Atlantic Council
FUTURE EUROPE INITIATIVE

BALKANS FORWARD
A New US Strategy for the Region

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The Western Balkans is a region in flux. As the United States and Europe focus on internal concerns, Russia and other countries are reshaping the geopolitical landscape across the region. Meanwhile, a new generation of investors and entrepreneurs are primed to breathe new life into stagnant economies, but crime and corruption remain entrenched in the political and economic spheres, preventing successful implementation of needed reforms and endangering political support in Europe for further integration.

Against a backdrop of enormous change and uncertainty, the United States, the European Union, and the Western Balkans have an opportunity. If we get it right, we can lead in creating a safe, secure, and prosperous western Balkans firmly embedded in the West. Get it wrong, and American ambivalence today may engender a crisis tomorrow, which in turn would demand a far greater degree of US engagement than would ever have been required to avoid a crisis in the first place.

Recognizing the importance of the Balkans to the future of the European project, the Atlantic Council established its Balkans Initiative. Over the past year, the Council’s Balkans Initiative brought together the best minds—senior government officials, members of the business and startup community, civil society leaders, academics and policy experts, and journalists—to tackle the most pressing challenges facing the region and to drive forward a renewed US strategy in partnership with our European allies. They came together in the form of consultations, delegations, and strategy sessions in Washington, DC and across the region, providing important insight into the hopes, concerns, and expectations in these capitals. Reflecting our own “bet” on the people of the region, the Initiative intentionally adopted a bias of drawing on the next generation of entrepreneurs, leaders, and experts – both in the region and in the United States.

As a project with many facets, the past year has been a full-team effort. I would like to offer special thanks to Executive Vice President Damon Wilson, who was instrumental in providing direction and guidance for this major project, and for bringing together a roster of leading contributors and experts to ground the initiative in a forward-thinking strategic perspective. Associate Director Sarah Bedenbaugh deftly managed project operations and ensured that the Council’s Balkans programming ran smoothly and efficiently. I would also like to thank our “brain trust,” the countless experts and intellectual entrepreneurs in our network who selflessly contributed their time, vision, and critical analysis to this project throughout the process. Thanks in particular to Damir Marusic for serving as lead rapporteur for this report, Majda Ruge for her extensive work and testimony on foreign fighters and radicalization in the Balkans, and to Nonresident Senior Fellow Dimitar Bechev for his landmark study on foreign influence in the region. I also want to acknowledge the leadership of Ambassador Robert Gelbard who, in his role as an Atlantic Council executive committee board director, has championed and supported the Council’s Balkans Initiative.

Finally, I want to extend our deepest appreciation to the Rockefeller Brothers Fund for its generous support of this report and the overall Initiative. Our work would not have been possible if not for RBF’s keen recognition of the need to remain consistently engaged in this unfinished part of Europe and ensure a clear, constructive, and optimistic future for the Balkan region. I also want to thank the Federal Department of Foreign Affairs of Switzerland and the Federal Foreign Office of Germany for their support of the Council’s Balkans Initiative programming.

This text is both a culmination of the past year’s work, and only the very beginning of what we hope will be a new vision for US engagement in the Western Balkans.

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After the violent decade of the 1990s, the Western Balkans were thought to be on a path to stability. The promise of Euro-Atlantic integration would help the countries of former Yugoslavia both push through painful internal reforms, and nudge the region into closer cooperation helping salve the wounds of recent wars. There has been notable progress: Slovenia and Croatia are now both NATO allies and members of the European Union (EU). Albania and Montenegro have joined NATO.

Buoyed by these successes, engagement by both European powers and the United States has waned over time, justified by a passive belief in the inevitability of the region’s ultimate trajectory. The result has been predictable: by 2015, Bulgarian political scientist Ivan Krastev was warning that the Western Balkans represented the “soft underbelly of Europe”. Krastev’s warning is even more salient today. Already weak state institutions have been strained by the flow of migrants and refugees crossing the region into Europe. Persistent unemployment, political gridlock, and pervasive corruption are a recipe for the radicalization of the region’s young Muslim population. And the last two years have seen breathtaking attempts by Russia to capitalize on the region’s lingering pathologies to undermine the European project.

Though the region still broadly yearns to join the West (and its institutions), the final outcome should no longer be taken for granted. The United States, in particular, can and should play a key role. We should give voice to a clear, common vision for the region, and coordinate with the European Union to reestablish clarity in a common transatlantic goal at the political level.

Beyond that, there are several concrete steps the United States ought to take to help stabilize a region badly in need of stability:

1) Establish a permanent US military presence in Southeastern Europe.

Such an announcement would demonstrate an enduring US commitment to security in the region and anchor the United States’ long-term ability to influence developments. Camp Bondsteel in Kosovo is ideal for this purpose. Troops would be used both to help strengthen local authorities’ terrorist interdiction capabilities through training and sharing of best practices, and to provide aid in humanitarian catastrophes, should they arise. The move should also send a clear signal to the region that the United States is committed to preventing reckless revisionism of existing borders—something that Russian adventurism has encouraged.

2) Pursue a “historic” rapprochement with Serbia.

This is not strictly speaking a new approach, but it needs a more forceful try in the context of renewed engagement in the region. Belgrade can and should be a close partner and ally in the region, but it can only become one if it begins to meaningfully distance itself from Russia. This is not a trivial pivot for Serbian leadership, but neither should it be something on which the United States or the EU should compromise.

3) Regain the United States’ reputation as an honest broker.

Turning a blind eye to the creeping authoritarianism of the region’s leaders has seemed worthwhile in the short term. But a blind pursuit of stability at the cost of progress in democratic development virtually guarantees the persistence of the very pathologies that plague the region. Montenegro’s accession to NATO presents one opportunity to help an emerging partner make good on its commitment to genuine democratic reforms. The breakthrough of Europe-focused reformers in Macedonia presents another. The United States should pursue a more intentional effort to prepare Athens and Skopje to become future allies, and join the EU to push the Belgrade-Pristina talks into the endgame.

4) Bet on the region’s entrepreneurs and youth.

