

RADIO FREE EUROPE / RADIO LIBERTY

KOSOVO ON THE EVE OF DECEMBER 10

WELCOME AND MODERATORS:

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*Transcript by
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Washington, D.C.*

DON JENSEN: Okay, thank you, well, let's get started then. You can hear me okay here? Thanks.

Good morning, I'm Don Jensen, director of research and analysis here at RFERL. Welcome to all of you here in Washington to discuss this important and timely topic. And before we begin, I'll turn it over to my colleague, Nenad Pejic, in Prague who is associate director of broadcasting, but also the founder of our South Slavic and Albanian language service. Nenad, good morning.

NENAD PEJIC: Good morning, Don, to you, to our guests, and to everyone else. Unfortunately, I don't see others, but that's fine.

MR. JENSEN: We'll try to move.

MR. PEJIC: We have here, as far as you can see, lots of broadcasters, some guests, and among them is Ms. Ilirjana Bajo who is going to participate in this round table discussion. Dan, if you don't mind, at the very beginning one minute about South Slavic-Albanian language service for the sake of your guests and –

MR. JENSEN: Go ahead.

MR. PEJIC: – Mr. Lyon and Mr. Serwer and other guests. RFERL started broadcasts to the Balkans 14 years ago. At that time, we decided to go – to have – to launch a broadcast that would be exactly opposite what other international broadcasters were doing. While other international broadcasters were going in separate languages or separate countries, we decided to have one regional program to address all the countries with the same context, with the same time.

As a next step, we started to have our programming in national and other languages, not only Serbian and Croatian and Bosnian, so in March 1999, we launched the program in Albanian for Kosovo that attracts even today a huge number of listeners. And this kind of regional approach actually put us in a very comfortable position that at any moment, we have – we are ready to give any kind of reactions from any part of the Balkans. That is unique – (inaudible) – for Radio Free Europe Radio Liberty to Balkans.

As a consequence, our highest rates were during, of course, the crisis in Serbia and NATO air strikes that were around 36 percent, meaning that 36 percent of the population were listening to RFERL at least one time per day. Current listenership rates in Kosovo, our program in Albanian to Kosovo, is 12 percent, meaning 12 percent of the population have been listening to us regularly, at least one time per week. For an international broadcaster, everybody knows, it's pretty high. To give you a comparison, BBC is doing better than we do; they have 2 percent higher rates, but they do have TV as well. And we all know it's not possible to compare apples and oranges.

This is for the beginning, Don, from my side, so back to you.

MR. JENSEN: Well, thank you. And let's begin.

After eight years of waiting for the international community to grant it independence, Kosovo's Albanians, as all of us know, are on the verge of declaring it themselves. A troika composed of representatives of the EU, Russia, and the United States, have been overseeing talks on the province's future status, but there has been little prospect of success. The Serbs insist that Kosovo remain a part of Serbia, for a variety of reasons, while ethnic Albanians will accept nothing less than full self-government.

On December 10th, the troika will almost certainly report back to the United Nations that it has failed and the Albanian leaders in particular, Hashim Thaci, who may well be the next prime minister, has said that Kosovo will then quickly move toward independence at a timeframe in the near future. To discuss these and related issues, I have the great pleasure of introducing three distinguished guests: Dr. James Lyon joined the crisis group in 1999 and has served the organization in a variety of capacities, including director of its Bosnia project, Serbia project, and in 2006, Lyon was appointed the crisis group's special Balkans advisor, primarily responsible for Macedonia, Serbia and Montenegro, Bosnia and Herzegovina.

Ilijana Bajo, to Nenad's left, has been a broadcaster with us for the past six years in our Kosovo subunit; prior to joining RFERL, Ilijana covered the Kosovo conflict as a reporter in the Balkans bureau for The New York Times and worked with international organizations from 1999 into 2001.

Dr. Daniel Serwer is vice president of the Center for Peace and Stability Operations and the Centers for Innovation of the United States Institute for Peace, joined the USIP in 1998 as a senior fellow with a long expertise in Balkans regional security. He was director of European and Canadian analysis at the State Department a decade ago where he followed Bosnia and the Dayton Peace Process, as well as other related security issues. He served as special envoy and coordinator for the Bosnian Federation, mediating between Croats, Moslems, and negotiating the first agreement reached at the Dayton Peace Accords – talks.

Welcome, gentlemen, welcome Ilijana. Let's go in that order and after your remarks we will go back and forth between Prague and Washington with questions from those here this morning.

DR. JAMES LYON: Thank you. I'd like to start off by looking at some of the other issues in the Balkans that are going to affect the outcome of the Kosovo talks, and in particular the direction of the international community would take. And I'd like to talk around Kosovo at first, and then in the question and answer session, I would like to address some of the Kosovo issues specifically. But I think it might be more interesting to discuss what's happening in the neighborhood and what is the context of what we see happening and how will that play out in terms of the great power relations, which as we often know, dictate what actually happens on the ground and certainly will seem to do so in this case.

And I guess the first theme I'd like to touch on has to do with Russian resurgence in the Balkans. Much of the international community's policy, especially that of the United States and the European Union, has been based on the assumption that Russia had ceded the Balkans to the European Union and the EU sphere of influence. In other words, it was kind of like a soccer match where we were going out on the field and there was no opposing team.

The entire stabilization and association policy of the European Union, which as we know is the overarching policy for the Balkans, is premised on this idea; however, we have noted within the past two years of a number of moves that – coming out of Moscow that have changed the playing field and should cause the international community to ask question about whether its current policies are any longer practical and viable and whether or not they need to be revised in light of the Russian resurgence.

If we look at this, let me give you a few thoughts. If we had to say what is Russian policy in the Balkans today, one might say that it is a two-pronged policy, perhaps three-pronged, the first being to prevent entry of countries into the European Union, the second being to prevent entry of countries into NATO, and possibly a third policy prong, and that is consolidation of energy resources. It appears, based on – we don't have any official pronouncements from Russia, but based on circumstantial evidence and their behavior in the region, it appears that they have targeted three countries whereby they think they can achieve these goals: the first being Serbia, the second being Montenegro, and the third being Bosnia and Herzegovina.

And as we speak about Russian resurgence, we should mention Kosovo and the behavior over Kosovo regarding the Security Council is simply the tip of the iceberg. We look at Montenegro, we see one individual, Oleg Deripaska, controlling close to 37 percent of Montenegro's gross national product, he being one of the Russian big businessmen, owning the aluminum factory in Podgorica, the bauxite mines in Niksic. For those of you who drive up and down the Montenegrin coast, you see real estate signs in Russian; if you go to the hotels, you see a huge number of Russian guests. You turn on any TV in any Montenegrin hotel; there are at least three to four channels that are Russian channels being broadcast roughly out of Russia. There are certain individuals in the ruling political party, I won't name names at this point, but in Montenegro who have very strong sympathies toward Moscow.

