It is impossible to compress the story of the Socialist Federative Republic of Yugoslavia [SFRY] and its successor states into a neat and simple story of transition. Its succession twists and turns through pathways of war, reconstruction and reconstitution into national states – a process not yet completed. In this contentious tale, observers sharply differ on the sources of dissolution, the causes of war, and the current state and future prospects of the post-Yugoslav governments.

The tragedies that occurred are all the more painful since it seemed, in 1990, that the SFRY was on the verge of joining the European Community. It had long ago done away with many of the overtly repressive trappings of East European socialism. Since the 1950s, Yugoslav leaders had been experimenting with liberalizing economic and political reforms and Yugoslavia had been broadly integrated into international economic, political and cultural developments. Yugoslavia’s socialist regime was more open, transparent, and accepting of non-Marxist ideologies than any in East Central Europe. And since the 1960s, its citizens had massively enjoyed the opportunities to travel, study and work abroad. Literature and culture forbidden in the east, from George Orwell’s 1984 to punk rock and neo-liberal economics, were long prominent in Yugoslav stores.

By 1989, Yugoslav efforts to find a “third way” between western capitalism and Soviet socialism had clearly run into a dead end. A burgeoning civil society, a business-oriented prime minister, and the popular Slovenian cry, “Europa Zdaj!” or “Europe Now!” appeared to move Yugoslavia toward an evolving Europe at the “end of history.” But Yugoslavia’s other republics and provinces did not share Slovenia’s relatively smooth ascension to the EU and have remained outside the “European Home.”

This chapter will explore the causes and consequences of the SFry’s demise. It will suggest that the agenda for the dissolution of multinational Yugoslavia was set by a series of incomplete economic and political reforms that left Yugoslavia without the institutional resilience to overcome increasing inter-regional differences. The national revivals that unevenly swept across Yugoslavia in the 1980s enabled the rise of the uniquely talented leader Slobodan Milosevic, who advanced Serbian interests in the name of preserving Yugoslavia. The ‘Wars of Yugoslav Succession’ were the outcome of: unequal bargaining in the absence of compelling central authority, the failure of ambitious republican leaders to find a basis for future common existence, and the initial disinterest of Europe and the United States. Yugoslavia’s violent dissolution led to a delayed international intervention, settlements that have helped to define the newly independent states, the prominence of international agencies in domestic developments, and to transitions that have lasted far longer than had been foreseen in the early 1990s.
The felicitous title of Dennison Rusinow’s superb *The Yugoslav Experiment*, effectively captures socialist Yugoslavia’s policy of permanent political improvisation. The Communist-led Partisans’ seizure of power during World War II, with minimal assistance from the Soviet Union, began a search for a governing formula that would combine an efficient and equitable strategy of economic development with an approach to governance balanced between the leadership of a Leninist party and the broad inclusion of mass organizations. The Communists’ capacity to mobilize mass and external support during World War II provided the new regime, led by Josip Broz Tito, with the resilience that was absent in other Eastern European socialist regimes to resist the domination of its internal political and policy agendas by the Soviet Union. This toughness was essential for the experiments in governance that were conducted in an unusual international environment, that addressed economic decision making and organization, and the evolution of national communities within the Yugoslav federation.

In the first element of the experiment, socialist Yugoslavia found itself in a unique international environment in which it was a member neither of the Warsaw Treaty Organization nor NATO, where it was viewed as a communist country in the west and as a capitalist country in the east. Stalin’s expulsion of Yugoslavia from the Communist Information Bureau or COMINFORM in 1948 provided a context to search for a legitimizing formula that would leave Yugoslavia both independent and socialist. Military spending increased from the necessity to maintain a Yugoslav National Army (JNA) that could deter attack. While the top officer corps was ethnically balanced, the middle and noncommissioned officer corps was dominated by Serbs and Montenegrins – a matter of great significance as most Yugoslav military assets fell to the Serbs during the wars of succession in the 1990s.

By the early 1960s, the Yugoslav Government under Tito had adopted an “open” foreign policy between the two cold war blocs and the newly independent countries in the developing world in which it came to play a prominent role in the movement of nonaligned countries. Tito’s Yugoslavia actively pursued an independent political course within the United Nations. It simultaneously traded extensively with communist bloc countries and developed relations with multilateral financial institutions, such as the International Monetary Fund. It opened up its borders so that by the early 1970s, over a million Yugoslav citizens lived and worked abroad. From the early 1950s, in other words, an increasingly diverse set of foreign relationships could help maintain Yugoslav independence as these entanglements came to shape the character of internal policy choices. However, by the fall of the Berlin Wall in 1989, Yugoslavia had ceased to represent a daring experiment that commanded western and eastern support.

The second element of the experiment lay in a strategy of economic development that was socialist but non-Soviet. Abandoning central planning early on, Yugoslav leaders adopted “self-management” decision making within firms as the regime’s central economic symbol. From the early 1950s onward, Yugoslav leaders engaged in a series of partial economic reforms that fell short of creating a market economy similar to those in Europe or North America. These reforms included the de-collectivization of agriculture;
the decentralization of economic decision making; the establishment of workers’ councils in firms; liberalization of foreign trade; a series of banking reforms; the creation of a Fund for the Development of Underdeveloped Regions; efforts to simulate or create financial, commodity and labor markets; and efforts to remove the LCY from everyday decision making in the economy; the redesign of the economy in the mid-1970s into a “contractual economy”; and a policy of liberalizing “shock therapy” in 1990.9

The reforms did not work very well over the medium term – mainly because they neither fully embraced the implications of liberalizing reforms that would lead to significant privatization of economic assets, nor did they ensure that the economy would remain ‘socialist’. They did not provide stable economic growth based on a productive agriculture. Instead of narrowing intra-Yugoslav inequality, they were associated with increased economic inequality across and within republics. They appeared to increase Yugoslav dependence on the international economy, led to significantly increasing unemployment and the wholesale departure of labor to jobs in the west, and continued political meddling in production. And by 1990, Yugoslav debt to western banks had grown to US$20 Billion. Unemployment had grown to 15.9 per cent, and that in the least developed region, Kosovo, was 38.4 per cent.10 At one point in 1989, inflation had grown to 1750 per cent. In the best of political times the Yugoslav government might have overcome these difficulties, but by 1991 it was the worst of times.

The final element of the experiment lay in political reforms that were embodied in large-scale efforts to define new constitutional orders in 1946, 1954, 1963 and 1974. Among other things, these constitutions attempted to devolve power away from the Communist Party of Yugoslavia (CPY) to mass organizations that were more sensitive to diverse popular aspirations. Signs of this devolution included renaming the party the League of Communists of Yugoslavia (LCY) at its sixth congress in 1952, taking the party out of a command position in the mid-1960s by investing more authority in the regional organizations, and purging the hardline Secret Police. The LCY leadership attempted to enhance the authority of non-party governmental and administrative institutions, but fell short of divorcing the party from power. The purges of liberal party leaders throughout Yugoslavia in the early 1970s led to the re-Leninization of party organizations that became incubators of the fractious nationalism that they were meant to eliminate. This party-led regionalism provided a context to end the Yugoslav experiment in brotherhood and unity, the dissolution of the state, and war.

The idea of ‘Brotherhood and Unity’ was also central to the Yugoslav experiment. Yugoslavia was an “unmelted pot” of Muslims, Orthodox and Catholics; Serbs, Croats, Slovenes, Bosniacs,11 Macedonians, and Montenegrins; Albanians, Hungarians, Italians, Slovaks, Czechs, Turks and others. These peoples had acquired their modern national consciousness within the Habsburg Monarchy and the Ottoman Empire. Their modern national movements began at different times throughout the nineteenth century and with different degrees of success. Also in the mix was the idea of creating some sort of state for all the South Slavs or Yugoslavia. But even the nineteenth century saw tensions between the idea of creating an overarching, primordial common identity against that in which a Yugoslav identity would merely bind together national groups sharing a common
political space. This tension characterized political debates between centralizing “unitarists” and decentralizing “federalists” in both royalist and socialist Yugoslavia. And there was nothing inevitable about the creation of the “Kingdom of Serbs, Croats and Slovenes” at the end of World War I, an entity that became known as “Yugoslavia” in 1929 whose Serbian royal dictatorship tried to push a common cultural Yugoslav identity that was in practice Serb-dominated. Serb-Croat political conflicts wracked the country right up until its dismemberment by the Nazis in 1941 into puppet regimes in Slovenia, Croatia and Serbia and the annexation of Kosovo, Macedonia and parts of Croatia to neighboring countries with their own claims to these regions. The Communist-led Partisans won the civil war that took place during World War II in good measure because the symbol of Yugoslav “Brotherhood and Unity” was an appeal to reason and survival.

