszyński, Mieczysław P.

Published by Johns Hopkins University Press

Boduszyński, Mieczysław P.
Regime Change in the Yugoslav Successor States: Divergent Paths toward a New Europe.

For additional information about this book
https://muse.jhu.edu/book/473

For content related to this chapter
https://muse.jhu.edu/related_content?type=book&id=8812
The Yugoslav Successor States in the New Millennium

From red star to gold stars

HEADLINE IN THE SLOVENIAN DAILY DELO ON 1 MAY 2004, THE DAY SLOVENIA FORMALLY ENTERED THE EU, ALLUDING TO THE OLD YUGOSLAV FLAG (WITH ONE RED STAR) AND THE EU FLAG (WITH GOLD STARS).

The Extent and Limits of Change, 2000–2009

In the second decade of transition, external forces, and in particular the ever-increasing role of the EU, became the most important agents of democratic change in the Yugoslav successor states. After 2000, Western policies toward Croatia, FRY, and Macedonia shifted from preventing conflict to an active promotion of democracy through conditionality. Especially important in this regard was the EU’s process of Stabilization and Association Agreements (SAA), created in 1999 for the Balkans. The SAA was designed to motivate democratic reforms while encouraging liberal elites and impatient publics with intermediate rewards on the path to full EU membership or, in the EU Commission’s own words, through “an ever-closer partnership” with Europe. The power of the EU to compel reforms rested on what Pridham (2007: 446) has called its “special attraction” compared to other international organizations and the unparalleled benefits integration offered: free trade, open borders, and access to aid and investment. As part of the SAA process, an aspirant country’s progress would be evaluated in periodic reports. The integration process had security benefits for the EU as well. As former EU
external relations commissioner Chris Patten stated, “Either we export stability to the Balkans, or the Balkans export instability to us. I know which I would prefer” (quoted in Kavalski 2006: 96).

The promise of EU membership turned out to be a powerful catalyst of democratization. However, even as the four states converged on procedural measures of democratization, they continued to diverge on measures of liberal content, demonstrating the constraints imposed by initial structural conditions. External agency, while powerful in some ways, also had limits in terms of its ability to increase liberal content in the short term.

In the first years of the new millennium, two of the states examined in this study (Croatia and FRY) underwent regime collapse triggered by electoral revolutions in which democratic political forces prevailed, another (Macedonia) was rescued from civil war by the international community, and the fourth (Slovenia) proceeded confidently on the road to the EU, formally joining in May 2004, adopting the euro in 2007, and in January 2008 assuming the presidency of the EU, the first among the post-communist member states to take on this role.

Despite the rise to power of political forces with a democratic and pro-Western agenda in Croatia and FRY in 2000 and Macedonia in 2002, initial conditions continued to shape varying levels of liberal content among them. At the same time, the increasing leverage of EU conditionality enabled all three states to make significant democratic gains in key areas such as institutional reform, elections, and the rule of law. In all three cases, EU conditionality strengthened liberal political configurations at the expense of nationalist groups and compelled formerly illiberal parties to adopt a prodemocratic stance.

Western liberalism found the most receptive audience in Croatia and helped to put it on an irreversible road to integration into the EU and NATO. However, ambivalence toward both of these organizations, and toward democracy more generally, continued to feature in public discourse and increased at the end of the decade as EU expansion appeared to stall and nationalists regrouped. Although both Macedonia and FRY made gains in their bids for membership in Euro-Atlantic organizations, substantial obstacles to building democratic legitimacy remained, illiberal groups continued to exercise influence on the political scene, deep social divisions persisted, and EU conditionality was looked at with ambivalence, lowering its ability to leverage change.

Serbia's liberal deficiencies included a sharply divided society and unresolved issues related to state borders. In May 2006, an EU-mandated referen-
The Yugoslav Successor States in the New Millennium

In 2008, following the failure of lengthy internationally mediated talks between Priština and Belgrade, Kosovo’s leaders declared independence. Most EU member states and the United States quickly recognized Kosovo’s sovereignty. However, the international community still supervises its transition, 15,000 KFOR peacekeepers remain on its territory, and its economy is barely viable, with unemployment levels hovering at over 40 percent.

Nearly fourteen years after the Dayton Agreements, democratic progress in Bosnia and Herzegovina is hampered by an unwieldy federal arrangement, lingering distrust among the ethnic groups, low levels of trust in government and its institutions, and problems related to the legitimacy of the state. The international community extended the mandate of the Office of the High Representative (OHR) in 2009, and it continues to exercise substantial powers over the Bosnian polity.

Slovenia

Despite volatile party politics and coalition reshuffling, the post-2000 Slovenian political leadership remained uniformly committed to the process of democratization and European integration. As such, the dictates of the acquis communautaire continued to hold great sway over Slovenian political life, even as intense domestic political battles persisted between the communist successor LDS and the right-of-center SDP and its allies. As a result Slovenia moved more slowly than other candidate states toward completing the negotiations necessary for membership. By 2001 it was all but certain that Slovenia would be admitted to the EU along with other front-runner candidate countries. Moreover, in 2004, Slovenia was admitted to NATO, after having been excluded in the first round of expansion.

The LDS managed yet another electoral victory in the October 2000 parliamentary elections. A coalition consisting of the LDS, the United List of Social Democrats (Združena Lista Socialnih Demokratov, ZLSD), and DSUS was put together, with Drnovšek again assuming the post of prime minister.
Thus, Slovenian political life appeared to be characterized by an entrenched communist successor political class rotating among posts of power. This made the ruling party a target of fierce attacks from the right and fueled a public perception that political figures in Slovenia were simply trading seats. In 2002, Janez Drnovšek prevailed in the presidential elections to replace Milan Kučan, who stepped down after two terms. Kučan was the last of the cadre of leaders (along with Tuđman, Milošević, Gligorov, and Izetbegović) that had overseen the breakup of Yugoslavia in 1991. Anton Rop, Drnovšek’s deputy and finance minister, stepped in to replace him as Premier.

Although Slovenia’s economy continued to grow, its GDP per capita surpassing the poorest EU member states in the early 2000s, structural problems inherited from Yugoslav-era institutions and resistance to foreign investment limited its potential. Moreover, EU-mandated budget restrictions necessitated the laying off of state-sector workers, and unemployment increased, causing substantial discontent in a workforce that was accustomed to secure lifetime employment. The growth rate in 2003 was only 2.5 percent, the lowest since Slovenia gained its independence over twelve years before. Furthermore, the public debt had risen to over 2 billion euros since the LDS government took office.

Despite Slovenia’s progress on the acquis and the government’s deliberate drive toward membership, in the 2000s there was also ample evidence of public disillusionment with the EU and the reforms it mandated. Nevertheless, in 2003, Slovenians strongly endorsed membership in a referendum on EU membership, in higher numbers than their counterparts in other top-tier candidate countries. Despite their ambivalence toward Europe, Slovenians evidently did not want to risk their chances of getting in.

In Slovenia’s second decade of transition, there was also evidence of a backlash from the right to both the entrenched political class and liberalism. Anti-European rhetoric became more prevalent, and xenophobia was on the rise. Playing on social frustration, groups on the right of the Slovenian political spectrum launched direct attacks on the LDS leadership. Janša’s right-wing SDSS, now renamed the Slovenian Democrats (Socialni Demokrati, SD), and its ally the New Slovenia-Christian People’s Party (Nova Slovenija-Krščanska Ljudska Stranka, NSi) accused the government of corruption and cronyism and attempted to oust the Rop administration. The opposition also attacked the government for supposedly giving in to Croatia in negotiations over fishing rights in the disputed Piran Bay and proposed that former com-
munist officials be banned from public life. Threats to the LDS also came from within: disagreements in the ruling coalition led the SLS to leave in April 2004, and the Rop government was left weakened. The political battles leading up to the October 2004 election were fierce.

In late summer 2004, opinion polls showed that support for the ruling LDS was falling, while the opposition SD was gaining ground. By the time of parliamentary elections in October 2004, the SD fared extremely well, doubling its popularity compared to the previous elections. The electorate was evidently tired of the LDS’s long hold on power, in spite of it being the party that had had brought Slovenia into the EU and NATO.

Overt expressions of xenophobia began to appear in public life both before and after Slovenia’s accession to the EU in 2004. First, there was a fierce debate over the rights of the “erased” minorities—mostly of Bosnian or Serbian origin—who had failed to register for Slovenian citizenship in 1992 and whose status was still unresolved. Even though a court had already ruled that the erasure was unconstitutional, a referendum was organized to decide on the fate of these tens of thousands of residents of Slovenia without status. Although the referendum was invalidated due to low turnout (around 30 percent), over 90 percent of those who did take part voted to deny the “erased” rights as Slovenian citizens. As of summer 2009, only a segment of this population had been granted citizenship rights, and the NSi attempted to dismiss the interior minister who defended the Constitutional Court’s upholding of the “erased” rights. Second, there was a major public debate over the thirty-year-long efforts of the sizeable Muslim community to build a mosque in Ljubljana. The leader of the opposition to the project, city councilor Mihael Jarc, warned that the construction of the mosque would lead to Slovenia’s “Islamization” and destroy the capital’s architectural heritage. A petition drive was organized to block the mosque, and its opponents also attempted to organize a referendum, which ultimately was struck down by the courts. Although the judicial system upheld the Muslim community’s rights, many thought these developments reflected a culture of intolerance and xenophobia and showed that even Slovenia, a model of democratic transition, was not immune to illiberal tendencies. Another referendum was eventually held in 2008, which opponents of the mosque lost. However, the authorities failed to issue the necessary building permits. The inflammatory nationalist rhetoric surrounding the border dispute with Croatia in 2009 further illustrated this tendency.

