

# THE CURRENT SITUATION IN SERBIA

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## HEARING BEFORE THE SUBCOMMITTEE ON EUROPE OF THE COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED EIGHTH CONGRESS SECOND SESSION

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MARCH 17, 2004

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## THE CURRENT SITUATION IN SERBIA

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WEDNESDAY, MARCH 17, 2004

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON EUROPE,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
*Washington, DC.*

The Subcommittee met, pursuant to call, at 2:30 p.m. in Room 2172, Rayburn House Office Building, Hon. Doug Bereuter presiding.

Mr. BEREUTER. The Subcommittee will come to order. Today, the European Subcommittee is considering the current situation in Serbia, and we will hear first from Deputy Assistant Secretary of State for European Affairs Kathleen Stephens, then Dr. Daniel Serwer of the United States Institute of Peace, and then Professor Dr. Svetozar Stojanović of the Serbian-American Center in Belgrade in two separate panels.

Serbia is at a critical moment in its history. One year ago (as of last Friday, March 12th) Prime Minister Djindjic was assassinated. The United States Congress overwhelmingly passed a resolution expressing its condolences and deepest sympathies to the people of Serbia, and pledged to assist Serbia in its efforts to fight organized crime and corruption. After an impressive initial crackdown on organized criminal groups by the subsequent government in response to this tragic event, the fate of bringing the perpetrators of the assassination to justice is uncertain today. Only five of the 13 indicted suspects in the case have been brought to trial, a trial that began 2½ months ago. The rest remain at large. Recently, a key witness who was to testify at the trial was murdered, execution-style, by an unidentified gunman in front of his home on March 1st.

In the first national parliamentary elections since Prime Minister Djindjic's assassination, Serbia held elections on December 28, 2003. While approximately 60 percent of the vote went to democratic and reform-oriented parties, the Serbian Radical Party, led by war crimes indictee, Vojislav Seselj, received the most votes of any single party, and the Socialist Party of Serbia, the party of Slobodan Milosevic, made a significant showing.

Why is this? Is it because of the widespread frustration of the Serbian people with the Serbian economy, and prospects for economic development? Is it because of frustration and cynicism with regard to organized crime and corruption in many parts of Serbian society? Is it a reaction to the international community's external pressure on Serbia to cooperate with the International Criminal Tribunal for the Former Yugoslavia, and Chief Prosecutor Carla

Del Ponte's perceived intervention in the Serbian election by issuing new indictments on October 20th of last year?

The purpose of this hearing is to consider the results of the Serbian election and to assess the current situation in Serbia today. Where is Serbia headed? What are the policy priorities of the new government? What can be done to facilitate economic development in Serbia? To what extent is the Serbian economy key to the economic development of the Balkans region? What is the status of the criminal justice system within Serbia? How can the United States Government help the Serbian people to achieve important reforms and to integrate into the Euro-Atlantic institutions? Has the European Union reformulated its policy of assistance to Serbia by conditioning further political integration with Europe on prosecution of war criminals but proceeding with financial and development aid without conditions? How can Serbia become a partner and ally of the United States, both in the region and in the world?

These are a few of the important questions for Serbia today. And the answers to these questions will have implications for the entire Balkans regions—and, I might add, for U.S. and NATO military forces in the region.

One note. The Federal Republic of Yugoslavia ceased to exist in February 2003, when the Yugoslav Federal Parliament adopted a constitutional charter which created the new state union of "Serbia and Montenegro." Because the recent Serbian elections raise fundamental questions about the direction of Serbia, this hearing will primarily focus on the current situation in the Republic of Serbia and not the union of Serbia and Montenegro.

I encourage our witnesses to discuss the current situation in Serbia and to address any and all issues that are important to the Balkans region as a whole. This will help us better understand and more precisely define our foreign policy goals as they relate to Serbia, Serbia and Montenegro, and the Balkans region, and Europe.

I would like to close with one other area of thought. The important issues with respect to the current situation in Serbia and with respect to United States-Serbian relations are not easy issues. How can we help the Serbian people overcome the past decade, a tragic one, and begin working together with Europe and the United States in partnership? It is true, of course, that many people in Serbia today are skeptical of Euro-Atlantic institutions, particularly NATO. We have to try to change that.

How can we help the Serbian people to continue to pursue democratic reforms? James Dobbins, the former senior adviser for the Balkans to the previous Administration and a former Assistant Secretary of State for Europe, made the following observation recently. It is controversial, so I welcome witnesses and Members to comment on it, if they care.

"It is argued that the international prosecution of war crimes will advance the cause of both justice and reconciliation."

This is his statement.

"Those most guilty would be punished while many followers would be educated and reformed. The highly publicized Milosevic trial does not seem to have had the latter effect, if

rising support among Serb voters for ultranationalist parties is a guide.”

He goes on to say:

“At issue is not just the balance between justice and reconciliation in Serbia but between the carrots and sticks employed by the international community to promote reform there. The democratic regime that overthrew Mr. Milosevic 3 years ago found itself under immediate pressure to yield defendants for The Hague Tribunal. Having done so, Serbia has not received aid in the magnitude that the United States or Europe provided to Bosnia or Kosovo after their conflict, let alone the amounts lavished today on Iraq. It serves little purpose for the international community to impose justice in The Hague if it is not making a commensurate effort to promote democratic reform in Belgrade, and generous aid for post-conflict reconstruction should not be reserved for countries that must first be invaded in order to be transformed.”

As I said, I invite witnesses and Members to comment on Former Assistant Secretary Dobbins’s comments, if they care to. It is a provocative observation but one, I think, that we cannot ignore.

My Ranking Member, Mr. Wexler, the gentleman from Florida, is involved right now on the Floor on the Iraq resolution debate,—I will be involved later—and he has indicated that he wanted me to go ahead. It may be that Mr. Chris Smith, not a Member of the Subcommittee but a Member of the Full Committee, and Mr. Ben Cardin, a Democrat from Maryland, not a Member of the Committee, but both gentlemen being involved in the U.S. House delegation to the OSCE will ask to be involved in the discussion and perhaps to make an early statement. When, in fact, I have a Democratic Member, I will entertain a unanimous consent so that that is possible.

But now we would like to move to the first witness, Deputy Assistant Secretary D. Kathleen Stephens. She is a career Foreign Service officer with the rank of Minister Counselor. She assumed her duties as Deputy Assistant Secretary for European and Eurasian Affairs on December 5, 2003. Among her assignments as a career Foreign Service officer, Ms. Stephens was Director for European Affairs at the National Security Council in 1994 and 1995 and a Political Officer at the U.S. Missions in Belgrade and Zagreb in 1991 and 1992.

Secretary Stephens, your entire statement will be made a part of the record. I understand your statement is approximately 8 minutes long. You take whatever time you need and proceed as you wish.

**STATEMENT OF THE HONORABLE D. KATHLEEN STEPHENS,  
DEPUTY ASSISTANT SECRETARY, BUREAU OF EUROPEAN  
AND EURASIAN AFFAIRS, U.S. DEPARTMENT OF STATE**

Ms. STEPHENS. Thank you very much, Mr. Chairman, and thank you for inviting me to testify before your Committee today. I am very pleased to have this opportunity to share with you some of the transformations that are taking place today in the Republic of Serbia, to talk about how far we have come in our relationship, to un-

derscore our continued commitment to a stable and prosperous Serbia, and to outline some very serious challenges that still lie before us, and you have outlined some of those already, and I thank you for that.

As you know, I have submitted a written statement which addresses in some detail what we see as the most important issues for the United States and for our relationship with Serbia as we look both to where Serbia has been and where it is going. And, again, Mr. Chairman, I would thank you for already outlining some of those issues, which I would also say would include the important and central issue of reforming the economy and restructuring it; the progress that has been made in the key area of defense reform—much has been done, much remains to be done; Kosovo, where the United States is today perhaps, as we look at some disturbing events there, recommitting itself to working with the international community and the United Nations and with leaders in both Pristina and Belgrade toward a stable, democratic future for all of the citizens of Kosovo; and for the other issues which you mentioned, the future of the state union and so on.

Some of these are addressed in some detail in my written statement, but in the interest of time, I thought I would open by focusing my initial remarks on, as you suggested, the recent election, the implications of that election, and where we think we are headed, and, in particular its impact on United States policy, notably, our assistance policy and the approach we take to the central question of cooperation with the International Tribunal in The Hague and the related issue for us of certification.

You have already noted, Mr. Chairman, that it was just over a year ago that Serbia was rocked by the assassination of Prime Minister Djindjic. Rather than crumble in the face of that violent attack on the republic's very new democratic institution, Serbian leaders did stand firm and fought back by an extraordinary, sweeping crackdown on organized crime and official corruption. As you have already noted, the energy and optimism and the commitment in those initial months did dissipate over the course of the summer, and by November 2003, Prime Minister Zivkovic had called for early elections.

The elections which were held on December 28th did provoke some rather alarming headlines that might have led some leaders to believe that Serbia had returned to the Milosevic era. As you have noted, it did not, but we shared the concern of many of Serbia's friends. The Serbian Radical Party, as you noted, had received the largest number of votes, 28 percent, but still not enough to form a government. Milosevic's Socialist Party received only 8 percent. And what the headlines did fail to capture, and I appreciate your highlighting it, Mr. Chairman, was that democratic parties did capture more than 60 percent of the ballots cast, indicating that a clear majority of the Serbian voters supported a democratic future for Serbia and not remnants of the past.

But with the great split in the democratic vote made worse by a number of election laws which essentially discounted a significant percentage of that vote, it took 2 months of negotiation before a minority, three-party, coalition government could be formed. That was



formed on March 3rd, led by Former Yugoslav President Vojislav Kostunica.

The new government has presented a legislative program that focuses on domestic issues: Adopting a new constitution, harmonizing Serbia's legal framework with EU standards, building state union institutions with Montenegro, fighting corruption. Parliamentary leaders have also called for new presidential elections in the late spring so that Serbia is envisioned to have both a new constitution and a new President by June 28th.

It is a very ambitious agenda, and to go to your point, Mr. Chairman, about what led to some of the votes and what were the underlying discontents, many analysts do believe that much of the Radicals' electoral success can be attributed to protest votes, that is, voters expressing their dissatisfaction with government scandals and little perceived improvement in the average citizen's standard of living.

There is a lot of polling data that confirms that economic issues—jobs, pensions, inflation—were and remain foremost in voters' minds. A poll done after the formation of the government has indicated that when asked what the priorities of the new government should be, more than 70 percent of those polled indicated that they should be improving the standard of living, economic recovery, and reducing unemployment. All of the other issues seem to fade, at least at this moment, into almost nonexistence in the minds of the public.

The economy has been stabilized over recent years, but growth remains anemic, and unemployment is unacceptably high. Overall unemployment—the figures are not very precise—is somewhere between 20 and 30 percent, but it is as high as 80 percent or even higher in some areas, clearly creating very fertile ground for the messages of nationalist and populist politicians, the ones that were responded to in the last election.

But that underlying economic malaise and concern is one reason why this Administration feels so strongly about our commitment to economic reform and to cooperation in pursuing that as a part not only of our policy in Serbia and Montenegro but of our overall policy to stabilize the Balkans and hasten their journey toward Euro-Atlantic integration.

The United States has invested \$622 million in supporting Serbia and Montenegro's development, of which \$123 million has been dedicated to facilitating economic reform.

Last year, on December 4, 2003, after close consultation with Congress, Secretary Powell removed one of the last Milosevic-era sanctions by restoring normal trade relations to Serbia and Montenegro. With the restoration of NTR, trade will now depend on continuing progress on economic reforms. We want to increase opportunities and protection for United States business and to demonstrate to a clearly skeptical Serbian public the mutual benefits of economic cooperation.

It is very notable that in 2003, despite sometimes all of the dark news that seems to come from Serbia to the United States press, it was thanks to investments by American firms, including U.S. Steel, Phillip Morris, IBM, that the United States was the largest source of new foreign investment in Serbia, investing approxi-

mately \$900 million. We want to continue and increase United States investment in Serbia as it rebuilds and reforms its economy.

I mentioned our bilateral assistance to Serbia. It is tailored more broadly to help Serbia build institutions necessary for foreign investors and also for an open democratic society to take root and to prosper. This assistance to Serbia, which is budgeted at \$100 million, approximately, in this fiscal year, represents almost one-quarter of our State Department's SEED budget. That reflects the critical role that a democratic Serbia and Montenegro plays in ensuring long-term peace and stability in the Balkans. In addition to economic reform, this assistance supports democratic governance, rule of law, independent media, and in addition to these funds, the State Department also provides assistance to strengthen Serbia's export and border-control programs.

So we think we can and we want to help Serbia in its transformation, but in order for Serbia to succeed, it must meet its international obligations. The most important unmet obligation, an unresolved legacy of the Milosevic era, is that of apprehending and transferring to The Hague those indicted for horrendous war crimes. To that end, for the past 4 years, Congress has conditioned SEED and other assistance to Serbia, requiring that assistance be suspended by a certain date unless the Secretary certifies that Serbia is cooperating with the International Tribunal.

When Congress first included a certification provision for Serbia in the Fiscal Year 2001 SEED budget, cooperation with the tribunal was virtually nonexistent. Serbia has come a long way since then, and I would note this, I think, in partial comment on Ambassador Dobbins's observations, which you quoted earlier. A total of 23 indictees have gone from Belgrade to The Hague. This number includes, of course, Slobodan Milosevic, as well as another former President. And since the creation of the state union and the assassination of Prime Minister Djindjic last March, Belgrade officials have increased their efforts to locate and arrest fugitive ICTY indictees. Forgive me for using an acronym. "ICTY," I will say, instead of the "International Tribunal."

The Serbian Government has also created a special prosecutor and court dedicated to war crimes cases, and this is something, I think, which has not received a great deal of attention here in the United States. But an important test for this new court began on March 9th, with the opening of the trial of seven defendants accused of participating in the deaths of approximately 200 POWs and civilians at the Ovcara Farm near Vukovar in Croatia in 1991. And I learned just a couple of hours ago that, today, a Belgrade district court sentenced Saja Sietan to the maximum penalty allowable, 20 years, for his part as a leader in the so-called "Skorpion" paramilitary unit, convicted of the murder of 14 ethnic Albanians in Kosovo in 1999.

Despite improved efforts by the Serbian Government in 2003 to locate and arrest the fugitive indictees still at large, we do believe, however, that there are as many as 16 indictees who spend a preponderance of their time in Serbia. This includes General Ratko Mladic, indicted, as you know, of course, in connection with the massacre at Srebrenica and other crimes, as well as three high-

ranking generals whose indictments ICTY made public in October of last year and who are now living openly in Belgrade.

The United States and the international community do speak with one voice on this. It is unacceptable that these individuals have thus far eluded justice.

Without speaking to Secretary Powell's upcoming decision, I can say, vis-a-vis certification, that the Administration is not presently satisfied with Belgrade's level of cooperation. As a member of the United Nations, Serbia and Montenegro is obligated to cooperate fully with the tribunal, a U.N. institution. "Cooperation" means applying full effort to locate, arrest, and transfer fugitive indictees, as well as making witnesses and documentary evidence available to the tribunal.

We are particularly focused on our effort to see Ratko Mladic brought to justice. We believe that this would be a transforming event for Serbia and Montenegro's democratic development, and, as I have already emphasized, a key obligation of Serbia and Montenegro to the international community.

In the past 2 months, Secretary Powell, Under Secretary Grossman, and Under Secretary Larson have all pressed home to Serbia's new leadership the need to resolve Serbia's outstanding tribunal obligations, especially including transferring Mladic to the tribunal. I delivered the same message when I met with Serbian leaders, including the new Prime Minister, in Belgrade on March 4th.

Cooperation with the tribunal is the key to Serbia and Montenegro's future integration into the Euro-Atlantic institutions, including membership in NATO's Partnership for Peace and progress toward a stabilization and association agreement with the EU. We will continue to press this obligation.

Mr. Chairman, Slobodan Milosevic was once described as the first politician to realize that Tito was dead. What we now have is a policy that recognizes that Milosevic is behind bars, that his regime is over, and that Serbia is on a new path. Even though the challenges that Serbia faces are daunting, we have seen real progress in promoting economic reform and democratic values, but there is still work to do. The challenge now is to continue the hard work of consolidating democratic institutions, restructuring the economy, and honoring Serbia's international obligations.

We want Serbia to succeed. This is an essential part of our overall policy of promoting Balkan stability. We are watching the new government closely and will judge it on its actions. We now look to the new government to demonstrate its commitment to Serbia's future. We will be there to assist Serbia if it chooses to continue along the path toward Euro-Atlantic integration. Thank you, Mr. Chairman.

[The prepared statement of Ms. Stephens follows:]

PREPARED STATEMENT OF THE HONORABLE D. KATHLEEN STEPHENS, DEPUTY ASSISTANT SECRETARY, BUREAU OF EUROPEAN AND EURASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Thank you for inviting me to testify before your committee today, Mr. Chairman. I am pleased to have this opportunity to share with you some of the transformations that are taking place today in the Republic of Serbia—to share how far we have

come in our relationship, to underscore our continued commitment to a stable and prosperous Serbia and to outline the serious challenges that remain before us.

Just over a year ago, on March 12, 2003, Serbia was rocked by the assassination of Prime Minister Zoran Djindjic. Rather than crumble in the face of this violent attack on the republic's democratic institutions, Serbian leaders stood firm and fought back by launching a sweeping crackdown on organized crime and official corruption. The investigation into the assassination revealed to the Serbian public a nexus between organized crime, corrupt government officials and networks opposed to cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY). The public was appalled by the assassination and welcomed the emergency measures instituted in its immediate aftermath, in the belief that Serbia's leaders were serious about completing the reform process that started with the ouster of Slobodan Milosevic on October 5, 2000.