We look at Bosnia, where the Republika Srpska is ideally placed as a spoiler to any efforts by the federation; we see right now that Republika Srpska certainly is not going to recognize Kosovo or permit Bosnia to recognize Kosovo under any circumstances. We see there an influx of Russian investment, in the Karakai (sp) aluminum smelter near Zvornik, the privatization of the Bosanski Brod oil refinery, entry of Russian companies into the financial sector, and now increased Russian interest in the hydroelectric sector in Republika Srpska, with complete avoidance of the federation. We have seen this with Russia's recent attacks inside Bosnia on the international community with Mr. Lavrov himself calling the higher representative's recent actions illegal.

We look then at Serbia, as I say with Serbia, Kosovo is the tip of the iceberg. We see Gazprom interested in privatizing the state oil monopoly, building natural gas lines. We see Aeroflot interested in privatizing Jat. We see across the board an increase in Russian influence, both on the economic front and on the political front. We see Mr. Koštunica coming out openly and saying Serbia will not join NATO and also hinting around the edges that EU membership might be in question.

So, we know have a changed playing field. It's no longer what it was – the same as it was two years ago, and this is going to have implications for Kosovo and for the Kosovo status issue. But it should also have implications for the stabilization and association process and its

use as the sole foreign policy instrument by the European Union, and also for the U.S.'s heavy reliance on European policy to push efforts in the region. In other words, it's time to reevaluate and ask ourselves whether the current policies are really working and I would posit that the answer is no.

Now, once again to go to the theme of talking around Kosovo, we have one of the biggest questions people ask us when Kosovo becomes independent, is it going to cause a spillover in the region? And what we're seeing is already in northern Macedonia, there are disturbing signs the region between – in northern Macedonia, south Serbia's Preševo Valley and southern Kosovo is a very, very troubled region in that there has historically never been – there have never been borders in that area in the past 1,000 years until 1992. And the people there were accustomed to move freely.

It was also a region that was known for a lot of, shall we say, banditry, going back hundreds and hundreds of years. And now, we have on this the overlay of about a border between Kosovo, Serbia, and Macedonia, and in that little triangle there, there is tremendous movement of individuals, many of whom are former guerrilla fighters and current organized criminal – organized crime members, many of whom are all dressed up with nowhere to go with large quantities of weapons and free time on their hands. We have seen in the most recent raids in northern Macedonia that the police have seized substantial quantities of mortar tubes, anti-tank weapons, lots of mines, and even some surface-to-air missiles.

The question as to whether Kosovo independence will spill over into Macedonia is very worrisome at this point. It is obvious that both K4 and the Macedonian authorities are trying to crack down on this, but we have a highly mobile group of individuals who moves between these three areas: south Serbia, south Kosovo, and northern Macedonia. And there is a very real possibility that some of these may decide to act out their frustrations in one of these areas and given the fragility of – Macedonia is still, shall we say, strengthening government institutions under Ohrid, this should be of concern.

The other area of spillover is Bosnia-Herzegovina where we have seen recent efforts by Mr. Koštunica to openly link the fate of Kosovo with the fate of Bosnia and Herzegovina and we have seen Mr. Dodik in open defiance of the high representative and the international community with firm Russian and Serbian support, and people have been asking whether Republika Srpska will try to secede from Bosnia under cover of the Kosovo status question. At present what we are seeing are indications that Mr. Dodik, although making noises, has given no indication whatsoever that he will attempt to remove Republika Srpska from Bosnia and he's been very clear about this. And he has stated very clearly, he plans on keeping the things under control in Republika Srpska.

At the same time, there is now a serious facedown – face-off between him and Mr. Lajcak, the high representative, as to which direction Bosnia will go in. Will the international community stay and continue to try to create a functional state in Bosnia, or will it leave and permit the country to begin to dissolve?

That's what we're seeing on the margins of Kosovo and I guess I will stop there and Kosovo-specific questions, I will take as they come.

MR. JENSEN: Thank you, over to you, Ilirjana.

MR. PEJIC: Thank you, Don, go ahead. Ilirjana Bajo, broadcaster in the South Slavic-Albanian languages service.

ILIRJANA BAJO: Hello everybody. As I received the invitation to participate in this debate and this round table, the first thing I did was sending a few emails and making a few phone calls to people I know in Kosovo, my friends, people with whom I used to work from different backgrounds. And my simple question was why you should be – why Kosovo should be independent?

The answer was almost the same, told in a different way, but the same answer – because we want to be free. So, in Kosovo, the question is independence is equal with the question of freedom. And if – I've had follow up emails to them – it was like, you can be free but in a different framework, the answer was again almost the same from all of them. We have been in Yugoslavia and since the end of the Second World War, Kosovo has gone through communism, apartheid, war, and especially for the two last ones, if we have to blame anything, the name is Belgrade. So, for us, it's clear. Independence is equal to freedom.

And some of them even went further and said, we have seen what Belgrade have done to Kosovo Serbs in the last eight years since Kosovo was under U.N. administration. And they said, they have been misused and mistreated badly from Belgrade. So, how we can believe any promise from it? So, in Kosovo, the situation is simple; they need to be independent because they need to be free. And in 21st century, I think there should be few people to put in question if 2 million need to be free. And as I think, people who know the region agree with the fact that not only majority Albanian but other non-Serb minorities in Kosovo support independence and are for it. But – so, it looked like if it will be for people in Kosovo, the situation is simple. They have been part of the former Yugoslavia – former Yugoslavia doesn't exist anymore. They need to go in their own way as other parts of it.

But the problem doesn't lay with Kosovo, to be honest, the problem lies in Belgrade. Belgrade has insisted, and still yesterday, we heard Mr. Dodik and Mr. Koštunica saying that territorial integrity is very important; we are not going to give up. Fine, I have a naïve question – for which kind of territorial integrity we are talking here because the last 10 years we have seen three Yugoslavia. Belgrade has been capital of three different countries, with different borders I mean, so which kind of territorial integrity already you have given up.

The key issue as we are approaching 10th of December, despite our wishful thoughts, I think the key lies with K4 for the moment because Serbia has declared, has shown in more than one case that it's more interested for territories than for people. So, in this case, although Serbia, they know that they have lost Kosovo in '99 because they lost the war, they will try to make possible the partition of Kosovo, and that's the worst scenario because all the fears Mr. Lyon brought up regarding Macedonia, Preševo Valley, et cetera, will come up in a clear way if we'll talk about – if partition of Kosovo can happen in a way or in another.

So, in this case, as the first thing K4 has to do is to establish its presence in a very heavy way north of Kosovo to make clear that nobody else is in charge of security, a part of K4 and Kosovo police force and army police. If we are going to talk about partition in the sense that

that's – to be honest, that's what the Serbian Academy of Science is advocating for a long time. Serbian Orthodox Church as well has supported this idea, and people familiar with the region know that the Serbian Orthodox Church is very active politically in Serbia. So, we are talking for partition – partition will open a Pandora's box because Albania and Kosovo has accepted Ahtisaari Plan and independence – has accepted independence to be honest, as the biggest compromise they can do because they can talk to join to Albania – Albanians in Macedonia to separate from Macedonia. We have the Preševo valley, et cetera.