Some observers have explained such trends as reflecting sentiments that
were always beneath the surface but suppressed by the fear of Western criticism. According to one analyst, now that EU membership was assured, true public sentiments were beginning to emerge. “We are not more tolerant than any other Balkan nations,” said Mišo Alkalaj, “we have just had less opportunity to show it” (quoted in Wood 2004c). However, rather than pointing to a deeply rooted culture of intolerance, such public sentiments also reflected frustration with the pace and process of European integration and all of the necessary concessions that it entailed. When Slovenia formally entered the organization on 1 May 2004, as in other new member states, the celebration was markedly subdued.

The SD coalition did not change the country’s slow approach to privatization, nor did it remove barriers to FDI, which led some economic analysts to worry about the country’s prospects for future growth. “The Slovenians were concerned that if they let capital come in and out at leisure, they were going to have no control over their own economy,” said François Lecavalier, the top official for Slovenia at the EBRD, “The issue is whether that’s going to be sufficient for continued success.”6 There were also questions about whether Slovenia’s expansive welfare state was sustainable. “The transition model has expired,” said Mojmir Mrak, a professor of economics at Ljubljana University. “If you want to achieve high economic growth, you need a significant change in labor policies and increased investments.”7

The Janša government exhibited illiberal tendencies in the non-economic sphere as well: it was widely accused of manipulating the media law to stack committees with its supporters and of installing loyalists in other areas of the state administration. Polls in the fall of 2007, prior to the pending presidential elections, showed that only one-third of Slovenians approved of the government. The center-left candidate and former diplomat Danilo Türk went on to defeat veteran politician and center-right candidate Lojze Peterle with two-thirds of the vote. Türk had been a fierce critic of the Janša administration, and the campaign battles were divisive, with both sides evoking Slovenia’s fight for independence in the early 1990s. A troubling indicator for liberalism was the strong showing of avowed nationalist Zmago Jelinčič in the first round, in which he won over 20 percent of the vote.

Parliamentary elections were held in September 2008. With accusations of corruption and media manipulation swirling around the Janša government, voters returned the SD to power by a slim margin. Borut Pahor, a mild-mannered young politician, became prime minister.
Zakošek notes that since joining the EU in 2004, “a change was visible in Slovenian politics from a consensus to a more confrontational and polarized model” (2007: 41). Despite the intense political battles, the democratic rules of the game were firmly rooted and legitimate in the Slovenian polity and there was public and elite consensus on the most important questions about the state and the long-term future of Slovenia in Euro-Atlantic structures. The Slovenian economy was strong, so much so that upon its entry into the EU in May 2004, with a per capita GDP of nearly $20,000, Slovenia did not qualify as a recipient of aid from Brussels. Yet, in part because of its reliance on exports, the recent worldwide recession has hurt Slovenia substantially, causing a rise in unemployment and a sharp fall in output.

Still, many see Slovenia as a model member compared to the nationalist and anti-EU antics of some other post-communist member states. Slovenia has capitalized on this success and become a bridge to the western Balkans. For several years now, Slovenian officials with expertise on the accession process have been assigned to ministries and agencies in other Balkan countries, and Ljubljana hosts a center that offers help to candidate states in how to implement the reforms necessary to join the EU.

Croatia

A coalition of reformist, pro-Western parties swept into power following the January 2000 parliamentary elections in Croatia. The program of these parties read like an EU wish list: democratizing the political system, launching economic reforms, promoting Croatia’s integration into NATO and the EU, allowing for the return of displaced ethnic Serb refugees, and cooperating with the international war crimes tribunal in The Hague. A ruling coalition of six parties (šestorka) came together under the leadership of Ivica Račan’s left-of-center SDP and Budiša’s moderately nationalist HSLS. Western leaders were elated, and in the period following the election, many visited Zagreb. Likewise, Račan and his new foreign minister Tonino Picula made triumphant visits to Western capitals. The EU was now actively dangling the carrot of membership in Zagreb, but the list of conditions was daunting. The OSCE and other monitoring agencies were present in Croatia to make sure that the reforms proceeded.

The task before the new government was monumental, and it could not count on the same euphoria that had engulfed publics in other post-communist
states in 1989. The economy was in bad shape, with unemployment at over 20 percent. Foreign investment was minimal. The ruling coalition moved quickly on the international front, where the rewards were greatest. In the first six months of the new government’s term in office, Croatia joined the WTO and NATO’s PFP program, the first step to full membership. Račan’s government accomplished in a few months what Tuđman had but dreamt of for ten years, in no small part because the West was intent on providing early rewards to show other countries in the region what a prodemocracy approach can achieve.\(^8\)

Implementing difficult domestic reforms would prove to be the greatest challenge. Reform in the state-owned media and judiciary threatened vested interests and was met with resistance. On this front the Račan government moved much more slowly. Reform was also slowed down by incessant disputes within the ruling coalition. Yet, as shown by Croatia’s improving democracy evaluations, liberal change was underway.\(^9\) However, an irreconcilable conflict developed between Račan and Budiša, the leader of the second-largest party in the coalition. This conflict to some extent revolved around personality and the pace of domestic reforms, but it was also related to Račan’s willingness to make concessions to the West versus Budiša’s more nationalist approach. In the end, the HSLS left the ruling coalition and split internally.

The fragility of this coalition represented a political opportunity for the formerly ruling HDZ, which, despite its defeat in 2000, held a respectable 46 seats in the parliament and used them to launch attacks on the ruling coalition, portraying it as selling out Croatia’s national interests to the West. Although the HDZ and its affiliated organizations were no longer in power, they still enjoyed broad legitimacy when it came to national issues. They were able to successfully exploit the coalition’s weaknesses by evoking the Homeland War, sovereignty, and national pride. The HDZ, for instance, nearly blocked the ratification of an SAA with the EU in October 2001. As economic reforms led to higher unemployment and a fall in real wages, the popularity of the ruling coalition declined and the HDZ’s level of support increased.\(^10\) The HDZ and affiliated nationalist groups also helped to make cooperation with the ICTY the most volatile issue of all in Croatian politics in the early post-authoritarian period:

Nationalist groups in Croatia have raised the political costs of cooperation with the ICTY by effectively designing a rhetorical strategy which equates the tribu-
nal's indictments against Croatia's war heroes with attacks on the dignity and legitimacy of the so-called Homeland War (domovinski rat) fought on Croatia's territory against breakaway Serbs between 1991 and 1995. By extension, the nationalists argue that the indictments also attack the legitimacy of the country's newly won independence... the raison d'être of the ad hoc international criminal tribunals is to obtain justice by prosecuting individuals, not nations. The nationalists' rallying cry, however, aims to turn the tribunal's mission on its head by charging that its indictments cast blame on all Croatians (Peskin and Boduszynski 2003: 1117–18).