To recognize and balance national interests, the SFRY was a federation of six republics: Serbia, Croatia, Montenegro, Slovenia, Macedonia and Bosnia Herzegovina. Bosnia-Herzegovina, the only republic without a titular nation, was a “community of Moslems, Croats and Serbs.” There were two autonomous provinces within Serbia: Vojvodina, which was home to large numbers of Hungarians, and Kosovo, which had been predominantly Albanian since the end of the World War II. Croatia’s population was 12 per cent Serb in 1991 – many of whom lived in compact settlements in areas that comprised the Habsburg military border from the sixteenth century and others in large urban settlements. The Serbs were the SFRY’s most dispersed nationality, i.e., who lived outside of their nominal republic in the largest numbers.

Successive constitutions defined a series of increasingly complex power-sharing arrangements between federal, republican and regional governments that came to resemble consociational institutions theorized to build stable democracies in culturally plural societies. By 1974, the pattern of representation in all federal-level decision making bodies was carefully allotted to individuals from each republic (with attention paid to the intra-republican nationality composition of such delegations), in order to insure the formal picture of federal multi-nationalism. There was an intricate pattern of inter-republican decision making, wherein republican and provincial representatives in state and government institutions held a virtual veto over each stage of federal decision making. All federal-level institutions respected the ethnic key: in the formation of the presidency and parliamentary delegations, and of cabinets that respected all republics and autonomous provinces. Under the 1974 constitution, the republics became the SFRY’s most significant centers of power. But decentralization of politics left the LCY as “the one ring to bind them all” in Rusinow’s phrase, despite its loss of political coherence.

With Tito’s death in 1980, the fragility of this house of cards became increasingly apparent. As the winds of change began sweeping through socialist Europe, official Yugoslav politics remained committed to the methods of economic and political half-reforms of the earlier socialist era. And the bankruptcy of politics as usual could be seen in the suppression of demonstrations calling for republican status in Kosovo, in trumped up show trials of Bosnian Moslems for ostensibly advocating an Islamic republic, and in a series of other public “political cases” that were meant to demonstrate the strength of the political center against disloyal enemies. But the absence of an authoritative political
center was exposed in the failure of successive Federal Governments to identify an
effective strategy of economic development or in the failure of republican oligarchs to
agree on amendments to the 1974 constitution. The loss of a central vision was most clear
in the failure of the Yugoslav Presidency to act with any independent authority and the
minor role relegated to Federal Prime Minister Markovic in the political drama of
succession. The torch had passed to republican leaders who were unable to reach
agreement on a constructive course forward.

Most ominously, this political impasse led to the rise of Slobodan Milosevic in
Serbian politics in a 1987 coup against his close friend and political patron, Ivan
Stambolic. Milosevic revolutionized Yugoslav politics as the first party leader to depart
from a convoluted and ideological public language to simple and direct rhetoric that was
comprehensible to the broad masses. He explicitly integrated Serbian national goals into
an “anti-bureaucratic revolution” that was supposed to preserve socialist Yugoslavia.
Aside from taking over the Serbian media, Milosevic employed sophisticated techniques
of mass mobilization to make credible threats against the socialist governments in
Slovenia and Croatia after he had put his loyal minions in power in Kosovo, Vojvodina
and Montenegro, thereby giving him political control over four of the eight Yugoslav
political units. This made him the single most influential political force in late socialist
Yugoslavia, but he lacked both Tito’s goal of inclusion and his command of the levers of
power. Still, he was the commanding force in Serbian politics until his electoral defeat in
Autumn 2000 and arrest by the International Criminal Tribunal for the Former
Yugoslavia – a decade after the first window of democratic transition closed.15

The silver lining to this political cloud might have been the opening up to civil
society throughout Yugoslavia in the middle and late 1980s. This involved publicly
confronting previously suppressed conflicts and official excesses, and beginning multiple
processes of reconciliation. In theory, a new democratic politics would be inclusive and
strive to integrate all citizens and groups into a series of nested political communities that
began locally and grew outwards to the federation. In practice, it opened a pandora’s box,
such as the Serbian Academy of Sciences’ “Memorandum” that gave a cogent critique of
economic mismanagement alongside a nationalist program aimed at protecting Serbs
throughout Yugoslavia. It meant that former officials and political prisoners could gather
at meetings of UJDI – the Association of Yugoslav Democratic Initiative – to search for
common ground for the future. It meant the return of gastarbeiteri and political émigrés
into a rapidly evolving political mainstream. It meant coming to terms with the
transnational character of ethno-political communities in the 1980s and ‘90s – whether in
the selection of an American citizen as the Serbian Prime Minister, the prominent role
played by overseas Croats in Croatian domestic politics in the 1990s, or in the generous
support of Albanian émigré communities for political and military action in Kosovo.

By 1989, the pressure for comprehensive change was great. The federal LCY
ceased to exist in January 1990 when the Croat and Slovene delegations walked out of
the Fourteenth Extraordinary Congress of the LCY after the Serbian bloc rejected all
Slovene motions – e.g., to confederalize the party, to ban use of torture, to provide clearer
guarantees of the right of dissociation – without any meaningful discussion. Most former
republican LCY organizations soon morphed into the Social Democratic Party [SDP]. This did not auger a happy outcome to the intense, inter-republican political bargaining about Yugoslavia’s future architecture. For the first time since World War II, nationalist ideas were viewed as legitimate and nationalist “enemies” of socialism became centrally important actors in Yugoslav politics. By 1991, few political or institutional constraints were commonly accepted throughout Yugoslavia. And there was a sense that the window of political opportunity would not long remain open. The Serbian Government viewed itself as the protector of Serbs throughout the former Yugoslavia and the Croatian President Tudjman would soon make the error to try to extend Croatia into Bosnia.

State-Formation and War

The Yugoslav government barely paused at the precipice of dissolution and war in 1990-91. As described in more detail below, elections throughout the federation in 1990 selected republican leaderships who were accountable to ethnically based republican constituencies. These leaders failed to reach consensus on the shape of a democratic Yugoslav federation. Slovenian and Croatian leaders held well-orchestrated referenda on independence and began transforming their reserve forces into armies. European mediators failed to prevent a war at this “hour of Europe” and the US Government was not sufficiently interested at this early moment to act. Five inter-connected armed conflicts took place that still cast long shadows on developments in the successor states:

Slovenia. The Slovene Government declared independence on 25 June 1991 following careful preparations for defense that effectively stymied an ill-prepared JNA offensive. By 30 June Serbian leaders ordered the JNA to prepare to abandon Slovenia. There were eight military and five civilian deaths and 39 dead for the NA. Slovenian independence was formally acknowledged on July 18.

Croatia. The Croatian Government declared independence on 26 June 1991. Following its initially artful invitation to the leader of the Serb Democratic Party to become a Vice President in the Croatian Government in Spring 1990, the Tudjman Government awkwardly began firing Serb administrators and police throughout Croatia in the name of achieving ethnic balance in official employment. The armed conflict began in 1990 in a series of skirmishes, and in the Serbs’ consolidation of control in illegally constituted Serb Autonomous Regions with the aid of JNA officers and arms by mid-March 1991. Croatian Serbs largely boycotted the Croatian referendum on independence. The war featured sieges of Croatia’s Danubian city of Vukovar and Adriatic city of Dubrovnik. Former US Secretary of State and UN negotiator Cyrus Vance concluded a plan that allowed 13,500 UN troops to deploy to oversee the reintegration of the one-third of the republic’s territory controlled by Serbs into Croatia. An estimated 20,000 people died during the war. Despite EC concerns over the Croatian government’s treatment of its Serb minority, Germany recognized Croatia’s independence in early 1992, with the United States and European governments soon following.

International negotiators from the UN, the EC, the US and Russia presided over three years of inconclusive negotiations between the Croatian Government and rebel
Serbs, who repeatedly refused to begin talks concerning the reintegration of Serb-held territory into Croatia in accordance with the Vance Plan. The Croatian Government launched two offensives to re-gain control of most Serb-held territory in May and August 1995 after which approximately 300,000 Serbs fled Croatia. As part of the larger process of ending the war in Bosnia-Herzegovina, UNTAES [UN Transitional Administration in Eastern Slavonia] mediated the formal return of territory by early 1998. The Organization of Security and Cooperation in Europe have remained to monitor aspects of policing, media and return of refugees. The Croatian Government’s reassertion of control over its entire territory by 1998 was a turning point that removed the issue of Serb occupation, allowed for the rise of issues of corruption, abuse of power, and economic development, and set the stage for a second wave of democratization.