Unfortunately, the energy and optimism that flourished in the spring of 2003 dissipated over the course of the summer. The Zivkovic government found itself caught up in a series of public controversies and political scandals that eroded public confidence and political support. In November 2003, Serbia's third attempt to elect a republic president failed due to insufficient voter turnout; a candidate from the extremist Serbian Radical Party stunned observers by capturing almost half the votes cast. Parliament became bogged down in extended debate on confidence motions challenging the government's leaders. In November 2003, Prime Minister Zivkovic called early elections.

#### ELECTION RESULTS

Alarming headlines reporting the results of the December 28th parliamentary elections might have led readers to believe that Serbia had returned to the Milosevic era. It did not—but we were concerned. The ultra-nationalist Serbian Radical Party received the largest number of votes, 28 percent of the vote, but not enough seats to form a government. Milosevic's Socialist Party received only 8 percent. What the headlines failed to highlight was that democratic parties captured more than 60 percent of the ballots cast.

Our analysis shows that the Serbian electorate has remained remarkably stable in the three years since the end of the Milosevic regime. In fact, democratic parties received a larger percentage of the vote in December than they did when the Democratic Opposition of Serbia (DOS) coalition ran against Milosevic in September 2000. The democratic bloc is fragmented, however: as a result, 9 percent of the pro-democratic, anti-nationalist vote (more than 450,000 votes) went to parties which failed to meet the 5 percent threshold necessary to win seats in parliament. Had these parties combined tickets with one of the larger democratic parties, the democratic bloc would have captured 23 additional seats. Under Serbia's Milosevic-era electoral rules, however, these "lost" seats went disproportionately to the party with the largest plurality—the Radicals. Thus, although the Radicals received approximately a quarter of the vote, it now has a third of the seats in Parliament. One of the first acts of the new Parliament was to correct this anti-democratic anachronism by lowering the parliamentary threshold.

On March 10, 2004, after two months of negotiation, Parliament confirmed a minority three-party coalition government led by former Yugoslav President Vojislav Kostunica. The new government has presented a legislative program that focuses on domestic issues: adopting a new constitution, harmonizing Serbia's legal framework with EU standards, building state union institutions with sister republic Montenegro, and fighting corruption. Parliamentary leaders have called for new presidential elections in the late spring, so that Serbia will have both a new Constitution and new president by June 28.

#### THE ECONOMY

Many analysts believe that much of the Radicals' electoral success can be attributed to protest votes—i.e., voters expressing their dissatisfaction with government scandals and little improvement in the average citizen's standard of living. Polling data confirms that economic issues—jobs, pensions, inflation—are foremost in voters' minds. Although the economy has been stabilized, growth is anemic and unemployment high. Overall unemployment is 20–30%, but it is as high as 80–100% in some areas—creating fertile ground for the messages of nationalist and populist politicians. Although price and currency stabilization halted a dramatic rise in poverty during the 1990s, 20% of Serbs live at or under the poverty line.

Current economic data paint a picture of fragile macroeconomic stability, threatened by continued microeconomic weakness and a lack of growth. Key indicators are mixed. GDP may have grown by as little as 1.5% in 2003, somewhat slower than

in the previous two years. Although the previous government worked closely with the IMF to successfully stabilize macroeconomic indicators and increase fiscal discipline, non-financial sectors of the economy remain dominated by loss-generating socially-owned enterprises. Lack of jobs is a key source of public dissatisfaction. And, as Serbia has yet to address restructuring of large enterprises, the situation is likely to get worse before it gets better.

Economic reform is always difficult, but it has shown results. The average monthly wage in Serbia has increased from an equivalent of 50 Euros in October 2000 to 164 Euros today. Real wages have risen by 123%. Per capita GDP has increased from less than \$1000 in 2000 to about \$1940 in 2003. Unfortunately, this is only half of the level it was in 1989.

This Administration's commitment to economic cooperation is an important part of our overall policy to stabilize the Balkans, including Serbia and Montenegro. The United States has invested USD 622 million in supporting Serbia and Montenegro's development, USD 123 million of which has been dedicated to facilitating economic reform. In FY2003, the United States Government provided over \$31 million in economic-related assistance to Serbia. Our assistance focuses on strengthening those institutions that will promote and sustain economic reform and the transition to a market economy. Through USAID, we are providing assistance to enact macro-economic reform, improve bank supervision, strengthen the central bank, prepare for WTO accession, restructure and privatize troubled enterprises, reform tax policies and enhance the business and investment environment. U.S. Treasury representatives advise their Serbian counterparts on rationalizing tax policy, controlling public debt, rehabilitating troubled banks and combating financial crime. We closely coordinate our economic assistance activities with other major donors.

On December 4, 2003, Secretary Powell removed one of the last Milosevic-era sanctions by restoring Normal Trade Relations to Serbia and Montenegro. This created a new opportunity to promote positive economic cooperation as a key pillar of our bilateral relationship. With the restoration of NTR, trade will now depend on continuing progress on economic reforms. We want to increase opportunities and protection for U.S. business, and demonstrate to a skeptical Serbian public the mutual benefits of economic cooperation. In 2003, thanks to investments by American firms including U.S. Steel, Philip-Morris and IBM, the United States Was the largest source of new foreign investment in Serbia, investing approximately USD 900 million. We want to continue and increase U.S. investment in Serbia as it rebuilds and reforms its economy.

#### ASSISTANCE

Our bilateral assistance to Serbia is tailored to help Serbia build the institutions necessary for an open democratic society to take root and prosper. This assistance to Serbia—USD 100 million in FY04—represents almost a quarter of the State Department's SEED budget, reflecting the critical role that a democratic Serbia and Montenegro plays in ensuring long-term peace and stability in the Balkans. In addition to economic reform, this assistance supports democratic governance, the rule-of-law, and independent media. In addition to SEED funds, the State Department also provides assistance to strengthen Serbia's export and border control programs. We intend to continue to work closely with the Congress to ensure that our assistance package is targeted to support US interests in Serbia and Montenegro.

#### CERTIFICATION/ICTY COOPERATION

In order for Serbia to succeed, it must meet its international obligations. The most important unmet obligation—an unresolved legacy of the Milosevic era—is that of apprehending and transferring to The Hague those indicted for horrendous war crimes. To that end, for the past four years, Congress has conditioned SEED and other assistance to Serbia, requiring that assistance be suspended by a certain date unless the Secretary of State certifies that Serbia is "cooperating with the International Criminal Tribunal for the former Yugoslavia including . . . the surrender and transfer of indictees or assistance in their apprehension, including making all practicable efforts to apprehend and transfer Ratko Mladic."

When Congress first included a certification provision for Serbia in the FY01 SEED budget, cooperation with the Tribunal was virtually non-existent. Serbia has come a long way since then. A total of 23 indictees have gone from Belgrade to The Hague. This number includes two presidents, including Slobodan Milosevic. Serbia and Montenegro has institutionalized procedures for cooperating with the Tribunal through legislation and through the National Council for Coordination with the ICTY, which reviews and responds to requests from the ICTY Prosecutor for access to witnesses and documents. Serbia's amended Law on ICTY cooperation has made

it much easier for government officials to receive national security waivers, allowing them to cooperate with ICTY investigators and testify in Tribunal proceedings. And, since the creation of the state union and the assassination of PM Djindjic in March 2003, Belgrade officials have increased their efforts to locate and arrest fugitive ICTY indictees.

The Serbian government has also created a special prosecutor and court dedicated to war crimes cases. An important test for this new court began on March 9, 2004, with the opening of the trial of seven defendants accused of participating in the deaths of approximately 200 POWs and civilians at the Ovcar Farm near Vukovar in Croatia in 1991. This is only the most recent domestic prosecution of war crimes charges in Serbian courts. Last September, the Belgrade District Court convicted and sentenced four defendants for the abduction and murder of seventeen Muslims in October 1992. The Special Prosecutor is also in midway through the case against a leader of the "Skorpion" paramilitary unit charged with the murder of nineteen ethnic Albanians in Podujevo, Kosovo in 1999.

Despite improved efforts by the Serbian government in 2003 to locate and arrest these fugitive indictees, we believe that as many as 16 ICTY indictees spend a preponderance of their time in Serbia. This includes Gen. Ratko Mladic, indicted by ICTY in connection with the massacre at Srebrenica and other crimes, as well as three high-ranking generals whose indictments ICTY made public in October 2003 and who are now living openly in Belgrade. The United States—and the international community—speak with one voice on this: it is unacceptable that these individuals have thus far eluded justice.

Without speaking to Secretary Powell's upcoming decision, I can say that the Administration is not presently satisfied with Belgrade's level of cooperation. As a member of the United Nations, Serbia and Montenegro is obligated to cooperate fully with the Tribunal, a UN institution. Cooperation means applying full effort to locate, arrest and transfer fugitive indictees, as well as making witnesses and documentary evidence available to the Tribunal. We are particularly focused on our effort to see Ratko Mladic brought to justice.

As noted earlier, the state union and republic governments have come a long way on ICTY cooperation in the past three and a half years. While we commend Serbia for establishing institutions to facilitate cooperation with the Tribunal, the international community also expects Serbia to render indictees to face justice before the Tribunal. Our expectations extend beyond establishing procedures for cooperation—plainly stated, we are looking for results. With Ratko Mladic still at large, the three recently-indicted generals living freely in Belgrade and twelve other indictees unaccounted for, this Administration cannot be satisfied with the current level of cooperation with the Tribunal.

In the past two months, Secretary Powell, Under Secretary Grossman and Under Secretary Larson have personally pressed home to Serbia's new leadership the need to resolve Serbia's outstanding ICTY obligations, including especially transferring Mladic to the Tribunal. I delivered the same message when I met with Serbian leaders in Belgrade on March 4. Cooperation with the Tribunal is the key to Serbia and Montenegro's future integration into Euro-Atlantic institutions, including membership in NATO's Partnership for Peace and progress toward a Stabilization and Association Agreement with the EU. We will continue to press this obligation.

#### KOSOVO

Overcoming a legacy of war crimes is not the only challenge that the current leaders of Serbia inherited from the Milosevic regime. Since the conclusion of the 1999 NATO campaign, Kosovo has been administered by the UN Mission in Kosovo (UNMIK). UNSCR 1244 called for the establishment of an interim administration for overseeing the development of provisional democratic self-governing institutions to ensure conditions for a peaceful and normal life for all inhabitants in Kosovo.

The United States government does not support any particular future status outcome for Kosovo. Instead, we are focused on achieving eight standards identified by the United Nations in 2002 as critical for Kosovo's democratic development. These standards are the same we would expect any modern, European society to achieve. The standards address rule of law, functioning democratic institutions, freedom of movement, sustainable returns and the rights of minority communities, the economy, property rights, a dialogue with Belgrade, and the Kosovo Protection Corps.

The United States and our Contact Group partners (UK, France, Germany, Italy, Russia and the EU) have proposed setting a Review Date to evaluate Kosovo's progress towards meeting the internationally-endorsed standards outlined by UNMIK. Under Secretary Marc Grossman rolled out the Review Date strategy with

UN SRSG Harri Holkeri and the Contact Group during his visit to the Balkans in November 2003.

The first comprehensive review will occur around mid-2005, and earlier if progress warrants it. If the review is positive, then the international community would be prepared to begin a process—as yet undefined—to determine Kosovo's future status. If the review is negative, we will set a subsequent Review Date. The Review Date process gives shape and focus to the UN-endorsed policy of "standards before status." Its timetable strengthens the will and the ability of the international community and Kosovo to build institutions in Kosovo consistent with international standards for democracy, tolerance and rule of law.

We have not ruled out any future status outcome. But the outcome must be one that enhances regional stability. The leaders and people of Serbia play a major role in this process. A stable, democratic, multi-ethnic Kosovo is in the interest of Serbia and Montenegro and the entire region. Belgrade's playing a constructive role—for example, supporting the review date process and participating in the Belgrade-Pristina dialogue—is the surest route to ensuring satisfactory resolutions for the issues of greatest concern to the Serbian public: the return of persons displaced from their homes, the security of Serbs living in Kosovo and protection of minority rights. These are also concerns for the UN and for the Contact Group, concern reflected in UNMIK's Standards for Kosovo.

Serbia hosts the largest number of displaced persons in the region—over 500,000 refugees and IDPs within its borders. Approximately 225,000 of this number are ethnic Serbs who left homes in Kosovo. Although displaced persons have returned to Kosovo at a steadily increasing pace each year since 2000, the overall number of returns is very small. Fewer than 10,000 Serbs have returned to Kosovo. Violence against Serbs has declined dramatically since 1999, but the appalling murders of Serbs in Obilic and Gorazdevac in 2003 and in Lipljan in February are compelling evidence that much work remains to be done. We urge all the citizens of Kosovo to cooperate fully with UNMIK, KFOR and the Kosovo Police Service, so that the perpetrators of these crimes can be brought to justice and all residents of Kosovo can enjoy the right to live in a safe and secure environment.

#### STATE UNION

Just over a year ago, the republics of Serbia and Montenegro redefined their relationship, transforming what had been the Federal Republic of Yugoslavia into the looser state union of "Serbia and Montenegro." The state union is led by a president and a five-member Council of Ministers responsible for Foreign Affairs, Defense, Internal and External Economic Relations and Human and Minority Rights. All other governmental authority has devolved to the republic governments. Despite the many compromises at the core of the state union structure, differing views about relations between the republics make the future of the joint state uncertain in the minds of many of its citizens.

The republics do agree, however, that accession to the European Union is the key long-term goal of their joint foreign policy. Since the adoption of the state union's Constitutional Charter in February 2003, both Belgrade and Podgorica have worked to harmonize laws in the two republics so that both are consistent with standards in the EU. Given that the two republics have developed increasingly divergent financial, economic and monetary systems, this has been an arduous process, one that will likely continue for many months.

The European Commission is now conducting a feasibility study to evaluate Serbia and Montenegro's readiness to negotiate the serious obligations contained in a Stabilisation and Association Agreement, the first step on the path to accession. If the outcome of the feasibility study is positive, the European Commission will initiate negotiation of this contract designed to help Serbia and Montenegro undergo the political and economic transition necessary for a closer relationship with the European Union. The EC has delayed completion of the feasibility study—originally expected in the spring of this year—for a variety of factors, one being Serbia's record on ICTY cooperation.

#### DEFENSE REFORM

Progress on defense reform has been one of the true success stories for the state union in the past year. Assuming the position of state union Defense Minister after the Djindjic assassination, Boris Tadic immediately undertook a military housecleaning. He pledged full cooperation with the ICTY, dismissed Milosevic-era generals and senior officers, disbanded the "Military Commission on Cooperation with The Hague" (which, contrary to its name, obstructed cooperation with the Tribunal), and signed an order placing all army and MOD personnel under the obligation to

apprehend and/or report any information on fugitive war crimes indictees. Tadic has also implemented a sweeping agenda of defense and security reform, subordinating the military to civilian control for the first time in more than fifty years. Serbia and Montenegro is in the process of adopting new National Defense and Security Strategies, creating a framework to right-size and modernize the military services. These strategies identify NATO not as the enemy but as the objective.

Implementation of these reforms is essential—and we want to help. On May 6, President Bush determined that a bilateral military relationship with Serbia and Montenegro serves the U.S. national interest. We are ready to initiate an International Military Education and Training program to support defense reform in Serbia and Montenegro, as soon as Belgrade signs an Article 98 agreement. We are preparing ourselves for an expanded bilateral military relationship by building up the Office of the Defense Attache at Embassy Belgrade and by engaging state union officials in discussions with our senior military leaders in the region. In November 2003, Defense Minister Tadic and Army Chief of Staff Krga visited AF South. In December, Admiral Johnson returned the courtesy, presiding over the first visit of a U.S. naval vessel to Serbia and Montenegro with a call at the Port of Bar on December 16 and meetings with Defense Ministry and military officials in Belgrade the following day.

On June 19, Serbia and Montenegro formally requested an invitation to join NATO's Partnership for Peace in a letter to then Secretary General Robertson. Belgrade is aware that two outstanding issues must be resolved before it can be invited into Partnership for Peace: full cooperation with the ICTY and Belgrade's claims against eight NATO allies in the International Court of Justice. Once these issues are resolved, the United States will support Serbia and Montenegro's membership in the Partnership for Peace.

Last July, state union Foreign Minister Svilanovic and then Serbian Prime Minister Zivkovic offered to contribute a military unit to an international military operation engaged in the Global War on Terror (GWOT). Although discussions regarding a possible deployment were suspended once parliamentary elections were called in November 2003, we look forward to exploring this option now that the elections are over and republic and state union ministries are being filled. Serbia and Montenegro has also offered diplomatic support for the GWOT, welcoming the fall of Saddam Hussein and offering material support to the new government in Afghanistan.

#### CONCLUSION

Milosevic was once described as the first politician to realize that Tito was dead. What we now have is a policy that recognizes that Milosevic is behind bars, that his regime is over and that Serbia is on a new path. Mr. Chairman, even though the challenges that Serbia faces are daunting, we have seen real progress in promoting economic reform and democratic values. There is still work to do. The challenge now is to continue the hard work of consolidating democratic institutions, restructuring the economy and honoring Serbia's international obligations. We want Serbia to succeed. This is an essential part of our overall policy of promoting Balkan stability. We are watching the new government closely and will judge it on its actions. We now look to the new government to demonstrate its commitment to Serbia's future. We will be there to assist Serbia if it chooses to continue along the path toward Euro-Atlantic integration.

Mr. BEREUTER. Secretary Stephens, thank you very much for your clear and very well-organized testimony.

As I mentioned earlier, the Ranking Member, the gentleman from Florida, Mr. Wexler, was involved in a debate on the Floor, and I now recognize him for an opening statement.

Mr. WEXLER. I very much appreciate the Chairman's indulgence and want to thank him for holding today's hearing. I have very much appreciated the Deputy Secretary's testimony, and I thank you as well for being here with us.

I am going to focus my opening statement predominantly on Serbia. While I know there are some Members of Congress and Americans who still view Serbia with a jaundiced eye because of the horrific atrocities that took place during the Balkan Wars, it is critical that the United States, European Union, and the international



community assist the Serbian Government and people as they work toward building a lasting democracy with stability and freedom.