None of these moves make sense without addressing longer-term economic prospects for the region’s young people, especially as the accession process stretches indefinitely into the future. The United States must re-engage with its European partners to create meaningful economic opportunities for the people of the region outside of political patronage networks. From infrastructure projects, both linking the countries to each other and to the larger European continent, to lowering barriers to regional trade, to encouraging investment in the digital arena and in a new generation of entrepreneurs, there are a wealth of opportunities that can help unlock the human potential and bring a sense of purposeful direction back to a part of the world that increasingly looks like it has lost its way.
The European Union is and will remain the major player in the western Balkans, committing far more resources, tools, human capital, and political attention to the region than the United States. For this, Americans should be grateful. There will be no bright future for southeast Europe without EU or regional leadership. However, the United States retains a special authority that it can use to advance its interests in ensuring the region never again becomes an exporter of serious problems, much less conflict. The Western Balkan region offers the best near-term prospect to demonstrate tangible results of a continued close transatlantic relationship; and with a modest effort to recommit to a compelling vision and strategy, including key political and economic steps, the United States can catalyze positive strategic outcomes that pave the way for a more secure and prosperous region.
The Western Balkans were supposed to be a solved problem. The bloody wars of the 1990s have been followed by almost two decades of halting but measurable progress in the region. Since the 2001 signing of the Ohrid Accords between the government of Macedonia and an Albanian insurgency ended the last of a series of conflicts that were triggered by the dissolution of Yugoslavia, the United States and the European Union (EU) have worked together to help the region build a lasting and enduring order.

The template was simple: The region would be put on a path to membership in NATO and the EU. Membership would both deter irredentism and help freeze in place the sometimes uneasy agreements reached after the wars, while the promise of access to Europe’s common market and borderless travel regime would compel actors to put aside their differences and concentrate on internal reforms and state building. Over time, the theory held, nations of the region would evolve, away from exerting the sovereignty regained in the post-Cold war period, and toward cooperating on mutually reinforcing policies to join the EU and its institutions, leading to greater regional integration and lessening the significance of national boundaries.

Conflicts that were ended with heavy external involvement, such as the wars in Kosovo and Bosnia and Herzegovina (BiH), called for sustained political triage and substantial amounts of economic assistance by the international community. Less immediate issues—including the name dispute between Macedonia and Greece, tensions over returnees and lingering resentments from the war between Serbia and Croatia, as well as the status of Serbs in Kosovo and the internal ethnic politics of both Bosnia and Herzegovina and Macedonia—also required sporadic but intense diplomatic engagement. Though overall progress has been slow—and has ground to a standstill in BiH—the soundness of this basic strategy has not been questioned.

In 2016, however, two important changes upended the status quo by undermining much of the Balkans’ trust in their short-term future in the EU and NATO. Despite European leaders’ strident objections to the contrary, the Brexit vote and a Dutch referendum rejecting the EU’s Association Agreement with Ukraine sent an unmistakable signal to the region that the European Union has no immediate appetite for further enlargement. President Donald Trump’s early rhetoric questioning the United States’ commitment to NATO and his floating a possible “grand bargain” with Russia prompted many of the region’s leaders to wonder if the United States and NATO could still be counted on to protect the various post-Yugoslav territorial settlements.

All of a sudden, the Western Balkans are in the news again. A failed, Russian-backed coup in Montenegro, a train decorated with Serbian agitprop stopped by security forces at the Kosovo border, a series of protests against corruption following the first-round victory of Aleksandar Vučić in Serbia’s presidential election, and lingering tensions in Macedonia after bitterly contested elections led to a constitutional crisis—these are just a few of the headline-grabbing moments of the last several months.

Without the traditional mix of constraints and inducements provided by the West since the late 1990s, the Western Balkans have become a much more dangerous place. Pervasive political and economic stagnation is exacerbating long-simmering grievances, and is undermining trust in the rule of law and democratic forms of government. While Islamist radicalization among the unemployed youth in Kosovo and BiH may be the dog that has not barked yet, the region’s pervasive political and economic stagnation means the West cannot get too complacent.

Prospects for EU accession remain the lodestar for hopeful reformers across the region. Unfortunately, the last few years have not exactly been encouraging to aspirant countries. With the German elections over, the European Union will now try to address its

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myriad structural issues; the extent to which it will have the political will to admit new members, even if it succeeds in reinventing itself, remains an open question. In response to rising Euroscepticism and a five-year moratorium on enlargement announced by Jean-Claude Juncker in 2014, Germany launched the so-called Berlin process, helping the EU remain engaged in the Balkans. It is no substitute for a real accession process, but is still the best bet for advancement amid turbulent political realities on the continent.

For its part, the United States has mostly watched from afar in recent years, thinking that the Europeans had these matters mostly in hand. Unfortunately, a policy of benign neglect is no longer sufficient.

The good news is that a heavy lift is not required: a little bit of effort in the Western Balkans will go a very long way. By verbally reassuring actors that it remains committed to the post-Yugoslav territorial settlements, and by demonstrating said commitment through enhancing its force posture in the region, the United States would affect a notable change. As it enhances its presence, the United States ought to renew its efforts to pursue a better and more constructive relationship with Serbia; one more attempt2 to approach Belgrade as a partner and ally, rather than as a perpetual regional troublemaker, could pay huge dividends.

At the same time, the United States ought to attempt to “reset” its role in the region as an honest broker, by holding all our partners to a minimum standard of good democratic governance. Turning a blind eye to the creeping authoritarianism of leaders who are promising progress on vexing regional issues might seem worthwhile in the short term, but a blind pursuit of stability at the cost of progress in democratic development virtually guarantees the persistence of the very pathologies that plague the region.

Finally, the United States needs to re-engage with its European partners to come up with projects that enhance the economic prospects of young people in the region, even as the accession process stretches indefinitely into the future. From infrastructure projects, both linking the countries to each other and to the larger European continent, to lowering barriers to regional trade, to encouraging investment in a new generation of entrepreneurs, there are a wealth of opportunities that can help unlock the human potential and bring a sense of purposeful direction back to a part of the world that increasingly looks like it has lost its way.

