

## YUGOSLAV FOREIGN POLICY: CONTINUITY AND CHANGES

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### INTRODUCTION

Changes in Yugoslav foreign policy began towards the end of the eighties under the influence of numerous external and internal factors which called for a profound revision of the country's foreign policy agenda in order to meet the new realities in Europe and the world. Yugoslavia emerged from World War II as a socialist country, but after conflict with the Soviet Union in 1948, it solicited the support of the West, and, finally, in the mid-fifties, it found a comfortable position as a strategic buffer between the East and West, whilst at the beginning of the sixties she likewise became one of the leading countries of the Non-Aligned Movement. The end of the Cold War changed this international position: the changes in Eastern Europe made her lose her position as a strategic buffer and marginalized the significance of the Non-Aligned Movement in international relations. The drastic internal crisis that incited centrifugal aspirations among the Yugoslav republics likewise had its effect, necessitating an immediate revision of her foreign policy towards European integration.

Yugoslavia thus cautiously began approaching the European Community, but this process was suddenly shattered when civil war broke out in June 1991 and soon resulted in the secession of four Yugoslav republics and the creation of a new Federal Republic of Yugoslav (FRY) comprised only of Serbia and Montenegro. The events in Slovenia, Croatia (the Krayina) and Bosnia and the international sanctions imposed by the UN Security Council in May 1992 on the new Yugoslavia, condemning her for alleged interference in the war in Bosnia, likewise dictated changes in her foreign political agenda. In these circumstances, the new Yugoslavia's foreign political priorities were to halt the war in her neighbourhood which threatened the country itself, to give support to around two and a half million Serbs who found themselves outside Yugoslavia's frontiers, and to try to terminate the UN Security Council's sanctions, which threatened to disrupt her economy. As the country's overall international environment changed, new security, political and economic priorities and the departure of the newly seceded republics' diplomats, and other factors, necessitated a reorganisation of Yugoslavia's diplomacy and the adaptation of her foreign policy to the new circumstances.

The Dayton Peace Accords, which brought an end to the war in Bosnia-Herzegovina and had initially created conditions for the suspension (December 1995) and lifting of the UN Security Council's sanctions against Yugoslavia (October 1996), constituted a turning point. One could say that after the signing of the peace agreement in Paris and the suspension of sanctions, the new Yugoslavia was for the first time confronted with her new international environment and began searching for her place in a new Europe and a world which no longer had any need for strategic buffer zones, policies of non-alignment or other components of Yugoslavia's internal and foreign policy which had prevailed over the preceding half century. Thus, the Dayton Accords and the political compromise which it had drafted for South-East Europe, became the departure point of Yugoslavia's new foreign policy. As a signatory of the Dayton Accords, Yugoslavia invested considerable effort in ensuring its fulfilment and for the reconstruction of relations in the area of the former Yugoslavia: in the spring of 1996, relations between Belgrade and Skopje were normalised, and in the summer, relations with Croatia and Bosnia as well. Relations with many European and non-European countries were elevated to the ambassadorial level in the summer and autumn of 1996, and negotiations were started with a number of international organisations on the normalisation of Yugoslavia's membership. For the first time since 1991, Yugoslavia's political agenda was no longer dictated by the armed conflicts in her neighbourhood, and the country was finally able to turn towards its internal problems<sup>2</sup>, and search for a new strategy of international relations.

### PRIORITIES AND PRINCIPLES

Although one can still not say that the Federal Republic of Yugoslavia has established a new foreign political strategy, the activities of Yugoslav diplomacy during 1995 and 1996 indicate that her priorities are, in the main, the following:

The prevention of a revival of armed conflict and the establishment of a lasting stabilisation of Bosnia-Herzegovina in accordance with the Dayton Peace Accords, as well as the solution of the remaining disputes with former Yugoslav republics, above all with Croatia (the problem of Eastern Slavonia, the Prevlaka Peninsula and the status of Serbian refugees from Krayina)

The normalisation of relations with new and old neighbours, on a bilateral as well as a multilateral level—in addition to three new neighbours (Croatia, Bosnia-Herzegovina and Macedonia), the Federal Republic of Yugoslavia also borders four other countries (Hungary, Romania, Bulgaria and Albania), which have, since 1989, fundamentally changed their internal and foreign policies and are seeking ways to join the European integration processes;

The normalisation and development of relations with world and regional powers, primarily with permanent members of the UN

Security Council (USA, Russia, UK, France and China), as well

as with Germany and other European and non-European countries which will particularly affect the international position, security and overall development of the Federal Republic of Yugoslavia, but likewise with countries with which the closest of relations were developed in the previous period (namely developing countries);

The return to international organisations, first of all to the UN (Yugoslavia is one of the founding members of the UN), the OSCE, IMF, World Bank and others, as well as her access to European integration groups such as the European Union, the Council of Europe, etc.—during 1996, the Federal Republic of Yugoslavia expressed particular interest in the development of sub-regional co-operation in southeastern Europe (eg. the 'regional approach' of the EU, SECI 3, ministerial conferences of the Balkan countries, etc.), in which a way to incorporation in the broader European integration processes is seen.

Briefly, the Federal Republic of Yugoslavia is presently on the verge of defining a new foreign political strategy which shall proceed from the new realities that have emerged since the four former Yugoslav republics seceded and the end of the war for Yugoslav succession, from her internal transformation and from the new and fundamentally changed international environment.

Therefore, one could mention some principles of the current foreign policy of the Federal Republic of Yugoslavia. The primary principle is Yugoslavia herself. Contrary to the opinion of the Badenter Arbitration Commission that "Yugoslavia no longer exists", and attempts that were made to refer to the new state as Serbia and Montenegro, that is, a state not to be identified as Yugoslavia, the Yugoslav government had, during the period from 1992-1996, persisted in its stand that it is the same country which survived the secession of four republics. The other principle is, therefore, that this state is continuing the international legal personality of the Socialist Federal Republic of Yugoslavia (SFRY), and the earlier Kingdom of Yugoslavia, as well as of Serbia and Montenegro, and hence her demand to resume the seats the former SFRY had in international organisations and the continued validity of international treaties concluded by the predecessor states. Whereas she was successful in the first demand—there are today only a few who still put the name 'Federal Republic of Yugoslavia' in quotes or add the previously inevitable 'Serbia/Montenegro' to it—Yugoslavia's demand for recognition of her international legal continuity met with much greater resistance, despite the fact that a practical solution to this problem was found in agreements on the normalisation of relations concluded with Macedonia, Croatia and Bosnia. One may observe that in the course of 1996, Yugoslavia's foreign policy was marked by greater realism, proceeding from the standpoint of the territorial and political status quo as established by the Dayton Accords and from a pragmatic attitude to establishing new ties or re-establishing old ties with her neighbours and other international partners on the basis of mutual interests, freed of political, ideological and other factors.