It is self-evident that Serbia's success as a democratic nation is critical to long-term stability and prosperity in the Balkans. These goals, including political and economic transformation and integration into Euro-Atlantic institutions, can only occur if the new government in Belgrade comes to a definitive conclusion that its future lies with the West, not with the sentimental past of ultranationalism.

I join many of my colleagues who were deeply disappointed and taken aback that Prime Minister Kostunica chose to rely on Mr. Milosevic's party to support the new government. For many here in Washington this is a step backwards after having taken significant steps forward since the fall of Mr. Milosevic.

Domestically, Prime Minister Kostunica must deliver on his pledge to the Serbian people to crack down on rampant corruption, further strengthen democratic and civil institutions and the rule of law, as well as reform Serbia's weak economy. Belgrade must also continue to support the successful transformation of the Serbian and Montenegrin military, as well as the sweeping defense and military reforms undertaken by Defense Minister Tadic. This was a true success story in Serbia, where, for the first time in 50 years, the defense ministry came under civilian control. Minister Tadic also managed to uproot and discard many of Milosevic's generals and military officials and cooperated with The Hague.

The Prime Minister has significant obligations to address before Serbia joins NATO's Partnership for Peace and before it negotiates the EU's Stabilization and Association Agreement. So far, the Prime Minister has sent mixed messages to Washington, Brussels, and The Hague. I was encouraged by his speech on March 2nd before the Serbian Parliament, where he stated, and I quote:

"Membership of the European Union is something that has to be done. There is no alternative to the European road for Serbia and Montenegro."

However, I was deeply disturbed by his February 21 statement, where he said:

"Cooperation with the International Criminal Tribunal for the Former Yugoslavia is not a priority for his government."

While the United States and the EU should assist Serbia and Montenegro on its path toward European integration, it must be made abundantly clear to the new government that the door to the EU and NATO will remain closed unless Belgrade fully cooperates with the ICTY and turns over General Mladic to the tribunal.

Mr. Chairman, Serbia is at an historic crossroad, and we must be ready to offer both carrots and sticks as Belgrade makes difficult political and economic decisions. It is very much in America's interest to ensure that Serbia's path to democracy is not blocked or hindered by forces connected to the war and destruction of the 1990s. It is in this vein, I hope that Prime Minister Kostunica continues to build his country for a prosperous future while at the same time reconciling with the painful past. And, again, I thank you for giving me the time.

If I could, Mr. Chairman, ask for unanimous consent to put in the record Representative Cardin's statement as a member of the Helsinki Commission.

Mr. BEREUTER. Without objection. And I will ask that Congressman Chris Smith's, also a member of the Commission, statement be made a part of the record.

Mr. WEXLER. Thank you.

Mr. BEREUTER. Without objection, that will be the order in both cases, and I thank the gentleman for his statement. We will now proceed with questions under the Subcommittee's 5-minute rule. I will say to Mr. Wexler, I think, by the looks of things, we should be able to go to two rounds with the Secretary before we go to the second panel. And in light of one of the comments you made near the end of your opening statement, Mr. Wexler, I want to focus a little bit on the European Union in my first question.

They recently postponed completion of a feasibility study on the drafting of a Stabilization and Association Agreement with Serbia and Montenegro until the new government's policies become clear. So far, so good. If that is the case, why is the EU moving ahead with plans to approve approximately 300 million euros in economic aid to Serbia and Montenegro on March 25th? Does the EU not condition economic assistance on cooperation with the International War Crimes Tribunal?

Ms. STEPHENS. Thank you, Mr. Chairman. My understanding is the EU does not condition its economic assistance in the same way that the United States conditions our assistance. That said, we speak with one voice on the issue of cooperation with the tribunal and the issue of democratic and economic reform. I know that EU leaders have spoken, both publicly and privately, about this in recent weeks and, in particular, have pointed to the feasibility study, which is the path to the EU, as a path that can only be pursued once there is full cooperation with the ICTY.

Mr. BEREUTER. Madam Secretary, has the U.S. formally commented to the EU about the 300 million euro aid package?

Ms. STEPHENS. We try to coordinate our policy in the Balkans and in Serbia and Montenegro very closely with the EU because we do share the joint objective of accelerating Serbia and Montenegro's movement toward integration into Europe, and, yes, we have consulted closely with them about how we approach these issues and how we can best, as Congressman Wexler talked about, use carrots and sticks and encourage the best outcome.

Mr. BEREUTER. Did we express a difference of opinion on this issue?

Ms. STEPHENS. As I said, my understanding from the EU is that they approach their assistance and the issue of conditionality in a different way. They see the feasibility study and the kinds of things that they say publicly and politically as their means of reinforcing their concerns.

Mr. BEREUTER. I understand that that is apparently the case, but I am really asking, have we officially commented and expressed any concerns about that differentiation that they are proceeding with?

Ms. STEPHENS. I was actually in Brussels last week, and we discussed this, and we have had some other discussions as well, and

I do not know exactly what their timetable is for their own assistance. What they did say to me is they feel that much of their assistance is aimed not at supporting the government but at developing the kinds of institutions that will be needed to join Europe. We are trying to coordinate as closely as we can, given that we have different rules, different ways of sometimes approaching it.

Mr. BEREUTER. From that, I gather, we did not object or did not express our concerns.

Although there has been some macroeconomic progress, and you pointed that out, perhaps more than the American public understands and maybe more than the public generally understands. Still I understand one of the challenges that we hear about from Serbians, but also from Americans who are interested in Serbia, is that the registration, pursuit of the various licenses to conduct a business as a small business entrepreneurial person or family, is very difficult today. Do you know if Serbia is attempting to effectively deal with this problem, and have they requested assistance from the European Union or the United States or any other entity?

Ms. STEPHENS. My understanding is that our assistance programs—I do not know about the EU assistance programs, but we have assistance programs that are specifically aimed at promoting a better business environment for small businesses, addressing, as I mentioned in my testimony, the overriding issue of unemployment, and the way to do that may be by promoting small business development, cutting through the bureaucracy. That is a part of the overall economic institutional reforms that we are supporting.

Mr. BEREUTER. I will come back and talk a bit about the International Criminal Tribunal and Serbia's cooperation or noncooperation in a minute or 2.

I would like to turn to the Ranking Member for his questions.

Mr. WEXLER. Thank you again. I have somewhat of a conflict within my own thinking. On the one hand, it seems the reforms adopted within the Defense Ministry in Serbia are nothing less than profound in an extremely positive way, and I would think everyone in the United States, as well as everyone in the European Union, would both applaud it and want to pursue a path that encourages that kind of reform.

So, on the one hand, if we talk about the need for the Government to cooperate with the International War Crimes Tribunal, and if we go beyond just simply saying cooperation and say that there is a nexus between cooperation and then entry into the European Union and entry into NATO's Partnership for Peace, I am curious what effect a failure of an invitation to NATO's Partnership for Peace at the Istanbul Summit would have on the reform effort? Would we be undermining it, in your view? Is that an appropriate equation of carrot and stick? Leave it at that for now.

Ms. STEPHENS. Thank you. As I outlined in some detail in my written testimony—I did not mention it earlier, but I appreciate your mentioning and emphasizing this whole area of defense reform, the particular role that Defense Minister Tadic has played, in really some leading and some very courageous and transforming ways, the reform of this key institution in ways that would be hard for us to have imagined a couple of years ago. We want to support this and are supporting this in every way that we possibly can,

and, again, in my written testimony, I do outline the way we have tried to deepen our military-to-military relationship and our support for those reforms.

We feel, and I think that we are joined by our NATO allies in feeling, however, that in order for Serbia-Montenegro to join the Partnership for Peace, they do need to demonstrate cooperation with the ICTY, as well as drop some suits that they have brought in the ICJ, in order to, again, put the legacy of the Milosevic years behind them, and I think that is how I would characterize this issue of cooperation with the ICTY.

Serbia has come very, very far, as I have outlined, in terms of doing some things that were politically very, very difficult and in some ways very dangerous to fulfill their obligations. It is time now to close the book on ICTY. It is time to close the door on the Milosevic years, and the way to do that is by coming to closure on these remaining indictees, notably, Ratko Mladic.

If they fail to do that, if they fail to get into PFP in June. It is March. I believe there is still time for success, and this Administration and our efforts are devoted to working with this new government in every way we possibly can to make success the outcome because it is just too important to the region, and it is too important to us, and it is, most of all, too important to Serbia and Montenegro to fail.

Mr. WEXLER. The thing that I would be most interested in hearing, at this point, which I think, is where the Chairman suggested he was going. I was in The Hague a couple of weeks ago and met with the prosecutor, and the prosecutor voiced her satisfaction with American participation and cooperation, and I applaud the State Department for that. I know what we are asking the Serbians to do. To date, can you give us the status as to what they actually have done? Is it just a blank slate where they have ignored 100 percent of the requests? Is there 20 percent cooperation or 40 percent cooperation? What is the exact score card?

Ms. STEPHENS. Well, I mentioned, in terms of indictees turned in and in terms of the growing ability and activity of domestic courts in trying persons accused of war crimes, which is the future, is to have the trials of those indicted in the future conducted in Serbia itself or in Bosnia or in Kosovo, wherever these crimes occurred rather than in The Hague. We want The Hague to complete its work. In terms of developing that kind of domestic capacity, in terms of turning in indictees, it is not a blank score card. There have been notable successes, as I have said.

On the issue of locating and apprehending the remaining indictees, particularly the most high-level ones, this was an issue that was highlighted very strongly when Former Prime Minister Zivkovic and Foreign Minister Zvonovic came to Washington last summer, both here, in Congress, and in their meetings with the Administration, and following that, I think we did see an enhanced effort to cooperate to locate these remaining fugitives. We want to see these efforts continue and deepen, and as I mentioned earlier, Secretary Powell and Under Secretary Grossman have all been in touch with the new government to urge that we not lose time here, that we continue with these efforts to cooperate and bring this thing to closure.

Mr. BEREUTER. I thank the gentleman for the question.

Madam Secretary, correct me if I am wrong, but I think you said earlier that they have turned over 23 indictees to The Hague. Sixteen seem to be living most of their time in Serbia, some living openly in Belgrade. Is that essentially correct?

Ms. STEPHENS. Yes, sir.

Mr. BEREUTER. I am pleased to recognize now the gentlelady from Virginia, Ms. Davis, who is the Vice Chairman of the Subcommittee.

Ms. DAVIS. Thank you, Mr. Chairman, and thank you, Madam Secretary. I am sorry I was not here for your opening statement, but I have had the opportunity to read it.

Will the government's dependence on the Socialist Party hinder reforms in Serbia and Serbia's relations with the international community, number one?

Number two: Do you think that the Democratic Party could join the government in the future and end the government's reliance on the Socialists?

And, lastly, what are the prospects that the Radical Party will come to power in Serbia if the current government fails?

Ms. STEPHENS. Thank you for those questions. I am not sure my crystal ball is clear enough, but I will give it a try.

Ms. DAVIS. Your opinion.

Ms. STEPHENS. Thank you. In terms of the relationship of the Socialist Party with the Minority Coalition Party led by Prime Minister Kostunica, it was not something that we or, I think, most of Serbia's democratic friends welcomed to see the Socialist Party play a role in this government. I think it is important to note that the Socialist Party has not been given positions in the government; however, the coalition does rely upon its support within the parliament in its parliamentary form to remain in power.

So far, I think the record is too short since March 5th to say what the effect of that has been, and as I said earlier, I think it makes it all the more important that we judge the new government by its actions, and we need to see actions in a number of areas which may be controversial, but they need to make their decisions on what is most important and take action appropriately, so we will have to wait and see.

On the future of the Democratic Party, which is led by Mr. Boris Tadic of late—it is hard to tell from day to day—the Minister of Defense in the Federation, the leader of the Democratic Party—I do not know. I suppose if one were to try to find the glass more half full, at least from the point of view of one of Serbia's important democratic parties, is that there is a democratic party in opposition. Perhaps I am not the right person to say this in this setting, but that is, I think, never a bad thing in a democracy, a mature one or a developing one, and I do not know what Mr. Tadic and his colleagues will decide to do in terms of their own political future, but I hope whatever they do, it will be in support of Serbia's democratization and leading in the kinds of areas where they have led so well in the past.

The Radical Party's future; I think that the next test will apparently come in the presidential election, which is scheduled to happen, I believe, sometime in June. The date is not yet set. This is

an election which has failed three times because it never met the 50 percent voter-participation rate that would allow it to be in force. When the new Parliament met, it got rid of that requirement, so it is probably a pretty safe assumption to say that when there is a presidential election, it will be successful in electing a President. The Radical Party candidate has declared for it. I do not think we know at this time who the other candidates will be.

So we face some interesting political times ahead in Serbia, and one thing about Serbia is the press is always very interesting, and there are always, every day, a dozen different scenarios out there, and every day all of them sound more or less convincing to me, so I think we will just have to wait and see and hope that what does happen, obviously, advances Serbia's vibrant democracy and makes it more vibrant and more resilient.

Ms. DAVIS. Thank you, Mr. Chairman.

Mr. BEREUTER. Thank you, Ms. Davis.

I would like to begin a second round of questioning here. I think there are enough questions that we should try to push you on.

You have mentioned that Secretary Powell, Grossman, Larson, and yourself, probably among others, have pressed the Serbians on their responsibilities under ICTY to transfer Mladic to the tribunal. They have not. We are continuing to press this obligation, as you pointed out very clearly in your statement. In your opinion, why haven't they met that obligation? To what extent is there substantial intimidation that is being brought to bear on this government? Are the political costs seen as just too strong or too large? What, in your opinion, is the reason that they have not delivered on this obligation?

And the second question I would ask is related to the previous government's promise to send Serbian peacekeepers to Afghanistan. Is that likely to be also reiterated by the current government, and what is the United States Government's position on Serbian peacekeepers in Afghanistan? Those two questions.

Ms. STEPHENS. Yes, sir. Thank you. On the first question,—

Mr. BEREUTER. I am asking for your opinion.

Ms. STEPHENS. I appreciate that, and I am afraid my answer will not be very satisfactory, but my honest opinion and answer is I do not know. I really do not know. We have been looking, we, writ large, for Ratko Mladic for a very long time. Time has probably not been on our side.

Mr. BEREUTER. Is he one of the people who is living openly in Belgrade?

Ms. STEPHENS. No, sir. No, sir. He has not been sited for at least several years, maybe more. I would have to find out. No. The three who are living openly were indicted last October in 2003, and everyone knows where they are and what they are doing. They could go to The Hague any day. In the case of Mladic, in the case of Karadzic, in the case of Mr. Gotovina, a former Croatian general, we do not know where they are. We, the United States, we do not know where they are. Our Serbian counterparts tell us that they do not know where they are, and we have been working together to see what we can do to find them. We do believe there is some evidence that, as I said earlier, that Mr. Mladic spends at least some time in Serbia.

Again, I think we would have to look rather historically over the last 10 years to really talk about why at various times he could not be found or was not found or was not apprehended. Here and now, what the new government has said to us is that they do not know where he is, that the new Prime Minister has just come into office. He wants to assess the situation and move forward with this, and we want to take him at his word and continue our cooperation to see if we can work together to find him.

On your second question, if that is all right, again, last July, under the previous government, when the Prime Minister visited, he proposed to Secretary Powell and to others with whom he met that Serbia-Montenegro participate in international peacekeeping operations, particularly in connection with the global war on terrorism. Secretary Powell welcomed that offer and welcomed the notion that we could begin consultations on whether or not it would be possible to help Serbia-Montenegro form a group of qualified, fully vetted, professional, suitable troops to perform a mission somewhere in the global war on terrorism. And in the course of these consultations, we identified a potential, joining the mission that NATO has taken responsibility for in Afghanistan, as a very likely one.

Those discussions, those technical-level discussions, have continued, and, again, with the new government in office for only 2 weeks and still some adjustments being made in the various cabinet portfolios, we hope once the government is settled, once those portfolios are settled, that we can continue those discussions and actually have a deployment of troops.

Mr. BEREUTER. Thank you. Mr. Wexler, more questions?

Mr. WEXLER. I am trying to think, if I were Serbian, what I would think of our policy with respect to demanding the finding and turnover of these alleged war criminals to the International Tribunal. I am not making any comparison between the United States and Serbia or anything like that. However, I think there are certain principles that it is fair to question.

We, as a Government, as an Administration, at this point, do not submit ourselves or any of our soldiers or elected officials to the jurisdiction of international courts. I think there are justifiable reasons for taking that position. Yet, on the other hand, we appear to hold out as a criterion the turnover of alleged war criminals to an international tribunal when Serbia has set up its own court, admittedly, very new and untested, but has set up its own court to deal with war crimes.

If we are going to have a policy that says Serbia needs to address its past and do so in a constructive and responsible way, and at the same time we are trying to encourage reform and democracy and an independent judiciary, why is it unreasonable for the Serbian elected Prime Minister to argue that Serbia's courts should have jurisdiction, and it should satisfy the international community, to be tried in the country, or at least have an opportunity to do so, and then the international community can judge whether or not the effort was legitimate or not.

I am not asking for an analysis of our policy as to whether we should submit our own citizens to these kinds of courts, but why is it okay for us to take that position and argue to Serbia that what

is good for the United States is not good for Serbia, but, more importantly, if the Serbian court were to do a responsible job, isn't there an argument to be made that that ultimately may allow Serbia and the Serbian people to move on in a more constructive fashion than having a verdict issued by an international court?

Ms. STEPHENS. Thank you. As I described earlier, I do think that the development of a capacity domestically to try and deal effectively through the rule of law with the issue of war crimes is central to Serbia's democratic development and to our own strategy there. We welcome the fact that great progress is being made in that regard.

What I would say about Mladic and Karadzic, I think, is this. They fall into an entirely different category, and I think, bureaucratically, The Hague calls them "high-level indictees" or something like that. I do not think that begins to capture what we are talking about when we talk about the international community. It is not just the United States but the international community's insistence that Ratko Mladic and Radovan Karadzic be brought to international justice in The Hague. This is the demand of the international community because these are the two figures, who, along with Slobodan Milosevic, were responsible for some of the most serious crimes against humanity, and accused of that, since World War II.