Every indictment issued by the ICTY chief prosecutor represented a boon to the HDZ and a major setback for the ruling coalition, which, afraid of the HDZ's increasing popularity and a popular backlash, over time adopted a nationalist critique of the tribunal. Although the Račan government did provide documents and witnesses to The Hague, it balked on handing over major indictees such as Ante Gotovina and Janko Bobetko, which led the EU and the United States to threaten that Croatia would be left out of Euro-Atlantic integration if it did not cooperate more fully with the ICTY. Despite all of this turmoil, Račan singlemindedly pursued EU membership with the stated goal of joining by 2007. The ruling coalition had effectively made the EU its main source of legitimacy, and the public mostly approved. In 2003, Croatia filed an application with Brussels for full membership. At the time, EU Enlargement Commissioner Günter Verheugen declared that Croatian membership could send a powerful signal to Serbia and the other western Balkan countries that the EU does reward reform (quoted in Vachudová 2005: 253). The HDZ could no longer afford to go against this momentum, and change was brewing inside the party. In May 2002, Ivo Sanader, a moderate, was elected president of the HDZ and went on to oust extremist and corrupt Tuđman-era operatives from the party. He then embarked on a campaign to modernize the party and bestow it with a pro-Western image. He actively courted Western diplomats, and in 2003 attempted to woo the United States by supporting the Iraq War and the so-called Article 98 non-extradition treaty with Washington, both of which the ruling coalition had opposed. In order to accomplish this transformation, Sanader had to effectively shut out the base of the party, and speak in two languages: the nationalist one in rallies and speeches in various provincial locations and a pro-Western liberal one during receptions at Zagreb's foreign embassies. The base of the party, meanwhile,
seemed to accept such politics at the national level as the price of being in power while supporting more radical HDZ politicians and platforms at the local level.\textsuperscript{14} Parliamentary elections were called early, in November 2003, and the HDZ returned to power with 34 percent of the vote, with Sanader promising EU membership by 2007. A coalition was formed in January 2004 with HDZ, HSLS, the Democratic Center (Demokratski centar, DC, an HDZ splinter party led by Mate Granić, the former foreign minister), and the Croatian Party of Pensioners (Hrvatska stranka umirovljenika, HSU), and Sanader became prime minister. The new HDZ government was well received by the West, and in April 2004 Brussels issued an avis, allowing Croatia to begin formal membership negotiations. Remarkably, Sanader was also able to win the confidence of ethnic Serb parties. Meanwhile, the economy was improving, slowly but surely. Foreign investment was on the upswing, unemployment dropped, tourists were returning to coastal resorts, and the EU Commissioner for External Affairs declared Croatia’s economy to be the best prepared for admission among the second wave of candidate states. The HDZ government in some ways proved to be even more determined than its predecessor to meet the political conditions set by Brussels, and the public appeared to be growing accustomed to EU tutelage. In June 2004, Croatia was formally deemed a candidate country and also received positive messages about its bid to join NATO at the Istanbul summit.\textsuperscript{15} However, in 2005 Croatia reached a roadblock on its path to Euro-Atlantic integration: citing its failure to arrest ICTY fugitive Ante Gotovina and under pressure from ICTY Chief Prosecutor Carla Del Ponte, the European Commission (EC) suspended the start of membership negotiations with Zagreb. This initially provoked an array of doomsday commentary about Croatia slipping back toward nationalism, but in the end the integration process was rescued when Austria came to Zagreb’s aid, insisting that it would support Turkey’s advancement to EU candidacy only if its ally Croatia were included on the list as well. And so Croatia began accession negotiations in October 2005 even though Gotovina was still at large. But authorities in The Hague and Brussels were monitoring the fugitive general’s movements all along, as he was finally captured and arrested in the Canary Islands by the Spanish police in December 2005. The reaction in Croatia was remarkable for its silence: although there were spontaneous pro-
tests, there was nothing like the angry reaction precipitated by indictments in the early 2000s. I was in Dubrovnik, Croatia in the days following the announcement of Gotovina’s capture, and though the media carried sensationalist play-by-play accounts of the events leading to his arrest, the streets were calm, and I found just one inflammatory piece of graffiti on a wall in old-town Dubrovnik imploring Croatians to choose Gotovina over Europe.

That Sanader was able to survive the handover of Gotovina to The Hague tribunal (although he did avoid the politically damaging spectacle of Croatian police officers arresting the fugitive) and still maintain strong levels of support indicated his strength, the continuing desire of the West to use Croatia as a motivating force for other countries in the region by showing the rewards that compliance with conditionality brings, and also the legitimacy that the pro-EU agenda acquired among the Croatian public. The promise of membership was now sufficiently credible that reforms could stay on track, showing that the intermediary rewards of the SAA process were crucial in compelling elites and the public to support reform.

The November 2007 parliamentary elections represented a culmination of these trends. The two main parties were now running on virtually identical platforms, wholeheartedly supporting both EU and NATO integration. Both parties advocated a cautious approach to market reforms. The main disagreements were over policy toward Bosnia and Herzegovina, with the HDZ continuing to support the position of Bosnian Croats. The final result was close, with a repeat HDZ triumph. The HDZ entered into a coalition with smaller, largely Euroskeptical parties, including the HSS. Sanader stayed on as prime minister and, after a lull of several months, continued to steer Croatia toward Euro-Atlantic institutions, making significant progress in negotiations with the EU by January 2009. Yet, reform was still lacking in the judiciary and other key institutions, Slovenia was actively blocking negotiations in certain areas because of the border dispute, and polls suggested that the public was growing disillusioned with the EU. In June 2009, after months of failed mediation by the EU between Slovenia and Croatia, further accession negotiations were cancelled. Sweden, which took over the EU presidency in summer 2009, stated that it would no longer attempt to resolve the quarrel. Yet, EU enlargement officials (and Germany and France, which noted Croatia as an exception in calling for a halt to further EU enlargement) were careful to voice continued support for Croatia’s membership, although they and analysts alike now said that this was unlikely to happen before 2012.
The Croatian economy has grown since 2000, though it has hardly been dynamic and weaknesses in its economic structure came to a head, particularly as a recession began in 2009. As in Slovenia, there is a social consensus on keeping certain vestiges of communist-era social security in place at the cost of foreign investment and dynamism. Anti-market voices have been heard along with new nationalist ones as support for the EU fell in the spring of 2009 in the face of the dispute with Slovenia, stalled EU accession, and a deepening recession. Infrastructure improved dramatically in the 2000s, however, with a new Zagreb-Split highway facilitating increasing numbers of tourists. The unemployment rate remained high at around 15 percent, and the budget deficit and ratio of foreign debt to GDP were also unfavorable. In 2009 GDP growth was expected to fall steeply.

Impediments to the consolidation of a substantive democratic order have included the continued presence of extreme nationalism in public discourse and other indicators of intolerance. Furthermore, there are unresolved issues relating to the 1990s war: although the prosecution of Croatian war crimes suspects has taken place at the domestic level, as well as at the ICTY, other crimes, such as cases related to the murders of ethnic Serbs in the 1990s, are unsolved. Many Serb refugees have not returned.

In July 2009 Prime Minister Sanader delivered a shock by abruptly stepping down from his post and ceding power to his deputy, Jadranka Kosor. He declared that he was leaving politics altogether and admitted that the border dispute with Slovenia, which had effectively blocked Croatia’s EU bid, played a role in his resignation. In the meantime, members of the HDZ’s right-wing old guard appeared to be reasserting their authority in the party. Several hardliners known to oppose EU conditionality, anti-corruption investigations, and ICTY cooperation were elected to top party leadership positions following Sanader’s resignation. “Sanader has indeed modernized Croatia,” wrote analyst Davor Butković, “but never managed to change his own party” (quoted in Loza 2009). Meanwhile, the radical nationalist HSP also reasserted its influence and inflammatory anti-Western, anti-Serb rhetoric.

These setbacks and deficiencies notwithstanding, Croatia was admitted to NATO in April 2009, its EU future was fairly certain, and its progress on building a procedurally and substantively democratic order since 2000 was immense. A border deal with Slovenia seemed imminent at the end of 2009, removing one of the last obstacles to Croatia’s EU membership.
FRY (Serbia and Montenegro)

Milošević was ousted from power in October 2000 in a mass protest after he attempted to steal an election that he had clearly lost. Vojislav Koštunica, a “nationalist democrat,” was installed as president of the rump Yugoslav federation, to the elation of Western governments. Finally, it appeared that an intransigent Belgrade would sign on to the liberal agenda. The DEPOS coalition, led by Koštunica’s DSS and Zoran Đinđić’s DS, won a plurality in the National Assembly. In December 2000, DEPOS also won the most seats in the same body, which was dominated by Serbs, and Đinđić was installed as prime minister.

The situation paralleled the one in Croatia: a liberal opposition coalition backed by the West had driven the authoritarian nationalists from power, buoyed by popular support, and there were high expectations that the economic situation would improve as well as a belief that EU membership was now a distinct possibility. However, the economic situation in FRY was much worse, the final status of Kosovo was uncertain, the Montenegrin leadership was still intent on secession, and the FRY public was much more divided over Western influence than the Croatian. The West, nevertheless, held out the carrot of future EU and NATO membership and launched an intense campaign to induce reform.

The DEPOS coalition, however, proved to be even more unwieldy than the SDP coalition in Croatia. The difference between Koštunica and Đinđić in many ways reflected the difference between Budiša and Račan, with the pragmatist Đinđić ready to meet Western demands at all costs and Koštunica very cautious about doing so. Koštunica fiercely opposed the handover of Milošević to the ICTY, and so Đinđić arranged to hand him over in secret, on the night before a U.S.-imposed deadline to do so with the threat of lost aid, infuriating Koštunica. Disagreements between the DS and DSS paralyzed the legislative work of the parliament, and the public became increasingly disillusioned with politics. Despite the removal of international sanctions, the economy continued to languish, with many FRY citizens living in poverty. Corruption was rampant, organized crime groups operated with impunity, and holdouts of the former regime were present throughout state institutions. It was Đinđić’s efforts to combat organized crime that led to his tragic assassination in March 2003, dealing a serious blow to reform.
Minister Zoran Živković took his place and declared a state of emergency and took up a determined fight against organized crime.

The lack of progress on many issues further disappointed and alienated the FRY public from politics, so much so that three elections for the post of Serbian president in 2003 and 2004 were declared invalid because turnout did not meet the required 50 percent. Political institutions were unwieldy, with many overlapping federal-republican structures. This was partially solved in spring 2002 with a EU-brokered agreement between Serbia and Montenegro that loosened the federation but also required Đukanović to move slowly on outright independence. New elections were held for the weakened post of federal president, which went to Svetozar Marović, a reformer. The agreement went into effect in 2003, and among other things formally changed the name of the state to Serbia and Montenegro (Srbija i Crna Gora, SCG), meaning that the name “Yugoslavia” was once and for all consigned to the dustbin of failed states.