An indication of a broader regional approach, that is of Yugoslavia's European orientation, emerged towards the end of 1996, as the country saw her opportunities in regional linkages (principally in the economic field) with her neighbours and their incorporation into the European integration processes, above all through the development of long-term relations with the European Union on the basis of its regional approach. It needs to be emphasised that the differences between the government and a major part of the opposition have diminished in this respect, as all the parliamentary parties except one are in favour of Yugoslavia's approach to European integration, considering it the most appropriate framework for the solution of the country's foreign and internal political problems.

#### THE SIMILARITIES AND DIFFERENCES BETWEEN THE SFRY AND THE FRY

The territory and population of the Federal Republic of Yugoslavia is somewhat less than half that of the SFRY, as is the case with its natural resources and economic potential. Like the SFRY, the new Federal Republic is the largest multi-ethnic, multi-confessional and multi-cultural community in the Balkans: apart from the Serb and Montenegrin majority, large Albanian, Hungarian, Moslem and other ethnic communities live in the Federal Republic, making up a third of the total population. The new Yugoslav Constitution of April 1992, defines the Federal Republic of Yugoslavia as a federal state of two constitutive entities—Serbia and Montenegro—and, like most of the neighbouring countries, designates it as a civil and not a national state in which the members of every ethnic community living in it have the same rights and obligations. Although reduced in territory, the Federal Republic of Yugoslavia is still a cross-roads of major transit corridors in the south-east of Europe, the following three being the major ones: the river Danube which, since the opening of the Main-Danube Canal in the autumn of 1992, has the prospect of becoming the main European river transport route between the North Sea and the Black Sea, that is, between the most industrialised part of the continent, central and southeastern Europe and the Black Sea region; the Morava-Vardar (Axios) river basin which forms a natural link between the Danube watershed and the Aegean and eastern Mediterranean. The third is the route from Belgrade to the port of Bar, linking the Danube with the Adriatic and central Mediterranean.

There are, however, a number of significant differences between the Federal Republic of Yugoslavia and the SFRY. The secession of four of the republics which comprised the SFRY and the armed conflicts over the previous four years, halved the Yugoslav market, broke the natural ties between economies that had developed a complementarity over a period of seventy years, and precluded the circulation of people, goods and capital in Southeastern Europe. Yugoslavia's economy, like those of most central and Eastern European countries, is in a stage of transition. This is a major handicap because she was suddenly obliged to find new markets and alternative transit corridors to Western Europe. Also, there is the additional burden of more than 600,000 refugees (almost a million at the height of the crisis), from Croatia and Bosnia-Herzegovina, most of whom will be taking up permanent residence in the Federal Republic of Yugoslavia as a result of the war. Last but not least, one should point to the effects of the UN Security Council's sanctions which caused great damage to Yugoslavia and her neighbours, almost to the extent of one hundred billion dollars. In short, the armed conflicts that took place in the area of the former Yugoslavia delayed the transition processes in the Federal Republic of Yugoslavia and other countries of the region and hampered their integration into European institutions, and confronted them with numerous economic, social and political problems.

Yugoslavia's neighbourhood has likewise changed. The former Yugoslavia had seven neighbouring countries, two of which were members of NATO and the European Community (Italy and Greece), three were members of the Warsaw Pact and COMECON (Hungary, Romania and Bulgaria), one was a neutral country (Austria), and the last was in self-imposed isolation (Albania). From security, political and economic aspects, such an international position was quite favourable for the SFRY, particularly in view of the fact that former Yugoslavia was one of the largest countries in the region with a significant economic potential and respected armed forces. Contrary to the SFRY, the Federal Republic of Yugoslavia has eight neighbours (five old ones and three new ones), most of which have fundamentally changed their internal and foreign policies since 1989. Except for Italy, four old neighbours (Hungary, Romania, Bulgaria and Albania) are now in transition and now see their future in economic, political and military integration with the West. The first three have already signed European agreements; Albania has an agreement on trade and co-operation with the

EU, whilst all four are members of the Partnership for Peace programme.<sup>4</sup> The orientation of the three new neighbours (Croatia, Bosnia-Herzegovina and Macedonia), is the same: Croatia and Macedonia see their futures in Euro-Atlantic integration, whereas Bosnia-Herzegovina has been placed under a kind of international protectorate imposed by the Dayton Peace Accords, so that NATO forces will probably be stationed there for quite some time.

The wider international environment of Yugoslavia has likewise changed substantially in comparison with that of former Yugoslavia. In the bipolar Europe both superpowers (the USA and USSR) and their relevant military-political alliances (NATO and the Warsaw Pact) were equally interested in preserving Yugoslavia as a strategic buffer between the two blocs, thus ensuring the SFRY a privileged position which at the beginning of the sixties was additionally enhanced by her becoming a founding member of the Non-Aligned Movement. Both of these components of her international status are now completely different: the United States is the only real superpower that still exists; Europe is no longer a continent divided into blocs; all the European countries are trying to join the integration processes, whilst the Non-Aligned Movement stands today on the margin of world politics. The previous bipolar order in Europe has given way to a 'pentagonal' order which has to a great extent been moulded through the international community's intervention in Yugoslavia, bringing five countries to the fore—the so-called International Contact Group (US, Russia, UK, France and Germany). The Federal Republic of Yugoslavia's full integration into the international community will mostly depend on the removal of the so-called 'outer wall of sanctions', that is, the policy of this group of countries which have assumed special responsibilities in the implementation of the Dayton Accords and stabilisation in the area.