2 This has been the de facto policy since at least 2008, but has arguably not been pursued forcefully enough, nor as part of a broader regional vision.
rredentism has played a role throughout Eastern Europe since World War II, but nowhere has it dominated politics as much as it has in Serbia. The one million ethnic Serbs living in BiH’s autonomous Republika Srpska entity are for now not the country’s obsessive focus. By contrast, the final status of Kosovo, where some 60,000 ethnic Serbs still live, remains a powerful and emotional issue. Various opposition politicians have tried to minimize the issue in every election by instead focusing on bread-and-butter topics more relevant to the lives of average Serbian voters. They have all failed. Two recent polls tell the tale: In one, only 10 percent of Serbs say they would go to war over Kosovo today, yet only 8 percent would accept a final settlement that involves Serbia recognizing Kosovo’s independence.3 In another, 80 percent of Serbs say the country should walk away from EU accession if recognizing Kosovo’s independence was a precondition for entry.4

For an adroit politician, these kinds of statistics provide an opportunity for endless maneuver. Serbia’s President Aleksandar Vučić, who served as prime minister from 2014 until being elected president earlier this year, is exactly that kind of politician. He rose to power by cannily promising his constituents both a successful path to the European Union and an acceptable resolution of the Kosovo issue. Meanwhile, abroad, Vučić has repeatedly asked for patience from the international community, implying that he would eventually be able to bring his voters around to accepting Kosovo’s independence.

Patience has been given in abundance; he still has the trust of many in the West who view him as the only Serbian politician that can conceivably “go to China” on Kosovo. Whether Vučić actually intends to do so remains an open question. Since becoming president, he has suggested more forcefully than before, both in public5 and in private, that the time for a deal over Kosovo may be at hand. Having successfully neutered his domestic political opposition and with an increasingly strong hold on the country’s media ensuring his grip on power, some observers think he may really be serious this time. Washington should lean in and help him and Kosovo’s Hashim Thaçi secure a final deal in the coming year.

But even as he has tantalized Western leaders with the promise of a breakthrough on Kosovo, Vučić has also courted Russia. He sees the Russians less as partners able to bring prosperity to his country, and more as a means of raising his own value to the West—by “playing hard to get” in order to wrest some concessions over the Kosovo issue. He also sees his relationship with Russia as a long-term hedge against the European project catastrophically cratering. If it does, Serbia will be left standing with a great power behind it, in contrast to the rest of the region’s countries that have staked their futures on what is potentially an unachievable, dead-end dream.

Moscow has been all too happy to oblige Vučić and has seized on its “historic” ties with Belgrade—ties, incidentally, that have rarely amounted to much more than rhetorical and “moral” support—to exploit the simmering resentments among the region’s Serbs in order to call into question the entire post-Yugoslav settlement.

In BiH, the most fragile post-Yugoslav state, Russia’s influence has been particularly malign. Apart from symbolic moves that exacerbate lingering intercommunal tensions (e.g., vetoing a United Nations resolution in 2015 that would have declared the notorious Srebrenica Massacre a “Crime of Genocide”), Moscow has been cultivating a client in Milorad Dodik, the leader of the ethnic Serb para-state enshrined in the Dayton Accords. The Russians have repeatedly supported attempts by Dodik to edge his entity towards a referendum on independence, with Putin personally hosting the Bosnian Serb leader twice in Moscow in the course of the past year.

Of course, Dodik and his inner circle have spent more than a decade trying to tear apart BiH’s fragile state structures, and BiH’s problems extend far beyond fractionalism. But the brazenness of Dodik’s recent

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provocations, openly backed and supported by Russia, has in turn emboldened the leading Bosnian Croat party to seek a revision of Dayton that would further “federalize” BiH along ethnic lines. With the leading Bosniak party also entrenching amid all this, the country’s future is precarious.

In Kosovo, too, Russians have been playing their games. Pristina last year expelled two “journalists” supposedly working for a Russian media outlet. Government officials have indicated that Russian intelligence is present in the country’s north, and that “fake news” reports alleging Albanian attacks and acts of sabotage have driven the predominantly Serb population in the area onto the streets. Finally, this year’s most telegenic provocation—the dispatch of a train garishly decorated with text declaring “Kosovo is Serbia” in several different languages traveling from Belgrade to Mitrovica in Northern Kosovo—was said to be financed, at least in part, by Russia.

In Serbia itself, Russian intelligence services have been operating with a surprisingly free hand. A coup attempt in neighboring Montenegro, aimed at destabilizing the country as it acceded to NATO, appears to have been coordinated out of Serbia and BiH by Russian agents. Russia held joint military exercises with the Serbian Army outside of Belgrade at the end of last year, and recently delivered six MiG-29 fighters to the Serbian Air Force, free of charge, rattling military planners in Zagreb and Pristina. The establishment of a “Russian-Serbian Humanitarian Center,” a rapid-response base in the town of Niš in southern Serbia, has also spooked Kosovo’s authorities.

But not all of the region’s problems involve Serbian irredentism. Macedonia found itself destabilized for months after a closely contested election in December 2016. All sides agreed that the vote, which was carefully brokered by the European Union, was reasonably free and fair. VMRO-DPMNE, the country’s center-right incumbent party, won by the narrowest of margins but was unable to form a

governing coalition with its erstwhile partner, DUI, the largest of the Albanian ethnic parties in the country.

The second-place, center-left SDSM did manage to come to an agreement with DUI, but was subsequently barred from forming a government by the country’s president, a VMRO-DPMNE loyalist, who relied on an ambiguity in the language of the constitution to justify his decision. A three-month standoff ensued, featuring frequent and mostly nonviolent protests in the capital of Skopje. On April 27, peaceful protests erupted in violence as thugs allied with VMRO-DPMNE stormed the parliament and injured up to one hundred people, including SDSM’s leader Zoran Zaev. Finally, on May 18, after some deft arm-twisting by US officials, Zaev was grudgingly given the mandate to form his government by the president.

In Macedonia, too, Russia has been active. Unlike in Serbia where Moscow can invoke its so-called “historic” relationship, Russia’s role in Macedonia has been more transparent and more cynical. Instead of joining the rest of the international community in calling for dialogue during the tensest moments of this year’s crisis, Russian diplomats in Skopje exacerbated the situation by backing VMRO-DPMNE to the hilt, and branding any attempts at outside mediation as “foreign intervention.”