So, in this case, if we have to be afraid how Macedonia will go on, how Serbia itself – I mean, for how Preševo Valley will go on, we have to make it clear and final, it will be no partition, and not any efforts toward partition can be successful because this will bring up – put into question Macedonia. This will put into question Serbia itself with Preševo Valley, et cetera. And I would like to make a remark regarding Albania because until now, Albania has tried to be moderate, to call themselves moderate, not be a real actor in the game, but we have keep in mind that Albania is, of today, Albania 2007 is different from Albania in '99, Kosovo declared independence through referendum. Albania of '99, when we had Kosovo crisis, is different from Albania of today because Albania of '99 just was recovering from a '97 civil unrest. And Albania today has accepted the fact that Kosovo should be independent and the population itself cannot accept something else.

So, if we again – I'll go back to the fears for the other part of the region, we have a base, this fear will be based, if we are going to talk for partition of Kosovo because until now, we are talking for a process which is disintegration of former Yugoslavia. At the moment, we are going to put into question the border of Kosovo, the current border of Kosovo, it means we are not anymore in the framework of disintegration of the former Yugoslavia. We are in a new process where, in the Balkans, no other country in the Balkans has fixed and secure borders. So, I think the main – the first thing is for K4 to intensify its presence – a real presence – in northern Kosovo, not only in the shadow of a military base, just with troops and tanks in the streets to show that who is in charge? Who is the man of the show?

And the second thing is international community and when I talk about international community, I heard a lot about Russia and it's quite a concern, but what I will use – what I will include when I use the term international community, I mean the countries which has established itself as democracies and for whom the freedom counts. So, this compass should act immediately and should recognize Kosovo independence to give Serbia a clear signal that there is no err in question that this part of the former Yugoslavia has to go on its own.

After that – because until now, what we have heard about Kosovo. [The] international community has tried to invent the status. We have heard about supervised independence, we have heard about conditional independence. A few years ago, I was talking to Jacques Rupnik, a political scientist and colleague of Mr. Lyon, and he said smiling that he can claim the author rights for the term conditional independence. And when I ask what did you mean exactly by that? He said, to be honest, I don't know.

So, we don't need to invent a solution for Kosovo; we need to use a solution that has been used for Croatia, for Slovenia, for Macedonia. Kosovo has had its own rights in the former Yugoslavia, so from a legal point of view. And Russia, it's a concern, but to be honest, Russia has to clean its own house before coming to Balkan. I know it's easy to say and it's more

difficult to act, but if Russia will try to make any – (unintelligible) – with Kosovo, it's better if it look in backyard with Chechnya and other regions in the Russian Federation.

So, my point is international community, after recognizing Kosovo independence, should push Serbia toward the process, what ancient Greek calls catharsis, or what was called after the Second World War in Germany denazification of society because we don't need a sick Serbia in the region; we need a healthy Serbia, which will be in term with its past, accept what its troops did on behalf of Belgrade to Kosovo, to Bosnia, et cetera.

So, that's less or more, that's what I have to say for the moment. Thank you.

MR. PEJIC: Thank you. Don, back to you and Mr. Daniel Serwer, I guess.

MR. JENSEN: Thanks, Ilirjana.

DANIEL SERWER: Thank you, I want to make three points. First, that the problem is not independence; the real issue is sovereignty, Belgrade's got it right; second, that we're headed for a pretty bad ending, but one that is better than the other options still open; and the third, we do as the other speakers have suggested, need to mitigate the consequences and I think there are some very specific ways in which that can be done.

Why do I say that the problem is independence – is not independence but sovereignty? Because I don't think Belgrade has any intention of governing Kosovo again. The current regime in Belgrade is different from the Milosevic regime in having given up on Milosevic's two solutions to the problem in Kosovo; his first solution was repression, the second solution was to chase the Albanians out. Belgrade has given up on those two solutions. It now has another solution, which is to maintain nominal sovereignty and let the Albanians govern themselves completely, that means pay for themselves, that means run their own educational systems, things that frankly, Milosevic might not have tolerated.

Independence is relative; sovereignty really isn't. Independence is something you can declare for yourself. Kosovo did that already in the early 1990s, likely to do it again, but it will have no importance whatsoever unless there is recognition by other sovereign states. The way you become a sovereign state in the modern world is by recognition from other sovereign states; you can't do it on your own. You need recognition. I think the real problem is sovereignty and we should be thinking in those terms, as Belgrade always has, and sovereignty – Ilirjana has described very graphically what it means for Kosovo – it means to be free. But free of what?

It means to be free of Belgrade's security forces, above all, and therefore the definition of sovereignty is really the classic one in this case, which is a question of monopoly of the means of violence, and that's what Belgrade is refusing to give up, what it wants to maintain indefinitely without using it much, but what it would like to maintain indefinitely or at least indefinitely over a certain part of the territory.

My second point is that this is a bad ending but better than the alternatives. I think it's particularly bad for Russia and Serbia, by the way. It's quite clear that the Ahtisaari plan is a plan that provides to the Serbs of Kosovo everything Belgrade ever asked for. There are dozens of obligations in the Ahtisaari plan, on Prishtina's treatment of Serbs in Kosovo, and almost no

obligations whatsoever on Belgrade's behavior. The plan was an effort to buy Serbia off, just as our effort – or allowing them into PFP was an effort to buy them off; negotiating the stabilization association agreement. Initially, none of that has worked. It has been an absolute diplomatic failure, and for a very good reason because Belgrade is much less interested in those things than it is in maintaining sovereignty of Kosovo. But this ending is bad for Serbia because it's bad for the Serbs of Kosovo and puts them at risk.

Now, the Albanians have agreed to implement the Ahtisaari plan, but that's also a bad deal for them. They thought when they negotiated the Ahtisaari plan, that the quid pro quo was recognition by Belgrade. It is quite clear now that they're not going to get that. So implementing the Ahtisaari plan with all the guarantees it has for the Kosovo Serbs, including the guarantee of representation in the parliament that would insure a large measure of representation even if there's not a single Serb left in Kosovo, this is a pretty bad deal for the Albanians. But it's a bad deal for the Serbs because it means that the implementation of the Ahtisaari plan is without their participation, and it would have been much better with their participation.

It's a bad deal for Russia. It's a bad deal for Russia because it likely means that, like the war, the NATO-Yugoslavia war, the decision on Kosovo's status would be taken outside the Security Council. And it is much better from Russia's perspective if decisions in this wake are taken inside the Security Council because then the precedent as we decide these things in the Security Council, where Russia has a veto. If this is decided outside the Security Council, as the decision to go to war was, and then only, you know, confirmed after the fact as the decision to go to war was, Russia loses.

I, for that reason, believe that it would be a good idea to take the resolution into the Security Council. I am universally opposed on this point by American and European diplomats. Why? Because the Europeans feel that it would be impossible to deploy their presence in Kosovo after a veto by Russia. So they're not willing to take the risk of a veto. And if they're not willing to take the risk, frankly, Russia's able to get away with preventing Kosovo's independence, at least from their perspective, without paying a price for it.

It's not great for Kosovo, what's about to happen. Not great for Kosovo because it doesn't get recognition by Belgrade. Ilirjana was absolutely correct; what the region needs is a healthy, strong and prosperous Serbia. It's this that will unquestionably strengthen nationalist forces, anti-EU forces, and pro-Russian forces in Serbia for some time to come. And I don't think it'll be permanent, but I think it will strengthen those forces.