In short, the changes in Europe, the Balkans, and, of course, in Yugoslavia itself, pose challenges to the planners of Yugoslav foreign policy, with numerous negative and positive factors at stake. Among the negative, one can include the following:

The territorial and demographic size of the country was diminished while the crisis and war in the neighbourhood exhausted her economic resources with far-reaching consequences both in relation to her internal development and as regards her position in the international community;

The Federal Republic of Yugoslavia lost a significant amount of the support which the former Yugoslavia enjoyed, the UN Security Council sanctions over a protracted period of time has excluded her from international relations (except those directly related to the crisis), while her membership in the UN, the OSCE and other international organisations has been frozen until the lifting of the so-called 'outer wall of sanctions'<sup>5</sup>;

The armed conflicts in the area of the former SFRY brought the interests of the Federal Republic of Yugoslavia into conflict with the interests of a number of great international powers and influential groups of countries.

Among the positive factors, one could list the following, inter alia:

Despite the reduction of its territory and population, the Federal Republic of Yugoslavia is still one of the largest countries of the region and has retained much of former Yugoslavia's economic potential, considerable armed forces and, more important still, it contained the spill-over of armed conflicts on her western frontiers;

The role the Federal Republic of Yugoslavia played at the Dayton conference and in the implementation of the Peace Accords on Bosnia-Herzegovina, showed that Yugoslavia is still a major factor for stability in southeast Europe;

The central geographic location the Federal Republic of Yugoslavia occupies in southeast Europe and in the Danube region, and her openness to various forms of regional co-operation, potentially makes her an interesting partner of the European integration schemes.<sup>6</sup>

## RELATIONS WITH NEW AND OLD NEIGHBOURS

The Federal Republic of Yugoslavia's relations with her three new neighbours (Macedonia, Croatia and Bosnia-Herzegovina) are developing unevenly, with various problems and different objectives. Although a considerable portion of Yugoslav public opinion, including a certain number of political parties, is still 'Yugo-nostalgic'<sup>7</sup>, relations with the former Yugoslav republics are turning into inter-state relations and, very likely, the existing differences between new and old neighbours will, in time, completely disappear. In other words, the character of bilateral relations and attitudes towards possible regional groupings will more and more depend on the immediate interests of the partners, the compatibility of their economies and the like, and less and less on memories of the past, cultural patterns or political ideologies. The various initiatives for the development of regional co-operation and multilateral ties in the former Yugoslav region and the Balkans as a whole, should, therefore, not be regarded as an attempt to renew the former Yugoslavia, but as an effort directed at establishing normal international relations which would facilitate the elimination of problems created by the disintegration of the former state.

In this regard, Belgrade and Skopje have the least problems in their relations, as Macedonia is the only former Yugoslav republic which withdrew from the SFRY by agreement, without the use of force and whose borders were kept open during the whole course of the armed conflict in the western republics. Among Macedonia's four neighbours, the Federal Republic of Yugoslavia is the only one which forthrightly recognised the existence of a Macedonian state and a Macedonian nation<sup>8</sup>. The reason that their mutual recognition and full normalisation of relations were not achieved until 8 April 1996 was the international sanctions against the Federal Republic of Yugoslavia and Yugoslavia's consideration of the interests of Greece. Once established, their relations quickly progressed, thanks to their close economic ties<sup>9</sup> and the interest both countries had in taking advantage of their strategic transit corridors to Western Europe (Macedonia) and the Aegean Sea (Yugoslavia). Due to the complementarity of their interests, the Federal Republic of Yugoslavia and Macedonia signed an agreement on the establishment of a free trade zone which came into force in October 1996 thereby removing tariff and non-tariff barriers in trade between the two countries. In the matter of security, the fear both Yugoslavia and Macedonia share in regard to Albanian irredentism is a binding factor.

Relations between the Federal Republic of Yugoslavia and Croatia are much more complicated. The Serbs and Croats were the two most numerous nations in the former Yugoslavia, and their relations were decisive for the cohesion and stability of both the 'first' and 'second' Yugoslavia, and, most likely, future stability in the western Balkans will depend on them. What's more, ever since the sixteenth century, the Serbs and Croats have lived intermixed in the Krayina ("Military frontier" - Militaergrenze), and had been involved in bitter ethnic confrontations between 1941 and 1945 and between 1991 and 1995, which, in August 1995, ended with the ethnic cleansing of Serbs from these areas; the number of Serbs has been reduced to less than five per cent from 12.5 per cent, which was the proportion of the Serbian population in Croatia before the war. With the exclusion of Eastern Slavonia, Baranya and Western Sirmium<sup>10</sup> (the former UNPA {United Nations Protected Areas} Sector East), of Gorski Kotar and a small part of the urban population, Serbs were driven out of most of the areas in which they had been living in Croatia for the past five centuries.<sup>11</sup> Apart from ethnic issues, Yugoslavia and Croatia also have a territorial dispute over the strategically important Prevlaka Peninsula at the mouth of the Gulf of Boka Kotorska. Last but not the least, it needs to be emphasised that Serbo-Croat relations affect the situation in Bosnia-Herzegovina in a great measure. Despite this, Yugoslavia and Croatia recognised each other on 23 October 1996 and established relations at the ambassadorial level leaving the three disputed issues open: a) the status of the Prevlaka Peninsula; b) the question of Eastern Slavonia and c) the problem of the return of more than 300,000 Serbian refugees to their homes in Krayina. Apart from international pressure, this development was also influenced by economic interests among other things, the need, in the case of Yugoslavia, for a conduit for petroleum from the Adriatic, and in Croatia's case, the need for electricity from Yugoslav power plants. Any attempt by Croatia to forcibly re-incorporate Eastern Slavonia and ethnically cleanse the local Serbian population (as she did in August 1995), could, however, preclude the normalisation process and cause armed conflict between the two countries. The elections for the Croatian Sabor (parliament), held on 13 April 1997, should have presented a chance for a peaceful re-integration of approximately 140,000 Serbs in Eastern Slavonia in the Croatian state structures. It was thereby a test of the Croatian authority's intentions. Even though the turnout of the Serbs at the elections was massive, numerous irregularities compelled

Jacques Klein, the UN administrator, to extend the elections by one day, opening up new dilemmas concerning the attitude of Zagreb towards the remaining Serbian population in Croatia.