Bosnia-Herzegovina. By Autumn 1991, a delicately balanced coalition government among Muslim, Serb and Croat parties broke down with disputes over Bosnia’s relationship to rump Yugoslavia and the departure of the Serb Democratic Party delegation, led by Radovan Karadzic, and the formation of multiple Serb Autonomous Regions with JNA support. Croatian President Tudjman had already discussed the partition of Bosnia-Herzegovina with Serbian President Milosevic by March 1991, in an initiative that would betray Croatia’s image as a victim of aggression, strengthen the hand in Bosnia of radically nationalist Croats in Herzegovina, and establish the “territorial integrity of the Croat nation in its historic and natural borders” in a way that would expand the Tudjman government’s influence in Bosnia.

The Bosnian Government’s declaration of independence on was recognized by several western governments on 6 April 1992. Initial Serb campaigns in 1992 rapidly led to the capture of about 60 per cent of Bosnia’s territory, gains that remained basically intact until the fighting ended in Autumn 1995. In an attempt to homogenize Bosnia’s ethnically complex social geography in order to control territory, the Serb military engaged in ethnic cleansing and created prisoner camps. The radical HVO [Croatian Defense Council] subsequently launched offensives in Herzegovina and central Bosnia. Radicalized by foreign Muslim volunteers, a Muslim brigade in central Bosnia also committed crimes. Both Serb and Croat forces destroyed Islamic cultural monuments.

The war generated two and one half million refugees and internally displaced persons. The “international community” proved to be ineffective at ending the war. The United Nations Security Council passed over 100 normative acts that included establishing an arms embargo that de facto favored the well-armed Bosnian Serb Army against the poorly equipped Army of the Republic of Bosnia-Herzegovina, creating six poorly defended “safe areas” for civilians and addressing daily crises in the provision of humanitarian assistance and protection of civilians. Concurrently, diplomatic negotiators from the EC, UN, US and others drafted a series of peace plans, but took few steps to compel the parties to reach agreement, and did not intervene in support of the elected Bosnian Government. The UN Security Council deployed 26,000 lightly armed troops in the UN Protection force (UNPROFOR) scattered throughout Bosnia-Herzegovina during the fighting in support of humanitarian efforts. But these troops were not in position to compel compliance with the UN mandate and were, in effect, at the mercy of the
strongest party on the ground, i.e., the Bosnian Serb Army. International negotiators succeeded at compelling Croat forces in Herzegovina and the Bosnian Government to cooperate against Serb forces by forming a Federation in early 1994. By mid-1995, Serb forces became increasingly assertive, culminating in their conquest of Srebrenica in the largest single post WW II European massacre. Immediately afterward, the “international community” prepared for a NATO air intervention and Bosniac-Croat offensive that ended the fighting and led to US-led negotiations in Dayton Ohio in November 1995. Most estimates hold that between 200 and 300,000 people died in the conflict.

US-led negotiations in Dayton Ohio resulted in peace accords that created a Bosnia that largely recognized the “facts” created on the ground by the war. Bosnia now consists of an unwieldy configuration of two entities: Republika Srpska (RS) (49%) and Bosniac-Croat Federation (51%), each with its own police and army. The RS is relatively centralized, while the Federation is composed of 10 cantons with substantial autonomy. Two cantons are explicitly mixed; two cantons are dominated by Croats and six cantons are dominated by Bosniacs. A large NATO military implementation force and complex civilian intervention began in early 1996 and has not yet completed its work. The High Representative oversees efforts to implement the Dayton Peace Accords by the United Nations, the OSCE, the World Bank, and a host of non-governmental organizations. The High Representative won extraordinary powers at a meeting of the Peace Implementation Committee in Bonn in December 1997, which enable him to over-ride Bosnian institutions to pass legislation and/or to remove domestic officials from office.  

Kosovo. Kosovo has long been an apple of discord between Serbs and Albanians. It served both as the center of the medieval Serbian state and as the birthplace of the modern Albanian national movement in the nineteenth century. In the period immediately after World War II, the Serbian-dominated secret police imposed a harsh anti-Albanian order in Kosovo and in the 1950s the situation was so bad that many Albanians declared themselves Turks and emigrated to Turkey. The pendulum swung in the other direction after the fall of Secret Police Chief Rankovic in 1966 and by 1974, Kosovo had become almost an equal member of the Federation where Albanians were the leading ethnic group in the province. But beginning with demonstrations in 1981, the pendulum again began swinging back against Albanian interests. Between 1988 and 1990, the Serbian Government took steps to limit autonomy. It forced the provinces two top leaders to resign, forced the Assembly to adopt amendments reducing the province’s autonomy, suppressed the Assembly and Executive Council, terminated Albanian Language instruction in the schools, caused well over a hundred thousand Kosovo Albanians to lose their jobs in administration, education and health sectors, changed street names in the capital Pristina to Serbian ones. These measures led to large-scale emigration from Kosovo and official efforts to resettle Serbs (include refugees from Croatia) into Kosovo. In response to these developments, a peaceful movement for autonomy and then for independence was headed by the Democratic League of Kosovo or LDK led by Ibrahim Rugova. In parallel elections, the LDK won broad support of Albanians in Kosovo. It established a parallel administration in education and health care widely used and supported by Albanians. However, Rugova did not succeed at winning a place at any
international negotiating table beyond that of an observer, partly because international negotiators viewed Milosevic as essential in ending other conflicts. This failure created the conditions for a more militant phase to the national movement when the Kosovo Liberation Army or KLA would take the initiative in support of independence for Kosovo. Beginning with terrorist activities against Serbian police stations in December 1997, the KLA began more sustained operations, which elicited increasingly harsh response from Serbian forces. International diplomatic efforts to establish an OSCE Verification Mission in Autumn 1998 did not succeed in deterring further violence. The “Rambouillet” negotiations in France failed in early 1999, eventually leading to a 77 day NATO air campaign against Serbia and Serb positions in Kosovo, and to more intense ethnic cleansing of Albanians from Kosovo. The campaign ended on 10 June with Security Council Resolution 1244 that created an interim administration for Kosovo that was meant to provide a framework for a political settlement of the crisis in Kosovo.

The UN Mission in Kosovo or UNMIK had some initial success in deploying in Kosovo, but has not succeeded: in establishing institutions that are effective at providing security, rule of law; in brokering an agreement between authorities in Kosovo and in Serbia over Kosovo’s future status; in providing guarantees to minorities concerning security, education and economic opportunity; and in meeting a generally accepted level of good governance. The failure of Belgrade’s authorities to negotiate realistically about the future of Kosovo contributes to the continued uncertainty and violence in the province that results in continuing departure of active Serb population from Kosovo.

**Macedonia.** The enduring sources of the Macedonian Question have not figured into the ethnic conflict between Macedonians and Albanians in the period since 1990. Albanians constitute 25 percent of the population of Macedonia and inhabit the area in the northwest bordering on Kosovo and Albania and in the capital of Skopje. A “policy of half-hearted, half-reluctant ethnic cohabitation” in a series of multiethnic coalition governments since the early 1990s has helped maintain a fragile peace but did not provide a basis for integrating the two groups into a common community. Nor did the international presence by the UN Preventative Deployment [UNPREDEP] between Serbia and Macedonia, the EC, or CSCE in the mid-1990s lead to political integration. These delaying actions led to a series of skirmishes in 2001 in northwest Macedonia between Albanian guerillas supported by Kosovar irregulars and Macedonian forces. After several months, international diplomats brokered the Ohrid Agreement, which provides for constitutional amendments and reforms that would improve the status Albanians while maintaining the unity of the Macedonian state. NATO briefly deployed in Macedonia in order to collect weapons; an OSCE mission remains in place.

The failure of the “international community” to act in a timely fashion in the late 1980s and early 1990s contributed to the uncertainty that permitted stronger and more aggressive forces to gain strength and undermined efforts to move towards peaceful and the construction of normal political systems. The wars of Yugoslav succession have made the transition in the countries of the former Yugoslavia significantly different than those in East Central Europe or Southeast Europe. The transition from war to peace has severely complicated the transition from socialism. This becomes clearer when we survey
domestic developments: elite transformation, party politics, development of civil society, attitudes towards politics, economic development and policies

**Elite Transformation**

The Wars of Yugoslav Succession have left a deep imprint on the patterns of elite transformation in the successor states. Old and new leaderships easily blended together. Many former Communists became good national leaders in the new regimes: Serbian President Milosevic, Croatian President Tudjman, Macedonian President Gligorov, to name a few of the most prominent ones. Former “democratic” dissidents became nationalist leaders and ideologues. Former “nationalists” became liberal, democratic human rights advocates. Returning political émigrés blended effectively with former communists in nationalist parties. Among the older generation, former communists were able to work easily with former nationalist “enemies”. Younger, able and politically nimble politicians and administrators rose quickly to prominence in all parties and states. A careful examination of elite transformation in Croatia, Serbia, Bosnia-Herzegovina and Kosovo would certainly show how nationalist leaders employed the wars to deepen their hold on power and expand political machines that limited significant inter-party electoral conflict. The wars delayed political democratization and economic liberalization.