So that is what I mean by closing the book on ICTY, and I would say perhaps trying, as you were suggesting, to see from the point of view of a Serb sitting somewhere in Belgrade or somewhere else to look and say, "These people have brought nothing but shame and dishonor to our country, and they have nothing to do with us. They are not about our future. They are not about what our culture and our people and our history represent." It is not about punishing Serbia. It is not about stopping Serbia. It is about freeing Serbia from the evil that has chained it to a past.

I would hope it could be looked at in that light and that, in that light, we would be looking, to get back perhaps to the Chairman's question, to full cooperation to finding these people, and we do not think we have seen what we would call full cooperation yet, but we want to see, more than anything, a success in reaching the goal.

Mr. WEXLER. I have got 10 seconds, Mr. Chairman. I would not want the discussion left where anybody thought I was suggesting that the high-level indictees should not be tried at the International Court of Justice; I just think it is a legitimate question that Serbs could raise as to when is it appropriate, when is it not appropriate, for them to exercise their own jurisdiction at home. Thank you, Mr. Chairman.

Mr. BEREUTER. Thank you, Mr. Wexler.

Secretary Stephens, thank you very much for helping the Subcommittee with your testimony today. We appreciate your testimony and your responses.

Ms. STEPHENS. Thank you, sir. It was a privilege to be here.

Mr. BEREUTER. I would ask unanimous consent that a statement from Mr. Burton and questions to various witnesses be made a part of the record.

[No response.]

Mr. BEREUTER. Hearing no objection, that will be the case.



We will call the second panel, and as they proceed, I would like to introduce them.

Dr. Daniel P. Serwer is Director of Peace and Stability Operations in the Balkans Initiative at the U.S. Institute of Peace. He has been deeply engaged in facilitating dialogue between Kosovo Serbs and Albanians. As State Department Director of European and Canadian analysis in 1996 and 1997, he supervised the analysts who tracked Bosnia and the Dayton Accords implementation, as well as the deterioration of the security situation in Albania and Kosovo.

He served in 1994 and 1995 as the United States Special Envoy and Coordinator for the Bosnian Federation, mediating between Croats and Bosnians and negotiating the first agreement reached at the Dayton peace talks. Dr. Serwer is co-author of the Institute publication on Croatia, Kosovo, Montenegro, and Serbia.

The other panelist is Dr. Svetozar Stojanović. He is Founder and President of the Serbian-American Center in Belgrade. He is also the Professor and Director Emeritus of the Institute for Philosophy and Social Theory of Belgrade. He was one of Yugoslavia's leading dissidents during the Tito regime, a long-time critic of Slobodan Milosevic, and one of the protagonists in the October 2000 Serbian democratic revolution.

In addition to Professor Stojanović's long and distinguished career as a professor in Belgrade, he also was a visiting scholar at many American and European universities. Dr. Stojanović, we think you are in a unique position to offer opinions on the development in Serbia, both as a distinguished academician and a confidant of the man who has just become Serbia's Prime Minister.

Thank you, gentlemen, for appearing. Your entire statements will be made a part of the record, and I think we have allowed each of you 8 minutes, if you need it. Proceed as you wish. Dr. Serwer, we would be pleased to hear from you first.

**STATEMENT OF DANIEL SERWER, Ph.D., DIRECTOR, BALKANS INITIATIVE AND PEACE AND STABILITY OPERATIONS, UNITED STATES INSTITUTE OF PEACE**

Mr. SERWER. Thank you, Mr. Chairman, and thank you for once again giving me the opportunity to testify before you at an important moment. The moment is important both for Serbia, which is setting a new course, and for the United States, which needs to re-examine its policies toward a country crucial to the future of the Balkans. I am here to offer you my personal views—the Institute of Peace does not take positions on policy issues—on how Serbia got to its current unhappy situation and what the United States should do about it.

Before beginning, I would like to note with great regret two important events in Serbia's modern history. The more recent is the fire that has caused enormous damage to Serbia's treasured Hilandar Monastery in Greece. While thankful no lives were lost, I join with other Americans in expressing sympathy for the damage to this holy site. The second is the assassination, 1 year ago, of Serbian Prime Minister Zoran Djindjic, an event that set Serbia back years in its effort to modernize and democratize.

Mr. Chairman, in my view, the promise of October 2000, when Milosevic was overthrown in a peaceful revolution based on an electoral defeat, is still unfulfilled. There are many ways of interpreting the December 2003 Serbian election results, but this much is clear: pro-democratic forces, including Prime Minister Kostunica's governing coalition and Zoran Djindjic's party, declined, as did Milosevic's Socialists. The Radical Party, which represents the worst excesses of Serbian nationalism, gained dramatically.

Fed up with the half-hearted and halting reform that failed to produce results in the 3 years since the overthrow of Milosevic, reform that also generated its own share of corruption, Serbs turned back toward an aggressive, anti-Europe, and anti-reform political creed. They may even choose, later this year, a President of Serbia who leads an unreformed Radical Party still headed by a Hague inductee awaiting trial.

Prime Minister Kostunica now leads a minority government supported by Milosevic's Socialists. The only proven reformist face of this government is G-17 Plus, which will no doubt plow ahead on economic reform but will have little weight on political and diplomatic issues.

The course Kostunica has set is clear. He continues to focus on national issues like Montenegro and Kosovo. He proposes dividing Kosovo along ethnic lines. Though he promises a crackdown on corruption, he has offered little in the way of reform of the security services, the police, and the judiciary. He seems inclined to reverse Djindjic's lustration of the judiciary, and he has done more to purge Djindjic's supporters from government than Milosevic's. Even if he wanted, Kostunica cannot move on military police or secret service reform while supported by the Socialists, who will protect the remnants of the Milosevic regime still ensconced there. Likewise, he has pledged not to transfer the higher-level war criminals indicted by The Hague Tribunal for command responsibility.

To summarize, Serbia has taken an unhappy turn. There is no immediate security threat to its neighbors, but the United States needs to recognize that Serbian democracy is in trouble, and that spells trouble for the whole region.

Since the fall of Milosevic, the United States has taken a soft approach to Serbia. Except for the spring of 2001, when the United States played hardball and insisted on the transfer of Milosevic to The Hague, Washington has provided Belgrade with benefits without asking much in return in order to avoid undermining pro-democracy reformers.

This has meant three successive certifications so that Serbia could continue to receive bilateral assistance. It has also meant reestablishment of normal bilateral trade relations, and reentry into both regional and global international organizations. While Serbs complain that not enough has been done for them since Milosevic's fall, \$1.3 billion from the IMF and hundreds of millions more in World Bank loans and private investment funds say differently, in addition to the Paris Club write-off of two-thirds of Yugoslavia's official debt.

This soft policy has failed. Annual certifications to allow United States assistance have encouraged Belgrade to delay, obfuscate,

and hope eventually to escape its obligations. Serbia now finds itself with, we heard earlier, perhaps 15 or 16 indicted war criminals on its territory, an extensive parallel structure not only of social but also security services in Kosovo, and a lingering relationship with Bosnian extremists that protects important Hague indictees and delays drawdown of United States troops.

The time has come for a more effective U.S. policy. We should judge Serbia not by its intentions or its promises or the declarations of its leaders but by its actions. Prime Minister Kostunica has impeccable nationalist credentials. He can use them to send indicted war criminals to The Hague, as Prime Minister Sanader is beginning to do in Croatia. The U.S. Administration has unfortunately signaled, through War Crimes Chief Prosper, that it will be sufficient if Serbia sends only Ratko Mladic to The Hague. This is a serious error. If they can send him, they can send them all. Dragging this process out one by one, as we have done for 3 years, is a mistake. But so, too, is trying to get it done on our own.

United States bilateral assistance to Serbia of \$100 million per year is too small to give us much leverage. Withholding it will enable those who resist The Hague to blame Serbia's troubles on the United States and drive a wedge between the U.S. and the EU. We need EU support. It is the EU that is forcing Zagreb's hand. It can also force Belgrade's hand. Instead, the EU is planning to provide what I understand to be 200 million euros to Serbia on March 25th, just days before the United States needs to make its own decision.

International assistance is not a right but a privilege. When both the U.S. and EU agree to withhold assistance and block IMF loans, all of the war criminals in Serbia will go to The Hague. United States diplomacy needs to get busy making that day happen.

Mr. Chairman, we should not be surprised that the broad coalition of democratic forces that overthrew Milosevic has broken up. It was from the first fragile and fractious and was not destined to last long.

We need also to recognize that there is more to Serbia than political leaders and political parties. The courageous activists, the energetic vote counters, the tenacious human rights advocates, the dignified diplomats who resisted Milosevic are still there, spread through civil society and hoping for a better future. We abandoned this group after October 2000, imagining that their role had been played out, and we could rely on the government to institute reform. This was a mistake. Civil society is not just a force with which to overthrow dictators but also an essential watchdog over democracy. The decisions of Otpor and G-17 Plus to become political parties have left a giant hole in the center of Serbian civil society. It is time we shifted our assistance definitively to fill in this hole and reweave the fabric of reform-minded, nongovernmental organizations.

Mr. Chairman, in concluding, let me summarize what I would suggest as United States policy toward Serbia for the immediate future. One, redouble assistance to reformist forces in Serbian civil society, shifting all United States assistance funds to democratization efforts, which are exempt from cut-off. Two, expect the Serbian Government's full support for peace in Bosnia and Kosovo, includ-

ing Serb participation in Kosovo's efforts to meet international standards. Three, insist on transfer of all Hague indictees. Four, refuse to certify if the Congress's conditions are not met. And, five, work with the EU to cut off its assistance, as well as IMF and World Bank aid.

This more vigorous policy, Mr. Chairman, would begin to reverse the drift toward ineffectiveness of the last few years and help Serbia stay on course toward Europe, no matter what government is in power. Thank you.

[The prepared statement of Mr. Serwer follows:]

PREPARED STATEMENT OF DANIEL SERWER, PH.D., DIRECTOR, BALKANS INITIATIVE AND PEACE AND STABILITY OPERATIONS, UNITED STATES INSTITUTE OF PEACE

Mr. Chairman, thank you for once again giving me the opportunity to testify before you at an important moment. The moment is important both for Serbia, which is setting a new course, and for the U.S., which needs to re-examine its policies towards a country crucial to the future of the Balkans. I am here to offer you my personal views—the U.S. Institute of Peace does not take positions on policy issues—on how Serbia got to its current unhappy situation and what the United States should do about it.

Before beginning, I would like to note with great regret two important events in Serbia's modern history. The more recent is the fire that has caused enormous damage to Serbia's treasured Hilandar monastery in Greece. While thankful no lives were lost, I join with other Americans in expressing sympathy for the damage to this holy site. The second is the assassination one year ago of Serbian Prime Minister Zoran Djindjic, an event that set Serbia back years in its efforts to modernize and democratize.

#### THE PROMISE OF OCTOBER 2000 IS UNFULFILLED

We can all recall with pleasure, Mr. Chairman, October 5, 2000, the day on which Serbian citizens flooded Belgrade's streets to insist on recognition of the presidential election results. Slobodan Milosevic, master architect of the Balkan wars of the 1990s, was swept from power. His successor as president of the Yugoslav Federation was Vojislav Kostunica, a legal scholar esteemed not only for resistance to Milosevic but also for personal integrity and probity. A few months later, elections in Serbia brought to power as Prime Minister Zoran Djindjic, a pragmatic and forward-looking reformist.

These two figures are emblematic of two poles in Serbian politics. Kostunica aims for continuity and upholds traditional values, including those embodied in the Serbian Orthodox Church and the Serbian state. Djindjic was more secular, aiming to modernize Serbia and bring it into Europe and trans-Atlantic institutions. Together, they managed to convince the citizens of Serbia that it was time to jettison Milosevic and end a decade of war and impoverishment.

They did not stay together long. The two men had different ideas about the pace and depth of reform. With the important exception of the police, Djindjic pressed ahead, supported on the economic front by G17 Plus. Supported by the military, Kostunica held back, giving priority to national issues—the relationship of Serbia with Montenegro and with UN-controlled Kosovo. Djindjic sent Milosevic to The Hague in June 2001 over Kostunica's objections and began efforts to vet the judiciary, but by the time of the prime minister's assassination reform had ground to a halt.

There was a second wind of reform following the assassination. Serbia rounded up a large number of underworld figures who allegedly collaborated with remnants of Milosevic's police and other security forces in killing Djindjic. A vigorous new defense minister, Boris Tadic (now leader of Djindjic's Democratic Party), undertook the first serious military and defense ministry reforms. But rather than joining forces with his erstwhile reformist allies, Kostunica chose to precipitate new elections. The second wind of reform petered out and Serbia went to the polls.

#### SERBIA HAS TAKEN AN UNHAPPY TURN

There are many ways of interpreting the December 2003 election results, but this much is clear: pro-democratic forces, including Kostunica's governing coalition and Djindjic's party, declined, as did Milosevic's Socialists. The Radical Party, which represents the worst excesses of Serbian nationalism, gained dramatically. Fed up with

half-hearted and halting reform that failed to produce results in the three years since the overthrow of Milosevic and generated its own share of corruption, Serbs turned back towards an aggressive, anti-Europe and anti-reform political creed. They may even choose, later this year, a President of Serbia who leads an unreformed Radical Party still headed by a Hague indictee awaiting trial.

If Kostunica's moderately nationalist party had joined forces with the more extreme nationalist Radical and Socialist parties, they could easily have formed a governing coalition with a coherent ideological basis: the refusal of Serbs to live as a minority in someone else's country and their insistence on changing borders to consolidate Serb populations and the territory on which they live. European and American pressure has prevented this kind of "Greater Serbia" idea from emerging. But we should be under no illusions about the jury-rigged alternative. Kostunica now leads a minority government supported by Milosevic's Socialists. The only proven reformist face of this government is G17 Plus, which will no doubt plow ahead on economic reform but will have little weight on political and diplomatic issues.

The course Kostunica has set is clear: he continues to focus on national issues like Montenegro and Kosovo. He proposes dividing Kosovo along ethnic lines. Though he promises a crackdown on corruption, he has offered little in the way of reform of the security services, the police and the judiciary. He seems inclined to reverse the Djindjic's lustration of the judiciary, and he has done more to purge Djindjic's supporters from government than Milosevic's. Even if he wanted, Kostunica cannot move on military, police or security service reform while supported by the Socialists, who will protect the remnants of the Milosevic regime still ensconced there. Likewise, he has pledged not to transfer war criminals indicted by the Hague Tribunal for command responsibility.

Serbia's current course in my view does not serve its interests, which require accountability for past crimes, establishment of the rule of law, and eventual entry into the EU. A Serbia that refuses cooperation with The Hague is a Serbia that cannot enter Partnership for Peace and cannot expect a Stabilization and Association Agreement with the EU. A Serbia that refuses to acknowledge UN authority over Serb-populated areas of Kosovo (as required by Security Council Resolution 1244), and tries to establish facts on the ground that will lead to partition, will have little sympathy when it complains about others proposing to alter borders. A Serbia that restrains Kosovo Serbs from participating in the process by which Kosovo seeks to meet the standards the international community has set is a Serbia that does not want to solve problems but instead creates them. A Serbia that promises to try war criminals but then concentrates its efforts on lower ranking perpetrators will not convince anyone of its sincerity.

To summarize, Serbia has taken an unhappy turn. There is no immediate security threat to its neighbors, but the U. S. needs to recognize that Serbian democracy is in trouble, and that spells trouble for the whole region.

#### THE U.S. NEEDS TO RESPOND

Since the fall of Milosevic, the U.S. has taken a soft approach to Serbia. Except for the spring of 2001, when the U.S. played hardball and insisted on the transfer of Milosevic to The Hague, Washington has provided Belgrade with benefits without asking much in return, in order to avoid undermining pro-democracy reformers. This has meant three successive certifications so that Serbia could continue to receive bilateral assistance. It has also meant re-establishment of normal bilateral trade relations and re-entry into both regional and global international organizations. While Serbs complain not enough has been done for them since Milosevic's fall, \$1.3 billion from the IMF and hundreds of millions more in World Bank loans and private investment funds say differently, in addition to the Paris Club write-off of two thirds of Yugoslavia's official debt.

This soft policy has failed. Annual certifications to allow U.S. assistance have encouraged Belgrade to delay, obfuscate and hope eventually to escape its obligations. Serbia now finds itself with perhaps a dozen indicted war criminals on its territory, an extensive parallel structure not only of social but also security services in Kosovo, and a lingering relationship with Bosnian extremists that protects important Hague indictees and delays drawdown of U.S. troops. Instead of a Serbia governed by the rule of law and interested in protecting its vital interests and finding its rightful place in Europe and in trans-Atlantic institutions, we find a Serbia with doubts about Europe, territorial nostalgia and romantic notions of historical and ethnic rights. Serbia still regards itself as a victim, not a perpetrator, and therefore does little to make amends for Milosevic's misdeeds.

The time has come for a more effective U.S. policy. We should judge Serbia not by its intentions, or its promises, or the declarations of its leaders, but by its ac-

tions. Prime Minister Kostunica has impeccable nationalist credentials—he can use them to send indicted war criminals to The Hague, as Prime Minister Sanader is beginning to do in Croatia. The Administration has unfortunately signaled, through war crimes chief Pierre-Richard Prosper, that it will be sufficient if Serbia sends only Ratko Mladic to The Hague. This is a serious error: if they can send him, they can send them all. Dragging this process out one by one, as we have done for three years, is a mistake.

But so too is trying to get it done on our own. U.S. bilateral assistance to Serbia of \$100 million per year is too small to give us much leverage. Withholding it will enable those who resist The Hague to blame Serbia's troubles on the U.S. and drive a wedge between the U.S. and the EU. We need EU support. It is the EU that is forcing Zagreb's hand. It can also force Belgrade's hand. Instead, the EU is planning to provide 200 million euros to Serbia on March 25, just days before the U.S. needs to make its own decision. International assistance is not a right but a privilege. When both the U.S. and EU agree to withhold assistance and block IMF loans, all the war criminals in Serbia will go to The Hague. U.S. diplomacy needs to get busy making that day happen.

