A Broadening Balkan Crisis: Can It Be Managed?

National Intelligence Estimate

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The following intelligence organizations participated in the preparation of this Estimate:
The Central Intelligence Agency
The Defense Intelligence Agency
The National Security Agency
The Assistant Secretary for Intelligence and Research, Department of State
The Office of Intelligence Support, Department of the Treasury

also participating:
The Deputy Chief of Staff for Intelligence, Department of the Army
The Director of Naval Intelligence, Department of the Navy
The Assistant Chief of Staff, Intelligence, Department of the Air Force
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Figure 1
Balkan Ethnic Groups

Groups comprising 50% or more of the population of a given area

- Hungarian
- Serbian
- Romanian
- Croatian
- Bulgarian
- Albanian
- Macedonian
- Slovenian
- Montenegrin
- No majority
- Muslim

Shown in italic type are smaller concentrations of the above groups or other significant groups that may not comprise a majority. Small groups that are not shown include Sinti/Romani, Gypsies, Vardar, Jews, and Pomaks.
In the near term, nothing short of large-scale, outside military intervention—which no European country is now prepared to undertake—can end the fighting in Yugoslavia.

Current UN peacekeeping operations in Croatia and European-sponsored peace talks cannot resolve the nearly irreconcilable territorial claims and growing animosities among Serbs, Croats, Muslims, and Albanians. The most serious present obstacle to peace is the Serbian-inspired fighting in Bosnia, which confirms Belgrade's intent to include Serbs in neighboring republics into a Greater Serbia. Fighting is likely to resume in Croatia.

Over the longer term, it may be possible to lower the current level of violence and reduce the potential for spillover beyond Yugoslavia. That would only be possible if the international community used all available sanctions and rewards to exploit economic problems in Serbia and war weariness to bring combatants to the negotiating table:

- Isolation of Serbia and selective denial of Western aid until a settlement is reached would help push Serbs and Croats toward a cessation of violence. Specific measures might include withholding membership in the UN and international financial institutions, freezing assets, and enforcing arms and economic embargoes.

- An expanded, combat-ready UN peacekeeping force will be needed to keep the peace for the long term and provide any chance of a negotiated settlement. The UN is likely to require US logistic support and military personnel for any enhanced mission.

As to the nature of a settlement, some Intelligence Community agencies maintain that negotiated and internationally supervised border changes and population transfers within Yugoslavia will be required. Other agencies hold that negotiated border and population shifts are generally unworkable and will result in additional violence, economic dislocation, economic dislocation, economic dislocation.

1 The Central Intelligence Agency and the National Security Agency hold this view.
and violations of minority and individual human rights. The Community agrees, however, that either approach would leave in place powerful, potentially violent irredentist forces and require long-term international management.

There is a serious danger of military conflict spilling over Yugoslavia's borders. This expansion could erupt with little or no additional warning:
- There is a high likelihood of military clashes between the ethnic Albanian majority in Kosovo and Serbian forces; this would prompt Albanian involvement.
- There is some chance that Macedonia's drive for independence will cause Serbia, Bulgaria, and Albania to reassert historical territorial claims and lead to clashes with Greece.
- There is only a slight chance of war between Hungary and Serbia over the ethnic Hungarians in Vojvodina, but renewed Croat-Serb fighting could prompt border incidents.

The way in which Yugoslavia disintegrates will have important demonstration effects. If the combination of violence and authoritarian rule succeeds in establishing a Greater Serbia, it will encourage authoritarian forces in other parts of Eastern Europe and the former Soviet Union. On the other hand, an imposed settlement by the international community would provide a positive model for resolving ethnic conflicts in the Balkan region and elsewhere.

The inability of international institutions—notably the UN, the EC, and the CSCE—to resolve this crisis raises questions about their capacity to manage similar ethnic conflicts that are likely to challenge European security in the future. While NATO's credibility has not been directly damaged by the crisis, the Alliance's willingness and ability to support CSCE missions, like peacekeeping, will be severely tested.

Escalating violence and its potential spillover into other Balkan states would undercut US interests in promoting democracy, economic reform, and regional cooperation. The emergence of competing regional alignments will also complicate US bilateral ties to Balkan countries and entangle Washington in competition among allies backing competing ethnic groups.