By late 2003, when early elections were called because of the inability of the DEPOS coalition to govern effectively (the DSS had quit a year earlier), the part of the public that had weak liberal inclinations but had nevertheless thrown their support behind DEPOS in the hopes that the economic situation would improve had once again turned to radical populist solutions. In the December 2003 elections to the Serbian parliament, the biggest winners were Šešelj’s Radicals, now led by Tomislav Nikolić. Milošević’s SPS also managed to garner nearly 300,000 votes, while the democratic parties captured nearly half the vote.

These results immediately raised alarm in Western capitals. The EU repeatedly warned Belgrade that an SRS government would negatively impact SCG’s bid for EU membership. The SRS, fearful of plunging Serbia into renewed isolation and probably more comfortable in opposition anyway, did not seek to form a government and instead yielded to the DSS, which put together a coalition of the DSS, DS, G17 Plus (a new pro-business party led by Miroljub Labus), and Drašković’s SPO. Liberalism was rescued. However, in order to control a majority of votes in the parliament, the coalition was forced to rely on nominal support from the SPS, to the chagrin of Western diplomats.

After three annulled elections due to low turnout, the post of Serbian president was still vacant. The June 2004 election turned into a contest between DS candidate Boris Tadić and Radical leader Nikolić. Brussels engaged in an
all-out campaign to warn Serbian voters of the danger of a Nikolić victory. Just as it appeared that Nikolić was going to win, Tadić pulled ahead and won with 53 percent of the vote, helping to ensure that Serbia would not completely stray from its troubled path toward EU membership for the moment. “Serbia has chosen the European path and European values. As the elected president of Serbia I want to fight for these values, European values, in Serbia,” Tadić said shortly after the results were announced. “No doubt Serbia is closer to the European Union tonight than it was this morning. It is a great victory for the democratic Serbia,” he added. The EC representative in Belgrade also expressed his relief: “The EU is very, very happy with this result. This is very good for Serbia and democracy in Serbia.”

However, that nearly half of the electorate had voted for an extremist candidate showed that both European and democratic impulses were open to challenge in Serbia and that the society was deeply divided over whether democracy and Europe represented the appropriate framework for the country. In 2004, ethnic divisions also took a turn for the worse in Vojvodina, where minorities were subject to several instances of well-publicized violent attacks. In the context of a poor economy and weak institutions, such public divisions lowered the overall liberal content of the regime.

The strength of illiberal appeals would depend on economic improvements, but before these could come, difficult restructuring would have to take place. In August 2004, Serbian workers, miners, and farmers took to the streets across the country to demand that the government raise wages and subsidies for their products. Tensions reached a climax in late July when several hundred miners from the Bor mining complex in eastern Serbia blocked the main north-south highway, creating traffic nightmares and trapping tourists on their way to Greece and Turkey. After intense negotiations, the government agreed to provide 30 million euros in financial help to the mine. Transitions Online reported:

In fact… Koštunica inherited the same social and economic problems that the previous two post-Slobodan Milošević governments struggled with: restructuring Serbia’s impoverished and decaying industrial sector while maintaining decent living conditions for the “losers of the transition.” It is exactly those “losers of the transition” who are considered the main backers of the ultrapopulist opposition Serbian Radical Party (SRS)—the strongest single party in the parliament—and the Strength of Serbia party, aligned with telecommuni-
cations mogul Bogoljub Karić, whose populist agenda and rhetoric brought him an unexpected 19 percent of the vote in June’s presidential elections.23

Liberalism, then, was under threat so long as the democratic political configurations tenuously holding on to power could not deliver a better life and convince the Serbian public that a Euro-Atlantic future was the only viable option. Serbia’s pro-Western leaders also had to contend with the remnants of the Milošević regime, particularly in the security services, that were actively working to prevent reform (International Crisis Group 2004). As in Croatia, the issue of cooperation with the ICTY was extremely volatile. Belgrade cooperated with Hague prosecutors only when threatened with sanctions, and even then only at the last minute. Most Serbians distrusted the ICTY and viewed it as a biased political body. The failure of Belgrade to cooperate with the ICTY also continually left SCG behind in the race toward Euro-Atlantic integration.

In 2005, the economic situation improved, and there seemed to be progress on EU integration in addition to the announcement that SAA talks would be opened even though ICTY fugitives Karadžić and Ratko Mladić were still at large. Belgrade did take some important steps on ICTY cooperation, effectively shutting down the remaining logistical and financial support structures of both men. Koštunica would not budge from his stance on Kosovo, however, and on this and other issues he often used the threat of a SRS resurgence as a way to justify some of his uncompromising nationalist positions. Nevertheless, the popularity of the pro-Western governing coalition briefly rose.

But the failure to arrest Mladić led Brussels to suspend further SAA talks with Belgrade in mid-2006. This provoked a political crisis in Serbia, leading the chief government negotiator and Deputy Prime Minister Miroljub Labus to resign from his post. “Our government betrayed the most important interest of the country and citizens of Serbia,” his resignation letter said (Mitić 2006). Liberals found themselves on the defensive yet again, while nationalists were on the rise.

Although the EU later signaled that it would back off its hard-line conditionality vis-à-vis ICTY cooperation to some degree, the runup to the pivotal January 2007 parliamentary elections was characterized by intense fights between liberal reformers and nationalists. The former framed their appeal in terms of a choice between a bright EU future and a return to the dark nationalist past. The latter, by contrast, framed the election as a choice between “patriots” who would stand up for the Serbian nation and those traitors who would be ready to sell Serbia out to foreigners. Serbian analyst Igor Jovanović
wrote of this appeal: “It is a familiar xenophobic refrain that targets the usual suspects: the ICTY, UN Special Envoy Martii Ahtisaari, the U.S. and the EU” (2006). While the liberal parties used the image of a murdered Zoran Đinđić to warn against the forces of reaction, the nationalists used Milošević and Šešelj to demonstrate their commitment to defending Serbian interests. Moreover, the Radicals continued to portray themselves as clean compared to the corruption of the governing parties, which had resonated with voters in the 2003 elections.

Jovanović notes that the voters’ preference for one of these two grand narratives would depend “on how well they have fared in the six years since the old regime fell. Those who have prospered in post-Milošević Serbia tend to lean toward Tadić while those who have not favor the Radicals” (2006). Slobodan Antonić, a political analyst, said: “It is not a division between the future and the past, but between the winners and losers of transition, as well as between the character and look of the future state and national strategy” (Jovanović 2006).

In the end, over 40 percent of Serbian voters opted for the two main democratic parties, President Boris Tadić’s DS and Prime Minister Koštunica’s DSS. Both of these parties were pro-Western, though Koštunica took a more nationalist line, was less willing to make concessions to Brussels, and opposed NATO membership. The good news in terms of liberal support was that the DS (now renamed DS-Tadić to capitalize on the president’s popularity) did significantly better than in 2003, gaining 27 parliamentary seats. At the same time, the level of support for the two main anti-systemic parties, the SRS and SPS remained stable, at about a third of the total vote. These results reflected the continuing split in Serbian society between Western-minded, liberal voters, who lived mostly in cities and in the north of the country, and those with a more inward-looking, nationalist orientation, concentrated in rural areas and the center and south of Serbia.

For about five months following the elections, Serbian politicians were unable to put together a governing coalition. The West pushed for another DS-DSS coalition, signaling that any coalition that included the Radicals would be seen unfavorably in the international arena. During the deadlock, the DSS teamed up with the nationalists to elect SRS leader Tomislav Nikolić as speaker, provoking alarmist commentaries in the international press and worried statements from Brussels, which quickly cancelled the signing of a visa agreement with Belgrade.
Using the nationalist threat was a way for Koštunica to extract the maximum concessions from Tadić before entering into another coalition with the DS. It worked to some extent, as the DS, despite having won more votes, agreed to allow Koštunica to continue in his role as prime minister. At the same time, Koštunica also staked a part of his legitimacy on progress with regard to EU accession, and he knew that a coalition with the Radicals would severely harm Belgrade’s relations with Brussels. In this sense, he depended on the DS as much as the DS depended on the DSS. And of course Koštunica was under immense Western pressure to form a coalition with a liberal party as soon as possible.

Ultimately, a DS-DSS–G17 Plus coalition was put together, with the DS getting an absolute majority of the ministerial portfolios. For the first time, the Defense Ministry went to a DS member, raising the chances that the military intelligence services would finally be reformed. Nikolić resigned his post as speaker, and liberalism, as in 2003, was salvaged once again.

The question, remained, however, why so many people voted for the Radicals—was it primarily due to socioeconomic frustration, or is over 30 percent of the Serbian electorate simply ultranationalist? Zoran Stojiljković of the Belgrade Faculty of Political Sciences cites polls showing that only about 15 percent of the SRS electorate is truly ultranationalist.25 The rest may be nationally oriented or suffered losses in Serbia’s post-Milošević economic transition (800,000 live at subsistence levels, he notes). Moreover, the SRS’s campaign ads appealed to such voters through populism: one ad showed a ruddy-faced young man saying that all he wants is a permanent job.26 “Permanent” jobs were a feature not only of communist Yugoslavia but also of Milošević’s economic populism, so in this way the SRS picked up many former SPS voters as well. What, then, explains the strong showing of the Radicals in Belgrade, where standards of living are high? Stojiljković notes that SRS voters in Belgrade were mostly refugees from Bosnia and Croatia who believed that the Radicals would somehow make their former lands a part of Serbia.