So it's a bad ending. But what's your alternative? Belgrade has proposed, you know, a delay of 20 years, basically. Does anybody believe that could be done? I don't think anybody who has talked to a Kosovo Albanian imagines that that could be achieved. Or, is the United States willing to spend another 20 years with the current status? Or the EU?

So, there are various other proposals that Ilirjana mentioned, partition. There are clearly voices in favor of partition in Belgrade. I don't agree with her about the church; the church stands to lose a great deal under a partition scenario because none of the major Serbian monuments are in the areas that Serbia could hope to hold on to, except maybe Gračanica, but even that might be in doubt.

The failure, I want to underline, of the negotiations, as James has suggested, is not due to anything having to do with Kosovo uniquely. It has to do with Russian resurgence, with Russia's ambitions in the region, with Russian relations with the United States, which are pretty bad. Kosovo is a victim here; I don't think it's the prime mover.

The third point I wanted to make is that there's a real need to mitigate consequences, and the other speakers have talked about this. Frankly, I very much hope that the Albanian population of Kosovo understands that recognition, which should be their main objective at this point, will be very difficult, in fact impossible, for the United States and other countries if there's violence against Serbs in Kosovo. This has got to be understood. If I were an Albanian nationalist, Kosovar nationalist, I would be developing a scheme to protect each and every Serb who's a resident in Kosovo south of the Ibar. They can't do that north of the Ibar because it's under Belgrade's control, but south of the Ibar it can be done by Albanians, and this has to be clearly understood and I think is largely understood.

The question of the north is very, very difficult; I agree with Ilirjana, the KFOR should be strengthened up there. But the fact is that there's no international political will to force the reintegration of the north with the rest of Kosovo anytime soon. It's going to take 10 years, if it can be done in that time. And they're just going to have to live with that; frankly, it's a pretty small area. I think it won't be an enormous burden on the international community to maintain forces there and maintain the capability there that can gradually lead to integration.

So, first, Macedonia's concern; you know, frankly the Macedonians have shown themselves wise on these issues many, many times. I hope they continue to do so. There's a lot of strain in Macedonia at the moment, ethnic strain over issues like flags and language and things of that sort. I hope the Macedonians can continue to show the kind of wisdom that has kept them out of more than what I would call low-level warfare for the last 15 years.

Bosnia I'm really quite concerned about because I don't see the awareness, especially among the Europeans, of the risks to Bosnia. I believe that Koštunica has made himself quite clear in threatening the territorial integrity of Bosnia if Kosovo becomes independent. I think they've been quite up front about that, that that is going to be a question, and we need to prepare for that possibility.

Ilirjana mentioned something that I think is terribly important because, after all, these bad consequences in terms of the level of violence that's possible in the Balkans today, this is hard to say but I think all too true, that level of violence would hardly register on the world's Richter scale today because of what's going on elsewhere. The real problem of allowing partition, of allowing Republika Srpska to take advantage of this moment, the real problem is that you would reignite pan-Albanianism in the Balkans and that, in turn, will feed pan-Serbianism. The Albanians have essentially made a bargain; the bargain is we live in different countries so long as Kosovo gets independence. That's the bargain they've made with us. That bargain is off if Kosovo doesn't get independence or if the process at the end is very messy.

How do you avoid all these consequences? Of course, you deploy troops, you get ready, you talk to people; there are a lot of diplomatic things you can do. But I think the single most important thing you have to do is to make sure that this is not a unilateral declaration of

independence. This has to be a coordinated, cooperative effort by Kosovo, the United States and the major European powers, along with as many of Kosovo's near neighbors as possible. I'm thinking Macedonia; I would love to think Montenegro. Of course, Albania would join in. I would hope Croatia. But this has to be a visibly multilateral decision, and one in which there's not just a declaration of independence but a clear bargain. We declare independence, but we agree to implement the Ahtisaari plan; we agree to international supervision for a long time.

I should stop there.

MR. JENSEN: Thank you very much.

Dan, I'll start here and I'll go back and forth with the questions?

MR. : Go ahead.

MR. JENSEN: And I wanted to ask the first one myself, which is to talk about the third partner in the troika which is the European Union, and the politics therein. A majority of 20-plus countries seem to be going along with the general drift of events, but those of you members particularly in the area of Kosovo are markedly more reluctant. Perhaps, Dr. Serwer, you want to address that.

DR. SERWER: There is no real prospect of early decision at 27 members of the EU in favor of immediate recognition. To postpone things in the hope that you could get all 27 at once would be foolhardy. There are some countries in the EU that have very clear and even compelling reasons to oppose Kosovo's independence. I think the European Union in the last few months, watching the negotiations, watching how badly they've gone, slowly but surely has decided to give up on complete unity and to develop some method of moving ahead without all countries joining in the recognition, and that's a good thing. I do believe that the others will come along; I don't think they'll veto a move by the European Union.

And it's absolutely vital that the EU and the U.S. act together on this question; good things in the Balkans happen when Brussels and Washington can act together. Even when they decide the wrong thing, it usually goes in the right direction if they'll act together. I'm no fan of some of the things they've decided together, but usually things go all right if they decide together. If they split, or if the Europeans cause a long delay, that in my view would be an invitation to disaster.

DR. LYON: If I might just add something on this. A lot of people are talking about the failure of the troika negotiations. I would argue that the negotiations, although they have failed in coming to a negotiated outcome between Belgrade and Priština, they haven't failed in one other sense. And the other purpose of these negotiations was actually, in fact, to bring doubting and wavering EU members on board to prove to them that the Ahtisaari process was really an aberration. The best efforts of the international community aside, there is simply no way whatsoever to reach a mutually negotiated settlement between Belgrade and Priština, and in this regard the troika negotiations have been a tremendous success in that they have brought the majority of EU members together, and at this stage it appears that the countries that will not recognize within the first year of independence will probably be Cyprus, Greece and perhaps Romania and Bulgaria. Everyone else appears to be on board. So in this regard, the troika

process has succeeded in creating a more unified EU policy and in removing doubt from the minds of those who would have otherwise opposed supporting a UDI.

MS. BAJO: If I add on, I think European Union – I hardly can remember any case when EU foreign policy has been united. If it's my fault, somebody can help. But European Union has to make a decision: Does it need Russia and Serbia? Because if we prolong the status issue, if we prolong or create any strange scenario in Balkan, it means that Belgrade will fall in love forever with Moscow, which is fine enough; it's their decision. But it means that you'll have two authoritarian Kremlin, what we have today, just in the heart of Europe. Are you ready to deal with it because if today we are talking just for some influence, just for some transitional roots for gas and energy, I don't know what we're talking tomorrow; a new Russia pact? Maybe I'm going too far, but I don't know what would come out from Kremlin.

And it's kind of a joke, but as I was doing an interview, like a few months ago in March, with a U.S. expert he said, I'm not in Kremlin law (?) and just by mistake, I got it like criminal law, you know. And I said, beg your pardon, can you repeat it and he said, no, no, I'm talking for Kremlin. There is kind of analogy – maybe I'm going too far, but there is kind of analogy for a moment, what Kremlin is trying to do in the Balkan.

MR. JENSEN: Thank you. Nenad?

MR. PEJIC: Any questions, guys? Patrick? Patrick Moore is our RFERL expert on Balkans, among other stuff.