If poisoning the well is their goal, the Russians have done an admirable job. VMRO-DPMNE, having been in power since 2006, have the largest and most robust patronage network in the country; it is still seen by many of the country’s Slavic majority as the most credible representative of their narrow ethnic interests. SDSM, by contrast, polled weaker among Slavs, and as a price for its coalition deal with the ethnic Albanian DUI, acquiesced to a controversial “Albanian Platform,” which includes the designation of Albanian as an official language of the country. This was denounced by VMRO-DPMNE as a threat to the very cohesion of Macedonia, and SDSM was cast as treasonous. Both Russian media and its diplomatic organs echoed these charges.

Zaev eventually got his chance to govern, and after the first round of local elections in mid-October 2017 showed sweeping support for SDSM (even in traditional VMRO-DPMNE strongholds), there is cause for optimism. Still, much damage was done to the country’s cohesion over the past year and every new round of political wrangling is fraught with tension. If the past is any guide, Russia will not quit stirring the pot.

The backdrop for the region’s pathologies is a set of stagnant economies. Though the World Bank recorded an uptick in gross domestic product growth last year, persistently high unemployment continues to haunt the region. Kosovo and BiH are by far the worst off. A full quarter of BiH’s overall population is unemployed; its youth unemployment rate stands at 54.3 percent, one of the highest rates in the world. In Kosovo, a third of the population is not formally employed. Given that Kosovo is the youngest country in Europe, that translates into a youth unemployment rate of almost 58 percent.

In BiH, frustrations boiled over in 2014, with widespread protests and riots erupting across the country; unfortunately, no single effective political party or civil society entity has emerged in the wake of the unrest to capitalize on the unhappiness and force change. In Kosovo, the situation is different: citizens’ frustrations fuel nationalist parties like Vetevendosje (“self-determination”), whose members have set off tear gas grenades inside parliament and fired a rocket-propelled grenade at the parliament building in the past year. In the June 2017 parliamentary elections, Vetevendosje won almost 27.5 percent of the vote, outperforming expectations and giving it thirty-two seats in the Kosovo Assembly.

If there is a silver lining, it is that radical Islam has not yet made sizable inroads into the Muslim communities in either country even under such dire economic circumstances. According to estimates, approximately 950 individuals departed for Syria and Iraq from the Western Balkans between 2012 and 2016. This equates to 0.015 percent of the region’s Muslim population, suggesting that Muslim communities in the Balkans produce a smaller percentage of foreign fighters than, for example, France.

Despite sensationalist media coverage to the contrary, a recent survey by the International Republican Institute (IRI) in BiH reveals a resilient society committed to its secular state, with
majorities of all confessions reporting either relaxed or no observance of their religious identities.\textsuperscript{11} The survey also found all three constituent communities—Bosnian Croats, Bosnian Serbs, and Bosnian Muslims—strongly condemning the Islamic State of Iraq and al-Sham (ISIS) and disapproving of those going abroad to fight.

Kosovo, too, thus far seems to be holding the line against radicalization. A law passed by the Kosovo parliament in 2015 criminalized the recruitment of individuals for the purpose of fighting in foreign conflicts and made participation in armed conflicts punishable by up to fifteen years in prison.\textsuperscript{12} Similar legislation has been enacted in BiH, Serbia, and Macedonia—measures that by many accounts are working. In Kosovo, for instance, a report from the Kosovar Centre for Security Studies puts the total number of fighters departed to Syria between 2013 and 2015 at 317. Since then, some 127 had returned, with 120 having been arrested by Kosovar authorities.\textsuperscript{13}

This is no time for complacency, however. Heavy territorial losses by ISIS in both Syria and Iraq mean that efforts to criminalize the act of participating in a foreign conflict will need to be supplemented with strategies that deal with the inevitable return of fighters. It is difficult to assess the potential security threat posed by returnees to the Balkans, but terror incidents across Europe have shown that violence motivated by Islamist extremism is not a phenomenon limited to the Middle East.

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While Russia is not the source of the region’s various pathologies, it is availing itself of them as it pursues its policy as spoiler to the West. By delegitimizing all the post-Yugoslav settlements—both territorial and political—Moscow hopes to achieve three separate goals:

**Distraction:** Moscow calculates that given finite diplomatic resources, energy devoted to solving any political crisis in the Western Balkans is energy that will not be devoted to confronting it over more vital interests in its immediate neighborhood (especially in Ukraine).

**Threat:** If a Balkans political crisis escalates to the point of skirmishes or civil war, it would speed up the weakening of already fragile states like Macedonia and Kosovo. As they serve as buffer states for refugee flows, destabilization could lead to a radicalization of heretofore secular Muslim societies, both in Macedonia and Kosovo, and critically, further north in BiH. Either outcome poses a looming threat to European security and represents a positive outcome for the Kremlin.

**Precedent:** In 2005, Putin said that the collapse of the USSR was one of the greatest geopolitical disasters of the century. By calling into question the legitimacy of BiH and Kosovo’s existing borders, Russia hopes to create an opportunity to broach a broader discussion of borders with its Western interlocutors. In this context, Russia would likely raise not only the status of Crimea and Donbas, but perhaps also the Baltics.

Put more simply, the overall goal is to make as big a mess as possible in the region, a mess that would require Russia’s assistance to sort out. Russia is seeking leverage. Unraveling the increasingly frayed Dayton Accords and helping Serbia annex a piece of Kosovo would demonstrate that the Western-imposed order is not durable and would get the Kremlin a seat at the table as a new one is worked out. The recognition of the Republic of Kosovo by most Western countries over Moscow’s strident protests in the late 2000s is seen by the Kremlin as a slap in the face that still stings today—a lingering reminder to Putin’s generation of spymasters that Russia must restore its Soviet-era prestige in international affairs.