Among her three new neighbours, Yugoslavia definitely has the most complicated relations with Bosnia-Herzegovina. According to the Dayton Accords, Bosnia-Herzegovina comprises three national groups (Serbs, Croats and ethnic Moslems—the Bosniaks), two state entities (the Moslem-Croat Federation and the Republic of Serbs), in a single union (Bosnia-Herzegovina). Under the Washington Agreement the possibility was opened for the Moslem-Croat Federation to establish confederate ties with Croatia, whereas, under the Dayton Accords, the Serb Republic have the recognised right to 'special ties' with Yugoslavia. As a signatory of the Dayton Accords, the Federal Republic of Yugoslavia shares responsibility for their implementation and, consequently, for the survival of Bosnia-Herzegovina, but she is at the same time confronted with contradictory interests. On the one hand, she is responsible for the fate of the Serbian people outside her borders and has the wish to establish the closest of ties with them, whereas, on the other hand, the dissolution of Bosnia-Herzegovina and the creation of a revisionist Moslem state in central Bosnia would threaten her security and most likely incite the separatist inclinations of the Moslems of the Rashka (Sandjak) region, and of the ethnic Albanians of Kosovo and Metohia. The Dayton compromise prevented such a scenario and the Federal Republic of Yugoslavia succeeded, precisely through her support of the peace process in Bosnia-Herzegovina, to extract herself from international isolation. Yugoslavia and Bosnia had recognised each other at Dayton, and during this summer, state and economic delegations exchanged visits, whilst one can expect the exchange of diplomatic missions after the constitution of government authorities on the basis of the 14 September elections in Bosnia. As in the two previous instances, economic interests were the reason for the relatively speedy opening of transport corridors and the resumption of commercial exchange. At the beginning of 1997, an agreement was signed by the Federal Republic of Yugoslavia and the Republika Srpska on 'special parallel relations' on the basis of the provisions of the Constitution of Bosnia-Herzegovina (Annex 4 of the Dayton Agreement) which provides for the right of both entities to "establish special parallel relations with neighbour countries while respecting sovereignty and territorial integrity of Bosnia-Herzegovina" (Constitution of Bosnia-Herzegovina, Article III—responsibilities and relations among the institutions of Bosnia-Herzegovina and entities).

The Dayton Peace Accords established a kind of special relationship between Yugoslavia, Croatia and Bosnia-Herzegovina, which is considered to be of special significance in the maintenance of peace and stability in this part of Europe. At the disarmament conference held in Vienna, the armed forces of the Federal Republic of Yugoslavia, Croatia and Bosnia-Herzegovina were limited according to a 5:2:2 formula. Within Bosnia-Herzegovina the ratio was fixed at 2:1, for the Moslem-Croat Federation and the Serb Republic, respectively. Under the Vienna Agreement, the area of former Yugoslavia has been incorporated into the agreement on Conventional Forces in Europe (CFE), which specifies the following quantities of armaments for each of the three states:

While specifying the quotas, the conferences at Vienna and Florence did not set any limits to the qualitative features of these armaments and consequently there was a fear that a sort of arms race could develop through the procurement of the most superior quality of armaments possible within the given quantitative limits giving one side a decisive advantage over the others.<sup>12</sup> The Dayton Accords left a number of potential hot spots in Bosnia-Herzegovina, eg.: the Moslem-Croat forces can easily threaten the narrow corridor linking the two sections of the Serb Republic at Brcko<sup>13</sup>; large numbers of Moslem, Serbian and Croatian refugees have been prevented from returning to their homes; the Gorazde enclave in eastern Bosnia and the corridor leading to it cuts through the territory of the Serb Republic, etc. In other words, the situation in Bosnia-Herzegovina continues to be burdened with numerous unresolved (or unresolvable) problems which could once again provoke armed conflict which would directly and indirectly threaten the Federal Republic of Yugoslavia as well.

The Federal Republic of Yugoslavia's relations with her old neighbours have likewise undergone changes in the 1991-1996 period, although not as dramatic as in the case of her relations with the former Yugoslav republics. Despite differences in interests and the fact that they suffered greatly from the war in their neighbourhood, and on account of the sanctions passed against Yugoslavia by the UN Security Council, her old neighbours had, in the course of the entire crisis, taken a reserved attitude which helped to localise the war and prevent it spilling over the former Yugoslavia's

borders. This is probably the greatest political capital of the countries of southeastern Europe after the end of war and their first chance of taking up the course countries of the Visegrad Group (today CEFTA - Central European Free Trade Association) had taken somewhat earlier, for instance.

During the entire period, Yugoslavia's relations with Romania remained stable despite the internal and foreign political changes that country had undergone and her switch to the direction of the European Union and NATO. What's more, one could say that the changes in that country contributed to the solution of some earlier problems, apparent, for instance, in the improved position of the Serbian minority in Romania. The two countries share long-term interests (eg. exploitation of the Danube); they have no open issues and there is no likelihood that their mutual relations could be disturbed in the foreseeable future.

After a brief crisis in the Autumn of 1991, Yugoslav-Hungarian relations are now stable and developing successfully; Hungary has a special concern for the status of around 350,000 Hungarians living in the northern province of Serbia (Vojvodina) whilst Yugoslavia is particularly interested in the transit corridor through Hungary towards central and Western Europe. Hungary's inclusion in NATO and the stationing of American armed forces in the south of that country on a long-term basis, will affect Yugoslavia's international position and, possibly, cause a threat perception, especially should she, Yugoslavia, remain outside the Partnership for Peace programme and without relations with NATO for an extended length of time.

Despite a rather negative past, Yugoslavia's relations with Bulgaria have been considerably improved since 1991, thanks to various factors, among others: the dissolution of the Warsaw Pact; Macedonia's independence; a common fear of Islamic fundamentalism in the Balkans; the consequences of UN sanctions against Yugoslavia on Bulgaria's economy, and so forth. Yugoslavia and Bulgaria are on the main transit corridor between Western Europe, Turkey and the Middle East, and, with Romania; share a common interest in developing and exploiting the Danube. The interests of these two countries are thus complementary to a great measure, and could lead to the establishment of a free trade zone between them or common regional projects in the future.