Q: Thank you, Nenad.

Question for anyone who wants it: One of the big tools in the Serbian propaganda kit all along has been to create an image of fear, particularly to frighten some West Europeans. I think they've done a good job of this in Italy, for example, that Kosovo independence is somehow going to destabilize the region rather than being a force for stability, as some of us would believe. Koštunica has suggested that this will lead to instant fragmentation of the region; he has also suggested that it will lead to a growth of nationalist forces like the radical party within Serbia itself, somehow undermine Serbian democracy, of which he presents himself as a paragon.

I would wonder how you would see this. Do you see if Kosovo, when Kosovar independence comes, what effects this is going to have on internal Serbian politics because for me, the real problem for security of the Balkans is Serbia, not Kosovo. Might Kosovar independence lead to a scenario not as just strengthening nationalist forces, but of disenchanting people with the nationalists realizing that nationalism is not going to put food on the table; it's not bringing jobs, it's not clearing up problems of crime and corruption. Thanks.

DR. SERWER: Question of time frame, really. I think you can expect a strong nationalist reaction in Serbia and if they hold elections, as they seem to be planning to do immediately after the decision, that I would expect the radicals to come to power. In fact, in some ways, I would hope that their strength within the Serbian political spectrum would be recognized, and that they would be brought in to government in a way that makes them responsible because they have been nothing but strengthened by the tactic of staying out of

government while they take large portions of the jobs and patronage and pork that the government provides.

But I do expect that once this initial reaction is over, frankly I think removing the Kosovo issue from the Serbian political sphere will liberate Serbia to follow a European vocation, which clearly keeping the issue open has not allowed them to do.

DR. LYON: When one goes to Serbia at present, when one reads the newspapers, when one speaks with individuals in the government, the word Kosovo seems to be everywhere. In speaking with individuals in the government who are ministers, I keep hearing that the government sessions of the prime minister and the ministers are dominated by Kosovo and literally nothing else; literally nothing else is being done in terms of governing the country. If there's going to be a new policy for increasing the birth rate, how does it apply to Kosovo. There's going to be something to do with reregistering automobiles; how is that going to apply to Kosovo. In other words, Kosovo dominates even some of the most trivial and silly issues.

Having said this, removing Kosovo from the table would no doubt be good for Serbia's body politic and for the day-to-day efforts to reform the country, which have been stalled for quite some time now.

The fear of the radicals – I should point out Slobodan Milosevic was very effective in using this to frighten the West. Throughout the second half of the 1990s, he kept saying to the West, oh, you can't do this; you think I'm bad, Vojislav Šešelj and the radicals are even worse, and if you remove me or if you threaten my government then the radicals will come to power. And the West bought into this argument to keep Milosevic in power. And well, we have seen the same argument being played by the so-called Democrats ever since Milosevic was ousted; whenever the West asked them to undertake some difficult measures, the classic response was, you can't do that, the radicals will come to power.

Well, the only time the radicals actually came to power was when Milosevic brought them in the government willingly. And the only time they've thus far threatened to come to power was when Koštunica brought them into the parliament willingly at the beginning of this year. In other words, the radicals in and of themselves posed no danger unless the other parties, who are allegedly democratic in orientation, decide that they wish to hold on to power at all costs and are willing to play the radical card, which Mr. Koštunica increasingly seems wont to do.

But if we look at the poll numbers, the poll numbers just aren't there to back up this radical bogeyman. Even were Kosovo to become independent, the polling data appears to show that Mr. Tadić would still be Mr. Nikolic in a second-round presidential election runoff. So, what this leaves us with is we have this will o' the wisp of the radicals coming to power on which the EU has been basing much of its policy and the U.S. And at some point, we have to face it down and say, this is a mirage; it simply isn't there. The radicals are not going to come to power unless the Democrats want them to come to power, plain and simple, and if the Democrats want them to come to power then what kind of Democrats are they, and why are we supporting them anyway.

And the other issue that this brings up, which is very key here, is let's say they did come to power. So what? Serbia is a democracy. The radicals are the single largest political party in

Serbia. How can one continually ignore and marginalize the single largest political party in any country? And this simply does not bode well for the growth of democracy or for good governance in Serbia as long as the radicals continue to be marginalized.

So, I guess my two points are, number one, the radicals are a mirage. They just aren't the danger present them to be. The second point is, even if they're not, so what? As Dan said, bring them into government; make them responsible. Right now, the radicals have all the perquisites of power and none of the responsibilities. They form government policy, they have individuals in key positions, they are able to get pork and dispense patronage, and they are not answerable to anyone.

MR. JENSEN: Thank you. We have a question back here, sir, and identify yourself.

Q: Stanley Kober, with the Cato Institute.

I have a question just on the balance of power with regard to Russia, and I'm struck by the headline in today's Washington Post, and I guess our colleagues in Europe might not have seen it: "Moscow May Host Middle East Follow-up." That we want the Middle East follow-up to follow up to Annapolis to be a meeting in Moscow in the spring of 2008. Since when has our plan, our plans for Middle East peace, gone through Moscow? This, to my mind, is an acknowledgement of a shift in the balance of power, if we now have to go to Moscow for help. That perception of a shift will also be perceived in the Balkans, won't it? And, you know, if we feel we have to go through Moscow for peace in the Middle East, and we ignore it in the Balkans, then won't the Russians also see it that way?

So, my question is not about the right or wrong of this. What is the perception now of the balance of power?

DR. LYON: I'd have to say the perceptions vary from country to country. In Serbia, there's obviously a very strong sense of, how would one say, of kinship with the Russians. It's sort of a schizophrenic relationship in terms of the way the Serbs view the Russians. On the one hand, you have these ideas of Slavic unity; you have these ideas that Serbia belongs to the Eastern Orthodox cultural sphere. You have a lot of similarities, a lot of trade going on. Something the EU hasn't realized is that Serbia's number one trading partner is not the EU; it's Russia. And they – you know, there's a lot of these warm feelings toward the Orthodox big brothers, and there have been instances in the past where Russia has certainly supported either Yugoslav or Serb policy.

On the other hand, Serbs are very well aware of history, that in every single instance where the Russians have supported Serbia, they have then later on withdrawn their support and left Serbia to face the consequences alone. The first example of this was during the first Serbian uprising, when Serbia sent in troops to support Kara George Petrovic against the troops. This was back in 1804, and then in 1811 Russia concluded a separate peace agreement with Turkey and withdrew its troops from Serbia, allowing the Turks to reenter and re-conquer the country. And you can then go down from that period on up to the present period and find instance after instance in Serbo-Russian relations where this type of behavior occurred, which leaves Serbs with the desire to want, to like the Russians, and I think all of us who know Russians know that Russians are actually very likeable people, but on the other hand there's this schizophrenia.

Now, in Montenegro, Montenegro has always been very, very sharply divided between east and west and has always relied very strongly on Russia for support, especially in the 19th century. There is still a lot of strong sentiment there. But at the same time, people are aware of Russia's weakness during the 1990s under Yeltsin and during the early part of the Putin administration, or regime I guess as we're increasingly referring to it now, and there's a question of reliability. That is, a lot of people look at Russia and they're asking can Russia be a reliable partner. They know Russia can be a spoiler, but they don't yet see a stable policy agenda that they feel they can rely on.