Nonetheless, Russia remains a comparatively weak actor in the region. Despite statements to the effect that Montenegro joining NATO represents a “red line” for Moscow, there is little evidence that the Kremlin sees the Western Balkans as a non-negotiable sphere of influence in the way that it does with Ukraine. Many hundreds of Russian soldiers have fought and died in Donbas; only a handful of Russian agents and diplomats are orchestrating provocations using third parties in Macedonia, BiH, Serbia, and Kosovo. And Moscow is tightfisted to boot. Serbian politicians grumble in private that Russian support remains as superficial, as it historically has been; even the much-ballyhooed free MiGs require the Serbian government to pay (likely Russian) contractors to have them modernized.14

Furthermore, the region’s population knows there is no future for them with Russia. Poll after poll shows that while sympathy for Russia runs high among Serbs in particular, the positive feelings are tied to the Kremlin’s ability to stand up to what is seen as a domineering, overweening West. In Macedonia, affection for Russia is virtually nonexistent, but the sense of grievance among VMRO-DPMNE’s partisans leads them to voice appreciation for having at least one ally in the world willing to stand up for them.

When asked where they would like their children to live and work, most people in the Western Balkans agree that they prefer one of the major European capitals to Moscow. Accession to the European Union is still seen as the right way forward by a solid plurality of voters in Serbia, 47 percent were for joining, while only 29 percent were against, according to a poll carried out in December 2016 by the Serbian European Integration Office.15 Politicians in Serbia are most attuned to this paradox. In public, they whip up nationalism to stay in power. In private, they quietly admit there is no alternative to Euro-Atlantic integration.

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hough the threat of resumption of ethnic conflict admittedly still hangs over the Western Balkans decades after peace has been won, it is important to understand the main mechanism that underpins it. The problem is not that the people in the region are unable to live in peace with one another, nor is it that the nationalist forces that kicked off the Yugoslav Wars have been prevented from creating the pure ethno-states that the region supposedly demands. No, the threat of ethnic conflict is an artifact of the corrupt politics in the region. Keeping this in mind will prevent policy makers from repeating or perpetuating the mistakes made at the end of the Yugoslav Wars—or from making similar, fresh mistakes of their own.

While a lively academic debate continues to rage as to the precise causes of the violent dissolution of Yugoslavia, most specialists agree on one point: the idea that “ancient hatreds” drove the region’s peoples to genocidal or near-genocidal war is reductive and misleading. The Western Balkans have historically been plagued by a lack of trust between its constituent ethnic and religious communities, and while that lack of trust has been known to spiral into spectacular violence, it is a fallacy to conclude that any of this was ever inevitable. There has always been ample kindling around for a conflagration, but kindling does not spontaneously combust.

Though the Yugoslav Wars were not inevitable, they did turn out to be experienced by many who fought in them as wars of national liberation, resulting in the “birth” of a handful of new states, their borders corresponding roughly to the constituent republics—and in the case of Kosovo, autonomous territories—of the former Yugoslav entity. In a resonant echo of the Wilsonian sentiments that shaped the interwar period in Europe, these new states claimed to give their respective people the autonomy they had long been denied as vassals of various empires and other supranational entities.

Unfortunately, the experiment in self-governance has founndered. While Slovenia and to a somewhat lesser extent Croatia have managed to emerge as viable, modern, Western-facing states, the rest of the region has struggled. Most notably, BiH, whose Dayton-specified constitution explicitly tries to create a functional state by assiduously balancing the demands of its three constituent ethnic communities, has almost completely ceased to function after more than twenty years of triage by the international community.

Macedonia, also a multiethnic state trying to balance the interests of its Slavic majority and Albanian minority, was stuck at a menacing political impasse for more than two years, with 2001’s Ohrid Accords in danger of unraveling. Finally, in Kosovo, the Albanian majority unilaterally declared independence in 2008 but bound itself to implementing a constitution that was broadly laid out in the UN-brokered Ahtisaari Plan; here, the extent of the Serbian minority’s autonomy is the unresolved question that has left the country spinning its wheels.

These three examples have led some observers to conclude that multiethnic states are a non-starter in the region, and that the process of partition kicked off during the Yugoslav Wars has just not gone far enough.

The problem with arguments like these is that they fail to adequately explain why the comparatively more ethnically homogenous states in the region—Serbia and Montenegro today—remain tarred by various forms of dysfunction. The answer ought not surprise anyone who has spent any time in the region: It is not that the various peoples of the Western Balkans have not adequately been segregated into ethno-states, but rather that they have had very little experience in self-governance and building durable state institutions. Though Serbia, Croatia, BiH, Montenegro, and even Macedonia can (with various degrees of credibility) point back to medieval kingdoms as proof of their enduring and independent national identities, all of them were, for centuries, the subjects of either the Ottoman, Venetian, or Austro-Hungarian Empires—

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**SPOTLIGHT: CORRUPTION, NOT “ANCIENT HATRED”**

“The Western Balkans have historically been plagued by a lack of trust . . . and while that lack of trust has been known to spiral into spectacular violence, it is a fallacy to conclude that any of this was ever inevitable.”
domineering outside forces that shaped and organized their lives.

Certain Balkan analysts have identified a tendency toward personalized power, rather than some ill-defined propensity for discord, as the root of much dysfunction. The Western Balkans have historically been a region of peoples, the argument goes, but not necessarily of states. And during previous eras, these peoples have survived the rule of foreign powers by relying on local “Big Men” to govern them.16 David Kanin, writing in 2003, correctly identified Montenegro’s Milo Đukanović, BiH’s (or rather Republika Srpska’s) Milorad Dodik, and Kosovo’s Hashim Thaçi as such Big Men and pointed to the patrimonial legacies of Croatia’s Franjo Tuđman and Serbia’s Slobodan Milošević in shaping their respective countries’ politics in similar ways.17 Even Tito’s Yugoslavia, Kanin argues, with all its layers of bureaucracy and ideological veneer about “brotherhood and unity,” still featured heavily personalized rule.

This analysis is still a useful guide today. The rise of President Aleksandar Vučić represents the consolidation of a new Big Man power center in Serbia. In Macedonia, the complex political struggle to form a government waged between the center-right nationalist VMRO-DPMNE party, the leftist SDSM party, and the Albanian DUI, is best understood as a fight between competing patronage networks. In BiH, Dragan Ćović has emerged as a leader of ethnic Croats, and Bakir Izetbegović, the son of BiH’s first president, Alija Izetbegović, leads the Bosniaks. Of course, Đukanovic, Dodik, and Thaçi, who feature prominently in Kanin’s 2003-era analysis, are still entrenched fixtures in their own countries.