That will also be the day that Kostunica's government loses support from Milosevic's Socialists—a day some would say is to be feared because new elections would strengthen further the Radical Party. I have little concern on this front. Kostunica always has the option of bringing the Democratic Party into his government. He has so far preferred Milosevic's support to that of a bona fide reformer like Boris Tadic. I am also confident that if the Radicals were to come to power, both the U.S. and the EU would deal decisively with them—we would then have no reason at all to hold back.

#### HELP THE PEOPLE, NOT THE GOVERNMENT

Mr. Chairman, we should not be surprised that the broad coalition of democratic forces that overthrew Milosevic has broken up. It was from the first fragile and fractious, torn between traditionalist and modernizing forces. Nor should we be too disappointed that in these recent elections Serbia has turned backwards—this has happened in other transitions, since reform is unable to produce tangible benefits in only a few years. We need to be patient, but we should not lower our expectations or move the goal posts.

We need also to recognize that there is more to Serbia than political leaders and political parties. The courageous activists, the energetic vote-counters, the tenacious human rights advocates, the dignified diplomats who resisted Milosevic are still there, spread throughout civil society and hoping for a better future. We abandoned this group after October 2000, imagining that their role had been played out and we could rely on the government to institute reform. This was a mistake—civil society is not just a force with which to overthrow dictators, but also an essential watchdog over democracy. The decision of Otpor and G17 Plus to become political parties has left a giant hole in the center of Serbian civil society. It is time we shifted our assistance definitively to filling this hole and reweaving the fabric of reform-minded non-governmental organizations.

Refocusing our efforts on civil society is likely to produce improved results, though it may take time. The Serbian government may not want to transfer indictees to The Hague, but there are human rights organizations and independent media outlets prepared to campaign in favor of doing so. Belgrade resists returns of Serbs to areas of Kosovo where they are not the majority, but there are displaced peoples' associations who would explore the opportunity. The official Belgrade/Pristina dialogue may be unproductive, but there are student groups and youth organizations willing to engage constructively with their Kosovar counterparts. The justice system may still be mired in corruption, but there are professional associations prepared to do their part in cleaning up the remnants of the Milosevic regime. We need to turn back to the people and aspirations that made the October 2000 changes possible and pursue the opportunity to build the civic institutions that will ensure Serbia's capacity to deal with its own problems over the long term.

#### POLICY OPTIONS

Let me summarize what I would suggest as U.S. policy towards Serbia for the future:

1. Redouble assistance to reformist forces in Serbian civil society, shifting all U.S. assistance funds to democratization efforts, which are exempt from cut-off.

2. Expect the Serbian government's full support for peace in Bosnia and Kosovo, including Serb participation in Kosovo's effort to meet international standards.
3. Insist on transfer of all Hague indictees.
4. Refuse to certify if the Congress' conditions are not met.
5. Work with the EU to cut off its assistance, as well as IMF and World Bank aid.

This more vigorous policy would begin to reverse the drift toward ineffectiveness of the last few years and help Serbia stay on course towards Europe, no matter what government is in power.

Mr. BEREUTER. Dr. Serwer, thank you very much for your straightforward testimony, pulling no punches, very specific recommendations at the end.

Dr. Stojanović, welcome. We look forward to your testimony. As I indicated earlier, you may proceed as you wish.

**STATEMENT OF SVETOZAR STOJANOVIĆ, Ph.D., PRESIDENT,  
SERBIAN-AMERICAN CENTER, BELGRADE, SERBIA**

Mr. STOJANOVIĆ. Thank you very much. I feel very honored to have been invited to speak before this venerable Subcommittee of the United States House of Representatives. You have my full statement.

Mr. BEREUTER. It will be made a part of the record.

Mr. STOJANOVIĆ. Thank you very much.

Actually, today's catastrophic developments in Kosovo and Metohija did not change a bit in terms of my statement, written statement. Which you got in advance. If anything, it added, I think, to my argument. What is going on there is, of course, a catastrophic tragedy. I feel sorry for every human life—it does not matter whether they are Serbs, Albanians, Roma, whoever, but it seems to me that what is going on is the attempt actually to complete the ethnic cleansing of Kosovo and Metohija, to make the territory completely ethnically homogenous (Albanien). I do not think that the international community can allow that to happen, and I think that it is time for the Security Council to act and react to that forcefully.

But let me, then, summarize my written statement. First of all, in order for you to understand who is talking to you, let me just say that already 4 decades ago, I chose the United States as my second home. Ever since, I have taught, lectured, done research, and published books, five of them, to be precise, in this country. Altogether, I have spent almost half of 40 years in this country also trying to contribute as much as possible to the promotion of the relations between our two peoples and countries.

You know already that I founded and am President of the Serbian-American Center in Belgrade, and now we are in the process of registering also in Washington, DC. The very name, of course, suggests what we want to contribute as much as possible to the improvement of the relationships between the two countries and two peoples.

But one other, more personal thing. My late wife and I have two sons. They also came to the United States with us, received part of their education, found jobs, and got married here in this country. One of them gave us a beautiful grandson, Cole Alexander

Stojanović. So, by an analogy, to father or motherland, the United States is my son and grandson's land.

But let me, then, also say after this autobiographical statement, that it will, I hope, be understood all along that I speak only in my personal capacity. I am not in the government. You know my biography. I was a dissident. I do not want to sound presumptuous, but I put my life on the line against Milosevic. Although I support the democratic forces and democratic governments in Serbia, I am, to repeat, speaking only in my own personal capacity.

Let me, then, concentrate just for a minute or 2 on the results of parliamentary elections in Serbia because you are justifiably interested in the interpretation of those results. The parliamentary elections in Serbia, held at the end of December 2003, were, by and large, I think, a protest vote of an ever greater number of the poor and indigent, the unemployed or fictitiously employed, the laid off or those about to be laid off, people living in the underdeveloped or neglected regions of Serbia, refugees from other parts of the former Yugoslavia, expelled Serbs and other non-Albanians from Kosovo and Metohija, and of those hardy but terrorized souls who decided to stay in their homes in this province, the vote of pensioners living below the subsistence level. It was also the protest of those worried for the future of the state because of the Montenegrin and Serbian separatism, and, not least, the attempt to rip off Kosovo and Metohija of Serbia, lock, stock, and barrel. Also, the results cannot be understood without understanding the fury over corruption and the political shenanigans of the ruling circles and the disproportionate participation of many minuscule parties in GOS's power. No mistake should also be made of the "contribution" of the West that somehow overlooked the fact that, after all, elections were to be won in Serbia rather than in Washington, London, Paris, Berlin, or The Hague, for that matter.

The results of the elections were also affected by the fact that most Serbs have a negative opinion of The Hague tribunal and very, very negative about its chief prosecutor, and I will not go into that. If you are interested in my arguments, I would be happy to try to present them to you.

Notwithstanding the odds, the pro-Euro-Atlantic and, at the same time, patriotic parties won the majority of votes. The voters in Serbia, therefore, deserve praise rather than censure. But I do not want to be misunderstood. Rather than participating in the executive power, the Serbian Socialist Party and the Serbian Radical Party (once the pillars of the terrible regime of Slobodan Milosevic) did again enter Parliament at the last elections, should be given a chance to transform themselves—I do not think they have transformed themselves—and take part only in the legislative branch. In it, they should demonstrate whether they are really ready to play a constructive role in Serbia and Montenegro's march toward Euro-Atlantic structures and alliances.

Because of all of these reasons and because new presidential, provincial, and local elections are soon to be held in Serbia, in the late spring, actually, the best thing, I think, would be if all of the patriotic and pro-Euro-Atlantic parties in Serbia, primarily the Democratic Party of Serbia, led by Vojislav Kostunica, and the Democratic Party, led by Boris Tadic, were to initiate and organize



a broad Assembling for Democratic Serbia. I have started arguing for that there, and I shall fight for that.

A few words on the Autonomous Province of Kosovo and Metohija. The western formula, "standards before status" for Kosovo and Metohija, is, unfortunately, too abstract to bring to public view and remove the massive threat to life that the local non-Albanian population is exposed to every passing day. Some Albanians also feel insecure, as well as some KFOR and UNMIK members, many of whom mark time, I think, trying to survive until it is time to pack their bags and go home. In promoting the "standards," the West does not seem to bother to ask the decisive question: Do European and generally western "standards" make for the right of parts of sovereign states [by way of association, the Basque region, Northern Ireland, or Corsica also come to mind] to secede and even avail themselves in the process of foreign military intervention?

On the Serbian side, I think, nobody with a modicum of political weight would question the need for reemphasizing the sovereignty of Serbia over Kosovo and Metohija in the new Constitution of Serbia and for providing, at the same time, a wide political and territorial autonomy for the Province. Let me repeat here one of my suggestions made a long time ago, and publicly so. Serbia should reorganize itself administratively, proceeding from the democratic right of the parts of Kosovo and Metohija where the Serbs and other non-Albanians won a majority to demand to be taken out of that Autonomy and incorporated directly in the government structure of the Republic of Serbia. As an internal, territorial-administrative reconfiguration is concerned rather than a state-border change, Serbia is fully entitled to it.

The Autonomous Province of Kosovo and Metohija would then include only those territories where the ethnic Albanians were a majority before the NATO bombing. The Province itself would be smaller, while its government would have to be highly decentralized and obliged to provide credible protection also for non-Albanians and their property, their churches, cemeteries, and other sites of relevance for Serbian=European=World cultural heritage. The degree of autonomy should also be contingent on the return of all refugees, the rule of law, restitution of property, and the compensation for the budgetary, economic, and cultural assistance and investments of the other parts of the former Socialist Federal Republic of Yugoslavia and the Federal Republic of Yugoslavia in the Province, repayment of debt, et cetera.

Mr. BEREUTER. Mr. Stojanović, excuse me. We need to ask you if you could take the two major parts of your remaining testimony, the one on Montenegro and also the attitudes of the United States and European Union, give us about a paragraph on each in summary, please.

Mr. STOJANOVIĆ. Yes.

Mr. BEREUTER. Thank you.

Mr. STOJANOVIĆ. I just wanted to add this sentence. The remit of the negotiations between Belgrade and Pristina should, therefore, include kind of drawing up a clean sheet between the Republic and its Autonomous Province with respect to finances, property, and other matters.

On Serbia and Montenegro, I do not want to go more extensively into that because I do not think that this is a very difficult problem, and I am pretty optimistic about the future of the State Union of Serbia and Montenegro. But when it comes, of course, to Montenegrin separatisms, I do not think that we non-Montenegrin citizens from Serbia should meddle into the internal affairs of Montenegro. If they want to organize a referendum, let them organize a referendum and then say what they want.

And, finally, on the attitude of the United States and the European Union toward the Serbs: The bad state of our relations with the United States over the past decade was, indeed, an historic anomaly. From 1878, the year in which we became fully independent again, up to the last decade, relations between us were good, even excellent in times like during the period of our alliance in the two world wars and at the time when the United States helped us a great deal to maintain our independence from Stalin and the Warsaw Pact.

Indeed, it is beyond doubt, I think, that now our relations with the United States matter the most to us. A small country like ours can hardly expect to be able to realize its interests and rights if it pursues a policy contrary to the vital interests of that global power.

Let me proceed to the very end. I am convinced that our new government should soberly weigh which of the American and western conditions it can meet and how it can do that. What goes beyond its legal, political, and moral capabilities should be explained, including via special envoys to key countries with which the government wishes to maintain special friendly, allied even, relations. It should be made clear that the government must not violate the mandate given to it and that it has no intention of remaining in office at any price. In other words, if the West continues to blackmail, it will not escape political and moral responsibility for the probable anti-western turn of our electorate. After all, my country has already paid, and not only because of its own mistakes, by the death of the Prime Minister (by the way, my student and younger colleague) and the state of emergency.

Western democracies should think long and hard where Serbia is concerned not so much about democratization and democracy, per se, but, rather, about a sustainable democratization and democracy. Much more can be achieved by unconditional and immediate support, partnership, alliance, integration of Serbia and Montenegro into Euro-Atlantic political, economic, and security structures. Going tough all of the time alienates our people and provokes resistance. In whose interest is that? Thank you very much.

[The prepared statement of Mr. Stojanović follows:]

PREPARED STATEMENT OF SVETOZAR STOJANOVIĆ, PH.D., PRESIDENT, SERBIAN-AMERICAN CENTER, BELGRADE, SERBIA

I feel very honored to have been invited to speak before this venerable Subcommittee of the United States House of Representatives. Already four decades ago I chose the United States as my second home. Ever since I have taught, lectured, done research and published books, five of them to be precise, in this country. All together, I have spent almost half of that time in it also trying to contribute as much as possible to the promotion of the relations between our two peoples and countries. To illustrate this, let me quote from an interview that I gave a long time ago: "In the autumn of 1992, in my capacity as Special Envoy of Dobrica Čosić, the then President of the then Federal Republic of Yugoslavia, I transmitted to the U.S.

Government his assessment that relations with the United States were of primary importance for the future of the Federal Republic of Yugoslavia and advised them of Cosic's intention to improve mutual relations immediately. I did so through John Scanlon, former U.S. Ambassador to Belgrade. What was said also concerned our links with NATO and the desire to join that organization. Upon his return to Belgrade, Scanlon conveyed the reply of the U.S. Administration to the effect that they had received Cosic's message with satisfaction, including the part on NATO, but that, unfortunately, they considered that the time was not yet ripe. I replied that such a step was not so important as long as the U.S. Government bore Cosic's policy constantly in mind." (Newspaper NT PLUS, June 7, 1997, Belgrade)

One other, more personal thing: my late wife and I have two sons; they also came to the United States with us, received part of their education, found jobs and got married here. One of them gave us a beautiful grandson, Cole Alexander Stojanović. So, by an analogy to father- or motherland, the United States is my son- or grandson's land.

To continue the metaphor, Stojanović, Alexander Cole (S.A.C.) has been an eponym for the S.A.C., Serbian American Center, the foundation that I, as a private individual, helped set up and that I now chair. I and my friends in the S.A.C. are working on the promotion of overall relations between the two peoples and countries. I believe you know that, alongside the French, the Russians and the British (to mention only the larger nations), the Americans occupy a special place in the hearts of many Serbs. I take the opportunity to invite you to visit us, to take part in the work of our Forum for Serbian-American Dialogue, either here or in Belgrade, and, why not, to even become members of our Center.

Holding Americans dear by me and by so many of my countrymen is both a motivation and an obligation for me to speak to you as a friend, which means also quite frankly. It will, I hope, be understood all along that I speak only in my *personal* capacity.

#### RESULTS OF PARLIAMENTARY ELECTIONS IN SERBIA

The parliamentary elections in Serbia, held at the end of December 2003, were, by and large, a protest vote of an ever greater number of the poor and indigent, the unemployed or fictitiously employed, the laid-off or those about to be laid off, people living in the underdeveloped or neglected regions of Serbia, refugees from other parts of the former Yugoslavia, expelled Serbs, Roma and other non-Albanians from Kosovo and Metohija and of those hardy, but terrorized souls who decided to stay at their homes in this Province, the vote of pensioners living below the subsistence level. It was also the protest of those worried for the future of the State because of Montenegrin and Serbian separatisms and, not least, the attempts to rip off Kosovo and Metohija of Serbia, lock, stock and barrel. Also, the results cannot be understood without understanding the fury over corruption and the political shenanigans of the ruling circles and the disproportionate participation of many miniscule parties in DOS's power. No mistake should also be made of the "contribution" of the West that somehow overlooked the fact that, after all, elections were to be won in Serbia rather than in Washington, London, Paris, Berlin or The Hague, for that matter.

The results of the elections were also affected by the fact that most Serbs have a negative opinion about the Hague Tribunal and very negative about its Chief Prosecutor. This all the more so since the Prosecutor was so impatient and tactless, as is now recognized also in many influential quarters in the West, to issue a series of new indictments against the highest-ranking Serbian soldiers and policemen exactly at the time when it became apparent that early parliamentary elections in Serbia were inevitable. Her personal style was a factor, too: she behaved as though she were more important than even the Tribunal President; personally graded and even attacked the highest-ranking officials in Serbia; left an impression that she was after upgrading the level of the Tribunal to that of the famed Nuremberg Tribunal (The number of cases before this Tribunal is already much, much greater than the number tried in Nuremberg!); did nothing to dispel the impression that she was reluctant to indict high-ranking non-Serbs as their indictment might result in terror against Westerners, be they political representatives, soldiers, policemen, experts or journalists, the sitting ducks for the trigger-happy aficionados of the potential non-Serbian inductees; and unlike her predecessors, had her tenure extended for another term. For this, and many other important reasons that I cannot go into now, the best thing would be if the United Nations integrated The Hague Tribunal for former Yugoslavia and the high-profile cases before it into the newly-created International Criminal Court and handed over all other cases to national tribunals.

Notwithstanding the odds, the pro-Euro-Atlantic and, at the same time, patriotic parties won the majority of votes. The voters in Serbia therefore deserve praise rather than censure. To make some comparisons and ask a question may be very pertinent in this regard: why is it so that many Western politicians, experts, NGOs and journalists are so concerned over the relative election success of the Serbian Radical Party in Serbia, while they are unconcerned over the nature and oblivious of the past of the present rulers in Kosovo and Metohija and Croatia?

But, I do not want to be misunderstood: rather than participating in the *executive* power, the Serbian Socialist Party and the Serbian Radical Party, once the pillars of the regime of Slobodan Milošević, that did again enter Parliament at the last election, should be given a chance to transform themselves and take part only in the *legislative* branch. In it, they should demonstrate whether they are really ready to play a constructive role in Serbia and Montenegro's march towards Euro-Atlantic structures and alliances.