Albania's relations with the Federal Republic of Yugoslavia are still strained because of the Serbian-Albanian ethnic dispute in Kosovo and Metohia and the backing Tirana is giving to proponents of irredentism among Kosovar Albanians. Albania is the only country in the world which has recognised the so-called 'Republic of Kosovo' and allowed it to have 'diplomatic offices' in Tirana. After a certain warming of Yugoslav-Albanian relations at the end of the eighties and beginning of the nineties<sup>14</sup>, Albanian-Yugoslav relations fell into a crisis once again when the Democratic Party of Sali Berisha won the 1992 elections in Albania. Albania's hope of drawing closer to the European Union and NATO, and the standpoint of these two organisations that the problem of Kosovo must be resolved in the framework of Serbia, and Yugoslavia, softened relations between Albania and Yugoslavia, though they are still far from being normal. A deep political crisis that in the beginning of 1997 befell Albania, presented new challenges for the Federal Republic of Yugoslavia and other Albanian neighbours: the chaotic situation in Albania, unchecked large quantities of arms and the radicalisation of some circles in Albania and Kosovo, increased the threat of terrorism in the region and narrowed the space for the political resolution of outstanding problems. That was in evidence in the beginning of April during the meeting of a number of Serbian and Albanian experts in New York, where the Kosovar Albanians' positions were markedly radicalised as compared to other similar meetings.

Among the countries close to, but not bordering, Yugoslavia, one might mention Italy and Greece—both member states of the European Union and NATO—as they happen to be important political and economic partners for Yugoslavia<sup>15</sup>, whilst at the same time they are countries which will in future play an important role in bridging the gap between the Federal Republic of Yugoslavia and these groups. Because of her geographic position, her relations with Turkey, on the one hand, and Austria (and Germany), on the other, will likewise be important, due to the fact that transit corridors between these countries pass through her territory so that the increased trade and traffic should greatly add to Yugoslavia's importance as a transit country. The Federal Republic of Yugoslavia's political relations with these countries have been, however, rather strained by recent developments, above all, by the political attitude these countries had in relation to the crisis and civil war in the SFRY.<sup>16</sup> The situation is quite different in regard to the newly independent

countries of the broader region, like Ukraine and Moldova, with which relations are developing without any great problem. Slovenia is a special case, its having been one of the former Yugoslav republics and the first to step out of the Federation and is now taking the most rigid stand in dealings with the Federal Republic of Yugoslavia.<sup>17</sup> The previous government of the Federal Republic of Yugoslavia, headed by Milan Pani, unilaterally recognised the independence of Slovenia on 25 August 1992, but Ljubljana rejected this as coming from “a country that was not internationally recognised”, so relations between the Federal Republic of Yugoslavia and Slovenia, up until the end of 1996, remained cold and limited to trade.

#### THE “EUROPEAN ORIENTATION” OF THE FEDERAL REPUBLIC OF YUGOSLAVIA

The implementation of the Peace Accords and the first post-war elections held in Bosnia, mutual recognition between the Federal Republic of Yugoslavia and three former Yugoslav republics, and the return of ambassadors to Belgrade made possible, for the first time since 1991, a debate on the strategic objectives of Yugoslavia’s foreign policy. Already in January 1996, a proposal was launched by New Democracy Party that the Federal Republic of Yugoslavia should apply for participation in NATO’s Partnership for Peace, and this triggered a heated debate and the issue was soon struck off the agenda without a decision being taken in favour or against the initiative. By the middle of the year, considerable attention was accorded to various initiatives for the establishment of multilateral co-operation in the area of former Yugoslavia and the broader region of southeastern Europe. Despite the old slogan that prevailed in the Yugoslav public’s mind over the years, “The Balkans to the Balkan peoples” (conveying the opinion that Balkan co-operation could be a substitute for her entry into European integration), the lessening of tension in Belgrade’s relations with the member states of the EU created the attitude that regional co-operation in southeastern Europe could and should be just a step which would lead the whole region into Europe’s integration processes. In other words, the European orientation of Yugoslavia<sup>18</sup> had two components: a regional one—the development of multilateral co-operation in the region of the former Yugoslavia and the broader Balkan region; and a European one—the normalisation and development of relations with the EU, the Council of Europe, OSCE, and so on.

The Third Ministerial Conference of the Balkan Countries took place in Sofia (6-9 July, 1996), and the Yugoslav minister of foreign affairs set forth a series of proposals for the promotion of regional co-operation including the establishment of a Balkan parliamentary assembly. This was the first appearance of the new Yugoslavia’s diplomacy on the international scene after the lifting of the sanctions and the first opportunity for it to air its thoughts on regional co-operation. Although the attainments of the Sofia conference should not be overestimated, the mere fact that it was held with almost all the Balkan countries attending (only Macedonia was not present), indicates a readiness to set aside mutual differences in order to promote common interests, above all inclusion in the European integration processes as soon as possible. The European countries took the next move, with the ‘Royamont initiative’ on stability in the region, and the regional approach of the European Union, seeking ways to solve the remaining open questions and establish lasting stability in the region as a whole.<sup>19</sup>

In the decision of the EU Council of Ministers of 28 October 1996, the regional approach encompasses all the former Yugoslav republics (with the exception of Slovenia), and Albania. They are divided into two groups: Yugoslavia, Croatia and Bosnia-Herzegovina whose relations with the EU are conditioned by their commitments under the Dayton Accords, and Macedonia and Albania whose commitments are under the general terms the EU is applying in the case of all the other countries of central and Eastern Europe. For its part, the United States suggests a similar policy under its South-East European Co-operative Initiative (SECI), except for its somewhat different geographic set-up covering Hungary, Romania, Bulgaria, Turkey, Greece, Macedonia, Yugoslavia, Croatia, Bosnia-Herzegovina, Slovenia and Albania—an area with a total population of 150 million people. In its original form, the SECI was to be a self-help programme among the countries of the region, directed at infrastructure projects. Russia expressed interest in the Balkan Ministerial Conference and for a sort of Balkan OSCE; Austria and Germany are interested in Danube co-operation; whereas Turkey is interested in a linkage of the Black Sea and southeastern European regions.