\footnote{The Assistant Secretary of State for Intelligence and Research; the Assistant Chief of Staff, Department of the Air Force; the Director of Intelligence, Marine Corps; and the Deputy Chief of Staff for Intelligence, Department of the Army hold this view.}
The UN and the Europeans will become less willing to increase their involvement in the crisis without comparable US action. Europeans believe the United States can strengthen the EC peace process by toughening international responses to Serbian and Croatian intransigence and by bolstering the UN's peacekeeping capabilities, perhaps with NATO's help. EC partners also would welcome pressure on neighboring states—where US leverage is strong—to stay out of the fighting.

In sum, there is virtually no chance of a real negotiated settlement that leads to interethnic peace. There are, however, two attainable goals: to reduce the likelihood of spillover and the level of ethnic violence. The first is achievable through concerted international application of sanctions; the second would require introduction of outside combat-ready forces with a long-term commitment. Greater US engagement increases the risk that US forces could become involved in the fighting. However, failure to act or to achieve a positive outcome would have a negative impact on the US security role in Europe.
The recent breakup of Yugoslavia is unique in its complexity and is producing a checkerboard of newly independent, economically weak, and politically unstable states. At least four independent states are emerging from the ruins of Yugoslavia: a relatively stable Slovenia; a war-torn, embittered Croatia; an enlarged but weakened and isolated Serbia; and a separate Macedonia, threatened by economic weakness and Serbian, Greek, Bulgarian, and Albanian neighbors. The newly recognized Bosnia-Hercegovina, without substantial Western intervention, will split as Serbs and Croats join ethnic kinsmen in neighboring republics.
The Balkan Powder Keg

The prospects for a settlement of the crisis over the next year are slight under present circumstances. Neither Belgrade's nor Zagreb's commitment to peacefully resolving nearly irreconcilable territorial claims is deep. Moreover, age-old animosities are increasing and prevent any meaningful discussion of protecting minority and individual rights.

The latest fighting makes clear Belgrade's intent to include Serbs in neighboring republics into a rump Yugoslavia. Belgrade's strongman Slobodan Milosevic has used Serb leaders in Bosnia to create a "Greater Serbia," while denying official involvement. This objective enjoys wide support, and even if Milosevic were persuaded to abandon it or were removed from power, other Serbians would continue to pursue it. Newly seized Bosnian territory has been added to Serbian conquests in Croatia; these include substantial parts of Slavonia, Dalmatia, and the Serb-majority Krajina.

Croatian attitudes have also hardened. Since gaining EC diplomatic recognition, Franjo Tudjman has been losing interest in the EC peace conference, and Croatia is likely to resume fighting Serbs in the disputed Krajina region, despite deployment of a UN peacekeeping force. Tudjman may eventually try to drive the Yugoslav People's Army (JNA) out of all of Croatia, as defined by the internal Yugoslav boundary of 1974.

The fighting in Bosnia is likely to intensify. Serb, Croat, and Muslim communities are fiercely loyal to territory there and will not agree on a new state that includes all of them. The prospects for an agreement are further diminished by the presence in the republic of large numbers of JNA soldiers and poorly controlled Serbian and Croatian irregulars.

1 The Balkans comprise the former Yugoslavia, Albania, Bulgaria, Romania, Greece, and Turkey.

European and UN Efforts Failing

EC-led efforts to pump new life into the negotiations in Brussels are flagging. The EC peace process probably helped to slow the fighting, but the Europeans have not agreed upon an approach to resolving rival ethnic claims. Moreover, most EC members are unprepared to take the lead and at the same time have resisted unilateral efforts—such as Germany's early recognition of Croatia and Slovenia—to do so. Greece's special sensitivity to Macedonian independence also will remain an obstacle to a unified EC policy toward the region.
The Yugoslav Peoples Army: How Independent?

The Yugoslav Peoples Army (JNA) will continue to influence decision making in the former Yugoslavia, and negotiations will have to accommodate at least some of its interests. Weakened by the secession of Slovenia, Croatia, and Macedonia, the JNA is determined to preserve its bases and industry in Bosnia-Hercegovina and protect Serbian minorities. Although nominally subordinate to the Serb/Montenegrin federal presidency, the JNA is responsive to civilian control from Belgrade only to the extent that its institutional interests are not seriously threatened. The JNA is not responsive to Bosnia, whose independence would deprive it of the last shred of its Pan-Yugoslav identity.