When I was speaking earlier about Russia's desire to prevent NATO membership or EU membership in these countries, what is important here is Russia hasn't offered a viable option as of yet. That is, we don't see any sort of equivalent to the SEATO; we don't see a CENTCOM or COMECON type of proposal, as was the case in the Cold War. We don't yet see any sort of equivalent of the war sub-pact, and Russia may not ever come up with something along those lines, but the fact is Russia is regarded as a spoiling power and often unreliable partner. Yet, many people look at Putin with increasing admiration because he appears to have restored Russia to what many think is its rightful place in the world. And so there's a lot of hesitancy because in Serbia and Montenegro, people are very aware how unreliable Russia has been in the past, even when it was very strong, and how reliable it can be.

In other areas, Bosnia, there is no Russian investment, period, in the federation. In Republika Srpska, there is Russian investment. Obviously, the Bosnian Serbs have fond memories of the Russians being there under IFOR and SFOR as well as for the Russian presence during the war in Bosnia as part of an international peacekeeping mission, where they felt the Russians were there to protect the Serbs from the Bosniaks and Croats. For the rest of the Balkans, I think Croatia is very skeptical of Russia; Macedonia, I think, is very worried simply because its first question is maintaining its own territorial integrity.

Thus far, Russia has not played any particularly negative role in Macedonia, either one way or the other. But once again, Russia seems still to be defining itself in its own foreign policies. And I think until Russia has more clearly defined policies, it's going to be difficult for it to present a viable option to the entire region. At this stage, the only country that we've seen wholeheartedly embrace the Russian option has been Serbia. And that has been largely at the insistence of Koštunica, backed up by the radicals and the Socialists; and that has been in large part because of the Kosovo issue.

MR. JENSEN: Nenad?

MS. BAJO: Yes, may I add, Dan, regarding Russia, if we let Russia having a big say in a region when we know that in Kosovo, the only investment they have done, it was a huge unpaid bill of electricity of Russian troops that left two years ago. That's the only contribution they did. And the second is, does it mean that international – I mean, the Western powers failed Georgia and Ukraine their support for democracy and reforms; because if you let Russia to come so close, what about Georgia and what about Ukraine?

MR. PEJIC: It has already happened. We have one comment, Patrick, and one question from Mr. Koci. First comment.

Q: Just to come back to this question of the effect of Kosovar independence on Serbia, with one short follow-up. So I gather that no one would see the possibility of the kind of effect that led to the deposition of King Carol of Romania at the end of the 1930s when, after years of braggadocio and bravura, he was forced by the Germans to give up territories, and the people saw his nationalism for having been nothing but a bluff, and his reign came to an unceremonious end. You don't see that the independence of Kosovo could similarly serve to discredit the nationalist loudmouths in Belgrade and send them out of office in a peal of laughter?

MR. SERWER: No, I do, Pat.

MR. PEJIC: Don, if you don't mind, question from Mr. Koci, and then back to you?

Q: I have two very short questions for Mr. Serwer and Mr. Lyon. First one, do you think that by opposing Kosovo's independence, Russia in fact is trying to stop further NATO enlargement toward the Balkans? Mr Serwer already said that Kosovo is a victim. And the second question, do you think that in order to avoid the conflict, Kosovo and Balkans today needs again United States lead, and even NATO additional forces there? Thank you.

MR. SERWER: Patrick, I do believe that in due course, resolving the Kosovo issue will deflate nationalism of the more extreme sort in Serbia. But I don't think you can expect that to happen instantaneously. That's going to happen over a period of years after independence, after a period of reflection on what's happened and why it's happened. So I do believe that an independent Kosovo, in the end, will spell an end of what the radicals really stand for in Serbia.

I'm going to leave the question of NATO enlargement to James. But on the U.S. lead question, yes, a U.S. lead is needed here. The problem is that the U.S. has a lot of other problems right now. When the president pays attention to the Balkans – and this was true of President Clinton as well – my judgment would be that for the most part, the presidents have said and done the right things.

The last time that I know that President Bush paid some attention to the Balkans was in Tirana, when he said, it's time. You should get on with it. I'd forgotten which month that was, July? That was July. The question is what does get on with it mean, Mr. President? It's time for a check on how people are doing in carrying out that instruction. And I hope to see some high-level attention. But you see the competition, the Middle East, the relationship with Russia, Afghanistan, Iraq. The competition for American leadership is very, very strong.

MR. LYON: In terms of domestic Serbian politics, I think when we ask the question will nationalism deflate, the question then always turns back to the two or, should I say, three most prominent – what we would consider – nationalist parties in Serbia today, the first of these nationalist parties being the radical party, the second being Koštunica's democratic party of Serbia, which ideologically is almost identical to the radical party with the exception that the borders of Koštunica's Greater Serbia are slightly more modest than those of Šešelj's, and the third being the SPS, Milosevic's old socialist party.

So when we ask this question, will nationalism deflate, what are we actually talking about? I think -- how does one define Serbian nationalism and how many of these parties are

truly nationalist? There's no question that Šešelj's radicals, in their inception and while Šešelj was at their head was a truly nationalist party. But many people have ignored the flip side of that party, and that is it is based almost entirely on what we would consider populism.

An American version of the Serbian radical party would consist entirely of people wearing baseball caps with beer cans on top of them and hoses going down to their mouth going to NASCAR races. I mean, there is a big populist – either that or people who watch the “O'Reilly Factor.”

MR. JENSEN: We don't comment on U.S. policy. (Laughter.)

MR. LYON: In other words, there are similar trends here in the U.S. and in other countries. But the radicals, at their very heart today, I would posit, are not a nationalist party, but a populist party, a very, very strong populist party. And what we see as a party reflects, to a certain extent – the nationalism we see reflects some of the roots of Serbian populism and how Serbs view themselves.

But when you talk to people in Belgrade, one thing you find time and again, you talk to people who are members of G17 or even the LDP, Mr. Ivanovic's party, or the DS; and what you keep hearing time and again is, you know, after people sit down and make all the de rigueur rantings about how bad the radicals are, they'll say, but you know, they sure make a lot of sense with what they're saying. And a lot of people say, you know, if they weren't such a bunch of idiots, I'd vote for them.

And the reason why is because the nationalist message is a populist message of anti-corruption, tearing down the bad guys, getting rid of the crooks, justice for the common man, two chickens in every pot, two cars in every garage. It's a program that most American voters, I think, would find resonates with them. Then you tack on top of that the message of the borders, which is still thrown out there, but since Šešelj has been in The Hague, the party has become more and more populist in its orientation, a trend that I would like to argue will continue.

So the loss of Kosovo, how will that affect nationalism; will it deflate it? I think when Kosovo is lost – and now what do we mean by lost? By that I mean when there is a UDI and we have EU – a majority of the EU and the U.S. recognize it, at which point it's going to dawn on even people like Koštunica that they're just not getting it back. At that point, I think we're going to see Serbia go into a mode where it's going to pout. I think the pouting may last for a year, two years, three years at the most. I think it may last far shorter than some people expect. But there is going to be a very, very – there may be a temper tantrum – a very short-lived temper tantrum – and a small period of pouting. But I think Serbia is going to once again reorient itself.