The Federal Republic of Yugoslavia has, in principle, taken a positive attitude to all these initiatives, counting on the significance of her central geographic position in southeastern Europe, the chance to consolidate her international position and the initiatives she could take in relation to her neighbours, other European countries and the USA as well. In contrast with the other former republics of the SFRY, which are sceptical about the EU's regional approach because they fear that it might be harbouring the idea of re-establishing a Yugoslav community<sup>20</sup>, there is strong support for these initiatives in the Federal Republic of Yugoslavia, both in political circles and the general public.<sup>21</sup>

Deeper motives for regional co-operation could be found in Yugoslavia's desire to re-establish broken economic ties with the republics of the former Yugoslavia and to start new ties with old neighbours, especially those which had been members of COMECON until 1989. The expansion of markets is vital for its economic development since most Yugoslav industries were designed for the market of former the SFRY and can satisfy domestic demand today with 30-40 per cent of its production. In other words, the Yugoslav economy in future would have to export half of its production in order to reach the pre-war levels of production and employment. So far, this course has led to the establishment of a free trade zone between the Federal Republic of Yugoslavia and Macedonia, whereas, ideally, a Balkan free trade zone could encompass over 100 million people in an aggregate area of around 1.5 million square kilometres. In such a situation, like in other countries of the region, the Federal Republic of Yugoslavia would become a more attractive market for foreign investment and broader infrastructure development projects as well, thus stepping up overall development in the entire region. Secondly, the development of regional co-operation would enhance the development of relations among these countries and with European integration systems and international monetary institutions, in a manner similar to how the so-called Visegrad Group managed to accomplish in central Europe, for instance. Thirdly, this could lead to the establishment of natural economic ties between the European Union, the Mediterranean, Danube region and Black Sea region.

For the Federal Republic of Yugoslavia, regional co-operation could also mean the revival of social and other ties that had been severed with the republics of the former Yugoslavia, thus possibly enabling the solution of the refugee problem, of broken families, property rights, and so forth. It would, hence, also be an important step towards confidence building and security, as it would remove some of the greatest problems that exist between the Federal Republic of Yugoslavia and those republics, which at this moment remain the principal source of threats to security. The creation of a regional security community within the framework of the OSCE or the Partnership for Peace programme, could be the next logical step in stabilising the region and it is most probable that Yugoslavia will soon have to concern herself with these matters which are momentarily not the subject of any political debate. A political dialogue concerning such open issues as, for instance, ethnic and territorial disputes, could be initiated within such a framework just as the West European countries had done at the end of the forties and beginning of the fifties when they created the European communities. Indeed, one of the most complicated problems of the kind for the Balkans—the Serb-Albanian ethnic dispute in Kosovo-Metohia—could be resolved within this context, in the way Austria and Italy settled the problem of South Tyrol, for instance.

#### CONCLUSION: THE FEDERAL REPUBLIC OF YUGOSLAVIA IN THE INTERNATIONAL COMMUNITY

Yugoslavia's foreign policy and her position in international relations, will for some time depend to a great extent on progress in the peace process in Bosnia-Herzegovina, ie. on the development of relations within the Belgrade-Zagreb-Sarajevo triangle, in addition to the overall development of her relations with both her new and old neighbours. The five member states of the so-called 'International Contact Group' (USA, Russia, UK, France and Germany) have a special role in this process and will, therefore, greatly influence the speed and manner in which Yugoslavia may be integrated into the international community.

Yugoslavia's relations with the United States are complex and, in a way, contradictory. On the one hand, the US, as the only real contemporary superpower and a country under whose patronage the peace agreement for Bosnia and the Erdut agreement on Eastern Slavonia were concluded and implemented, is interested in the stability of the region and the role Yugoslavia must play in these processes. On the other hand, however, the US's attitude towards Yugoslavia is marked by the

political differences and the fact that her place in the new international order in Europe has still not been defined. In place of its earlier close ties with Yugoslavia, the US has sought and is developing partnership relations with Albania and Croatia, as well as Hungary, Romania, Bulgaria, Macedonia and other countries of the region, most of which have joined NATO's Partnership for Peace and have established close ties with Washington. In the short-term, the US will condition her relations with Yugoslavia and her support for the latter's return to international organisations on the role she plays in the peace process in Bosnia and Eastern Slavonia, the normalisation of her relations with the republics of former Yugoslavia, the solution of the problem of Kosovo and other related issues. The US has to that end retained the so-called "outer wall of sanctions" against Yugoslavia, whilst other barriers have also been maintained in its bilateral relations with her (a partial resumption of its trade embargo into 1997). In the long-term, deliberations among American international political experts about Yugoslavia's status, range from support for her inclusion in Partnership for Peace to some kind of 'positive neutrality'.

Compared with her relationship with the United States, relations between Yugoslavia and Russia are developing successfully on both the political and economic plane. Moscow's attitude towards the Yugoslav crisis after 1991 was greatly influenced by developments on the Russian domestic political scene and her relations with the West.<sup>22</sup> One could say, without exaggeration, that the political crisis in Russia in 1991 decisively affected the course of events in Yugoslavia, irrevocably changing the international environment in which Yugoslavia had lived for the last half century. Russia's absence from the Balkans (1992-1993) and her attempts to follow Western policies towards the Yugoslav crisis during this period caused enormous controversy on the home front and sharply polarised executive and legislative authorities in Moscow. The course that Washington and NATO are taking, going beyond the terms of Article 5 of the Washington Treaty (out of the area clause), and plans for the Alliance's eastward expansion, however, brought a change in Russia's standpoint on the Yugoslav crisis and the Federal Republic of Yugoslavia. Russia returned to the Balkans in 1994, contravening the use of NATO forces in Bosnia (the 1994 Sarajevo crisis), yet co-operating with the West in the framework of the International Contact Group. Nevertheless, due to her moderate stance towards the various local actors, Moscow managed to play the role of the channel of communication between the Federal Republic of Yugoslavia and the West, which facilitated a turn of events in the area and opened the way to a peace process.