The UN is deploying a lightly armed force of 14,000 men in specific communities in Slavonia, the Krajina, and parts of Bosnia-Hercegovina. Twelve countries—including Russia for the first time—will each provide an infantry battalion of about 500 to 800 men to play the major role in separating the combatants. Others will provide five-man teams of military observers, eight-man teams of military policemen, and 30-man contingents of civilian police to establish order in the new demilitarized zones. Several states have refused to participate for financial reasons, and a few (including Jordan and Argentina) have asked the United States for transportation to the region.

UN Peacekeeping Forces in Yugoslavia

There is a small chance that the Community would consider stronger UN sanctions to exert pressure on all the combatants, but it is more likely to support sanctions solely against Serbia. Germany, Austria, and Italy are likely to resist reimposition of sanctions against Croatia, but only Greece would oppose application of sanctions against the Serbian bloc.

UN forces in Croatia presently cannot fulfill their mission and are likely to be at considerable risk unless their terms of engagement are strengthened. EC states will remain unwilling to send their own forces to restore order if renewed fighting frustrates the UN’s peacekeeping mission:

- Europeans, however, are increasingly inclined to support an expanded military mandate for the UN, although for now they remain reluctant to use force themselves.

- Should the UN accept this mandate, it is likely to turn for support to CSCE and, through it, to NATO. If it does not accept it, the Europeans will turn to these institutions themselves and try to enlist US support.

Consequences of Continuing Conflict

Growing Danger of Spillover

In the absence of more effective international constraints on Yugoslav parties, there is a strong chance that the conflict will involve one or more neighboring states. This could occur with little or no additional warning.

Kosovo. An uprising by the almost 2 million Albanians of Kosovo is the most serious and likely threat. The long-suppressed Albanians will almost certainly rebel if the Serbs refuse to negotiate their autonomy and they are surrounded by others struggling against Serbian domination. Moreover, the recent election of a democratic government in Tirane has raised the Kosovars’ hopes for unification with Albania, an aspiration Tirane has been encouraging and that the Serbs will try to suppress by force. Albania cannot control its borders, and Kosovo rebels inevitably will seek sanctuary in Albania. If that happens, Serbia probably will respond with airstrikes and hot pursuit. In such circumstances, Greece may intervene to protect Greeks in southern Albania.

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The Macedonian Problem. Macedonia’s drive for independence is exacerbating its internal political and economic weaknesses and straining relations among neighboring Greece, Serbia, Albania, and Bulgaria:

- Greece is increasingly agitated about Skopje’s presumed threat to Greek Macedonia. Greek rhetoric, demonstrations, troop movements to the border, and harassment of cross-border trade have heightened tensions and invite overreactions by Macedonians.

- The ultranationalist Internal Macedonian Revolutionary Organization, the largest party in the Macedonian parliament, espouses territorial claims against Greece and could provoke a Greek-Macedonian clash.

- If Macedonians ignore the demands of the Albanian minority (30 percent), intercommunal fighting between the majority Macedonians and Albanians is also possible. A likely Serb-Albanian conflict in Kosovo also would stimulate such fighting.

Conflict between Serbia and Bulgaria, which have competing for influence over Skopje, is also possible but less likely. High-level Bulgarian visits to Belgrade and Skopje and official denials of territorial ambitions are aimed at cooling Serbian and Greek mistrust. Bulgaria’s resolve to stay out of a conflict would weaken quickly, if Serbia reasserts its territorial claims or forcibly incorporates parts of Macedonia. It would also be eroded by nationalist challenges to the government, including rumors of coups, and by diminished Western economic interest in Bulgaria.

Vojvodina and Hungary. Budapest will bend over backwards to avoid a war with Serbia that would derail its progress toward integration with Western Europe. However, if the current truce between Serbia and Croatia breaks down, there is a strong chance of major border violations or other military incidents. Repression of the Hungarians in Vojvodina could draw Budapest into the conflict.