Nor did the “international community” serve as a source of enlightenment – despite its ringing cosmopolitan values. The command systems that were established during the wars facilitated alliances between external agencies and the warring parties at the expense of the citizens for whom the assistance was intended. For example, during the war in Bosnia-Herzegovina, the warring parties took a cut from all humanitarian aid intended for civilians as part of their war effort. After peace agreements, “peace building” international agencies have tacitly helped to buttress the authority of corrupt ethnic leaders simply by dealing with them. Peace accords in Kosovo and Bosnia-Herzegovina have not settled disputes about sovereignty or provided a road map to stable and democratic institutions. The failure to resolve open issues – e.g., the status of Kosovo, the capture of indicted war criminals, the return of refugees and displaced persons, or the relationship between Republika Srpska and Serbia – ensured that recalcitrant leaders would find little reason to commit to the implementation of the peace accords. Finally, many important domestic functions were taken over by international officials from the UN, OSCE, Office of the High Representative and the EU – generally by individuals who spoke none of the languages of the region, who knew little about the region, and who often had little experience in working in post-conflict zones. This has made the transition even more difficult.

**Elections and Political Parties**

The countries of the former Yugoslavia have often been left out of the bulk of comparative literature on political competition in the post-socialist region. Yet, these countries share characteristics of its central European neighbors: weak party systems, a rather amorphous ideological spectrum, and party fragmentation. These countries are characterized by intensive international involvement in domestic politics, as well as by entrenched ethnic party systems. Valerie Bunce suggests that the victory of a liberal, anti-
communist opposition in the first multi-party election permits a decisive break with the authoritarian past and a launching of a liberal program. In contrast, the victory of an ethnically exclusive opposition can obviate democratization and lead to challenges to state boundaries. A third alternative is when a communist party adopts a nationalist agenda in order to maintain its hold on power.

By these criteria, only Slovenia experienced a relatively smooth democratic transition and state formation in its first post-Yugoslav election. The founding parliamentary election was won by the non-communist coalition DEMOS and the leader of the reformed communist party won the presidency. This new government enacted pluralist and market reforms and declared independence from Yugoslavia. After the movement-based DEMOS disintegrated, the fragmented party system consolidated into four strong parties: the left-oriented United List of Social Democrats, the moderate left Liberal Democracy of Slovenia, the center-right Slovenian Democratic Party, and the Christian Democratic Party. These four parties have consistently captured the bulk of the seats in the Drzavni Zbor or National Assembly. Broad agreement among Slovenia’s elite that the future lie with European institutions helped it achieve early membership into the EU and NATO. The absence of substantial minorities allowed for Slovenia’s significant illiberal forces to remain relatively harmless during its march into Europe.

By contrast, the first post-Yugoslav elections in Croatia and Serbia opened the door to nationalist forces who succeeded at advancing narrow, ethnic agendas, and who undermined democratization in wars in Croatia and Bosnia-Herzegovina. The end of war provided a context in which opposition coalitions could overcome their own bickering to win elections in “second transitions” and begin reform programs that contributed to more normal political competition.

In Serbia, Milosevic weathered several waves of anti-regime demonstrations and intra-party conflict to “remake” the LC Serbia into a national authoritarian party with its own satellite, the United Yugoslav Left (JUL), headed by his wife. In the founding election in 1990, his Socialist Party of Serbia (SPS) ensured that it would dominate the Skupstina or Parliament. The SPS’s program appealed to socialist conformists, as well as to Serbs who had criticized Tito’s “weakening of Serb interests” in Yugoslavia in the 1980s. It was strongest outside of Belgrade and in the Serbian heartland. Milosevic used existing structures to retain power, acquire wealth, distribute patronage to his family and allies among his criminalized support structure, and to manage “Serb” territories outside Serbia. War and monopoly over politics, and effective propaganda through a government directed media, and security forces allowed him to demobilize political opposition and eliminate political alternatives.

With the end of the war over Kosovo the SPS could no longer label oppositionists as traitors. Ordinary Serbs increasingly attributed their poverty to the SPS’ bad government. Milosevic’s supporters among the criminal class had become independent of his patronage. The leaders of the liberal opposition finally set aside personal antagonism to unite, and the youth organization Otpor (Resistance) effectively led civic mobilization. These forces overturned Milosevic’s plans to rig the 2000 Presidential elections and
helped to secure the victory of Vojislav Kostunica, who was supported by an 18 party opposition coalition, the Democratic Opposition of Serbia (DOS). The DOS coalition convincingly won the December 2000 Skupstina elections, selecting the Democratic Party’s (DS) Zoran Djindjic as Prime Minister. But differences between Kostunica and Djindjic over a strategy to the West on reform led to the disintegration of the coalition. Not long thereafter, war profiteers assassinated Djindjic in response to his plans for security sector reform and prospects of closer cooperation with ICTY.

In the 2003 elections to the Skupstina, Voislav Seselj’s extremist Serb Radical Party (SRS) won popular support that grew from general resentment against demands for closer Serbian cooperation with ICTY, as well as from popular sacrifices from economic reform. However, pressure from the West led Kostunica to form a center-right coalition that excluded a formal role for SRS, but that enjoys tacit support from SPS. Current policies, the popularity of extremist parties, and the narrow victory of the DS’s Boris Tadic over the SRS candidate in the 2004 Presidential election mean that the second transition and movement toward the EU is on-going, but far from complete.

In Croatia, the nationalist movement was led by the Croatian Democratic Union (HDZ) under the leadership of former Partisan General and political dissident Franjo Tudjman with substantial support from political emigres. The HDZ won power in 1990 for its anti-communist expression of Croatian identity. It was viewed as the most serious alternative to the atheistic socialism of the ex-Communists or Party of Democratic Change (SDP, later called the Social Democratic Party). A majoritarian electoral system allowed the HDZ’s 46% of the popular vote become 67.5% of the seats in parliament. The losing Coalition of National Accord, which was composed of former Communists and Liberals, fragmented and formed a series of smaller parties. A majority of Serb SDP members chose to leave the evolving Croatian SDP. Regional parties in Istria have demonstrated considerable staying power. The war began in 1990-91 with the refusal of the Serb Democratic Party (SDS) leadership to join the broad governing compact led by HDZ in 1990. This refusal strengthened exclusivist tendencies within the HDZ and reinforced its image as the most serious defender of Croatia against Serb aggressors. As long as Serbs occupied Croatian territory, Tudjman’s HDZ was able to monopolize power in Croatia. It tolerated and supported moderate Serb groups in Croatia in an effort to demonstrate its political openness, but its real monopoly of power provided a context for corrupt practices among the HDZ political and administrative elite.

With the return of all Serb-held territory and changes in the electoral laws, the diverse opposition to the HDZ made significant electoral gains in a number of cities and regions on platforms of good governance and political change. With Tudjman’s death in the run-up to elections in early 2000, a moderate six-party opposition coalition headed by the SDP won control of the parliament on a campaign that included accession to the EU. Their governing program included cutting the purse strings of the hard-line HDZ in Bosnia and cooperation with ICTY. However, a governing coalition whose connecting bond was mainly in beating the HDZ in power would not prove authoritative itself. Its inability to improve economic performance and its cooperation with ICTY’s efforts to capture Croatian Generals for trial at the Hague led to their defeat in elections in 2004 by
a more compact and reformed version of the HDZ. Following its loss of power in 2000, the HDZ splintered and adapted its own electoral appeal to pursue integration with the EU. The sincerity of its commitment to reform is now being tested by EU demands that it fully cooperate with the ICTY as a precondition for accession.

Leaders in the tiny, multiethnic, and poor Yugoslav republics of Bosnia-Herzegovina and Macedonia sensed the impending danger that the disintegration of Yugoslavia could lead to their own dissolution and attempted to forge compromises among the competing political forces within them and in response to the designs of their more powerful and covetous neighbors. The electoral rules, social structure, and anti-communist sentiment worked to establish ethnic party systems. And only the rejection of their compromise proposals in negotiations over Yugoslavia’s future led Macedonian and Bosnian leaders to pursue independence. Both countries have lived through external interventions that drastically re-wrote domestic political rules.