Already we see people in some of the leading dailies asking serious questions about Kosovo and why it was lost, and about the government policies. There was a very interesting article in “Politika” about a week and a half ago by Boris Koyavcic (ph), the foreign policy editor, where he was making fun, basically, of the government's flurry of last-minute proposals – Hong Kong, Aland Islands, Basque Country, South Tyrol, Catalonia – all these things that the international community had been trying to get the Serbs and get Belgrade to actually engage on and discuss a year and two years and three years and five years ago, as at least starting points for negotiations, and Belgrade had refused and then this barrage at the last minute. And someone

even noted rather ironically that the first two proposals Belgrade threw out, the Aland Islands and Hong Kong, both are islands – does this mean they want to tow Kosovo out to sea and sink it?

But the fact then is the nationalism, will it deflate? I think it will probably deflate. But we have to keep in mind Serbia is also a country that has traditionally been at a crossroads of East and West. It is a country that has very stronger Western influences, very strong Eastern influences, both culturally and politically. And as a result, the country is always going to seem to outsiders to be a bit schizophrenic, because there will be an internal battle that will be waged as to which direction the country will go, similar to what we've seen in Russia over the centuries with the Westernizers versus Slavophile debate. And we see a similar debate going on in Montenegro, to a certain extent.

But I would argue that after the short temper tantrum and period of pouting, I would posit that already we are seeing Serbs beginning to ask some very serious questions about how they got where they got. And they're having to do it though in the very peculiar jargon of the Serbian political debate, which is not always evident to outsiders when they read what is being written by some of these academicians or op-ed commentators.

Now, on the NATO enlargement issue – and I've spoken too long, I apologize – in speaking with Russian diplomats, I have asked them their take on NATO. I said, what is Russia's policy on NATO? And they say, we don't want – they say, we don't like it. I say, so does this mean that it is Russian policy to prevent the expansion of NATO? And they all say, yes. And I say, okay, what about PFP? And they say, well – and I say, well, Russia is a member, isn't it? And they say, yes, we're in favor of PFP. But it does seem to be an official Russian policy to try to prevent the expansion of NATO. They've made that very clear.

I think too many people in the West have ignored this and have failed to realize the level of Russian angst over the NATO expansion, and that we may now be seeing – in the context of the particular vulnerabilities of Balkan politics – that so many of these things that we thought were just inevitable – that is, EU expansion and NATO expansion – aren't quite as inevitable as we may have thought previously, and that there may be a lot of foot-dragging now.

MR. JENSEN: Our turn over here, yes ma'am?

Q: I'm Nancy Cochran. I'm from the Department of Agriculture. Going back to the issue of the radicals and how bad are they really, I found it kind of interesting that in fact the radicals have taken over a number of the municipal governments in Serbia, one of them being Novi Sad. And the people that I've talked to actually – even though they don't belong to the radical party; they wouldn't want anything to do with it – but they still say, well, this mayor of Novi Sad actually is pretty decent. She's done some pretty good things for the city. So that again comes back, how bad would they really be?

Then the other kind of question is, well, one way to ask the question is, when I go back to Serbia in February – I work with the ministry of agriculture, which belongs to the DS – what kind of reception do you think I'm going to get? Will they still be friendly? Do they still want to work with us? Or will they really follow Koštunica's threat and try to break off relations with the U.S., others who recognize Kosovo?

MR. LYON: If I can comment briefly on the Novi Sad issue, Maja Gojkovic, the mayor of Novi Sad, has received very high marks on a series of issues. But you have to keep in mind, the outgoing administration had planned on getting reelected. And they, in fact, were dead certain that they were going to be reelected. And this was a DS-led city administration.

So they permitted a huge amount of money to build up in the city treasury. They had several hundred million euros of cash that they had planned on beginning a road-building construction boom as soon as the elections ended. This meant that when they lost, Maja Gojkovic and inherited a 200 million euro surplus in the city government treasury. It's very easy to be a good mayor when you come into office with a 200 million euro surplus – (chuckles) – especially in a country like Serbia where 200 million euros goes a very, very long way.

And so, there have been a number of public works projects in Novi Sad that have helped her to ease the transition and the shock of having a radical in power. At the same time, she does seem to often be out of step with the leadership of the radical party who has become increasingly aware that they have to start toning down some of the rhetoric in order to keep her inside the party. It seems every other week there is a new false alarm that Maja Godkovic is bolting the party and creating her own party, which is always followed by panicked denials from Tomislav Nikolic who, it is becoming increasingly apparent, sees the worth of her staying in the party even though she is not as hard line a nationalist as, say, Alexander Bucic.

Interestingly enough, in the municipal governments in Vojvodina, where the radicals are in power, they've gone into coalition with a number of ethnic minority parties. And wherever the radicals have come to power in coalition with ethnic minority parties in Vojvodina, the relations between the ethnic groups are quite good. And the radicals have shown they actually get along quite well on a practical day-to-day basis on the municipal level. Then again, on the municipal level, you don't have issues such as where are the borders of Serbia going to be? But on the practical level, they have gotten relatively decent marks in terms of the standards of Serbian municipal government, which are always known to be highly corrupt, especially when building permits are in question.

MR. JENSEN: And the issue of West relations?

MR. SERWER: Well, I want to make a broader point stemming from James' remarks. We're in the habit of dividing Serbian political parties between those that are democratic and those that somehow aren't – we call them nationalist usually. I think this is really wrong. All of these parties have played by democratic rules for some time now. And what James has said about these municipal governments illustrates that very, very clearly. I don't like the radicals. I don't like what they stand for. I don't like what they did in the past. But I find it hard to exclude them from the spectrum of democratic parties. And doing so traps us into support for people whose claim to be democrats I doubt, to tell you the truth.

So far as relations with the United States are concerned, I very much hope that in the aftermath of this, professionals will deal with each other as professionals in a way that promotes continuity. And I think the United States at least should try to stay the course in that direction. I don't really expect Belgrade to allow that to happen. I think there will be more than a pout. I think there will be an angry reaction. I think you may see some programs suspended

temporarily, especially in something like agriculture, which is disposable – so to speak. After all, it's only to get people to eat.

I think you may see some consequences. I think our diplomats in Belgrade, some of them may have to keep their bags packed. But I think the United States should not react in anger. The United States – Serbia needs us more than we need Serbia. And that should be our attitude.

MR. JENSEN: Nenad?

MR. PEJIC: We have one question in addition, Ms. Knezevic?

Q: I would like to ask Mr. Serwer how Bosnia should protect itself as the consequence of possible recognition of Kosovo. And, obviously, Bosnian Serbs are working hard to – and the atmosphere there is very, very uncertain. So is there any way how international community can actually help Bosnia to stay together?

MR. SERWER: Well, I think the first thing is always to maintain security. And I think the Europeans being in charge of the military mission in Bosnia today need to pay more attention to that than they have so far. That said, I want to be very blunt about the prospects for Republika Srpska. Recognition is the issue. They can declare independence; they will not obtain international recognition of the type that Kosovo can hope for. In fact, it would be an invitation to the Bosnian Moslems to finish the war. And I don't think there is much doubt about how the war would have finished if Dayton hadn't come about and I don't think there is much doubt about how it will finish now, if it is renewed. I think it's extremely important for people in Banja Luka not to overplay their hand.