Only six months later the West was again confronted with the threat of a nationalist victory, this time in the presidential elections held in January 2008. As in 2004, the contest came down to the pro-Western liberal Tadić and the nationalist Nikolić. Once again, the EU delivered an unambiguous message about the consequences of a Nikolić victory for Serbia’s EU prospects. In a bid to bolster Tadić—and his promise to bring Serbia closer to Eu-
rope and reap the economic and political benefits of closer ties—momentum grew in Brussels to grant the major concession of concluding the SAA agreement. Such a move required unanimity among the EU’s twenty-seven countries. In a sign of the growing anxiety of losing Serbia, even formerly staunch tribunal backers such as Britain favored an early signing of the SAA agreement. Only the Netherlands held firm in opposition.

As pressure mounted on the Netherlands to agree to conclude the SAA agreement and the Serbian government collapsed in the wake of Kosovo’s declaration of independence in mid-February 2008, the prospects of a compromise emerged. The compromise sought to balance the EU’s avowed commitment to international justice with its interest in keeping Serbia on a European trajectory and staving off the election of nationalists. Days before parliamentary elections in May and with the moderates behind in the polls, the EU signed an SAA agreement with Serbia as well as agreements on trade and visa liberalization, which could be then be given positive media play in Brussels and Belgrade. However, in deference to the Netherlands and Belgium, it stipulated that the agreement would not be implemented without evidence of full cooperation.

This, and the resulting high turnout, helped Tadić prevail, but only by 130,000 votes. It was a remarkable victory in that nationalist fervor in Serbia was at its apogee in the runup to Kosovo’s declaration of independence the following month, and it showed that a critical mass of voters did not want to abandon the EU altogether. Yet nearly half of those who cast a ballot voted for a party that was tied to war crimes and that openly advocated ethnic intolerance.

The DS-DSS coalition government weakened under the immense pressure of Kosovo’s declaration of independence in February 2008. The parties and their leaders could not agree on how to deal with the EU in the aftermath of the declaration. Koštunica’s DSS insisted that Serbia would not pursue further integration in the form of signing an SAA in the absence of guarantees of sovereignty over Kosovo, while Tadić’s DS, backed by the G17 Plus, argued that it was not in Serbia’s interest to be isolated from the integration process. Brussels made its position in this dispute clear: “The EU clearly wants Serbia to decide in favor of the European perspective,” said Slovenian Foreign Minister Dimitrij Rupel, representing the EU presidency (quoted in Jovanic 2008). Although the EU member states were internally split on how
much pressure to put on Serbia to cooperate with the ICTY, there was consensus on the premise that a Radical victory would threaten Serbian democracy, even more so in the wake of Kosovo’s independence declaration.

The government collapsed in March 2008, and parliamentary elections were called for May. In the meantime, in the face of SRS and DSS opposition, the EU and Belgrade signed the SAA agreement, which had been initialed in the fall of 2007. This turned out to be a major psychological boost for Serbia’s pro-European forces: despite the fallout over Kosovo’s independence and Koštunica’s populist anti-EU appeals, the big winner turned out to be Tadić’s DS, who won nearly 40 percent of the vote and increased its seats by 15. The Radicals came in second, with 30 percent of the vote, while Koštunica’s DSS mustered only 11 percent of the vote. The pro-European parties were clever in appealing to the economic sensibilities of voters who might have otherwise voted for the Radicals but realized that they could reap some of the benefits of progress on the road to EU membership. After much wrangling, a most surprising coalition emerged after the SPS signed on to the EU agenda and abandoned the Radicals in favor of the DS, a move that would allow the DS to pursue integration without the burden of the mercurial and increasingly nationalist Koštunica. Buoyed by the SAA prize, the pro-European perspective triumphed, but the strength of illiberal parties in the National Assembly remained formidable. Moreover, the Socialists were hardly reformed in terms of personnel changes and renouncing their authoritarian and nationalist past. Rather, their nominal acceptance of the EU was a cynical way to share in the spoils of power.

The formation of a liberal, pro-Western government and the EU’s positive signals created conditions that made the sensational arrest of Radovan Karadžić in July 2008 possible. The nationalist response was greatly subdued, and Serbia’s EU prospects were further strengthened. That the economy had grown robustly for several years with low inflation also helped to shape a more positive outlook on Serbia’s prospects.

The rising EU tide eventually reached the recalcitrant Radicals in the fall of 2008 as the Serbian Parliament debated ratification of the SAA. Nikolić opted to support the pact despite the fierce opposition of many of his party colleagues, creating a schism in the SRS. The adoption of the EU agenda by part of the Radicals was extremely significant, a signal that Serbia was turning in the EU direction, though certainly not nearly as much as Croatia or Macedonia. The 2008 EU Progress Report on Serbia praised the country’s
economic growth and administrative capacity, but noted that much work remained to be done in terms of both political and economic reforms and meeting European standards. The structural problems of the Serbian economy, moreover, were hardly solved: in 2007, only half of Serbia’s 3,100 former socially owned enterprises had been sold, and 15 percent were in bankruptcy. Overemployment in governmental institutions and public enterprises had not been addressed (European Stability Initiative 2007).

Positive economic growth began to undergo a sharp reversal in 2009 as the worldwide recession reached Serbia. The effects of the economic crisis and the blocking of SAA ratification by the Netherlands and Belgium over Belgrade’s inability (or unwillingness) to deliver Ratko Mladić and Goran Hadžić to the ICTY continued to make Serbia’s EU future uncertain. The July 2009 announcement that the EC was recommending the lifting of visa requirements for Serbians traveling to Schengen zone countries was undoubtedly designed to improve morale.

**Montenegro: The Sixth Successor State**

Before he was murdered in 2003, Đindić had mostly negotiated a “velvet divorce” with Montenegro. According to Serbian-American businessman Obrad Kesić, Đindić wished to repay Đukanović for sheltering him during the Kosovo War and also saw Montenegro as an economic burden for Belgrade (quoted in Pond 2006: 232). However, following the death of the reformist Serbian premier, the EU became worried that Montenegrin independence would destabilize Kosovo and compelled the Podgorica authorities to hold off for another three years and then hold a referendum on independence. Montenegro was kept economically sustainable by outside aid and had a population of about 650,000, hardly the building blocks of a viable state. Nevertheless, the ruling party pressed ahead with its pro-independence agenda, arguing that separation from Belgrade was the only way to speed up Euro-Atlantic integration.

In May 2006 Montenegrin voters endorsed independence but barely met the EU-mandated 55 percent threshold, betraying the deep splits in Montenegrin society. The Albanian and Bosniak minorities helped tip the balance in favor of independence (Pond 2006: 233). In Belgrade, the response was muted: leaders had undoubtedly been warned not to overreact by Western officials, and with Euro-Atlantic integration frozen because of the failure to apprehend Mladić and Karadžić, nobody wanted to provoke worse relations.
As for the Serbian public, many had come to see Montenegro as a drain on Belgrade’s resources.\textsuperscript{30}

Independence, better integration prospects, and strong economic growth in recent years did not necessarily advance substantive democratization, however. Nor has Podgorica’s extraordinarily high level of foreign aid per capita. Weak institutions, criminality, and corruption have continued to thwart democratic reform. The opponents of independence, in fact, focused on the allegations of criminality and corruption that have swirled around Prime Minister Đukanović for years. Another challenge of the fledgling Montenegrin state has been attracting the loyalty of those 45 percent of its citizens who voted against independence in 2006, although this may be easier to overcome than in Bosnia since what it means to be “Montenegrin” is a fluid concept (Biber 2006).

Although Montenegro’s pro-Western approach was rewarded by NATO and the EU with PFP status and an SAA, respectively, many procedural and substantive indicators suggest that democratization continues to be impeded by negative structural legacies. The 2006 Freedom House \textit{Nations in Transit} report for Montenegro was sobering.\textsuperscript{31} It found that democratic development in Montenegro declined in 2005, and its democracy score slipped closer to that of a transitional government or “hybrid regime.” It received one of the lowest scores in the region, ahead only of Bosnia and Kosovo. The main democratic deficiencies noted in the report include political influence in the judiciary, security, and police services, and there was insufficient prosecution of criminality and corruption charges. The EU’s 2008 progress report on Montenegro highlighted similar issues. In the beginning of 2009, with the threat of recession looming, Prime Minister Đukanović called snap elections to seek a stronger mandate for his pro-EU agenda. His coalition won easily with 66 percent of the vote, earning Đukanović a sixth term as prime minister. However, in this same period Germany vetoed giving Montenegro an immediate response to its December 2008 application for candidacy, while international monitoring organizations reported government abuses against media freedom.

\textbf{Kosovo: The Seventh Successor State}

It was clear after the 1999 war and UN Security Council (UNSC) Resolution 1244 that Kosovar Albanians would accept nothing less than full independence, while Belgrade politicians, backed by Russia, would not budge. Serbia’s sovereignty over Kosovo was only on paper, whereas Northern Mitro-
vica and the various Serb enclaves in central and southern Kosovo functioned as a full part of Serbia. The seemingly stalemated conflict came to a head in the spring of 2004 when violence broke out between ethnic Serbs and Albanians in northern Kosovo, reminding the world that the situation in the province was far from stable. In the process, thousands more Serbs left the province. In October 2004 and November 2007, parliamentary elections were held for Kosovo’s Provisional Institutions of Self-Government (PISG), but the territory’s shrinking Serb minority boycotted them.