Those who uncritically use the language of "*transition*" and "*reform*" are probably not fully aware of the breadth and width of what has to be done. What is at stake is not some quick switch but a painful, long and profound historic *transformation* of the communist command economy and closed society into the capitalist market economy and open society.

Because of that and because new presidential, provincial and local elections are soon to be held in Serbia, the best thing would be if all the patriotic and pro-Euro-Atlantic parties in Serbia, primarily the Democratic Party of Serbia, led by Vojislav Koštunica, and the Democratic Party, led by Boris Tadić, were to initiate and organize a broad *Assembling for Democratic Serbia (ADES)*.

#### THE AUTONOMOUS PROVINCE OF KOSOVO AND METOHIJA

The Western formula "standards before the status" for Kosovo and Metohija is, unfortunately, too abstract to bring to public view and remove the massive threat to life that the local non-Albanian population is exposed to every passing day. Some Albanians also feel insecure, as well as some KFOR and UNMIK members, many of whom mark time, trying to survive till it's time to pack their bags and go home. In promoting the "standards", the West does not seem to bother to ask the decisive question: Do European, and generally Western, "standards" make for the right of parts of sovereign states (by way of association the Basque Region, Northern Ireland or Corsica also come to mind) to secede and even avail themselves in the process of foreign military intervention?

I believe that our authorities should dispatch Special Envoys for Kosovo and Metohija to the permanent members of the Security Council, members of the Contact Group and the Group of 8. The drama of that part of Serbia, as well as the potential threat to Serbian authority, cannot be addressed comprehensively through normal diplomatic channels.

On the Serbian side, nobody with a modicum of political weight would question the need for emphasizing the sovereignty of Serbia over Kosovo and Metohija in the new Constitution of Serbia and for providing, at the same time, a wide political and territorial autonomy for the Province. Let me repeat here one of my suggestions made a long time ago: Serbia should reorganize itself *administratively*, proceeding from the democratic right of the parts of Kosovo and Metohija where the Serbs and other non-Albanians form a majority to demand to be taken out of that autonomy and incorporated *directly* in the government structure of the Republic of Serbia. As an *internal territorial-administrative re-configuration* is concerned, rather than a *state border change*, Serbia is fully entitled to it.

The Autonomous Province of Kosovo and Metohija would then include only those territories where the ethnic Albanians were a majority before the NATO bombing. The Province itself would be smaller, while its government would be highly decentralized and provide credible protection also for non-Albanians and their property, their churches, cemeteries, and other sites of relevance for Serbian-European-World cultural heritage. The degree of autonomy should also be contingent on the the return of all refugees, the rule of law, restitution of property and the compensation for the budgetary, economic and cultural assistance and investments of the other parts of the former Socialist Federal Republic of Yugoslavia and the Federal Republic of Yugoslavia in the Province, repayment of debt etc. The remit of the negotiations between Belgrade and Pristina should therefore include kind of drawing up a clean sheet between the Republic and its autonomous Province with respect to finances, property and other matters.

Let me say this as well: the offer of our government to renew participation of our armed forces in the United Nations peacekeeping operations should naturally include Kosovo and Metohija. It should reflect the numbers of our soldiers and police-

men who should return, under UNSC resolution 1244 (1999), to Kosovo and Metohija anyway. Of course, Serbia and Montenegro should not dispatch its troops to Albanian majority areas in Kosovo and Metohija.

#### THE STATE UNION OF SERBIA AND MONTENEGRO

I have been opposing Montenegrin and Serbian separatism and I cannot see any valid reason why the state union of Serbia and Montenegro should be washed hands of.

“Montenegrinness” is now a complex and internally divided collective identity, in which respect it is no exception in the world indeed. Some Montenegrins see themselves as a *separate nation*, some say that they are *more Montenegrins than Serbs*, others that they are *as much Montenegrins as they are Serbs*, the fourth that they are *more Serbs than Montenegrins* and, finally, quite a lot of them say that they are *Serbs in or from Montenegro* (One of them was my late mother). It would suffice to spend some time in Montenegro to realize the organic link between our collective identities, our societies and peoples.

The best solution therefore for both Serbia and Montenegro is to stay together. Only if Montenegro remained in the union with Serbia would it be possible to avoid a sharp conflict among the Montenegrins themselves. A slim separatist majority at a referendum in Montenegro would only exacerbate the conflict. I doubt that even a greater separatist majority (by the way highly improbable) would prevent the catastrophic territorial fragmentation of the already tiny Montenegro. The regional consequences of the separation of Montenegro and Serbia would also be very serious. Here are some questions that are apt to ask. If Montenegrins and Serbians cannot pitch tent together, how is it possible to ask Albanians in Kosovo and Metohija to remain in Serbia; to ask their southern brethren in Macedonia to continue to be citizens of that state; why should Croats (in Herceg-Bosna) not separate from Bosnia and Herzegovina; and why should not the Republic of Srpska separate from Bosnia and Herzegovina?

The contention that, due to the large disproportion in the size of its territory, population and might, in general, vis-à-vis Serbia, Montenegro cannot be equal as long as it is in a state union with it is also based on clay feet. Do Montenegrin separatists seriously think that in collective EU decision-making, an independent Montenegro would be more equal vis-à-vis Germany, Great Britain, France, Italy or Spain than it is with Serbia?

The state union is not to be played with also for security reasons. I do not believe that Montenegrin separatists can realistically guarantee their co-nationals (a large number of whom live in Serbia) the same, let alone a higher, level of security if Montenegro were to separate from Serbia. Their rallying cry “Montenegro cannot be held hostage to Serbia over Kosovo and Metohija” is insensitive also towards the Montenegrins who were slain in, or had to flee, Kosovo and Metohija.

Not to be misunderstood: I am only presenting some counter-arguments and not suggesting any pressure upon Montenegro to choose one way or another. It is only the citizens of Montenegro who should democratically decide the nature of their relations with Serbia.

#### THE ATTITUDE OF THE UNITED STATES AND THE EUROPEAN UNION TOWARDS THE SERBS

This year we Serbs mark the second centenary of our First Uprising against the Ottomans, and celebrate two hundred years since the birth of our *modern* State. Very few people know that the First Serbian Uprising was at the same time the third democratic revolution in the world (The American Revolution being the first). This provides us an opportunity to give a thought to the opportunities we seized and the opportunities we missed. To re-consider the dilemmas, true and false, and to re-trace the ways, and alleyways, we traversed.

In 1804, the Serbs could have risen to arms or could have failed to do so; in 1914, they could have refused or could have accepted the ultimatum of Austria-Hungary; and in 1941, they could have rejected or could have accepted to join the Pact with Nazi Germany. On October 5/6, 2000, we made the only possible progressive fundamental choice as we understood that the then anti-Euro-Atlantic road of the Milošević regime had led us into isolation, regress and hopelessness. Even if we wanted to change that fundamental choice now, which we don't, that change would be impossible due to the world constellation of forces.

Bad state of our relations with the United States over the past decade was indeed an historic anomaly. From 1878, the year in which we became independent again, up to the last decade, relations between us were good, even excellent at times like during the period of our alliance in the two World Wars and at the time when the

United States helped us a great deal to maintain our independence from Stalin's and the Warsaw Pact's intended grip.

It is beyond doubt that now our relations with the United States matter the *most*. A small country like ours can hardly expect to be able to realize its interests and rights if it pursues a policy contrary to the vital interests of that global power. However, *extreme pragmatists* back home constantly underestimate the dangers of a grass-root reaction to "accommodationism" or outright servility, especially if there are other realistic options. Majority public opinion in Serbia likes to see its decision-makers try and exhaust all possibilities before they decide to make pragmatic concessions. No doubt, *principlism* (independence, dignity, self-respect, truthfulness, fairness) provides not only a powerful moral ground, but is also a strong cultural and political tool to safeguard national identity, interests and rights. That is why I have been supporting a foreign-policy pragmatism laced with a principlist approach.

Americans will, I believe, be more appreciative of those in my country who have turned a new chapter in relations with their country and yet do not keep quiet about the vilification, penalization and bombing of their nation. Nor do they keep quiet about making deals with Slobodan Milošević.

It goes without saying that, rather than merely theorizing, in conceptualizing our relations with the United States, we should look at the experience of other smaller nations. In our case the most relevant and best role model is Greece. What is it that makes the Greeks—who by tradition, culture, religion and in many other respects are very close to us—so successful? This is the question for our leaders, politicians, diplomats, scientists, business people, the military and others to ask. Despite being loyal allies within the North Atlantic Alliance dominated by the United States, the Greeks have successfully realized their interests and preserved their identity. Important levers in that respect have been expatriate Greek communities worldwide.

Now that October 5/6, 2000 is receding in the background and that the national and existential shock of September 11, 2001 shifted its focus, the interest of the United States in us will inevitably diminish. Nevertheless, I believe that this interest will not become marginal in the light of our cooperation in combating terrorism, Serbia's strategic location and its pivotal role in keeping regional stability. Therefore, our most strategic move, let me repeat it once again, should be to accede to NATO's Partnership for Peace program.

In my judgment, taking a tough line towards Serbia by the United States and the European Union has become counterproductive, particularly among that section of the electorate that sees their social situation as hopeless. Applying the "stick" may only work with those who have something to lose. In point of fact, the very mention of "carrot and stick" that Westerners are weary of using at home against animals, let alone the people, as it would cause an outcry of PETA activists, makes the Serbs boil. Moreover, are those Serbs waiting in long lines in cold or sweltering weather for visas outside Western consulates expected to vote pro-Western? Finally, how much longer do some influential Western circles intend to rely primarily on self-projected assessments and predictions of a tiny minority of well-off Serbs who have no national feeling and interest at heart?

I am convinced that our new government should soberly weigh which of the American and Western conditions it can meet and how it can do that. What goes beyond its legal, political and moral capabilities should be explained, including via Special Envoys, to key countries with which the government wishes to maintain special friendly, allied even, relations. It should be made clear that the government must not violate the mandate given to it and that it has no intention of remaining in office at any price. In other words, if the West continues to blackmail, it will not escape political and moral responsibility for the probable anti-Western turn of our electorate. After all, my country has already paid, and not only because of its own mistakes, by the death of its Prime Minister and the state of emergency.

Western democracies should think long and hard where Serbia is concerned, not so much about democratization and democracy *per se*, but rather about a *sustainable* democratization and democracy. Much more can be achieved by *unconditional and immediate* support, partnership, alliance, integration of Serbia and Montenegro into Euro-Atlantic political, economic, and security structures. Going tough all the time alienates our people and provokes resistance. In whose interest is that!

Mr. BEREUTER. Thank both of you very much for your excellent testimony.

I would like to begin the 5-minute question period with two questions. The first question, to both of you gentlemen. What policy do you think the new government is likely to pursue with respect to

its neighbors? Specifically, focus a little bit on efforts to help or hinder the integration efforts in Bosnia.

And then, Dr. Stojanović, the second question is for you only because I think Dr. Serwer has made his point very clear on this already: Will the government's dependence on the Socialist Party hinder reforms in Serbia and Serbia's relations with the international community?

Go back to the first one, the impact of the new government on their neighbors, especially Bosnian integration.

Mr. SERWER. Mr. Chairman, I am prepared to wait and see what the new government does, but if we were to try to predict, based on Mr. Kostunica's previous time in office, it is well known that he is very close to what you and I would regard as extremist forces in Bosnia. During his time as President of Yugoslavia ties between the secret services in Bosnia and in Serbia were maintained, probably in part in order to protect war criminals. But more importantly, during that period, even after the fall of Milosevic, there was an extensive network of exports of weapons to Iraq and other activities that are inimical to U.S. interests. Therefore, I am watching like a hawk to see what the relationship with Bosnia is going to be.

I think it is quite clear that the proposals for division of Kosovo, if we can regard Kosovo as a neighbor, (as, de facto, it is) are going to make relations with that neighbor exceedingly difficult. So far as Croatia is concerned, I am not sure, but I do hope that Mr. Kostunica follows Mr. Sanader's lead in sending indictees to The Hague.

Mr. BEREUTER. Thank you, Dr. Serwer.

Now, Professor, if you could try to answer both of those questions, and I am directing to you.

Mr. STOJANOVIĆ. Yes. Well, I do not recognize Kostunica in certain statements here. After all, Kostunica played a pivotal role in overthrowing Milosevic, put his life on the line ever since the beginning of the 1970s, so we are not talking about some ally of Milosevic or some extremist. Kostunica is a democratic patriot or patriotic democrat as much as you are, as you are entitled to be, of course.

The second thing: The relationships with neighbors, and, of course, Kosovo and Metohija cannot be our neighbor. It is according to the Resolution 1244 part of Serbia, of Serbian sovereignty and territorial integrity. And after all, if it even were our neighbor, I do not see, actually, any harm we have been doing down there. Serbia has absolutely no control over Kosovo and Metohija in charges is UNMIK and it is NATO.

As far as Mr. Sanader and Mr. Kostunica comparison, it seems to me that when it comes to the cooperation with The Hague tribunal, Mr. Sanader has to follow Kostunica's example and not vice of course, we have sent a lot of people to The Hague. This is not complete as we all know. This is difficult. Sometimes it is extremely difficult. As a superpower, you cannot locate Osama bin Laden. We cannot locate even Legia who helped kill my friend, Djindjic.

Mr. BEREUTER. But Dr. Stojanović, —

Mr. STOJANOVIĆ. The first question.

Mr. BEREUTER. Yes. Bosnia, the relations on integrating Bosnia.

Mr. STOJANOVIĆ. As far as I know, very good relationships. You see, there is a proviso in the Dayton agreement on the so-called "parallel and special relationships." That is allowed. I do not think that we have even come to that standard in terms of cooperation with the Serbs, with the Republica Srpska in Bosnia and Herzegovina. Further, all Bosnian citizens are coming into Serbia simply with IDs. They do not need passports. Our people also go there without passports now.

As far as the Socialists participants is concerned, I can assure you that there is no single concession made to them for their support. The reason that they are supporting our minority government is that they, those people who are now in the party in the leadership, are trying to improve their image and get another political chance. They are not in the government. They have not been given a single e-mail, small governmental position. I do not see any possibility for them to blackmail the government. After all, everybody has to remember Kostunica's attitude toward Milosevic's party and Sesely's party.

Well, I hated, actually, that we were in the position of having to form this minority government. I say "we" meaning Serbs. We had either to continue some chaos without any government with terrible consequences or to enter into this arrangement with the minority government. But you see, there is the Democratic Party also in our Parliament. Well, some people in the Democratic Party are criticizing the minority arrangement but they did not say, Socialists cannot vote for our vice presidents of the Parliament. On the contrary, all elections now in the Parliament for Vice Presidents, in addition to the President, were unanimous.

So there is, of course, some small cooperation within the Parliament. I do not see anything wrong with that. As I have already said, I am going to argue for and press for the cooperation, very close cooperation, of the Democratic Party of Serbia led by Vojislav Kostunica and the Democratic Party, led by Boris Tadic, who, by the way, is also my student and a young friend and colleague. I am almost everybody's teacher, since I am old.

Mr. BEREUTER. Thank you. If you can just pull your students together and put a coalition together, we will be probably be all right.

Mr. STOJANOVIĆ. We will try.

Mr. BEREUTER. I am going to call on the gentleman from Florida, Mr. Wexler.

Mr. WEXLER. Thank you, and I want to compliment the Chairman for the invitations and, most especially, compliment both witnesses because I think this has been extremely valuable and worthwhile for us to hear both of your perspectives. I am trying to reconcile both of them together and figure out if they are reconcilable, but if I could maybe start with Dr. Stojanović in terms of responding to Dr. Serwer's recommendations in terms of American policy, and, Doctor, please correct me if I am misstating your recommendation.

But to sum it up, I think Dr. Serwer is suggesting that American policy has not been bold enough and that the way to ensure greater cooperation from the new government is to very directly condition



funds and assistance on the cooperation with The Hague and so forth and a relative confidence that if Belgrade understood America's resolve, that, in fact, we would be enabling Belgrade to positively respond and that by our less-than-bold action, we are enabling a state of nebulousness.

Mr. SERWER. Mr. Wexler, I would only add that the boldness needs to be on the part of not only the United States but Europe as well.

Mr. WEXLER. Yes. Professor, if I understand your comments, you would suggest that that could lead to exactly the opposite results.

Mr. STOJANOVIĆ. Exactly.

Mr. WEXLER. So where is Dr. Serwer wrong?

Mr. STOJANOVIĆ. Well, simply wrong because this policy has not worked well. If we continue along that path, and, as I said, I have an American grandson, so I feel half American. At the end of June we will get a radical President of Serbia. That would be a catastrophe, politically, for us.

Mr. WEXLER. So it is your view—

Mr. STOJANOVIĆ. If this policy does not work. Let me suggest something.

Mr. WEXLER. But I think Dr. Serwer would say that is not our policy yet, that because America has been unclear in our willingness to back up what we are asking for, we are enabling, as Dr. Serwer said, along with Europe, enabling a nebulous or non-response from Serbia. And what Dr. Serwer is arguing, until we make ourselves clear and provide for obvious ramifications, that this will continue.

So if you argue the current policy has failed, then why would we continue it?

Mr. STOJANOVIĆ. Well, I do not know why you would continue. Let me just try to answer this indirectly.

I think that it is high time for some creativity and for a positive approach, and my suggestion to you and to all American friends of mine is to try a positive approach to Serbia. In other words, try to integrate Serbia immediately, for instance, into Partnership for Peace, and then, within that framework, it is easier to cooperate on all of those concrete and very sensitive issues and even to put pressure on us because keeping us out of the door and not letting us inside, of course, helps only extremist forces in Serbia.

After all, you keep the whole people outside. It is some kind of collective conditioning. I have always been against collective sanctions, collective measures against all peoples. It harms our people, collectively speaking. If you are dissatisfied with some minister, even Prime Minister, then do something about them and do not do it against the whole Serbian nation and all Serbia's citizens because it is not simply Serbs. As you know, we have a lot of other people in Serbia.