MR. LYON: I would agree with Dan on how the war would have finished and how it might finish. And it would not bode well for the Serbian side unfortunately.

In terms of Bosnia, I've been spending a lot of time there recently. We are writing a paper on Bosnia that we hope to have – that ICG hopes to have published very shortly. And what has become clear is that there are two issues now facing Bosnia and people tend to muddle these two issues. So let me pull them apart, if I may, just a moment.

The first issue is the question as to how Republika Srpska will react and how Belgrade will react to the Kosovo-status question to a UDI. Will Republika Srpska proclaim independence? Will it proclaim it's going to join Serbia? Is it going to undertake some precipitous action that will inflame the situation in regard to the Croat and Bosniak parts of the Bosnia and Herzegovina?

My answer to that would be – after having discussed these issues with the Republika Srpska politicians – my answer to that would be no. Mr. Dodic has no intention of undertaking any independence move at the present time. I think he's clearly aware of the stakes that are involved. He has been very clear since the beginning of the year in my meetings with him that he plans on – if the people wish to demonstrate in the streets, so be it, but there will be no violence permitted against other ethnic groups, and there will be no one permitted to get out of hand.

And the other issue has to do with the question of the future of Bosnia, the direction it's going in. Right now, we have a crisis in Bosnia where the Serbs have pulled out of the central government. There are some interesting parallels between now and late 1991. The Serbs have pulled out of the central government. We have a very weak international peacekeeping force with a very uncertain mandate. We have a sharp escalation in nationalist rhetoric. There are a lot of differences between now and 1991, end of '91. I won't go into them all, but one of the big differences is you don't have the JNA there with a preponderance of heavy weaponry the way you did in 1991. But one of the other similarities is you have Belgrade once again actively stirring the pot.

But the second issue that we're facing is the question of the direction of Bosnia and the international community and Bosnia as a functioning country. Bosnia is and has been a dysfunctional country since Dayton was signed. In order to make it work, we have to create functional institutions. I would argue that the international community's approach to Bosnia today is completely wrong. It's all based on the stabilization and association program. That has to be out there in the background. It's essential that there be a prospect of European integration. But it is not the magnet or the driving force that many people hope it would be.

What we need to have is a program whereby first we toss out all this European integration jargon and we discuss making it a functional country. Once we make it a functional country and have functional institutions, then we can start discussing European integration. But until we take – until we build a foundation – everything else is going to be window dressing and we'll have the problems we've had with the police reform.

Right now, Bosnia's first priority needs to be economic reform – especially in the federation – and most importantly constitutional reform. All three sides are ready for constitutional reform. Even the Serbs are willing to make significant concessions on reforming and amending the Dayton constitution. This has to be seized on. The international community needs to renew its constitutional reform efforts in Bosnia.

One thing that is very interesting: When you go to Republika Srpska today, you drive around; you see tremendous construction activity, particularly in the Banja Luca area. But you find out, the biggest commercial facility in Republika Srpska is the Klas bakery, which is owned by the Klas bakery in Sarajevo. The famous FIS retail chain – I say famous because it made its start as a very well-known black marketing center in central Bosnia, in Vitez – has now expanded out of the federation, and they have outlets inside of Republika Srpska. You see other federation businesses in Republika Srpska. You see Republika Srpska businesses going into the federation.

You see economic policy going in one very strong direction, and you see the political side of it going in the completely opposite retrograde direction. In other words, politics and economics are completely at odds with each other. And when you talk to the politicians, they understand the need that you have to have constitutional structures that can push economic change, reform, integration. And there is a willingness on the part of all three sides to engage on this now. So what we need to do for Bosnia – we're at a crossroads right now.

And I hate it when people say that, and when you hear political pundits say that. They say it all the time. It's an immediately falsifiable statement. They say we're at a crossroads. In

the next six months, blah, blah, blah is going to happen. But we are at a crossroads in Bosnia. It's the first time I've ever used this term. And I feel bad saying it, because they may invite me to "Meet the Press" now so I can say we're at a crossroads. No, seriously.

The crossroads we're at is this: The international community either backs down from Mr. Dodik's challenge to the Bonn powers and the OHR, at which point we pack our bags and we start discussing how we prevent the next war from happening in Bosnia, and discussing state dissolution possibly; or, we take a firm stand, the Bonn powers remain, the OHR remains, and we toss out the SAA as the driving force of our policy in Bosnia, and we begin working on making functional constitutional changes, and then we talk about SAA. I'm sorry for this big diatribe.

MR. JENSEN: No, that's okay. We use the term critical point here, not crossroads.

MR. LYON: Oh, is that it?

MR. SERWER: I would only add a footnote. Our institute spent a year and a half working on constitutional reform in Bosnia. We did it not – we didn't work on it; the Bosnians worked on it. They chaired the meetings. They wrote the reports. They prepared the texts. And they failed. It failed in the Bosnian parliament by only two votes. These two votes were people who left their parties to vote against it.

But that's not the real reason it failed. The real reason it failed was that – (inaudible) – party voted against it. And they would have had an ample majority if Silajdzic's party, which has participated in almost the entire process, if they'd voted in favor.

And at this point, I mean, it is all too familiar, as James suggests, from the early '90s. At this point, what's happening is that the Dodik and Silajdzic are enjoying the process being mirror images of each other and encouraging each other in behavior that is very reminiscent of the early 1990s, and which is the equivalent of playing with matches around the gasoline station. And it's time that they stopped; it's time that they got serious about constitutional reform. But I don't think the United States is going to attempt it again. I think the Bosnians themselves can do it.

MR. JENSEN: We are out of time. But I wanted to ask a final concluding question, which is to say, the next few weeks, month or so, after the elections on the 17th, the victors talked about an immediate declaration of independence, it seemed. And then, seemed to back off a little bit and expressed the need to coordinate any type of declaration with the EU and the United States. Where are we going with this?

MR. SERWER: I think it's going to take a little bit of time. I don't even think the secretary general will necessarily report to the Security Council immediately this report to the secretary general. And then there's discussion in the Security Council. Before you get on that agenda, it's a few weeks. And what we should be doing, I mean, people shouldn't be frustrated with this in Kosovo. I know that they will be. But they shouldn't be frustrated with it, because that time can usefully be used to make this into what my friend Jim Dobbins calls the CDI, a coordinated declaration of independence; not a UDI, which in my view, would be a mistake.

MR. LYON: In the next little while, I think I would agree with Dan's timeline. I think we won't see any sort of real action on Kosovo's status until probably late January at the earliest, maybe February. And even then, it might be delayed an extra month to give certain parties a chance to get all their ducks in a row. And that's about it.

MR. JENSEN: Okay, thanks. Dr. Lyon, Dr. Serwer, Ilirjana, thank you.

MR. PEJIC: And thank you to James Lyon and Daniel Serwer for participating in our programming, more or less regularly. Thank you.

MR. JENSEN: Thank you all – (inaudible).

(Applause.)

(END)