A 1990 court decision striking down Bosnia’s ban on ethnic parties and an electoral rule that mandated that the results of the elections not deviate more than 15 percent from the ethnic distribution in the census led to the victory of ethnically based parties in founding elections: the Muslim Party of Democratic Action (SDA), and the Bosnian branches of the HDZ and SDS. During the campaign, all three party leaders committed both to protecting ethnic interests and to inter-ethnic cooperation. Although twice jailed in socialist Yugoslavia (in 1946 and 1983) for Islamic activities, SDA leader and BiH President Izetbegovic opposed an ethnically based state in favor of a constitution that recognized Bosnia as a state of three constituent peoples and others. However, inter-party cooperation deteriorated over the formula for the ethnic distribution of positions within the government administration. A majority of Bosnian citizens supported its referendum on independence, although Serbs boycotted the vote just as they did in Croatia. Leaders in Serbia and Croatia egged on and armed their co-ethnic parties in Bosnia on the pretext that the republic was dominated by radical Muslims.

Ethnic cleansing, international intervention, and institutional engineering created a break with the Yugoslav tradition of “brotherhood and unity.” The Dayton Accords included an unwieldy constitution with ineffective state institutions that are dominated by the ethnically based SDA, HDZ and SDS in the name of institutionalizing power-sharing. Electoralism – or the idea that holding elections will jump start the democratic process – has actually heightened inter-ethnic tensions in Bosnia. Since ethnically based parties rarely win votes from other groups, party leaders have strong incentives to make radical appeals to insure greater turnout of their own group. Nationalists won increasingly narrow victories until elections in 2000 when international officials convinced diverse social democratic forces to unite behind the Social Democratic Party-led “Coalition for Change.” The Coalition’s efforts at comprehensive reform failed due to internal bickering and to opposition from exclusivist, war-time local networks. In the RS, the Party of Independent Social Democrats is a regionally based Serbian moderate party that has been willing to enter into meaningful dialogue with Bosniac and international officials. But the international intervention has undermined political accountability in Bosnia. Just after Dayton, international officials did not act against
exclusivists who illegally strengthened ethnic partition, the subsequent use of “Bonn powers” undermines the authority of Bosnian officials elected under Dayton’s rules.\textsuperscript{41}

In Macedonia, nationalists and reformed communists (soon becoming the SDSM) split the vote during the founding elections. While the nationalist Internal Macedonian Revolutionary Organization (later, VMRO-DPMNU) won the most parliamentary seats in 1990, its government fell in a vote of no-confidence in 1991. The reformed communists then formed a four-party coalition government that included the Albanian party and their leader, Gligorov, was elected by the Parliament as President, serving as a bridge between the communist past and pluralist future. The Coalition supported interethnic cooperation, by including four Albanian cabinet ministers in the government.\textsuperscript{42} Although no Macedonian government has been able to break decisively with the past, all coalition governments – including that led by VMRO-DMPME in 1998-- have been multiethnic.

External pressure has actually enhanced multi-ethnic cooperation in Macedonia as it has always ensured a European, US or UN commitment to support some sort of power-sharing agreement. The fighting that took place in 2001 has not significantly increased Macedonia’s polarization. The Ohrid Agreement has provided Macedonians with strong incentives to form an inclusive government of “national unity” and to adopt ethnic power-sharing arrangements in the constitution. And in contrast with Bosnia, Macedonia’s first election following the violence led to a multiethnic coalition government led by SDSM and other parties most committed to the peace agreement. Members of various multiethnic coalitions have largely managed to work together to formulate policy. But Macedonia faces serious problems of organized crime, corruption and economic development that can’t be so nimbly resolved.

In sum, there is uneven progress in the development of party systems across the former Yugoslavia. In Slovenia and Croatia, movement parties that won the founding elections have dissipated and given way to party systems that range between conservative and social democratic parties, each displaying a nuanced set of parties in the middle, pride in national identity and satisfaction with the dissolution of Yugoslavia. It appears as if these systems are on the way to institutionalizing themselves as providing a range of proven alternative policy programs.

Bosnia-Herzegovina and Macedonia have developed entrenched “ethnic” party systems which inhibit any other basis of political competition, although ethnically based Social-Democratic parties both have enjoyed some electoral success and have demonstrated their willingness to negotiate constructively across ethnic lines. The absence of a comprehensive second transition in Serbia, Montenegro and Kosovo means that their political parties remain enthralled by basic status and constitutional dilemmas and have not moved onto a quieter type of interest-driven politics. Amidst these countries’ difficult transitions have appeared enduring and meaningful regional parties and smaller liberal and green parties. Although these minor parties have little hope of winning elections, they have facilitated the formation of coalitions that support democratic reform. The durability of these smaller parties might demonstrate that, in the
proper circumstances, the post-Yugoslav party systems can resemble those of more settled political systems that lack the daily drama of crisis and war.

**Civil Society**

It is often held that voluntary organizations produce social capital that strengthens democratization in the successor states. Its impact depends on the type of social capital and the rootedness of the organization in local society. Advocacy organizations that link citizens to policy makers can help hold political leaders accountable. Those groups that disperse authority horizontally, rather than concentrate authority, are best at cultivating the repeated interdependent interaction that builds interpersonal trust. Groups that look outward, beyond the interests of their own members toward benefiting the larger community are better at solving broader social problems than those that focus only inward. Finally those groups that link together people of different cultural backgrounds are better at helping integrate a diverse society than those that bond together and provide social support only those of the same cultural background.  

The developments described in this chapter leave little doubt that many civil society organizations in the region are mono-ethnic. The many voluntary associations that focus inward on strengthening intra-ethnic bonds contributed to conflict in Yugoslavia’s multiethnic republics. For example, it is difficult to see how many of the religious organizations that were revived in the late 1980s could provide a basis for reconciliation and moderation when many religious leaders directly participated in exclusivist nationalist appeals. Some mono-ethnic local organizations that were linked to nationalist parties crowded out a range of moderate groups who were opposed to violence.  

Some local, multi-ethnic organizations that grew out of the war produce social capital that “bridge” ethnic divides: Medica Zenica is a voluntary organization initiated by local women residents of all backgrounds in Zenica, Bosnia to aid female victims of the war. But other groups include organizations of displaced persons (DPs), veterans and families of missing persons. Victims groups in Bosnia and Kosovo can adopt different strategies: either to return as minorities to their homes of origin or to rebuild new lives in areas where they are among the ethnic majority. Veterans associations, which are split along ethnic lines and are inward-looking, resent their marginalization in the post-conflict period and tend to support nationalist groups. ICTY has indicted many leaders of such groups that display the “dark side” of social capital. 

Western agencies have generously supported NGOs that produce “good” social capital that contributes to the democratization of post-socialist states, but overlook NGOs that emerge from local traditions of informal networks of mutual help rooted in everyday life, such as in the neighborhood and the workplace. From their own experiences,
donors have favored NGOs that have engaged in advocacy – even where they have shallow roots in society and whose formation is driven largely by donors’ needs. It is encouraging that leaders of advocacy groups, such as legal aid and human rights groups, are making progress in forming networks to monitor and influence government. For example, Sarajevo’s Serb Civic Council [SCC] was established during the war by intellectuals to assist Serbs choosing to live in Bosnia’s Federation. After Dayton, the SCC successfully cooperated with Bosniac and Croat opposition intellectual groups to ensure that Serbs, Croats, and Bosniacs were all legally constituent nations throughout Bosnia. Nationalist leaders have employed the conflict to discourage the formation of civic organizations that unite diverse peoples around common interests, and thus help keep inter-communal peace. More often, efforts to improve interethnic relations have been mounted by mono-ethnic groups that are committed to interethnic cooperation.

The long-term character of building tolerant civil societies in Yugoslavia’s successor states is clearer to local activists and some international implementers on the ground than to donor agencies that demand immediate results. A recent USAID study concluded that many NGOs in South Eastern Europe “still have tenuous links with their communities” because of their orientation toward international donors. Ordinary citizens remain disaffected and often view local NGOs as promoters of Western agendas and sources of support for opportunistic leaders. To be sure, some domestic activists have made progress in strengthening organizations that embrace civility, responsiveness and democratic principles. However, the successor states’ civil society remain dominated by organizations that promote narrow, group interests rather than cross-cutting problems, such as social integration or political accountability of the government. And it remains for international donors to work with domestic groups by adopting locally-determined agendas as a key element in empowering local communities.