I know that one of the sticking points is General Mladic. I do not want to be misunderstood: All of those who are responsible for war crimes, no matter what nationality, ethnicity and religion, should be brought to justice. I want to be quite clear about that. But here we have an absurdity, you see. The relationships at this moment between the global power and small Serbia, an old ally, very loyal ally throughout history, is now a hostage to an individual. Now,

you could not do a greater honor to someone's grand demand here by putting him in the position that the relationship between the two countries depends on that fugitive. Do you understand what I am talking about?

Please, try something constructive. Look at Kosovo and Metohija. Who is there in enclaves? Not Albanians. Small Serbian enclaves are there. How am I going to argue in Belgrade, and I indeed have patriotic and democratic credentials there, so I can argue for many things, but when I go back now to Belgrade, what to tell the people there? It is pretty obvious, it seems to me,—excuse my temperament, but I come from southeastern Europe. I speak with my whole body and soul—it is not that a minority is persecuting the majority in Kosovo and Metohija. It is the other way around because Serbs are a small group left. Do we want really a homogeneous, ethnic state there, and what would be the regional ramifications. Terrible regional ramifications if that happens.

Look at the map. Look at Bosnia and Herzegovina. Look at Macedonia. Look at Albania. Look at Greece. Look at Romania. Look at Bulgaria. So this is a very difficult problem.

Let me, then, mention our Prime Minister Kostunica's statement that the cooperation with The Hague Tribunal is a two-way street. But, of course, cooperation is a two-way street; otherwise, the word would be "operation," not "cooperation." He also said that it is not his priority. When someone says—excuse me—I am a logician by profession—that something is not his/her priority, it does not mean that it is not important, obviously. Please think creatively about some positive approach. That is my whole point.

Mr. BEREUTER. Thank you, Professor. Mr. Wexler would like Serwer to respond, if he would care to.

Mr. SERWER. We have had basically the open-door policy that Mr. Stojanović has been asking for. We have occasionally conditioned things, and when we condition things, we get a few indictees to The Hague. The pattern is clear over the last 3 years. Only when we have conditioned assistance and only just before we are about to make a negative decision, and in one case just afterwards, have we gotten results. Normal trade relations were given away without conditionality. Membership in the U.N. was given away without conditionality. None of those things brought us anything.

So I think we have proven evidence over the last 3 years that the positive approach that Professor Stojanović is recommending simply does not work and that the other approach of conditionality does work. If you ask Professor Stojanović after this hearing what would happen if IMF loans were withheld and all EU assistance were withheld and all U.S. assistance were withheld, I am prepared to predict his answer. The indictees would all go to The Hague because there is no other option in that situation.

Mr. BEREUTER. Thank you, gentlemen. Thank you very much for your testimony. We appreciate your help to the Subcommittee.

And I am about to adjourn the hearing. We are about to move to a markup of two resolutions, so if our guests who do not wish to remain could leave quietly, we would very much appreciate it so we can expedite the business of the Subcommittee.

Gentlemen, thank you very much.

Mr. SERWER. Thank you very much, Mr. Chairman.

Mr. BEREUTER. The Subcommittee is adjourned.  
[Whereupon, at 4:07 p.m., the Subcommittee was adjourned.]



## APPENDIX

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### MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE BENJAMIN L. CARDIN, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF MARYLAND

Although I am not a member of this subcommittee nor the full committee, I have a strong interest in the topic of today's hearing and thank the Chairman for offering me the opportunity to participate. I serve as the Ranking Member of the Commission on Security and Cooperation in Europe (CSCE), also known as the Helsinki Commission.

Cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY), located in The Hague, has been a priority for many of us. To those in the Congress or in the Administration who may view it otherwise, I would recommend that they read what the indictments and other records of what actually happened in Vukovar and Srebrenica, Mostar and Sarajevo. While our memories of those distant events may be short, people in southeastern Europe still suffer the effects of the atrocities which the tribunal is trying to address by providing justice.

Each year since Milosevic was ousted, we have been told to be patient as the people of Serbia themselves recover from this era, in which they, too, suffered. Truth commissions and others efforts were needed, so we were told, to pave the way for better cooperation. Each year, while some pressure was applied, Serbia was soon certified and assistance flowed. Usually, just after certification took place, Belgrade's cooperation with The Hague would take a down turn. Still, relations have been normalized in the hope of encouraging reform. Now, those with more nationalist inclinations benefited from the December elections, Serbia's new government leaders seem to want nothing to do with The Hague.

This is extremely unfortunate. I frankly feel that Serbia's democratic leadership could have taken a different course and made clear to the people from the beginning that cooperation with The Hague is not what the international community insists happen but what Serbia needs itself to see happen. Had they done so, they would not have given the criminals from the Milosevic era which still operate and weaken the republic any opportunity to regroup and claim a legitimate place in a Serbia that today should be quickly integrating into Europe.

Frankly, I am concerned that U.S. policy to date has made people in Belgrade, Banja Luka and elsewhere feel they can wait the Tribunal out.

The United States and the Congress have already made abundantly clear that we want Serbia to succeed. We have also made clear that we would like to see ICTY finalize its work, and for justice in other cases that come up to be found in the courts of the countries of the region. Last year, we had a very good briefing by the ICTY President, Judge Theodor Meron, on this very issue.

I think that we now need to be equally clear that there is no more compromising on this issue. A continued lack of cooperation will have consequences. We want to see Mladic and Karadzic in The Hague, but also the four indicted for the Srebrenica massacre and others who are at large. We also want to see cooperation take the form of better access to archived information and potential witnesses. I urge Belgrade to assist the Tribunal in creating a complete and accurate historical record of the crimes committed in the region, which will help to deter future acts of genocide, war crimes, and crimes against humanity. Until we see such cooperation, the United States and other countries should make clear their support for the tribunal and its work, so it will not go away until its work is actually finished.

If there are specific challenges like locating and apprehending indictees, or protecting information not relevant to a case, we can and will deal with that. The Tribunal needs to ensure that its indictments have been carefully considered and that indictees can be assured their full rights as a defendant. We can, and will, work

with Belgrade on these problems if there is otherwise a political will to cooperate. Given the rhetoric and lack of action coming from Belgrade in recent weeks, however, I fear that the question of political will still dominates, and we need an unambiguous policy response which includes withholding certification on assistance after March 31. We must withhold certification until Belgrade demonstrates concrete progress on meeting its international legal obligations to comply with the Tribunal.

The United States should continue to strengthen its relationship with the people of Serbia and Montenegro. However, we cannot normalize our relationship until Belgrade fully cooperates with the Hague Tribunal to bring a close this chapter of the history of Serbia and Montenegro. Integration of Serbia and Montenegro into Europe and other regional and international organizations depends upon this progress.

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PREPARED STATEMENT OF THE HONORABLE CHRISTOPHER H. SMITH, NEW JERSEY,  
AND VICE CHAIRMAN, COMMITTEE ON INTERNATIONAL RELATIONS

The topic of today's hearing—the current situation in Serbia—has been of deep concern to the Helsinki Commission, which I chair, for many years. Recent developments in that republic warrant continued concern and clear U.S. policy responses.

Democratic trends in Serbia since the ouster of Slobodan Milosevic have been welcomed by the international community and the U.S. Congress. In fact, I was active in congressional efforts to make the United States more supportive of democratic opposition and independent groups in Serbia, including the introduction of the Serbia Democracy Act in 1999, when the State Department was instead still relying on Milosevic to implement the Dayton Agreement. Beginning in 2001 and continuing to the present, the Congress has agreed to Administration requests to normalize relations with Belgrade. The United States has become the leading foreign investor in Serbia today. Even in the context of the diminished level of bilateral assistance to the region as a whole, Serbia has consistently received a considerable portion of U.S. assistance. I don't know of any attempt to cut this assistance, and there was one year when Congress actually increased what the Administration requested.

In return for this assistance to help Serbia recover from the Milosevic period and deservedly rejoin Europe, we have a natural and justified expectation that the support would reflect political will in Belgrade. If that political will does not exist, then U.S. taxpayers' money is wasted. Justifiably, each year the Congress has conditioned assistance to Serbia on specific and reasonable criteria, in particular cooperation with the International Criminal Tribunal for the former Yugoslavia, located in The Hague. The certification deadline this year is March 31—two weeks from today. Recalling the acts of genocide, the brutal atrocities against innocent civilians associated with the ethnic cleansing campaigns, we join those who still seek justice.

What are we supposed to conclude, therefore, when we see persons indicted for war crimes, crimes against humanity, and genocide, on Serbian election ballots? What are we supposed to conclude when we hear the new Serbian Prime Minister say that cooperation with The Hague is not a priority, and his supporters call our expectation that they do so “blackmail”? I can only conclude that some senior officials in Belgrade do not have the political will to break fully from the past.

This is unfortunate, because there are also those in Serbia, both in government and out of government, who are dedicated to human rights and the Helsinki principles. They know the horrible acts that were committed in their name during a nationalist frenzy, and they want to break any association with those acts. They know that Serbia must make that break also to rid itself from the criminal gangs that, even after last year's state of emergency, hinder Serbia development and European integration. Just to mention one who comes to mind is the former speaker of the parliament of Serbia and Montenegro, Dragoljub Micunovic, with whom I have worked closely in the OSCE Parliamentary Assembly over the years. Together, we drafted a resolution passed by the Assembly on Human Rights and Terrorism.

I would like to assure Serbia—both the authorities and the people—that I am eager to see our bilateral relations develop. I share Serbian concerns about other issues, including the situation for the Serb, Roma and other minority groups in Kosovo, and the continued obstacles to the return of the displaced. Just a few weeks ago, I met with Bishop Artemije regarding attacks on churches in Kosovo. I have pressed on several occasions in the past year for greater attention to be paid to outstanding missing persons cases.

It is my understanding that, just today in Kosovo, there has been an explosion of violence. Let me state emphatically my belief that attacks on innocent people cannot be tolerated by the international community, nor be allowed to justify any polit-

ical ends. This is neither a Serb nor an Albanian tragedy, but a human tragedy, and I urge everyone in Kosovo to refrain from further violence.

Trafficking in persons is something which all countries in southeastern Europe, including Serbia and Montenegro, have as a common concern, and I have pressed for greater assistance to these countries to combat this modern form of slavery. As the OSCE PA Special Representative on Human Trafficking, I will continue my efforts to encourage Serbia and Montenegro to improve its law enforcement capabilities, to develop its network for helping victims and to prosecute those trafficking human beings to the maximum extent of the law.

On all these issues and more, I have engaged Serbian officials with enthusiasm. It is, therefore, with great dismay that I see reluctance if not obstruction in cooperation with The Hague. Until there is a "sea change" in Belgrade on this issue, I urge the State Department not to certify Serbia as having met the conditions placed on assistance after March 31.

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PREPARED STATEMENT OF THE HONORABLE DAN BURTON, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF INDIANA

Mr. Chairman, thank you for holding this very important hearing on the future of Serbia.

Historically and geographically, Serbia has long been a conduit between two traditions, East and West.

Today, the Serbian-Montenegro union is in a state of transition, and Serbia finds itself still confronted with a host of problems left over from the Communist era under Tito and Milosevic's regime.

After recent Serbian parliamentary elections (December 2003), a new governing coalition was formed.

The new government was formed by Serbian Prime Minister Vojislav Kostunica, a member of the Democratic Party of Serbia (DOS) with several other minor pro-Western parties.

Just four years after the fall of Milosevic, Serbia showed every sign of emerging into a progressive country. A nation that showed every sign of being a democratic, Western-oriented country committed to sharing the responsibility of security and stability in Europe and around the world.

Traditionally American allies in World War I and World War II, Serbia and Montenegro are now again serving as America's ally against the clandestine network of terrorists operating in the Balkan region. As a Nation, we cannot win the war on terror alone. Serbia can assist us based on its geopolitical position.

Therefore, Serbia can be an important U.S. partner and contribute to the vision of Europe as whole, free, secure and at peace. However, Serbia cannot do this alone. They will need the assistance of the United States and the European Union to define what is in the best interest for the Serbian nation and its people.

The U.S.-Serbian relationship has thus far been very productive, however, the real test of friendship between the U.S. and Serbia will be the ability to work through our disagreements and keep a mutually-beneficial relationship moving forward into the future.

Furthermore, the U.S. and the E.U. must be more engaged in the region to ensure the safety and repatriation of ethnic minorities and end the destruction of religious monuments and homes.

Based on this new and growing relationship with Serbia, I strongly encourage Prime Minister Kostunica and his government to:

1. Continue Serbia's full cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY).
2. If at all possible, help provide any intelligence on the whereabouts of Radovan Karadzic, General Ratko Mladic and others indicted by The Hague.
3. Maintain and continue reforms in the Defense Ministry that Minister Boris Tadic initiated.
4. Work to gain acceptance into NATO's Partnership for Progress, and agree to a Stabilization and Association agreement with the E.U.
5. Establish an apolitical and independent judiciary that upholds both majority and minority rights.
6. Promote the human rights of ethnic Serbians and Albanians in Southern Serbia and Kosovo.
7. Help relocate and assist displaced Serbs, Albanians, and Roma (Gypsies).
8. And, to eradicate corruption in the government, business and finance sectors.

I hope for the sake of the future of Serbia-Montenegro, and the entire Balkan region, that this conduit between East and West, looks toward the future with open eyes and great promise, and once-and-for-all rejects the nationalism and fanaticism that ruled it through the 1990s.

In my opinion, there are a number of mutually-beneficial issues between the U.S. and Serbia that could be developed for the greater good of both countries, and I stand ready to work with Serbia to help her become a productive member of the community of nations. Only through proper bi-lateral relationships, multinational cooperation, and Serbia's own determination not to repeat the sins of the past, can the United States and the world community accept a new and improved paradigm in this troubled region.

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RESPONSES FROM THE HONORABLE D. KATHLEEN STEPHENS, DEPUTY ASSISTANT SECRETARY, BUREAU OF EUROPEAN AND EURASIAN AFFAIRS, U.S. DEPARTMENT OF STATE, TO QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE DAN BURTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA

*Question:*

*With Michael Polt taking over the U.S. ambassadorship to Serbia and Montenegro, what important issues will he stress with the new Serbian Prime Minister?*

*Answer:*

If confirmed, Ambassador-designate Michael Polt's first and foremost priority in working with the new government will be to protect the security and interests of the United States and its citizens, including those living and working in Serbia and Montenegro. He will also focus on four key policy goals: ICTY cooperation; Kosovo; human rights and rule of law; and economic reform and development.

Mr. Polt will continue to press for Serbia and Montenegro's full and unequivocal cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY) particularly the urgent need to render Radko Mladic to The Hague to face justice.

On Kosovo, the new ambassador, if confirmed, will advocate Belgrade's playing a constructive role in supporting the implementation of basic standards of good governance, security and human rights and participation in the Belgrade-Pristina dialogue. The recent violence in Kosovo shows that there is much work still to be done. It will be Mr. Polt's responsibility to work with government leaders in Belgrade to continue on its path of responsible diplomatic engagement on behalf of its interests in the area.

Mr. Polt will also work to ensure that Serbia and Montenegro continues to reform its judicial and law enforcement system to guarantee due process, fair treatment and justice to its citizens, its institutions and its business community. Only in this way will political and economic reform take hold in the country. Success in economic reform is essential in modernizing Serbia and Montenegro's society.

Mr. Polt has testified that, if confirmed, he will look to redirecting a greater amount of U.S. engagement with Serbia and Montenegro towards the number one problem identified by the people and governments of Serbia and Montenegro: developing a business environment that encourages job creation and investment in small and medium size enterprises.

*Question:*

*What are the prospects of Serbia joining NATO's Partnership for Peace (PfP) since Defense Minister Boris Tadic started reforming sections of Serbia's defense department?*

*Answer:*

Serbia and Montenegro has made considerable progress to date under the leadership of Defense Minister Boris Tadic in reforming the defense sector. The Army of Serbia and Montenegro, once used as a political arm of Milosevic regime, has been subordinated to civilian control and the overall size of the army and ministry has been cut nearly in half. The country began the process of re-integrating into the European community through its readmission to the Organization for Security and Cooperation in Europe in November 2000 and its admission to the Council of Europe in April 2003. Membership in NATO's Partnership for Peace is now one of the primary goals of Serbia and Montenegro's foreign policy.

To date, Belgrade has not satisfied NATO's conditions for joining Partnership for Peace, including the detention and transfer of Ratko Mladic, and withdrawal of Belgrade's claims in the International Court of Justice against eight NATO allies. Belgrade has known of and understood these conditions for several years. We retain



hope that Belgrade will satisfy these conditions in the near future. Once these conditions are satisfied, the U.S. will support an invitation to Serbia and Montenegro to join PfP. Inviting a country to join PfP is an Alliance decision that would require the consensus of the twenty-six Allies.

*Question:*

*Since the new Serbian Prime Minister Vojislav Kostunica formed a minority governing coalition with former President Milosevic's Serbian Socialist Party, what does that mean for the future of Serbia, both economically and internationally? The future of the International Criminal Tribunal for the former Yugoslavia? And, the future of the peace process in the Balkans?*

*Answer:*

Alarming headlines reporting the results of the December 28th parliamentary elections might have led readers to believe that Serbia had returned to the Milosevic era. It did not. What the headlines failed to highlight was that democratic parties captured more than 60 percent of the ballots cast. The ultra-nationalist Serbian Radical Party received the largest number of votes, 28 percent of the vote, but not enough seats to form a government. Milosevic's Socialist Party received only 8 percent.

On March 3, 2004, after two months of negotiation, Parliament confirmed a minority three-party coalition government led by former Yugoslav President Vojislav Kostunica. The new government has presented a legislative program that focuses on domestic issues: adopting a new constitution, harmonizing Serbia's legal framework with EU standards, building state union institutions with sister republic Montenegro, and fighting corruption. Parliamentary leaders have called for new presidential elections in the late spring, and are working on a new Constitution. As a minority government, the coalition has announced that it will rely on the passive support of the Socialist Party: the Socialists will vote in favor of the government's agenda, but will not be offered an active role in government.