The Federal Republic of Yugoslavia's relations with the individual European members of the Contact Group—the United Kingdom, France and Germany—differ considerably, but, during 1996, relations with all three countries improved. From the outbreak of the crisis and civil war in SFRY, the UK took an active role as witnessed by various international conferences on the Yugoslav crisis held in London (1992, 1995, 1996), the large number of British soldiers participating in all peace-keeping operations (UNPROFOR, IFOR, SFOR), and British diplomats leading the mediation efforts of the international community (Peter Carrington, David Owen, and others). The UK took a realistic stance on the crisis, thanks to which it maintained active relations with all its local actors, which in turn helped her to quickly renew relations with Yugoslavia at the beginning of 1996. France was likewise actively involved in seeking solutions for the Yugoslav crisis and had considerable influence over the international community's peace efforts (François Mitterrand's visit to Sarajevo, Kinkel-Juppe's initiative, military presence in Bosnia, etc.). Traditionally close relations between Paris and Belgrade were the reason why France sent her ambassador to Yugoslavia months before the other European countries. But despite all mutual efforts, economic relations did not produce anticipated results during 1996. Because of the strong support she had given to Slovenia and Croatia, and her critical attitude towards the Serbs, relations between Bonn and Belgrade were extremely strained until the Dayton Peace Accords. Since December 1995, however, political relations between Germany and Yugoslavia took an upward trend, so that negotiations on many critical issues were very quickly resumed and some resolved (eg. the problem of asylum seekers from Yugoslavia), whilst the growth in economic exchange indicates that Germany could again become Yugoslavia's leading economic partner.

Among non-European countries, Yugoslavia developed comprehensive relations with China, the only permanent member of the Security Council that had not voted for any of the resolutions against Yugoslavia, and, apart from Russia, the only major power which had her ambassador in Belgrade throughout 1992-1996. Despite geographic distance, China followed the course of events in SFRY closely, trying to keep equidistant from all local actors. Thanks to this, Yugoslavia and China signed

a series of economic, scientific and cultural agreements immediately upon the suspension of economic sanctions, and the Yugoslav president made his first official visit abroad to China once the sanctions were lifted. Yugoslavia's relations with Third World countries are being partly reinstated (sub-Saharan Africa, Latin America)<sup>23</sup>, or are partially at a standstill (Islamic countries), indicating that, this group ("Third World" in general) of countries will not take the key position it did in relations with the SFRY. This could be fundamentally changed once relations between Belgrade and Sarajevo are finally normalised as a result of the peace process in Bosnia-Herzegovina, in whose fulfilment Yugoslavia is interested for various reasons (eg. more than 20 per cent of the population of Yugoslavia are ethnic Moslems).

The support given to the peace process in Bosnia-Herzegovina, and the new pragmatism of Yugoslav diplomacy, its recent emphasis on economic and commercial diplomacy<sup>24</sup>, lead to the conclusion that the way to Yugoslavia's re-integration into the international community is in the framework of the peace process in the area of the former SFRY, as well as in regional co-operation. Yugoslavia has likewise made visible efforts to promote her relations with European countries and the European Union, in particular, in the normalisation of relations with the majority of EU member states at the beginning of the year (1996). Expectations that relations between Yugoslavia and the EU might have been normalised by the end of 1996, have not, however, materialised due to the internal political crisis following the November municipal elections. Expectations that relations between Yugoslavia and the US would soon improve have fallen through for the same reason. Still, relations with Russia, China and the majority of central and Eastern European countries and some non-European countries are expected to continue to develop favourably. In short, Yugoslav diplomacy in the coming years will face the complex task of finding not only the quickest way for the country's return to the international community, but also of defining the doctrine of her international relations in a world that has fundamentally changed.

Among the countries close to, but not bordering, Yugoslavia, one might mention Italy and Greece—both member states of the European Union and NATO—as they happen to be important political and economic partners for Yugoslavia<sup>15</sup>, whilst at the same time they are countries which will in future play an important role in bridging the gap between the Federal Republic of Yugoslavia and these groups. Because of her geographic position, her relations with Turkey, on the one hand, and Austria (and Germany), on the other, will likewise be important, due to the fact that transit corridors between these countries pass through her territory so that the increased trade and traffic should greatly add to Yugoslavia's importance as a transit country. The Federal Republic of Yugoslavia's political relations with these countries have been, however, rather strained by recent developments, above all, by the political attitude these countries had in relation to the crisis and civil war in the SFRY.<sup>16</sup> The situation is quite different in regard to the newly independent countries of the broader region, like Ukraine and Moldova, with which relations are developing without any great problem. Slovenia is a special case, its having been one of the former Yugoslav republics and the first to step out of the Federation and is now taking the most rigid stand in dealings with the Federal Republic of Yugoslavia.<sup>17</sup> The previous government of the Federal Republic of Yugoslavia, headed by Milan Pani, unilaterally recognised the independence of Slovenia on 25 August 1992, but Ljubljana rejected this as coming from "a country that was not internationally recognised", so relations between the Federal Republic of Yugoslavia and Slovenia, up until the end of 1996, remained cold and limited to trade.