Citizens and Politics

As in most post-socialist systems, the significant gap between elites and ordinary citizens that persists in most successor states results from a one-party system legacy, relatively weak party systems, and corruption. The willingness of citizens to participate in politics has varied according to timing, political context, and economic situation. Voter turnout was high during the euphoria of the founding elections and then tapered off with the realization that the end of one-party rule would not increase political responsiveness – and citizens quickly discerned the self-serving behavior of political elites working in the new political institutions. In all countries, voter turnout for parliamentary elections has declined since 1990. It slipped from 84.5 percent in 1990 to 61.6 percent in Croatia; from 71.5 in 1990 to 58.7 in 2003 for Serbia; from 80 percent in 1990 to 55.4 percent in 2002 in Bosnia; and from 78 percent in 1990 to 73.5 percent in Macedonia in 2002.

Elections for the president of Serbia were invalidated three times when less than 50 per cent of voters bothered to turn out in 2002 and 2003. Only amending the law led the elections to succeed. The heavy hand of the Office of the High Representative has further depressed citizens’ reported external efficacy. Of those who did not vote in the last elections, 43 percent explain that they stayed home on election day because “Bosnia
and Herzegovina’s politicians cannot change anything.” It appears that low levels of participation result from the general perception that parties do not offer meaningful political alternatives or are responsive to citizens’ concerns.

Levels of participation in political activities in the former Yugoslav states is roughly the same as the modest level of political participation for the East European region as a whole (Table I). Citizen mistrust of political organizations leads to low levels of membership in political parties.

<table>
<thead>
<tr>
<th></th>
<th>% have joined an unofficial strike</th>
<th>% belong to a political party</th>
<th>% have attended a lawful demonstration</th>
<th>% have signed a petition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovenia</td>
<td>3.0</td>
<td>32.4</td>
<td>9.8</td>
<td>3.7</td>
</tr>
<tr>
<td>Serbia</td>
<td>7.5</td>
<td>5.8</td>
<td>24.0</td>
<td>32.4</td>
</tr>
<tr>
<td>Croatia</td>
<td>3.2</td>
<td>5.0</td>
<td>7.8</td>
<td>37.4</td>
</tr>
<tr>
<td>Bosnia</td>
<td>3.6</td>
<td>7.1</td>
<td>3.6</td>
<td>22.0</td>
</tr>
<tr>
<td>Macedonia</td>
<td>5.0</td>
<td>11.7</td>
<td>17.8</td>
<td>26.6</td>
</tr>
<tr>
<td>East European region</td>
<td>4.7</td>
<td>6.0</td>
<td>15.5</td>
<td>31.8</td>
</tr>
</tbody>
</table>

Source: European Values Study Group and World Values Survey Association 2004. N for Slovenia = 1006; N for Serbia (minus Kosovo) = 1,200; N for Croatia = 1,003; N for Bosnia = 1,200; N for Macedonia = 1,055; N for East European region = 14,004. For each question, “don’t knows” were deleted from the sample, resulting in slightly smaller Ns.

During wartime, exclusivist leaders succeeded in deflecting the effect of citizen-initiated protests that had become common in the late 1980s through 1991 in Slovenia, Croatia, and Serbia. We saw above that Milosevic employed demonstrations of unemployed and embittered Serbs to change regional leaderships. Large non-violent demonstrations – for political reform in Belgrade in 1991 and for peace in Sarajevo in 1992 – were met with violence by the JNA and SDS snipers, respectively. The Tudjman and Milosevic governments easily deflected anti-war protests by committed activists – often women – and could enlist rural-based and nationalist victims groups in support of national goals. But from the mid 1990s onward, anti-authoritarian protests in Zagreb and Belgrade grew larger and bolder, for example with perhaps 100,000 protesting their leaders’ attempts to silence popular opposition radio stations. Most significantly, Otpor [Resistance] took advantage of low-key US aid and a weakened SPS to mobilize citizens successfully against Milosevic in Fall 2000. A relatively high percentage of respondents in Serbia reported participating in such demonstrations. (Table I). In Bosnia and post-Milosevic Serbia, citizens are more willing to engage in protests if they involve economic issues, rather than political issues. This reflects the priority that citizens in all of the former Yugoslav states give to economic concerns, as well as the continuing poor performance of the economies in the region.
It is not unusual for protests to become violent. Nationalist protests continue to take place in Kosovo and Bosnia, sometimes with the assistance of ruling parties and the abetment of local police. Developments that threaten entrenched nationalist leaders can lead to violent protests – against returning refugees and IDPs, normalization of relations in divided communities of Mostar (Bosnia) or Mitrovica (Kosovo), against campaign rallies by minorities, or in response to rumors of inter-ethnic crime. Most significant was two days of cross-Kosovo violence in March 2004 by Albanian extremists directed against Serbs, Roma, UN and NATO forces. Nor is it unusual for intra-ethnic political competition to become violent in Serbia, Kosovo, or Bosnia, especially over control of power and wealth that flows from the black market.

**Political values and attitudes toward politics**

Mainstream political scientists would hold that the political culture of the nations of the former Yugoslavia tends to be the “subject” political culture in which citizens sit back and expect the government to provide for them. But it is just as easy to argue that, citizens are rationally disaffected with a political system whose parties present them with few meaningful choices, especially when patronage networks do not deliver benefits to ordinary citizens. In deeply divided societies with ethnic party systems, citizens tend to vote for parties that represent ethnically defined interests. But ordinary citizens also avoid involvement with politics because it is considered “dirty.” And some data show that ordinary citizens believe that political parties contribute to ethnic tension.

Surveys indicate that citizens of most of successor countries lack confidence in their political institutions (Table).

**TABLE II: Low levels of confidence in political institutions (2001)**

<table>
<thead>
<tr>
<th></th>
<th>% trusting political parties</th>
<th>% trusting parliament</th>
<th>% trusting church</th>
<th>% trusting police</th>
<th>% trusting army</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovenia</td>
<td>19</td>
<td>25.3</td>
<td>35.4</td>
<td>47.4</td>
<td>41.6</td>
</tr>
<tr>
<td>Serbia</td>
<td>31.3</td>
<td>23.4</td>
<td>52.9</td>
<td>47.4</td>
<td>74.2</td>
</tr>
<tr>
<td>Croatia</td>
<td>N.A.</td>
<td>20.7</td>
<td>61.6</td>
<td>46.4</td>
<td>62.2</td>
</tr>
<tr>
<td>Bosnia</td>
<td>14.6</td>
<td>20.2</td>
<td>49.7</td>
<td>63.6</td>
<td>60.7</td>
</tr>
<tr>
<td>Macedonia</td>
<td>9.5</td>
<td>7.0</td>
<td>46.1</td>
<td>51.0</td>
<td>54.5</td>
</tr>
<tr>
<td>East European region</td>
<td>15.9</td>
<td>24.2</td>
<td>49.9</td>
<td>46.6</td>
<td>57.2</td>
</tr>
<tr>
<td>2003 EU members</td>
<td>15.0</td>
<td>35.0</td>
<td>42.0</td>
<td>64.0</td>
<td>64.0</td>
</tr>
</tbody>
</table>

Source for data on Eastern Europe: European Values Study Group and World Values Survey Association 2004.

The low level of confidence in domestic political institutions runs against the general aspiration for a democratic political system. The percentage of respondents who
agree that “though democracy has its problems, it is the best political system” ranges
from a high of 96 percent in Croatia to a “low” of 81 percent of respondents in
Macedonia. These findings are consistent with opinions across post-socialist Europe.
When asked to identify elements of democracy they consider extremely important,
citizens from Serbia, Vojvodina, Kosovo, Croatia, Bosnia, and Macedonia, all ranked “a
justice system treating everybody equally,” “economic prosperity in the country,” and “a
government that guarantees meeting the basic economic needs of all the citizens” as their
top three associations with democracy. These priority associations reflect concern over
the arbitrary rule, absence of prosperity and prevalence of corruption during the periods
of socialism and the wars of succession. They also display an enduring preference for the
state’s role in providing for basic needs. The exclusion of political elements of
democracy, such as civil liberties and political pluralism, are consistent with the views of
citizens in Romania and Bulgaria. The percentage of respondents satisfied with the
way that democracy is developing in their country ranged from a high of 45 percent in
Slovenia and Serbia to a low of 18 percent in Croatia and Macedonia. This may reflect
their interpretation of their country’s economic performance: citizens throughout the
successor states identify unemployment as the most important problem facing their
country. Poverty and corruption vie for second place.

Citizens express moderate levels of tolerance for other ethnic groups. As expected
in areas that experiencing inter-ethnic brutality, levels of tolerance towards other ethnic
groups worsened during and in the immediate wake of violence. In Croatia, individuals
who experienced a personal tragedy expressed lower levels of ethnic tolerance than those
who did not. But this varies. Although Bosnia experienced much higher levels of
violence than Macedonia, Bosnian citizens express higher levels of tolerance than do
Macedonian citizens. In 2001, 11 percent of a Bosnian sample expressed unwillingness to
live next to someone of another religion, and 26 percent of a Macedonian sample
expressed a similar unwillingness. As war’s memory recedes, ethnic tolerance in
Bosnia has significantly increased, which suggests that inter-ethnic relations have made
greater progress at the grassroots than at the elite level. We find the lowest levels of
ethnic tolerance—including coexistence in the same entity-- in Kosovo.