In order for Serbia to succeed, it must meet its international obligations. The most important unmet obligation—an unresolved legacy of the Milosevic era—is that of apprehending and transferring to The Hague those indicted for horrendous war crimes.

In the past two months, Secretary Powell, Under Secretary Grossman, Under Secretary Larson, and Deputy Assistant Secretary Stephens have personally pressed home to Serbia's new leadership the need to resolve Serbia's outstanding ICTY obligations, including especially transferring Mladic to the Tribunal. Cooperation with the Tribunal is the key to Serbia and Montenegro's future integration into Euro-Atlantic institutions, including membership in NATO's Partnership for Peace and progress toward a Stabilization and Association Agreement with the EU. We will continue to press this obligation.

On March 31, 2004, Secretary Powell declined to certify, pursuant to Section 572 of the Foreign Operations and Appropriations Act, that Serbia and Montenegro is cooperating fully with the International Criminal Tribunal for the former Yugoslavia (ICTY). We look to the state union and republic governments to act immediately to improve the record on ICTY cooperation and create conditions that would allow the Secretary to review his decision.

*Question:*

*The International Criminal Tribunal for the former Yugoslavia is now holding hearings and trials in Serbia (i.e. the Vukovar Three trial). What does that mean for the future of The Hague?*

*Answer:*

Prime Minister Kostunica's government has indicated that it wishes to cooperate with the ICTY, but expects cooperation from the ICTY in return. His government is seeking more flexibility in how it works with the Tribunal, e.g., through pre-trial release in Serbia and the transfer of cases from the ICTY for trial by Serbian courts. The U.S. encourages efforts to develop a better working relationship between the Serbian government and the ICTY, while holding Belgrade to its legal obligation to cooperate fully with the Tribunal.

Enabling domestic courts to try persons indicted for war crimes, including those transferred from The Hague, is an important step forward for a region that has seen too much conflict. We continue to work closely with the Government of Serbia and Montenegro to help build the capacity to try war criminals domestically, including both cases opened at home and those transferred by the ICTY. While those indictees most responsible for serious violations of international humanitarian law will be tried by the ICTY (most notably Karadzic, Mladic, and Gotovina), we expect that

some cases will be transferred to Belgrade for domestic adjudication. This is consistent with the ICTY's completion strategy, which envisions all work to be completed in 2010. A strategy of moving trials domestically will aid in ethnic reconciliation, bolstering rule of law, and helping the region move beyond the problems of the past.

In recent years, the Serbian government has enhanced its domestic capacity for investigating and trying war crimes cases. An important test for this effort began on March 9, 2004, with the opening of the trial of seven defendants accused of participating in the deaths of approximately 200 POWs and civilians at the Ovcara Farm near Vukovar in Croatia in 1991. [Note: The Ovcara Farm defendants were not indicted by the ICTY. The ICTY-indicted Vukovar-3 defendants are currently in ICTY custody and will be prosecuted in The Hague.]

This is only the most recent domestic prosecution of war crimes charges in Serbian courts. Last September, the Belgrade District Court convicted and sentenced four defendants for the abduction and murder of seventeen Muslims in October 1992. On March 17, 2003, a Serbian judge imposed the maximum sentence (20 years) on a leader of the "Skorpion" paramilitary unit who was convicted of the murders of fourteen ethnic Albanians in Podujevo, Kosovo in 1999. The United States, through our assistance program, has supported Serbia in establishing its own domestic court for war crimes and helped train the judges and prosecutors who address these cases. Recent prosecutions and convictions by the Serbian court have demonstrated the value of supporting this program.

*Question:*

*What is the current situation with Slobodan Milosevic's ICTY trial, since the prosecution rested its case?*

*Answer:*

In late February the prosecution rested its case against Milosevic, more than two years, 300 witnesses, and 50,000 pages of transcripts after the trial opened in February 2002. Milosevic now has three months to prepare his defense. Once the defense begins, it is expected that it could take up to a year to complete, partly because of problems with Milosevic's health. One of the three judges in the case has resigned, and a new judge has been appointed to the Tribunal.

*Question:*

*With Radovan Karadzic and General Ratko Mladic still at-large from ICTY, with intelligence officials claiming they are in the Republic of Srpska or in Serbia proper, what does that mean for the prospects of sustained peace in Serbia? How is the international community putting pressure on the Republic of Srpska and/or Serbian officials in regard to their arrests and prosecutions?*

*Answer:*

Despite improved efforts by the Serbian government in 2003 to locate and arrest fugitive indictees, we believe that as many as 16 ICTY indictees spend a preponderance of their time in Serbia. This includes Gen. Ratko Mladic, indicted by ICTY in connection with the massacre at Srebrenica and other crimes, as well as three high-ranking generals whose indictments ICTY made public in October 2003 and who are now living openly in Belgrade. The United States—and the international community—speak with one voice on this: it is unacceptable that these individuals have thus far eluded justice.

In the past two months, Secretary Powell, Under Secretary Grossman, Under Secretary Larson, and Deputy Assistant Secretary Stephens have personally pressed home to Serbia's new leadership the need to resolve Serbia's outstanding ICTY obligations, including especially transferring Mladic to the Tribunal. Cooperation with the Tribunal is the key to Serbia and Montenegro's future integration into Euro-Atlantic institutions, including membership in NATO's Partnership for Peace and progress toward a Stabilization and Association Agreement with the EU. We will continue to press this obligation.

We also have repeatedly made clear to the Republika Srpska (RS) government that it must uphold its UN and Dayton obligations with regard to the ICTY. Full ICTY cooperation, in particular to detain and transfer persons indicted for war crimes to The Hague, is one of NATO's conditions for Bosnia's membership in the Partnership for Peace. It also is one of the EU's conditions for Bosnia's entering into Stabilization and Association Agreement negotiations. We will continue to make clear that Radovan Karadzic and Ratko Mladic must face justice in The Hague.

*Question:*

*With Kosovar elections scheduled for October 23, 2004, as proposed by U.N. envoy Harri Holkeri, what are the prospects of proper redress for the Serbian minority in Kosovo?*

*Answer:*

The 2004 elections will give all communities an opportunity to voice their opinions, participate in the political process and seek redress. We believe that Kosovo Serb participation in the elections—as well as full participation in Kosovo's governing institutions—is critical to ensuring that Kosovo Serb interests are reflected in the Kosovo government. We would strongly recommend against boycotting elections or government institutions. The Kosovo Serb political party coalition currently hold 22 out of 120 Assembly seats, including 10 seats that are specially set aside for members of the Serb community. If Serbs increase their electoral turnout in October, they will be able to increase these numbers. With greater representation in the Assembly, Serbs will improve their prospects of influencing Kosovo policy and advance their community's interests.

*Question:*

*With recent attacks against Kosovar government officials, (March 12th grenade attack on Kosovo President Ibrahim Rugova, and the Feb. 22nd attack on Kosovo's Environment Minister), what are the prospects for peace in Kosovo?*

*Answer:*

Although the two recent attacks on government officials were troubling, the ability of law enforcement in Kosovo to cope with political violence is being enhanced. In recent years, we have significantly increased the capacity of law enforcement and judicial institutions in Kosovo to investigate and prosecute these difficult cases. For example, we now have teams of International Judges and International Prosecutors who work on the most sensitive cases in Kosovo, including politically-motivated crime. We are also pressing the United Nations Interim Administration in Kosovo (UNMIK) to stand up teams of specially-vetted of Kosovo Police Service (KPS) investigators to handle this kind of crime. Because political crime is uniquely destabilizing to a society, the United States will continue to press UNMIK to dedicate adequate resources to solving these incidents.

The outbreak of violence in Kosovo on March 17 and 18 was a serious setback to rule of law and multi-ethnic coexistence. The NATO-led peacekeeping force, KFOR, intervened forcefully to stop the violence. UNMIK has committed its resources to identifying, arresting and prosecuting those responsible for the violence. The U.S. supports the process currently underway to help Kosovo achieve internationally-endorsed "standards," including rule of law and minority rights. The achievement of these standards will increase security for all Kosovars and thus improve the prospects for peace in Kosovo.

*Question:*

*Repayment of foreign debt is due to start this year. Is Serbia ready to address its debt situation, and how should the international community address the situation?*

*Answer:*

Serbia and Montenegro has been regularly servicing its external public debt since concluding rescheduling agreements with the Paris Club, World Bank and other multilateral creditors in 2001. Serbia's 2004 budget includes funding to meet domestic and external debt servicing requirements. The International Monetary Fund is closely monitoring Serbia and Montenegro's external debt situation as part of a three-year Extended Arrangement program. Both the IMF and World Bank have provided debt sustainability analyses to guide Serbia and Montenegro in planning to meet its external obligations. Successful completion of the IMF Extended Arrangement is important to managing the debt burden, as it is a pre-condition for Paris Club forgiveness of an additional 15% of Serbia and Montenegro's debt over the 51% immediately written-off in November 2001. Serbia and Montenegro is still in the process of negotiating an agreement with its London Club creditors for treatment of outstanding commercial debt.

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RESPONSE FROM DANIEL SERWER, PH.D., DIRECTOR, BALKANS INITIATIVE AND PEACE AND STABILITY OPERATIONS, UNITED STATES INSTITUTE OF PEACE, TO QUESTION SUBMITTED FOR THE RECORD BY THE HONORABLE DAN BURTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA

*Question:*

*What is the United States Institute of Peace Balkan Initiative doing to promote democracy and minority rights in Serbia-Montenegro and Kosovo?*

*Answer:*

Since 1992, The United States Institute of Peace has been actively engaged in fostering peace and reconciliation in the Balkans, including democracy and human rights in Serbia and Montenegro and Kosovo. As part of our Congressional mandate, the U.S. Institute of Peace, through its Balkans Initiative, has been instrumental in creating and disseminating new techniques and research in the field of conflict management, training current and emerging political and civil society leaders in negotiation and conflict resolution skills, providing numerous grants to international and local organizations to develop a democratic civil society, and providing a unique forum both in Washington and in the region for open dialogue. The following highlights activities to promote democracy and minority rights in Serbia and Montenegro and Kosovo.

#### TRAINING

Through its Training Program, the Institute has helped to facilitate conflict management skills training for both government and nongovernmental personnel. Through presentations, case studies, group exercises, and role-playing simulations, participants build negotiating skills and are challenged to reexamine their perceptions of good governance, minority rights, and other key questions concerning the role of government and civil society. Some recent examples of Institute efforts include:

- Professional skills training with the Defense Ministry of Serbia and Montenegro (October 13–21, 2003)
- Professional skills training for the Kosovo Provisional Institutions of Self-Government (September 6–11, 2003)
- Professional skills training with the Foreign Ministry of Serbia and Montenegro (May 4–12, 2003)
- Professional skills building with the OSCE in Kosovo, Vienna, and Macedonia (March–April, 2003)
- Computer-based role playing simulation for young Serbian and Kosovar political and civic leaders (September 10–12, 2002)
- Professional skills training with the Foreign Ministry of Serbia and Montenegro (July 9–17, 2002)
- Workshop on developing good governance for Kosovo Assembly Members (June 12–16, 2002)
- Professional skills training for officials of the Republic of Serbia (December 3–6, 2001)
- Conflict management and negotiation training for Kosovar political and civic leaders (June 20–24, 1998)
- Conflict management training for over 2,000 U.S. civilian police assigned to UN peacekeeping operations, mainly in the Balkans (1999–2002)

#### FELLOWSHIPS

The Institute's Jennings Randolph Fellowship Program allows scholars and practitioners from around the globe to come to Washington to conduct important research concerning international conflict and peace. We have been privileged to have a number of prominent scholars working on projects related to Serbia and Montenegro:

- Albert Cevallos, formerly with the U.S. Agency for International Development. (Senior Fellow, 2003–2004): "Steal This Revolution: Nonviolent Revolution and the Transition to Democracy in Serbia"
- Michael Hartmann, International Public Prosecutor, United Nations Mission in Kosovo. (Senior Fellow, 2002–2003): "International Prosecutors and Judges in Post-Conflict Societies"

- Sonja Biserko, head of the Helsinki Committee for Human Rights in Serbia. (Senior Fellow, 2000–2001): “Serbia *versus* Yugoslavia: An Inside View of the Yugoslav Crisis”
- Tone Bringa, Associate Professor of Social Anthropology, University of London. (Guest Scholar, 1999–2000): “Post-War Reintegration in the Balkans”
- Stojan Cerovic, Columnist, *Vreme*, Belgrade. (Senior Fellow, 1999–2000): “Yugoslavia after the Kosovo Conflict”
- Daniel Serwer, U.S. Department of State Special Envoy for the Bosnian Federation (Senior Fellow, 1998–99): “Balkans Regional Security”
- Ruzica Rosandic, Department of Psychology, University of Belgrade. (Senior Fellow, 1997–98): “The Goodwill Classroom: Conflict Resolution and Human Rights Training in Educational Policy”
- John Menzies, U.S. Ambassador to Bosnia-Herzegovina. (Senior Fellow, 1997–98): “Consequences of the Dayton Peace Agreements for Regional Security”
- Dusko Doder, Former Moscow Correspondent, the *Washington Post*. (Senior Fellow, 1996–97): “Reconstructing the Balkans after Yugoslavia’s Dissolution and Civil War”
- Vesna Pesic, Chairwoman of the Civil Alliance of Serbia. (Senior Fellow, 1994–95): “Preparing the Ground for War in Serbia, 1987–1992”
- Ted Robert Gurr, Distinguished University Professor, Department of Government and Politics, Center for International Development and Conflict University of Maryland. (Peace Fellow, 1988–89): “Minorities at Risk: A Global View of Ethnopolitical Conflicts”

## GRANTS

Twenty-five percent of the Institute’s budget goes to grants and contracts to non-governmental organizations and academic institutions doing research or working to prevent conflict and to create or revitalize civil society following violent conflict. Below are some of our most recent grants to projects in Serbia and Montenegro and Kosovo:

- Center for Free Election and Democracy (Belgrade and Kragujevac, Serbia and Montenegro). An NGO that has specialized in the promotion of elections and democracy in Serbia. Two grants in 2002 focused on providing training for CESID trainers and activists in negotiation, mediation and conflict resolution skills. The purpose is to build bridges between political opponents, and to improve communication among the main actors involved in elections processes. The specific activities include an initial 16-day training workshop for CESID trainers, followed by eight three-day training workshops for CESID activists, and then by 20 one-day training workshops throughout Serbia.
- Management Center (Belgrade, Serbia and Montenegro). A 2002 grant to support a training course for judges, prosecutors, police professionals and policy makers in a newly democratic Serbia on the challenges of, and strategies for, addressing the problem of organized crime.
- Center for Strategic and International Studies (Washington, DC). A training and seminar program to introduce conflict resolution skills to, and enhance dialogue among, a diverse group of religious and community leaders in Kosovo. The 2001 project also distributed a set of practical manuals for conflict resolution training and the strengthening of civil society.
- Center for Antiwar Action (Belgrade, Serbia and Montenegro). A project designed to engage Serbian and American scholars and policy-makers in exploring the changing nature of contemporary conflicts, state sovereignty, and international intervention, and the related evolution of international law. A 2000 grant resulted in a publication that examined the issues of conflict management, diplomacy, and military intervention on the political process and long-term stability with a particular attention on the 1999 NATO intervention in Serbia.

## A FORUM FOR DIALOGUE

The Institute has long been the place in Washington for democratic leaders from the region to come and speak before a well-informed and inquisitive audience concerned with human rights. Some of recent speakers of note include:

- Branko Crvenkovski, Prime Minister of Macedonia
- Hashim Thaci, Chairman of the Democratic Party of Kosovo

- Bajram Rexhepi, Prime Minister of Kosovo
- Zoran Djindjic, Prime Minister of Serbia
- Goran Svilanovic, Foreign Minister of Serbia and Montenegro

As part of the Institute's efforts to develop a greater understanding on the challenges of preventing conflict and maintaining peace in Serbia and Montenegro and Kosovo, the Balkans Initiative has sponsored a wide assortment of public and off the record briefings. Recent topics have included the impact of radical parties on elections, Kosovo's final status, the future of the Serbia and Montenegro union, and building state institutions in Serbia and Kosovo.

The Institute also provided an important outlet for the Serbian democratic opposition throughout the Milosevic period. USIP has provided assistance to opposition groups such as Otpor, and has collected their stories as part of a developing curriculum on the use of nonviolent political struggle to bring about regime change.

In addition, the Institute has worked to create opportunities for dialogue within the region. Some examples are:

- In Gnjilane in April 2001, the Institute organized a workshop on "Meeting the Challenges of Reconstruction in a Multi-Ethnic Society" for area municipal leaders.
- Municipal leaders from across Kosovo participated in a workshop on developing good governance in Airlie, Virginia, in February and March 2001.
- Albanian and Serb leaders met in Airlie, Virginia, in July 2000 for a facilitated discussion on how to maintain coexistence through a multi-ethnic society.
- At the request of the U.S. Army, the Institute held a workshop on coexistence in a multi-ethnic society for Albanian and Serb leaders in Gnjilane in April 2000.
- Leaders within the Kosovo Serb communities met in Sofia, Bulgaria in December 1999 to discuss "Options for Building Multi-Ethnic and Democratic Institutions in Kosovo."
- Kosovar Albanian political and civic leaders participated in a workshop on coalition building in Landsdowne, Virginia, in May 1999.

As briefly mentioned above, the Institute, through the efforts of current Senior Fellow Albert Cevallos, has been the focal point for the unique effort to bring young political and civic leaders from Serbia and Kosovo together in the hopes of reestablishing a dialogue lost to the war in Kosovo. Beginning with a small but dedicated core group, the *Partnerships for Peace* Project has grown considerably to include members from nearly every political party. Following a series of successful meetings in the region, and a training program in Washington, the project is now largely run by the participants themselves and has undertaken several initiatives aimed at fostering inter-ethnic reconciliation and democracy, including efforts to end the recent violence in Kosovo and to ensure that it does not happen again.