Negotiations that began in late 2005 were finally abandoned in December 2007, and the United States and most EU members began to support conditional independence openly, as put forward in a plan by UN Special Envoy for Kosovo and former Finnish president Martti Ahtisaari. In February 2008 Kosovo declared independence amid political crisis and violence in Serbia. As of 2009 Kosovo has been recognized by sixty-three countries (including twenty-two EU member states—all except Spain, Greece, Cyprus, Romania, and Slovakia) and is undergoing a messy transition from UN to EU supervision. Unemployment is between 40 and 50 percent, and Serb-majority areas continue to function as enclaves subsidized by Belgrade. The 2008 EU progress report on Kosovo states that the country has made limited progress toward establishing a market economy, physical infrastructure is poor, and the energy supply is unreliable. Although Kosovo has been promised an EU future by officials in Brussels, among western Balkans states it is the furthest from that future, and its membership in many international organizations is blocked. However, in 2009, Kosovo succeeded in joining the IMF and the World Bank.

**Macedonia**

Ethnic relations in VMRO-governed Macedonia continued to deteriorate after 1999, and in the spring of 2001 an ethnic Albanian rebel group calling itself the National Liberation Army (NLA; Albanian: Ushtria Çlirimtare Kom-bëtare, UÇK; Macedonian: Oslobodetelna Narodna Armija, ONA) launched an open rebellion against Skopje. At first the West was sympathetic to Skopje, but when Prime Minister Georgievski responded with force, both Washington and Brussels shifted their support to the Albanians. The international community was determined not see a repeat of the Bosnian war in Macedonia and became involved quickly. The EU, eager to test the viability of its new
Common Foreign and Security Policy (CFSP), took the lead in pressuring Skopje to negotiate with the rebels. EU Commissioner Javier Solana was instrumental in organizing a peace conference at the lakeside town of Ohrid in August 2001. An agreement was reached in which rebels were required to hand over their arms in exchange for amnesty, while the Macedonian government promised to implement an extensive list of policies designed to give the ethnic Albanian community political and cultural rights. Included in the agreement were affirmative action–style preferences for ethnic Albanians in public institutions. Georgievski signed the agreement only under intense pressure from the West and from President Boris Trajkovski, a pro-Western moderate and former Methodist minister elected in 1999. Trajkovski enjoyed broad popularity among all ethnic groups but was tragically killed in a February 2004 plane crash. The chief ethnic Albanian negotiator at Ohrid was rebel leader Ali Ahmeti, who subsequently went on to found a new ethnic Albanian political party, the Democratic Union for Integration (Demokratska unija za integraciju, DUI; Albanian: Bashkimi Demokratik për Integrimin, BDI). One carrot used by the EU to get cooperation was aid, which was needed to avoid economic collapse after the war. Polls showed, however, that the Ohrid Agreement did not benefit from the support of many Slav Macedonians, and many Albanians thought it did not go far enough and were wary of the EU, preferring to instill their trust in the United States.\(^{35}\)

Ahmeti was embraced by European and American interventionists as a peacemaker and continued to enjoy direct access to many Western officials. Georgievski, by contrast, had fallen out of favor with the West for his intransigence before and during Ohrid and for widespread allegations of corruption, and he continued to lose Western support because of his anti-Western rhetoric. Following the signing of the Ohrid Agreement, a NATO peacekeeping force arrived in the country and both the EU and the United States began to supervise Macedonian politics more closely, such that the country increasingly began to resemble a protectorate in the style of Kosovo and Bosnia. “All important decisions were cleared with the American Ambassador or EU Special Representative,” one government official explained to me.\(^{36}\) The popularity of the VMRO government quickly declined due to the perception that it had sold out Macedonian national interests at Ohrid and also because it was perceived to be deeply corrupt. Reports by Western monitoring organizations about corruption in VMRO were strategically released to coincide with the
September 2002 parliamentary elections. Analysts were now interpreting the 2001 conflict as having been intricately tied to corruption, criminality, economic scarcity, and the failure of the state to provide public goods and an acceptable standard of living.

The 2002 elections were quite chaotic, and observers noted a number of irregularities. In the end, the SDSM, running under the Together for Macedonia (Zaedno na Makedonija Zveza, ZMZ) coalition, prevailed and formed a coalition with Ahmeti’s DUI, the largest vote-getter among the Albanian parties. Branko Crvenkovski, the SDSM leader, again became prime minister, and some ethnic Albanians were given ministerial portfolios. When Crvenkovski was elected president after Trajkovski’s death in early 2004, Interior Minister Hari Kostov became prime minister.

Just as in the 1990s, Macedonia remained stable in the post-2000 period thanks to foreign supervision. Unlike the 1990s, however, the West was not content simply to assure stability: indeed, the Ohrid peace agreement was accompanied by a long list of laws relating to minority rights that the Macedonian government was obliged to implement. They would be monitored by the OSCE, the EU, and other organizations. Nevertheless, much of the day-to-day “democracy” continued to be simulated to assure Western support. While disillusionment with the state and its institutions runs deep among the public, so does ambivalence toward the West. The carrot of EU membership, for its part, has been vague and at times contradictory, although an SAA was signed in 2001, and Macedonia submitted its application for membership in March 2004.

The former ruling VMRO party was in turmoil after 2002, split between a nationalist and more moderate wing and in shock at the revelation that seven South Asian immigrants were killed by state security services under the control of former hardline interior minister Ljube Boškoski. Boškoski fled the country, as did Georgievski for a time. The latter returned and wrote an inflammatory opinion piece in a major daily newspaper calling for partition of Albanian-inhabited areas. Likewise, while out of power, DPA leader Arben Xhaferi engaged in nationalist agitation. Overall, the situation in the country was fragile, and the International Crisis Group (2003) suggested that Western countries and organizations take a more realistic look at the state of affairs: “The West must revise substantially the conventional assessment that Macedonia is the foremost political ‘success story’ in the Balkans. It is instead
an underperforming post-conflict country still very much at risk, unable to
tackle—operationally or politically—its security challenges without upset-
ting an uncertain ethnic balance.”

Although the Western-sponsored Ohrid Framework prevented further vio-
ience in Macedonia and extended rights to ethnic Albanians, implementa-
tion was slow. Many ethnic Macedonians saw the framework as negotiated in
a nontransparent manner and imposed by foreigners, and therefore viewed
its provisions as illegitimate. The 2004 effort to implement provisions of
the Ohrid Agreement granting more power to local councils was met with
rioting and violence by ethnic Macedonians opposed to the plan (Wood
2004b). Nevertheless, a November 2004 referendum organized by national-
ist opposition and diaspora groups in order to question proposed changes in
administrative boundaries, an Ohrid-mandated reform that would have cre-
ated more Albanian-majority localities with increased autonomy, was inval-
dated due to low turnout. There is little doubt that the minds of some poten-
tial supporters were changed by the U.S. decision to recognize Macedonia
under its constitutional name despite fervent Greek opposition, triggering
street celebrations in Skopje. As Transitions Online reported, the EU played an
important role in this outcome as well:

Along with the United States’ power to change the political mood, the failure
of the referendum also demonstrated the magnetic power of the European
Union in the Balkans. From the moment in August when the SMK [diaspora
nationalists] managed to gather enough signatures to call a referendum, Brus-
sels and the other EU capitals bombarded ethnic Macedonians with messages
bluntly telling them that they would gravely harm their prospects of EU inte-
gration if the referendum were successful. While the EU offered no positive
message in this campaign—and, because of the Greeks’ veto power, obviously
could not last week join the United States in recognizing Macedonia’s name—
the EU’s warnings played an important part in the debate in Macedonia.41

Moreover, the government did not try to convince voters of the merits of
decentralization: it simply argued that Macedonia’s EU prospects would be
grim if the referendum passed. Elizabeth Pond writes that: “Low turnout
showed that a majority of Macedonians were becoming resigned to the Ohrid
compromises as the price they must pay to get into the EU and NATO. The
public had been socialized into becoming pro-EU—however fuzzy its under-
standing of what the EU was—and making political trade-offs on the basis of its preference” (2006: 183).

International pressure notwithstanding, that administrative reform would go ahead was quite significant as the last great hurdle to implementing the Ohrid agreement and therefore an important yardstick of progress for the EU and NATO. However, the referendum debacle hurt Kostov politically, and he soon resigned and was replaced by Vlado Bučkovski.

Under close international supervision, reforms continued, at a varying pace, after 2004. Both 2004 and 2005 were banner years for Macedonia’s Euro-Atlantic aspirations. Besides becoming a member, along with Croatia and Albania, of the U.S.-sponsored “Adriatic Charter” of front-running NATO candidate states, it received several positive signals from the EU. The government’s efforts at reform were rewarded at the end of 2005: first, with a relatively positive report on progress from the EU Commission (especially on ethnic relations), and then, in December 2005, with advancement to EU candidacy and lessened EU oversight in the country, although a date for the start of negotiations was not set pending progress on tackling corruption and strengthening institutions. Meanwhile, popular support for the EU stood at 90 percent (Pond 2006: 185–86).