In response to policies primarily formulated by a dominant national group, ethnic
minorities express significantly less pride in the nationality of their state and trust in
political institutions than do members of the predominant group. For example, 92 percent
of majority-group respondents in Bosnia express pride in their nationality, while only 56
percent of minority respondents in Bosnia express such pride. The corresponding figures
in Macedonia are 90 percent and 42 percent.

The extent to which political values vary according socio-economic status
depends partly on the political environment. For example, in the immediate wake of
Milosevic’s ouster, voters in Serbia with some university education overwhelming (65
percent) supported the DOS opposition coalition, while only 5 percent supported SPS in
2001. However, with the breakup of DOS, the difficult economic transition, and
disputes with the EU over the ICTY and Kosovo, there appeared no strong correlation
between values and socio-economic status by 2004. However, generational differences
over values are still reported. Relatively liberal young Bosnians have abstained from voting in larger percentages than older age cohorts. Surveys also reveal that urbanites resent the rural residents who have fled from their villages to cities because of violence and poverty – even within the same ethno-national group.

Transformation of values that support democratic principles and processes are necessary for democratic institutions to take root and to prevent a reversion to authoritarianism. In particular, tolerance towards other ethnic groups is essential for transition towards more normal political competition and stable states that promote regional stability. The good news is that citizens express levels of confidence in new political institutions and values that are largely consistent with the rest of westward-leaning Central Europe. They are broadly supportive of democratic ideas but lack confidence in new political institutions that have often failed to deliver benefits to ordinary citizens.

**Economic transition and social change**

The wars of the 1990s significantly complicated the already challenging transformation of the mixed economics of the Yugoslav successor states. Wars in Croatia and Bosnia in the early 1990s and in Serbia and Kosovo at the end of the 1990s created a series of pariah economies that have been unable to attract foreign investment. The economies suffered physical destruction of infrastructure and productive capacity, as well as the emigration of young, highly educated and skilled labor. Serbia suffered under sanctions throughout the decades for its support to the Serb war effort in Bosnia. Macedonia suffered from a Greek boycott of its economy in the early 1990s and from the cut-off of Yugoslav markets that had been easily available before 1990.

Even Slovenia, whose EU accession process accelerated its market reforms and whose per-capita Gross National Income rivals Greece’s, has slow-rolled the privatization of the banking sector. As the table below indicates, the war dramatically slowed the economic development of all successor states that was particularly difficult in the first half of the 1990s. In a period of increasing unemployment, these economies uniformly experienced great inflation and decreasing production and GDP. This is particularly significant in Kosovo where unemployment is as high as 60-70 percent.

<table>
<thead>
<tr>
<th>1998 GDP per cap (at current prices)</th>
<th>FRY*</th>
<th>Croatia</th>
<th>Slovenia</th>
<th>Macedonia</th>
<th>Bosnia-Herzegovina</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,340</td>
<td>$4,458</td>
<td>$9,860</td>
<td>$1,764</td>
<td>$1,147</td>
<td></td>
</tr>
<tr>
<td>64</td>
<td>71</td>
<td>87</td>
<td>89</td>
<td>n.a.</td>
<td></td>
</tr>
<tr>
<td>45</td>
<td>68</td>
<td>92</td>
<td>65</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>51</td>
<td>77</td>
<td>98</td>
<td>63</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>57</td>
<td>85</td>
<td>104</td>
<td>65</td>
<td>42</td>
<td></td>
</tr>
</tbody>
</table>

Table III: Main Economic Indicators for the successor states, 1991-1998
<table>
<thead>
<tr>
<th>Real average GDP</th>
<th>1991-93</th>
<th>1996-98</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-21.9%</td>
<td>-11.4%</td>
</tr>
<tr>
<td></td>
<td>+5.6%</td>
<td>+4.5%</td>
</tr>
<tr>
<td></td>
<td>-4.1%</td>
<td>+3.5%</td>
</tr>
<tr>
<td></td>
<td>-15.7%</td>
<td>+1.7%</td>
</tr>
<tr>
<td></td>
<td>n.a.</td>
<td>+3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industrial Production**</th>
<th>1991-93</th>
<th>1996-98</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-25.2%</td>
<td>-16.3%</td>
</tr>
<tr>
<td></td>
<td>+8%</td>
<td>+4%</td>
</tr>
<tr>
<td></td>
<td>-9.7%</td>
<td>+1.7%</td>
</tr>
<tr>
<td></td>
<td>-14.4%</td>
<td>+3.1%</td>
</tr>
<tr>
<td></td>
<td>n.a.</td>
<td>+22.4%/n.a.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consumer Price Index**</th>
<th>1991-93</th>
<th>1996-98</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>94,734%</td>
<td>600%</td>
</tr>
<tr>
<td></td>
<td>471%</td>
<td>4.3%</td>
</tr>
<tr>
<td></td>
<td>92.5%</td>
<td>8.9%</td>
</tr>
<tr>
<td></td>
<td>721%</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>n.a.</td>
<td>0%/54%***</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unemployment****</th>
<th>1991-93</th>
<th>1996-98</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>23%</td>
<td>16.3%</td>
</tr>
<tr>
<td></td>
<td>13%</td>
<td>14.5%</td>
</tr>
<tr>
<td></td>
<td>19%</td>
<td>(est) 40%</td>
</tr>
<tr>
<td></td>
<td>n.a.</td>
<td>(est) 40%</td>
</tr>
</tbody>
</table>

*Federal Republic of Yugoslavia (Serbia and Montenegro)

**average annual change

***first for federation, second for Republika Srpska

****annual average of active population

The war significantly curtailed already decreasing inter-republican trade. Those countries with more advanced economies – Slovenia and Croatia-- were able to capitalize relatively quickly on their advantageous status by better integrating into the European and global economy than were the less well-developed republics (Table IV). For Serbia and Montenegro, Bosnia, and Macedonia, trade tends to be split among the former Yugoslav successors and the EU. Deepened political commitment to integration with the EU has accelerated economic reform and improved economic performance—albeit to varying degrees--of those countries still seeking entry into the EU.

Table IV: Increasing divergent economies in 2003

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovenia</td>
<td>11,920</td>
<td>2.5%</td>
<td>337.0 mil</td>
<td>95.9% Germany -23.1%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Croatia</td>
<td>5,370</td>
<td>4.3%</td>
<td>1.1 bil</td>
<td>70.5% Italy -26.4%</td>
<td>14.4%</td>
</tr>
<tr>
<td>Serbia &amp; Montenegro</td>
<td>1,910</td>
<td>3.0%</td>
<td>1.4 bil</td>
<td>48.5% Bosnia -15.8%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Macedonia</td>
<td>1,980</td>
<td>3.2%</td>
<td>94.6 mil</td>
<td>77.0% Serbia -22.1%</td>
<td>31.9%</td>
</tr>
<tr>
<td>Bosnia</td>
<td>1,530</td>
<td>2.7%</td>
<td>381.0 mil</td>
<td>83.7% Croatia 17.1%</td>
<td>41.1%</td>
</tr>
</tbody>
</table>

Sources: World Bank for GNI per capita; GDP growth; FDI; and trade in goods as a share of GDP;
The war in Bosnia, Croatia and Kosovo provided fertile soil for the development of gray economies and corruption – especially the golden goose of international reconstruction aid. Corruption significantly hampers economic development and democratization in all successor states but Slovenia. In terms of Freedom House’s measure of corruption from 1 (least corrupt) to 7 (most corrupt), Slovenian garners a score of 2, Bosnia and Croatia hover around 4.5, and Serbia and Montenegro and Macedonia all score around 5. Only the Central Asian states and Belarus score worse than Serbia and Montenegro and Macedonia. Leadership circles around Serbian President Milosevic and Croatian President Tudjman were especially prone to personalizing the public trust, but this was also evident elsewhere. Estimates of the size of Bosnia’s grey economy range from 30-40 percent of unadjusted, official GDP. Control over the grey market has also enabled the leading nationalist parties in Bosnia to main power and undermine implementation of the Dayton Accords. Attempts to prosecute war profiteers in Serbia cost Djindjic his life. Criminal networks among Macedonia’s Albanians contributed to armed violence in 2001. These phenomena are linked to transnational trafficking networks in people and commodities that will not be easily eradicated.