While deeply ingrained patronage networks are a political reality that cannot be wished away, that is no excuse for abandoning efforts at reform, however; outsiders ought to be wary of trying to recruit Big Men for their reformist ends. As Kanin noted, this tactic just doesn’t work. Balkan political leaders know very well how to “co-opt international

support by speaking the language of modernity and offering promises of stability and ‘reform’. It is a well-worn routine: the politicians talk a good game to Western donors, but actively slow progress in areas that directly impact their hold on power. These same leaders are also adept at brandishing the threat of ethnic conflict whenever their patrons ask more of them than they are willing to deliver.

It is important for policy makers to keep all these dynamics in mind and avoid the temptation of partition or the embrace of the region’s more entrenched strongmen as a putative quick solution to the region’s various pathologies. The emergence of more small, fragile states in the region would serve only to cement the hold of these strongmen’s patronage networks over their respective ethnic constituencies. And cooperating too closely with the Big Men only extends the political and economic stagnation. The goal of US policy in the Western Balkans, beyond maintaining peace, ought to be to build bridges to strengthen existing states, not to splinter them further.

18 Ibid.
A WAKE-UP CALL FOR THE UNITED STATES

The Western Balkans remain the unfinished business of a Europe whole and free. This full realization of this goal has been at the heart of US strategy toward Europe, precisely because a whole, free Europe removes the continent as a conceivable future battleground and maximizes the likelihood that the United States will have the kind of capable, coherent partner required to address global challenges. Instability in Europe’s Southeast could deprive the United States of a strategic partner on facing challenges further afield.

But the United States has stopped paying attention, distracted by more pressing crises abroad, and thinking that the Europeans have matters in hand. Sensing that the United States has all but withdrawn from the region, Russia has gone on the offensive, capitalizing on a strategic vacuum. Before considering how to counter Moscow’s disruptive and dangerous tactics, it is critical to understand why it is a US interest to care in the first place.

In the words of Bulgarian analyst Ivan Krastev, the Western Balkans represent the “soft underbelly of Europe.” Even the casual observer of European history understands that the continent’s great power conflicts started with smaller conflicts, frequently in the Balkans, which metastasized, drawing in outside powers. The kindling for a new conflagration is still in place.

BiH, whose cohesion represents the ultimate key to securing lasting peace in the region, is probably the most likely country to catch fire. Its power sharing agreement is already tenuous and being pushed to the breaking point by sectarianism. And efforts aimed at improving governance—such as rooting out entrenched corruption—have stalled. Any further fragmentation in BiH—whether political or administrative—could easily turn what is currently a weak state into an outright failure, sending profound aftershocks through a region patently incapable of absorbing them.

But there need not be a cataclysmic conflagration for the United States to be affected. Starting in 2015, the so-called “Balkan route” became one of the leading avenues for migrants and refugees leaving North Africa and the Middle East to enter the European Union. In that year, Frontex detected more than 764,000 illegal border crossings, sixteen times the number of crossings in 2014, and a whopping 164-fold increase over 2011 numbers. Such massive refugee flows strained already shaky local security capacity and social services in the countries along the route, and in the EU countries at the Balkans’ external border. The official “closure” of the route in 2016 slowed but did not stop the movement of people through the region. For European leaders still struggling to nail down an EU-wide common border and migration management policy, the Western Balkans remain an area of serious concern—a concern that should be shared by the United States, as it threatens the safety and security of Europe.

The large Muslim populations of the region have thus far mainly avoided radicalization, even though more radical mosques and schools, funded with money from Saudi Arabia, have been springing up in both BiH and Kosovo. These populations, especially in Kosovo, have remained deeply pro-American, but over time, both US disengagement and lack of opportunities at home could accelerate radicalization and grow the pipeline of violent extremists, sending disenchanted recruits into the civil wars of the Middle East with the potential to return home as security liabilities.

Russia has a keen sense of these vulnerabilities, and has been busy poking its fingers into barely-healed wounds. Given Moscow’s resource constraints and a lack of concrete interests, however, its meddling ought to be easy to counter.

The United States should help to reestablish a clear, common vision for the region built on support for domestic reforms that could stabilize the Balkan states and ultimately join them to a secure and prosperous transatlantic community. The United States needs to work with the European Union to reestablish clarity in our common goals at the political level to strengthen Balkan stability.

Concretely, there are several steps the United States ought to take in order to help stabilize the region, and help it get back more firmly on a track to Euro-Atlantic integration:

19 Ivan Krastev, “The Balkans are the Soft Underbelly of Europe,” Financial Times, January 14, 2015, https://www.ft.com/content/4ad8ef0e-855d-11e4-9951-00144feabdc0.
1. Establish a Permanent US Military Presence in Southeastern Europe

Typically, NATO partnerships serve as a proxy to demonstrate US commitment to a region. Unfortunately, the key crisis countries in the Balkans—Kosovo, Macedonia, Bosnia and Herzegovina, and Serbia—have either limited prospects for, or no intention of, joining the Alliance in the foreseeable future. At the same time, NATO’s largest operation in the region, the Kosovo Force (KFOR), has been gradually winding down, from 50,000 troops at the height of the initial operation in 1999 to a total strength of 4,273 in February 2017.21 The optics are unmistakable: the West’s attention is waning. And the optics correspond to a stark strategic reality: a profound vacuum has opened up, and everyone feels it.

An announcement that the United States intends to increase its military presence as the KFOR mandate winds down could prove beneficial on two fronts. First, more boots on the ground would reassure the region’s people that the United States is not going anywhere, remaining committed to their success, and further it would discourage their leaders from cozying up to revisionist powers hoping to be a divisive presence in the region. Second, having an increased military presence will help the United States to anticipate and react to future crises in the region as they emerge.

In polling, it is difficult to disentangle regional attitudes toward NATO from attitudes toward the United States, as surveys usually ask about the former rather than the latter. But for most citizens, the distinction hardly matters: the United States is seen primarily as a guarantor of security in a

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low-trust neighborhood. Support for the Alliance is strongest among Albanians, but NATO enjoys majority support everywhere except Serbia, where the 1999 NATO bombing during the Kosovo war has left deep scars. Even in Belgrade, however, leaders privately express support for Montenegro’s accession. No matter what the polls say, Russia is seen as more of a hedge than a likely long-term pillar of support.