By 2006, Macedonian leaders had “amended the Constitution of the country, changed key laws, went through a process of amnesty and disarmament, and decentralized government” (Balalovska 2006: 9). Furthermore, they had implemented most provisions of the Ohrid Agreement. However, the SDSM’s inability to improve the economic situation significantly, especially the crippling levels of unemployment, helped VMRO to return to power in parliamentary elections held in June 2006.

The election campaign was monitored closely by Western organizations, with the EU and U.S. ambassadors personally observing polling stations. The West reminded Macedonians continually that an election that met international standards was a condition for further progress on the road to Euro-Atlantic integration. In the end, despite outbursts of violence and other irregularities, the election was declared to be largely free and fair (Stavrova 2006).

Upon winning the election, VMRO, led by the Sanader-like reformer Nikola Gruevski, immediately began negotiations with its former Albanian coalition partner (1998–2002), the DPA. This upset Ahmeti and the DUI, who had
won more of the Albanian vote, and Ahmeti threatened violence. Skirmishes broke out in Albanian towns. The DPA regards the DUI as successor to a terrorist organization, while the DUI portrayed the DPA as corrupt and unable to defend Albanian interests. Indeed, the rhetoric and violence revealed issues of legitimacy and divisions, but it also showed how far politicians were willing to go to fight for access to government patronage. In the end, a VMRO-DPA coalition was formed with several smaller parties.

The first years in power of the new, moderate VMRO were not easy, however, in part owing to agitation from the DUI, which boycotted parliament for four months in the spring of 2007 claiming that the government was ignoring Albanians’ rights. Gruevski, pandering to right-wing elements in his party, had in fact been doing little to ensure that the process of expanding minority rights moved forward. Sporadic fighting broke out between DUI and DPA supporters in ethnic Albanian areas, which gave nationalist Slav Macedonians ammunition against the Albanians more generally. The DUI ended its boycott when the government announced that a majority of Albanian deputies would be indeed needed to pass legislation.

The Slav Macedonian parties have remained deeply divided as well. In June 2007, the SDSM called for a no-confidence vote in the Gruevski government, arguing that it was hurting the country’s EU prospects. It failed, with 65 deputies voting for the government and 43 against. Moreover, President Crvenkovski and Gruevski also quarreled on many issues. Pressures on the entire government increased dramatically following the disappointment of NATO’s Bucharest Summit in spring 2008, at which Greece blocked Macedonia’s invitation to join the alliance over the name dispute; Macedonia was scheduled to join with Albania and Croatia. The government collapsed, and early elections were called in June 2008. These tense elections were tainted by violence, mostly involving the ethnic Albanian parties, but also between the Macedonian police and Albanian civilians. One death was recorded, and voting was suspended in several ethnic Albanian districts. The OSCE recorded numerous instances of intimidation and ballot stuffing. The cause was intense rivalry between the two main Albanian parties and their supporters, no doubt in a fight for the material rewards and jobs that result from gaining a place in government. Gruevski exploited the divisions among the Albanian parties, leading the DUI to splinter into an anti- and pro-government group. The flawed elections were cited later that year by the EU in its annual progress report for Macedonia, thereby hurting the country’s image and membership prospects.
The economic situation remained quite dire throughout the decade, with high unemployment, poverty,\textsuperscript{44} and a dependence on a large informal sector and international aid.\textsuperscript{45} In 2004, 78 percent of Macedonians responded that losing their jobs was their greatest fear (Ramet 2006: 567), while participants of a 2008 poll expressed the greatest dissatisfaction with their standard of living among all the peoples of the region. There was some FDI, mostly from Greece, but not enough to turn the economy around. Criminality and corruption still pervaded Macedonian institutions. In light of its assessment that Macedonia was still very far from having a mature democracy, the International Crisis Group (2003) opined that the international community must make “a more sober, less self-congratulatory” assessment of conditions in the country.\textsuperscript{46} Parties remained the “mechanisms for distribution of patronage and running election campaigns [more] than real engines of democratic inclusion” (Pond 2006: 186). As long as economic circumstances remained poor, democratic institutions could not be legitimized. Moreover, a 2008 poll by the Gallup Balkan Monitor suggested that only a third of Macedonians thought that the Ohrid Framework was a good long-term solution to the country’s ethnic problems. As of 2009, Albanian-majority municipalities, almost exclusively controlled by the DUI, were refusing to cooperate with the central government, showing that ethnic tensions were still high.

In the context of such fragile democratic institutions, democratic progress will continue to depend on the leverage of the EU and other Western states and organizations. The 2007 and 2008 EU Commission progress reports on Macedonia gave the country at best a “yellow light,” stating that Skopje lacks “adequate human and financial resources” to implement in full the obligations of the SAA it has signed with Brussels (Loza 2007). The 2008 report criticized the violence surrounding the summer elections, while the 2007 report also criticized “large-scale replacement of qualified staff” in the state administration following the change of government in 2006 as well as what it described as the “political deadlock” among main political actors. In March 2009, elections were held for the mostly ceremonial post of president, resulting in the victory of VMRO candidate Gjorgje Ivanov. They, along with local elections held in 2009, were deemed free and fair by the OSCE and EU, an important boost to Macedonia following the chaotic 2008 poll.

In the fall of 2009, the EU announced a recommendation to open accession negotiations with Macedonia. However, NATO membership is still
Regime Change in the Yugoslav Successor States

blocked by Greece owing to the name issue. It remains to be seen whether continuing delays will lead to frustration, which in turn could empower nationalists and lessen the EU’s leverage to compel further reforms.

Differences in liberal content in the 1990s, and the structural factors that underpinned them, matter a great deal in explaining the post-2000 trajectories of the four successor states. This was perhaps most evident in Serbia and Croatia, where electoral revolutions in 2000 swept in a new cadre of leaders ostensibly committed to liberalism.\(^{47}\) It was hard to overlook the irony in the elated Western response: throughout the 1990s the prevailing attitude in the West was that the Balkan states were predisposed to instability, ethnic conflict, and authoritarian politics. The new attitude, by contrast, seemed to indicate a newfound belief in the power of political agency: Koštunica and Račan were embraced by Brussels and Washington despite their lack of real democratic credentials.

However, the challenges the two leaders faced differed, and implementing reform and accepting Western conditions proved to be much more difficult in Serbia than Croatia. By extension, the structural challenges the West had to overcome in the former were significantly more difficult than in the latter, so the external impetus to democratize held greater sway over Zagreb than Belgrade. One would not have necessarily predicted this, however, by looking at various measures of procedural democracy for each state in the 1990s. The differences between Croatia and Serbia became even sharper in parliamentary elections held at the end of 2003 in both countries. In Croatia, roughly 40 percent of the electorate voted for parties with clear liberal credentials (SDP, HNS, HSS, LS, and the Libra party); 40 percent of the electorate voted for parties whose liberal credentials were still ambiguous (HDZ, HSLS); and 6 percent of electorate voted for decidedly illiberal parties (HSP). By contrast, in Serbia roughly 25 percent of the electorate voted for parties with clear liberal credentials (DS, G17 Plus); 25 percent voted for parties whose liberal credentials are ambiguous (DSS, SPO); and a troubling 36 percent of the electorate voted for decidedly illiberal and anti-systemic parties.\(^{48}\) By 2007, the difference was even more striking, with all the Croatian parties firmly committed to democratic reform and EU accession, while a third of Serbians voted for the Radicals. The absence of the Radicals from the ruling coalitions that were ultimately cobbled together in Serbia in 2003, 2007, and 2008 was
largely thanks to Western pressure and an acute sense of concern among Serbian elites over being completely left out of the integration process.

It is also telling to compare the post-2000 trajectories of the two nationalist parties that won the most votes in each election, the HDZ and SRS. Both parties came back to power in 2003 in part because they promised solutions to economic problems in response to public opinion polls showing that standard of living concerns loomed large for most voters. Thus, in both Croatia and Serbia the strong showing of nationalists did not necessarily signify a vote for a return to the past. But this is where the similarity ends. While the HDZ embraced its predecessor’s goal of EU membership, cooperated with ICTY, purged radical elements from party leadership, won the backing of ethnic Serb parties, and invited ethnic Serb refugees to return to Croatia, the SRS was unreformed, was nominally led by indicted and imprisoned war criminal Vojislav Šešelj, espoused illiberal nationalism and anti-Westernism, was openly hostile toward the ICTY, and advocated a Greater Serbia that would include parts of Bosnia, Croatia, and Macedonia.

These differences reflected the different degree to which Serbia and Croatia were “co-opted” into the process of EU integration by 2008. In Serbia, nationalism was still very much a part of political discourse, distrust of the EU and NATO was pervasive, and an anti-Western stance was worn as a badge of honor. Even ostensibly liberal parties put war criminals on their party lists to prove their national credentials. Moreover, Lazić’s (2007: 81) research on value orientations among Serbian political and economic elites suggests that liberalism had hardly taken root: “Political and economic elites in Serbia have not internalized liberal values . . . even fifteen years after pluralist democracy, and the market economy . . . have been introduced as the key institutional and legitimate principles of systemic regulation . . . during the past fifteen years only a mild shift toward liberal values occurred, and even this move was ambiguous.”