The war significantly slowed economic reform and privatization of property and its social implications are no less severe. A higher percentage of women than men are unemployed. Young adults are unemployed at higher levels than are other cohorts. This leads young and educated labor to emigrate, a brain drain that affects future economic development. And in Kosovo, Bosnia, and Croatia, minorities’ unemployment is higher than that of majorities. Widespread poverty in Bosnia, and Serbia and Montenegro has led to social atomization and political demobilization. These economies continue to wait to embark on the process of reform and modernization.

International agencies have attempted to address these problems as part of larger peace accords that were signed. They have donated over $5 Billion into the Bosnian economy after the signing of the Dayton Accords, and donors’ conferences have generated substantial amounts of income for Croatia, and Kosovo, as well. And while this aid has contributed significantly to the repair and reconstruction of housing and infrastructure, it been unevenly distributed and kept away from those groups – especially in Republia Srpska and among the Serb community in Kosovo – who have not explicitly supported the implementation of peace accords. A great deal of effort remains to provide a proper legal framework for the economic transition that will enable these countries to benefit from trade and foreign investment. It will be no easy task for international agencies to find an effective balance among goals of recovery, reconstruction and reform.

Critical Issues
There is no shortage of critical issues facing governments in Yugoslavia’s successor states as they look towards accession to the EU. If Slovenia has largely succeeded in leaving the Balkans for Central Europe and EU membership, the other governments face stiffer hurdles to “normalcy”. The Croatian government must still respond to ICTY’s demands to hand over indicted war criminal. It must also continue to work to convince its European partners that it has taken all necessary steps to provide for the return of Serb refugees. But Croatian policy makers appear to be addressing serious issues in economic reform and rule of law from a political system that is increasingly flexible and whose parties increasingly share consensus on some basic values and norms of behavior. And this is a source of great hope for its future in Europe and at home.

An underlying consensus across factions seems more illusive in the region’s other governments, which must still move beyond the war’s zero-sum politics. To different degrees, these governments must establish security and rule of law, find a way to resolve inter-ethnic tensions, find durable solutions for a good many IDPs and refugees, take steps to eradicate public corruption and organized crime, undertake economic reform, and expand employment. This chapter has addressed many of these issues.

In many places, it still remains to move beyond basic issues of political status and the constitution. The successful implementation of the Ohrid Accords will go a long way towards creating a functioning political system in Macedonia that can join the community of southeast European countries. The resolution of Kosovo’s status would end the uncertainties that provide fertile soil for continuing violence and the absence of reform. Compelling efforts to integrate Republika Srpska into Bosnia will allow Bosnians from all groups to move into a more hopeful future. Sorting out the future relationship between Montenegro and Serbia will put to rest a disruptive uncertainty that impedes peaceful development. These successes would help to lower costs of external deployments in this impending “hour of Europe” in the Balkans. Europe will succeed in putting the wars to bed if it can act less as a tutor and more as a partner to the successor states.

Almost all roads lead to Belgrade. The Serbian Government continues to exercise influence over many of the region’s dilemmas. And no government has more to gain from a constructive approach to these dilemmas than does Serbia – a government whose finest traditions were high-jacked in the interest of obscurantist national goals that looked to a distant, mythical past rather than a future of progress and prosperity. This does not relieve political leaders throughout the successor states from their own responsibilities to contribute constructively to end the fractious fighting. No solution to these constitutional problems will be found without constructive assistance from international community – the same community that neither acted to preserve Yugoslavia nor intervene to end aggression. International agencies have been deeply involved in developments in Yugoslavia since 1991 and have overseen the often flawed implementation of peace accords throughout. Their greatest test will be in how adroitly they assist governments in the successor states to manage the transition from war to peace.

Endnotes
Chapter in Sharon L. Wolchik and Jane L. Curry, eds., *Democracy, the Market, and Back to Europe: Post-Communist Europe*, manuscript under review at Rowman and Littlefield. Please do not cite without permission of the authors.

Todorova; Banac, Woodward, Gow, Ramet, Cohen – just to give a flavour of the differences. Review Essays: Sabrina’s essay; Lampe et al; Sally; Banac

Zimmerman

Fukuyama.

Rusinow, the *Yugoslav Experiment*

Ulam, Banac

Rubenstein, Zimmerman.

Zimmerman nicely makes this argument. Susan Woodward also makes the argument a bit differently.

Woodward, Socialist Unemployment; Lampe

Woodward, Socialist Unemployment, p. [tables at end]

See note #9 below. The term Bosniac is used to describe the Slavic Moslems who live mainly in Bosnia-Herzegovina, but also in Serbia, Montenegro and Kosovo. They had been known as Muslims in a national sense since 1971, but the Congress of Bosniac Intellectuals officially adopted the term “Bosniac” as the name for the people in 1993 and it has been generally accepted among all Slavic Muslims. Mustafa Imamovic, *Istorija Bosnjaka*.

Kosovo became an “Autonomous Province” in 1974 enjoying almost all of the perquisites of republican status, but with fewer representatives on the state presidency and without the formal right to secede. It had earlier been an “Autonomous Region” within Serbia.

Lijphart, Shoup, Burg,

Burg, p. 346.

Cohen, Serpent and Bosom; Ramet

Lampe, 354-355; Ramet, 54-55

Lampe, p. 370.


An estimated 900 Serbs were killed in the Croatian offensive against Serb-held Krajina in 1995 (Amnesty International 1998).


Ethnic cleansing is a campaign in which authorities, acting according to a premeditated plan, capture or consolidate control over territory by forcibly displacing or killing members of opposing ethnic groups (Human Rights Watch/Helsinki 1996, p. 6)

For example, the HVO destroyed the beautiful 16th century bridge that united east and west Mostar, and, Serb forces destroyed the Ferhadija Mosque in Banja Luka, the largest in Europe, among the many objects.

The Bonn meeting of the Peace Implementation Council in December 1997 concluded that the “High Representative can facilitate the resolution of difficulties by making binding decisions on…interim measures to take effect when the parties are unable to reach agreement…. [and] actions against… officials… found by the HR to be in violation of legal commitments under the peace agreement…. ” See OHR web site.

Tim Judah, etc.

Baskin on local government; King’s College study; USIP study

Duncan Perry, etc.


ICG report

Kaldor book

34 Gagnon; Gordy.
46 Other groups th; HOS in Croatia; Muslim gangs that operated in Sarajevo in 1992; the Kosovo Liberation Army in Kosovo; and the Albanian National Liberation Army and Macedonian Lions in Macedonia have elements that are similar.
48 Poggi et. al, p. 83; Bose, p. 127.
50 Ashutosh Varshney Ethnic Conflict and Civic Life: Hindus and Muslims in India (New Haven: Yale University Press, 2001)


52 (UNDP Vol IV 2004, 52).
53 The “East European region” includes all countries of the former Yugoslavia, Bulgaria, the Czech Republic, Hungary, Poland, Romania and Slovakia. Albania was not included in the survey.
55 UNDP Macedonia and Bosnia, 2004.
57 Almond and Verba
58 UNDP – Macedonia & Bosnia
59 For the countries of the former Yugoslavia and the East European region, the table shows the percentage of respondents who expressed a “great deal” or “quite a lot” of confidence in particular institutions. For the 2003 EU members, the table shows the percentage of respondents who “tend to trust” particular institutions.
61 The degree of disaffection reflected by Macedonian citizens reflects the fact that Macedonia had just experienced months of inter-ethnic violence when the survey was conducted in 2001. Many citizens expressed deep disgruntlement that their politicians and political institutions were incapable of prevent such violence.
62 European Values Study Group and World Values Survey Association
64 European Values Study Group and World Values Survey Association.
65 Institute for Democracy and Electoral Analysis. Numerous other students corroborate these concerns, including Kasapovic, IRI, NDI.
67 European Values Study Group and World Values Survey Association. Surveys during the socialist period revealed greater levels of inter-ethnic tolerance in Bosnia than in Macedonia (Bacevic). Regional dynamics produce a situation in which despite low levels of inter-ethnic tolerance, groups in Macedonia are more resigned to coexisting in the same state than are groups in Bosnia.
68 Paula M. Pickering, “Swimming Upstream: Grassroots perspectives in Bosnia on progress in interethnic relations since Dayton,” Paper Prepared for Presentation at the December, 2004 Meeting of the American Association for the Advancement of Slavic Studies, Boston, MA.
70 European Values Study Group and World Values Survey Association.
71 European Values Study Group and World Values Survey Association.
72 Matic, 17.
75 International Commission on the Balkans, p. 20.
76 Lampe, p. 398.
78 Gagnon. Cohen, 90
81 Poggi et al, Appendix; Gordy, ch. 5.