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*1 By December 1996, 42 countries had completely normalised their relations and sent ambassadors to the Federal Republic of Yugoslavia. See Predrag Simic, 'Ambassadors Return to Belgrade', Review of International Affairs, No. 1044, pp. 4-8.*

*2 Apart from other things, around 620.000 refugees from the regions of Krayina and Bosnia-Herzegovina are still in the Federal Republic of Yugoslavia; the war in its neighbourhood and the UN Security Council's sanctions had greatly impaired Yugoslavia's economy to the extent of several tens of billions of dollars; the traditional transit corridors from and to Western Europe have been cut; Yugoslav enterprises have lost a large portion of what used to constitute their internal market and many foreign markets, and so on. One of the most detailed analyses of the problems which Yugoslavia will face in its economic restructuring and transition has been presented by Prof. Oskar*

*Kovac, Yugoslavia's negotiator with the IMF and World Bank, in a paper entitled 'Re-integration of Yugoslavia into the World Economy', to be published in a special edition of the Serbian Scientific Society.*

*3 SECI—South-East European Co-operative Initiative—a proposal for the development of a multilateral network of relations in southeastern Europe, formulated by the US mid-1996.*

*4 Romania acceded to Partnership for Peace on 26 January, Hungary on 8 February, Bulgaria on 14 February and Albania on 23 February 1994. Macedonia also joined the programme on 15 November 1995.*

*5 For the legal aspects of the decisions concerning Yugoslavia's membership of international organisations, see Ranko Petković ET. AK. International Law and Changed Yugoslavia, PRE, Belgrade, 1996, Milan Sahovic (ed.), Yugoslovenska kriza i medjunarodno pravo (The Yugoslav Crisis and International Law), IMPP, Belgrade, 1996, and Miodrag Mitic, Medjunarodno Pravo u jugoslovenskoj krizi (International Law in the Yugoslav Crisis), Sluzbeni list SRJ, Belgrade 1997.*

*6 Compared with the other Balkan countries, Yugoslavia is smaller than Turkey and Romania, about the size of Greece and Bulgaria, and bigger than Albania and all three of her new neighbours (ie. former republics of the Socialist Federal Republic of Yugoslavia). In comparison with her new neighbours, which are not enthusiastic towards EU's regional approach and other multilateral initiatives in the region, Belgrade's formal stand in this regard is definitely positive.*

*7 According to some public opinion polls in Serbia, about 34 per cent of the respondents, even at the height of the armed conflicts (1992-1993), were in favour of the old Yugoslavia (with Slovenia, Croatia, Bosnia and Macedonia), against about 31 per cent who favoured a 'Union of Serbian lands'. Some influential political parties in 1995-96 openly advocated 'Yugo-nostalgic' goals.*

*8 Greece is not ready to recognise Macedonia by the name which it considers is part of its own historical and cultural heritage and, therefore, fears the new state might cherish irredentist pretensions towards northern Greece. Bulgaria was the first country that recognised the Macedonian state but not the Macedonian nation, considering Macedonians as part of the Bulgarian nation. A large number of Albanians living in western Macedonia (particularly in the regions of Tetovo, Kichevo and Gsotivar), are seeking autonomy for their self-proclaimed 'Illyrida', and in the long run, its accession to neighbouring Albania, although this dispute has not attained the magnitude of the Serb-Albanian dispute in Kosovo and Metohia.*

*9 Before the war, Macedonia had realised as much as 60 per cent of her economic exchange with Serbia and Montenegro.*

*10 According to the so-called Erdut Agreement, signed in the Autumn of 1995, this region is to be peacefully re-integrated into Croatia. During the transition period it was to be administered by a UN Transitional Administration in Eastern Slavonia (UNTAES).*

*11 See Simic, Predrag 'Le conflit serbo-croate et l'eclatement de la Yougoslavie', Politique étrangère, No. 1/94, pp. 129-144.*

*12 Such a fear arose especially on account of the American 'Arms and Train' programme designed for the Moslem-Croat Federation forces. In November 1996, the USA supplied 45 main battle tanks, 80 armoured vehicles, 15 helicopters and a large quantity of infantry armaments.*

*13 According to the Peace Accords, the fate of this corridor which both sides claim right to, was left to arbitration by 14 December, 1996, but as the Serbian representative on the Arbitration Commission withdraw, the final decision has been postponed until mid-February 1997. See Ranko Petkovic, 'Arbitraza u oblasti Brckog' ('Arbitration for the Brcko Area'). Medjunarodna Politika, No. 1046-47, pp. 17-19.*

14 After Enver Hoxha died, Ramiz Alia tried to pull Albania out of its international isolation, which also brought a certain degree of relaxation in Yugoslav-Albanian relations. Albania took part in the First Balkan Ministerial Conference in Belgrade in 1988 and in 1990 had hosted the Second Balkan Ministerial Conference.

15 Italy was for many years the principal importer of Yugoslav goods among the EC countries. After the suspension and final lifting of the UN sanctions, commercial exchange started picking up quickly and it is probable that this country will again figure as one of Yugoslavia's major economic partners.

16 It is interesting to note that Serbia's status in the Working Community of the Danube Regions (Arbeitsgemeinschaft Donaulaender) was re-established in October 1996. She had been one of the founders of this regional group and the first country to hold its chair (1991-1992).

17 Slovenia is the informal leader of the four former Yugoslav republics in negotiations with the Federal Republic of Yugoslavia over succession to the Socialist Federal Republic of Yugoslavia.

18 During November and December 1996, these standpoints were explained by the president of Yugoslavia, and by the federal minister of foreign affairs, Milan Milutinovic, on the occasion of his visit to Brussels.

19 For more about Yugoslav-European Union relations see, B. Babic and G. Ilic (eds.), *Yugoslavia and the European Union*, IMPP and Beobanka, Belgrade, 1996.

20 For instance, the idea of a 'Euroslavia' launched by Luccio Carracciollo and Michel Coriman, editors of the Italian periodical *Limes*, met with sharp criticism from President Franjo Tudjman and other Croatian politicians. See 'The Euroslavia Project', *Eurobalkans*, No. 24/1996.

21 See 'Zblizavanje usporeno ratnim traumama' ('War Traumas Hamper the Restoration of Relations'), *Nasa Borba*, 7-8 December 1996, p. XIII.

22 Jelena Guskova gives a most comprehensive analysis of Russia's attitude towards Yugoslavia in the first half of the Nineties in her book *Jugoslavenska kriza i Russia (The Yugoslav Crisis and Russia)* Institut za Medjunardu Politiku i Privradi, Belgrad, 1996.

23 The visits of several Yugoslav delegations to Latin America and the first official tour of African countries by the FRY President in 1996, confirmed that Yugoslavia could count on the support of a large number of its partners from the non-alignment movement.

24 See Bulajic, Radoslav, *Global and Regional Trade and Co-operation—Key Task of Modern Diplomacy*, Institute of International Politics and Economics, Belgrade 1996.