The rationale for recommitment should be made crystal clear. A) The migrant crisis of the preceding two years has strained the capacities of states all along the Balkan peninsula. The United States should announce that US forces will help strengthen local authorities’ terrorist interdiction capabilities through training and sharing best practices, and will provide aid in humanitarian catastrophes, should they arise. B) Furthermore, it should be made unambiguously clear that the United States is committed to preserving existing borders in the region. The statement should note that various regional governments have been rattled by an increase in activity from foreign intelligence services on their territory and have asked for assistance with counterintelligence operations.

If possible, the announcement should be coordinated so that Pristina, Podgorica, and Skopje explicitly welcome US help on these matters. Sarajevo, unfortunately, will probably not be able to voice support for the initiative, given the likely veto of Republika Srpska. Nevertheless, it should be made clear that the United States means to preserve and guarantee the territorial integrity of all the countries in the region, very much including BiH as codified in the Dayton Accords.

Operationally, the current base for US Army soldiers under KFOR command in Kosovo—Camp Bondsteel—should be repurposed as the United States’ first permanent military base in Southeastern Europe. Bondsteel is well-equipped to act as a center for regional operations, with facilities for as many as 7,000 soldiers, one of the best hospitals in the region, and landing pads for up to fifty-two helicopters. Although the base does not have a runway, the investment required to construct a purpose-built airstrip would likely be significantly less than constructing a new base elsewhere.

The United States and Kosovo already have in place a Status of Forces Agreement (SOFA), and given the challenges it faces, the Kosovar government ought to welcome the initiative. The Serb minority in Kosovo, which has come to see NATO as a reliable guarantor of its own security, may welcome the move too, making it unlikely that situating a permanent military base in Kosovo would be met with significant domestic opposition.

2. Pursue a “Historic” Rapprochement with Serbia

Although US relations with Serbia have improved since the 1990s, the two countries’ relationship remains fraught and beset by suspicion. The NATO bombing of Serbia during the Kosovo War has left a bitter residue. According to a recent poll, 64 percent of Serbs would not deign to accept an apology from the Alliance even if it was forthcoming. Only 40 percent thought the bombing was due to the policies of fallen strongman Slobodan Milošević, and more than 17 percent believe it was done to ethnically cleanse Serbs from Kosovo.

Much of the negative public sentiment is fueled by a lurid tabloid press largely in thrall to President Vučić’s Serbian Progressive Party. Blindsiding Vučić with a fait accompli of establishing a permanent base in Kosovo could lead him and his political machine to reflexively paint the move as anti-Serbian. Forestalling that will require a concerted diplomatic effort and deft timing, but would be well worth the US government’s energy.

Serbian officials have signaled that they want better relations with the United States, and have pointed to the fact that in 2016 alone, the Serbian Army has conducted more than two hundred joint military exercises with the United States and NATO, compared with only seventeen with the Russians. They have privately admitted that while NATO as a brand carries overwhelmingly negative connotations with their voters and membership in the Alliance is off the table for now, increased cooperation with the United States would be highly desirable.

Serbia’s greatest politicians have always excelled at playing large powers off against each other. Vučić is as wily as they come, and will be loath to completely rid himself of the strategic maneuverability and political ambiguity he has created by his dalliances with Moscow. Indeed, US diplomats should not expect him to renounce his country’s “historic” partnership. But what they must insist on is fair and accurate coverage of what could be the “historic” rapprochement between the United States and Serbia.

The United States might offer a gradual but very public warming of relations between the two countries, to perhaps culminate in a high-level

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visit from US Secretary of Defense James Mattis or a similarly ranked Trump administration cabinet official in the future, accompanied by recognition that Serbia is the lynchpin for regional stability, and a valued partner in the fight against terrorism. The price: a visible effort by the Vučić administration to conduct a concerted public diplomacy campaign within Serbia on behalf of the rapprochement and partnership with the United States. Each step in the process of drawing closer on the part of the United States must be reciprocally met with positive efforts by the Serbian government to tell a positive story to its people. He should be pointedly reminded that the seventeen joint military exercises Serbia conducted with Russia last year got inordinately more coverage in Serbian and regional media than the more numerous missions with the United States and NATO.

Vučić may balk and over time may fail to deliver on what he has promised; he may even protest that he cannot control the tide of yellow journalism that his country’s main tabloids publish on a regular basis.

In that case, the United States must call his bluff. Instead of being held up as a valuable partner for peace and stability, Serbia would be isolated in its neighborhood, with only Moscow to rely on. In all communications, one message should be made explicitly and repeatedly: The United States will not abandon the Balkan region.

For a historic revitalization of the US-Serbia alliance to succeed, it is important that Vučić be pressed hard, but without requiring a humiliating climb-down or about-face. The United States should be confident that facing a difficult choice between weak support from Russia and a real offer for rapprochement with the West, he will make the right choice.

3. Regain the United States’ Reputation as an Honest Broker

For almost two decades now, it has been apparent that in managing the Western Balkans, the EU possessed all the carrots while the United States carried the stick. In the early 2000s, particularly in BiH, this arrangement yielded positive results, with
US diplomats behind the scenes twisting arms. By
President Barack Obama’s second term, the United
States was still present, but now firmly “leading
from behind.” The April Agreements could not have
gotten off the ground in 2014 without US help, but
the United States let the EU take the lead from there.

Unfortunately, the EU has become convinced of
the virtue of waging foreign policy by bureaucratic
means alone: all problems in their neighborhood,
from violence to corruption to poverty, are in
one way or another seen as solvable through the
enlargement process, which is itself primarily a list of
reforms for candidate countries to achieve. But this
devotion to legalistic detail—to making an endless
number of tightly specified reforms on a fixed
schedule—has often led Europeans to prefer stable
governments that promise to improve themselves
as partners over the unpredictable democratic
ferment that is the natural product of the values the
Union is supposed to represent.