By contrast, in Croatia the EU has become the least common denominator of political competition. That which began as an instrumental acceptance of EU norms on the part of elites became a process in which the beliefs of elites and the loci of political conflict were significantly altered. The 2004 EU avis was critical in this regard. As Croatian commentator Davor Butković argued at the time, “Failure to issue the avis would have serious consequences for political stability in Croatia. Prime Minister Sanader would lose his main
foothold—foreign policy and the expected foreign political success—and the space would be open for the old, Tuđman-like, nationalist-oriented HDZ members to win greater power in the party, and, as the Parliament discussions as well as the acts of Sanader’s ministers, the party still consists of a great many of those. 49 Though some segments at the base of Sanader’s party were still quite nationalist, the trend was against them. This sea change from the nature of Croatian politics in the 1990s reflects three factors: (1) the acceptance of the EU agenda by the previous Račan government and its ceaseless efforts toward membership and the continuation of these efforts by the HDZ from 2003 to the present; (2) the West’s efforts in Croatia and its ability to hold out a credible “carrot” of membership; and (3) domestic structural factors that made it easier for the West to coopt a sufficiently large part of the public behind the project of Western liberalism.

That parties in Serbia were still deeply divided over the West and that suspicion of Western organizations runs rampant in Serbian society—these are certainly a product of the 1999 NATO bombing and the West’s support of Kosovo’s independence. Serbian anti-Western sentiment was also a function of Serbia’s distance from these organizations, meaning that the leverage of the EU and NATO is simply not strong enough to turn a critical mass of elites and society toward the socialization process that has taken place in Croatia.

In the context of weaker and poorer states than Serbia, Macedonian and Montenegrin elites—and to some extent the public—have embraced EU conditionality out of a perceived need for external support. Though the extent to which elites and the public in both places have been socialized to the EU’s requirements was reflected in their “silence” over Kosovo’s independence, in both countries EU conditionality has not been strong enough to prevent continuing cronyism and corruption.

Table 8.1 shows the varying progress of the successor states in the Euro-Atlantic accession process, which is simultaneously a strong predictor of the relative strength of the external impetus for liberalism. Table 8.2 compares Freedom House scores on procedural democracy with qualitative evaluations of liberal content in each state. It shows that even as the states have converged on procedural measures of democratization, the indicators of liberal content employed throughout this study continue to vary among them considerably.

A discernible pattern in Macedonia, Croatia, and Serbia after 2000 was a cycle in which radical populist and nationalist forces were thrown out by vot-
Table 8.1  Progress on Accession to the EU and NATO as of December 2009

<table>
<thead>
<tr>
<th>Country</th>
<th>EU Stabilization and Accession Agreement (signed)</th>
<th>EU candidate status</th>
<th>Begin EU accession negotiations</th>
<th>EU membership</th>
<th>NATO Partnership for Peace</th>
<th>NATO membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serbia</td>
<td>April 2008</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>December 2006</td>
<td>—</td>
</tr>
<tr>
<td>Montenegro</td>
<td>October 2007</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>December 2006</td>
<td>—</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>June 2008</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>December 2006</td>
<td>—</td>
</tr>
<tr>
<td>Kosovo</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>


Note: Serbia’s Stabilization and Accession Agreement has not been ratified.
Table 8.2  Democratic Progress and Liberal Content after 2000

<table>
<thead>
<tr>
<th>Country</th>
<th>Democratic legitimacy</th>
<th>Nature of divisions</th>
<th>Strength of illiberal forces</th>
<th>Democracy score(^{a})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovenia</td>
<td>High</td>
<td>Normal for a democratic state</td>
<td>Weak</td>
<td>1.75 1.86</td>
</tr>
<tr>
<td>Croatia</td>
<td>Moderate. Certain elites and parts of the public still regard West and democracy with ambivalence</td>
<td>Moderate. Elites and public still divided, but this is rapidly diminishing and elites are united on EU integration</td>
<td>Relatively weak after transformation of HDZ</td>
<td>3.83 3.64</td>
</tr>
<tr>
<td>Serbia and Montenegro</td>
<td>Low. Evidenced by extremely low turnout at elections, Kosovo's separatism, etc. Distrust of West is widespread</td>
<td>Deep and divisive. Party system is deeply split between liberal, pro-Western reformers and anti-systemic nationalists. Montenegrins divided over independence</td>
<td>Very strong. The Serbian Radical Party received the most votes in 2003, 2007, and 2008 elections</td>
<td>3.83 3.79(^{b})</td>
</tr>
<tr>
<td>Macedonia</td>
<td>Low. Democracy is mandated by West. Ohrid framework is looked at with ambivalence, boycotts by Albanian parties continue</td>
<td>Deep and divisive. Ethnic cleavage is deep, public divided over appropriateness of Western liberalism, Albanian parties are deeply divided</td>
<td>Moderate. VMRO's nationalist wing enjoys broad support, although real influence is weak because of Western supervision and the EU incentive for ruling elites</td>
<td>4.00 3.86</td>
</tr>
</tbody>
</table>


Note: Kosovo’s democracy score for 2008 was 5.21, Montenegro’s was 3.79, and Bosnia and Herzegovina’s was 4.11.

\(^{a}\)Democracy Scores are based on a scale from 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest.

\(^{b}\)Without Montenegro.
ers, after which pro-Western parties, supported by Brussels and Washington, were brought to the fore as nationalist rhetoric lost its resonance and the public expressed its frustration with corruption in ruling parties. Domestically, the pro-European orientation of these parties was used to bid for political capital and raise hopes of better times ahead. However, as the realization set in that sovereignty must be sacrificed and that tough reforms that lead to lower living standards must be pursued, the nationalists regrouped. In Croatia, this cycle was broken when the nationalist HDZ successfully coopted, and was simultaneously coopted by, the West, and Ivo Sanader marginalized or dismissed the party’s hard-line elements. In Macedonia, VMRO’s nationalist outlook has also been moderated by the EU incentive, but to a lesser extent than in Croatia, as the events of 2006 and 2008 demonstrate. The key to democratization in Serbia, where pro-Euro-Atlantic parties are in a weaker position, lies in the ability of the West to sign nationalist parties onto the reform agenda by promising real rewards. The late 2008 split in the Radicals may indicate that precisely this is happening. But, as noted above, divisions in Serbian society run deep, and the EU is divided over whether to “soften” conditionality (especially on ICTY cooperation) to compensate Serbia for Kosovo’s independence and to keep reforms on track. Some Serbian analysts privately worry that the sense of humiliation felt by many Serbians at the hands of the West will be successfully exploited by nationalist parties regardless of progress on EU accession.\textsuperscript{50} Though Slovenia was never governed by radical populism, one can observe the second part of this cycle there after 2000 with the rise of nationalism in response to economic difficulties and disillusionment with the EU. Even in Slovenia, Western liberalism does not have total reach.

In 2003, following a EU-Balkan summit held in Thessaloniki that produced much rhetoric and excitement about the European future of the western Balkans, there was much hope that integration would be a reality sooner than later, and it contributed greatly to democratic gains throughout the region. Perhaps these gains were not always fully democratic when measured by the indicators of liberal content used in this study, but they were nonetheless significant as triggers of a process of socialization toward EU conditionality. However, the lack of progress in reform noted in the lukewarm reports given to the Balkan candidate states in recent years\textsuperscript{51} with the exception of Croatia (and Macedonia in 2009) shows that the constraints to full democratization exist in spite of the powerful incentive of EU membership and the
positive “demonstration effect” of the Croatian case.\textsuperscript{52} This is certainly due to the continuing influence of structural constraints, but it is also a result of reduced leverage on the part of the EU, and it is driven by a perception in the candidate states that membership is still a long way off. Of course, given the failure to pass an EU constitution when it was rejected by French and Dutch voters in a 2005 referendum, the 2008 rejection of the Lisbon Treaty by Irish voters, and all the talk in Brussels of “enlargement fatigue” and “absorption capacity,” this may not be much of a surprise.

That the 2007 EU Commission progress reports on accession praised the policy of conditionality while noting the lack of progress in most of the candidate countries raises an interesting conundrum, as analyst Tihomir Loza notes: “The commission’s praise for the EU’s conditionality principle is, however, contradicted by its own verdict on the region’s progress. If the countries have largely failed to live up to expectations, it may well make sense to examine the limits of conditionality” (Loza 2007).\textsuperscript{53}

One thing is for sure: the people of the Yugoslav successor states, Slovenia included, have become more realistic about the EU and the West more generally. Ironically, those furthest from EU membership—the Kosovars—seemed to have most favorable view of the EU in 2008, while the Croatians, who are the closest, display the most ambivalent attitudes toward Europe. Observing the EU’s internal disagreements and its bias toward Turkey, they have come to see that Brussels is not just a club of rich nations, that it is not infallible, and that “EU membership is not a panacea,” in the words of Loza (2006). If such realism has the effect of helping to manage expectations among the restive publics of the region, then it is not entirely a bad thing.