When it is engaged, the United States corrects this
myopia. To the horror of “stabilitocrats” in Brussels,
Washington will often call out bad behavior, and bring
consequences to bear on the perpetrators. Even the
Obama administration, much less confrontational
than many of its historical predecessors, still took
the lead in imposing sanctions on Russia after its
aggressions in Ukraine. At its best in the Western
Balkans, the United States has knocked heads
together when necessary. At its worst, it has let the
EU proceed alone and partially blind.

In Serbia, Vučić’s first-round victory in the recent
presidential elections was accompanied by days of
protests across the country, with citizens upset by
his grip on media and the intimidation campaigns
waged by his formidable patronage networks.
Western leaders silently watched, waiting for the
protests to die out, with some, including German
Foreign Minister Sigmar Gabriel, even praising Vučić
for not resorting to violence.24 While it is quite likely
that Serbia’s new president would have won the
vote anyway, the West would be wise not to waiver
in voicing its expectations that Belgrade will respect
rule of law and fundamental freedoms.

Macedonia offers a glimpse of where stability
fetishism leads. VMRO-DPMNE’s Nikola Gruevski
was the West’s “guy” for the better part of ten years.
When first elected in 2006, he represented a new
generation of leadership in Macedonia. Gruevski
defeated a corrupt SDSM political machine, which
ran a patronage network just as fearsome as the
one his party controls today. While the fresh-faced
reformer talked a good game, he never seemed to
fully deliver; even as signs of autocratic backsliding
accumulated, the West looked the other way.
Today, with a constitutional crisis having narrowly
been averted, Macedonia remains poor and has
the potential to slide into a dangerously unstable
situation.

As Zoran Zaev, a man that Western-backed civil
society strongly supported in Macedonia’s recent
elections, promotes his sweeping changes, the
United States must take care not to hold him too
close. US policy and rhetoric can emphasize support
for the country, not any one actor, recognizing that
in a healthy democracy a reformed VMRO-DPMNE
would someday likely return to power. Similarly,
en a young student asks why Milo Đukanović’s
Montenegro has been allowed to join NATO and
is making progress on EU accession even though
he has ruled his little coastal country more or less
unopposed since 1991, the West needs to have a
better answer than “stability.” Rather, the West
needs to be clear that it holds leaders accountable
for reforms.

At the same time, being an honest broker does
not preclude being an active, interested player.
The United States ought to work hard to make
Montenegro’s NATO membership a success. This
means working closely with our newest ally on
a common security agenda, but also helping it
accelerate domestic reforms, bolstering the rule
of law, and helping nurture a healthy political climate
that includes space for a loyal opposition. After
all, presidential elections are looming in 2018, and
Russia is sure to try to leverage its malign influence
in the Democratic Front to field an anti-Western
candidate.

Similarly, in Macedonia, the United States needs
to assume a more prominent role in fostering
reconciliation and reform in the wake of the most
recent government formation. In parallel, it should
do everything it can to help resolve the country’s
long-standing name dispute with Greece, where
there seems to be opportunity for momentum at last.
Restoring confidence in the central government
and improving interethnic relations would complement
our efforts to restore the viability of Macedonia’s
NATO membership, nudging the region further
toward stability.

co.uk/wires/ap/article-4406266/German-FM-praises-Serbian-PM-says-protests-democracy.html.
The Western Balkans have appeared to be an ultimately manageable problem throughout most of the twenty-first century—a project for international development agencies and EU enlargement advocates to tinker with, a topic that State Department desk officers might debate over lunch, or the subject of a *New York Times* off-the-beaten-path travel piece that might note the region’s troubled history in passing. But with the EU struggling with existential questions and the United States gazing ever more inward over the last several years, what once seemed like stubborn eccentricities are looking increasingly like dangerous liabilities to the European continent. Sensing a vacuum, local leaders have started jostling for advantage. Russia, glimpsing yet another opportunity to make trouble for the West, has been exacerbating tensions. The priority for the United States is to firmly put an end to the drift. A small show of commitment will shore up an order painstakingly put together in response to the bloodletting of the 1990s. Locals need to be reassured that new ethnic hostilities are not around the corner, and that borders are not about to be redrawn right under their feet. It should be made clear to the Russians that they are wasting their time and money trying to sow chaos in the region.

This does not mean that once the United States recommits, the status quo ante can be restored as if nothing has happened. BiH is having serious difficulties governing itself, and its constitution will eventually have to be amended. Serbs and Kosovar Albanians will both have to make painful concessions to close a painful chapter in their shared history. And Macedonians will need to work at rebuilding a civic identity badly frayed by the events of the last two years. None of this can happen when aggrieved nationalists and partisans of Greater Serbia or Greater Albania, egged on by external revisionist powers, are dominating the conversation. A new generation of forward-looking leaders will have to emerge for all this to work.

Unfortunately, the best and the brightest are leaving in droves. For the region’s youth, accession to the European Union has always represented an opportunity to escape the stultifying parochialism and suffocating corruption of their home countries: reforms at home would be nice, they reason, but the opportunity to emigrate and work abroad would be even better. After Croatia joined the EU in 2013, its young people flocked to Germany and the United Kingdom seeking better opportunities. Even without an EU passport, hundreds of thousands of young people, especially those with advanced degrees, have found ways to emigrate since the 1990s. More than 340,000 have left Serbia since the wars, and more than 200,000 have left BiH. Macedonia is suffering from such an acute emigration crisis, especially among its Slavic population, that successive governments have not dared run a census since 2002, lest it reveal uncomfortable truths about the relative ethnic makeup of the country.

This trend can and must be reversed. If the Western Balkans can retain and harness the human capital of their younger generation, the region’s future is bright. Working with our European Union partners, we should pursue a concerted effort to provide opportunities for youth and entrepreneurs to thrive outside traditional patronage networks, and use our leverage to create opportunities for them within their countries. The United States should expand its approach of using public-private partnerships and modest public financing to attract larger numbers of students from Latin America to study in the United States, in order to draw in students from the Western Balkans.

Making it as easy as possible to start new businesses clearly would be a positive step. Governments should be prodded to deregulate their sclerotic economies, especially with an eye to taking advantage of opportunities created by technology. (Estonia is an excellent model to emulate.) Barriers to trade and travel in the region should be drastically lowered, not just to spur regional trade, but to also get larger international firms to invest.

But for there to be even a shot at such a future, present crises need to be averted first. And fast.


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