Wider Consequences

Refugees. The fighting between Serbia and Croatia so far has produced an estimated 600,000 refugees, the bulk of whom are living within Yugoslavia. The violence in Bosnia has added another 200,000. If the fighting intensifies in Bosnia and spreads, the total number could run as high as 2 million. If Bosnia is partitioned, more than 1.4 million people could be forced to relocate or be ruled by another dominant ethnic group. Some of these refugees would go to Italy, Austria, and Hungary, all of which have already taken large numbers of Yugoslav nationals displaced by the fighting. A Serb-Kosovar conflict could produce massive population flows toward Albania, where economic problems have already caused a large exodus to Italy. In the end, the European Community and other Western governments would be forced to care for these refugees.

Economic Cost. The conflict in Yugoslavia has already taken some 10,000 lives and caused about $35 billion in damages. It also has contributed to hyperinflation (over 50,000 percent annually in Serbia), a steep fall in industrial output, and massive unemployment throughout the republics. The costs of reconstruction will be considerable and probably will have to be paid with European Community help. Interruptions of trade have also touched Hungary, Bulgaria, and Albania. As long as the Adria oil pipeline—which provides Hungary and Czechoslovakia with 20 to 25 percent of their oil needs—remains
closed, the Hungarian and Czechoslovak economies will remain vulnerable to disruptions in oil supplies from Russia, their only other source.

Demonstration Effect of Violent Dissolution. The disintegration of Yugoslavia is setting a dangerous precedent for ethnic self-determination in the rest of Europe. The Serbian model has warned most East European governments about the human and economic costs of violence, but the West’s inability to prevent Yugoslavia’s violent fragmentation will probably encourage militant nationalists throughout Eastern Europe.

Threats to Democracy and Reform. Regional instability and ethnic conflict will further burden democratization, economic growth, and regional economic cooperation in former Yugoslav republics, Albania, Bulgaria, Romania, and to a lesser extent Hungary. They also will ease the way for more authoritarian, nationalist regimes. An authoritarian Greater Serbia would be a continuing source of tension and instability. Milosevic’s success in exploiting nationalist themes will encourage other likeminded political forces to use his tactics. Romania and Bulgaria are especially susceptible to this danger.

Renewed Nationalist Claims. Even if the dissolution of Yugoslavia were not accomplished through force, it would nonetheless encourage new claims for statehood by ethnic minorities and reincorporation of ethnic groups separated from their motherlands. For example, Hungarian officials already have hinted that events in Yugoslavia could reopen the issue of Vojvodina—territory Hungary gave up in the 1920 Treaty of Trianon. Similar demands could challenge the borders of every multiethnic East European and western CIS nation.

Terrorism. Major international terrorist acts linked to the Yugoslav crisis have not yet occurred, and Yugoslav-related terrorism abroad has been far below the peak levels of a dozen years ago. But we cannot rule out the possibility that outrage among ethnic groups living in Western countries could lead to terrorist acts. We have seen reports of terrorist threats by the Serbian Black Hand against governments and institutions recognizing other Yugoslav republics. The Croatian Liberation Diversion Front, which to date has attacked only Serbian and Federal Yugoslav targets, would also have reason to attack other targets, if Western governments allow the creation of a Greater Serbia.

Competing Regional Alignments. Conflicting ethnic interests in the Balkans will encourage the development of small and shifting regional ententes:

- Serbia and Greece are likely to pursue their common interests against Macedonia and Albania; if Hungarians in Vojvodina are badly mistreated, Hungary could make common cause with Croatia and Albania against Serbia.

- Turkey’s ties to Bulgaria, Macedonia, Albania, and Bosnia’s Muslim community will continue to increase, driven by Ankara’s desire to safeguard Muslim minority rights and expand its influence to the rest of Europe. This policy is likely to add to mutual mistrust and tension with Greece and Serbia.

- The violent partition of Bosnia also would radicalize what had been now a peaceful, largely secular Slavic Muslim community, leading it to expand and intensify its links to the radical Islamic states of Libya and Iran—and indeed, we have evidence that this is occurring.

Undermining International Institutions. The Yugoslav crisis raises questions about the ability of Western governments to adapt international institutions to prevent or contain ethnic conflicts. Western governments have been unable to assign peacekeeping responsibilities in Europe to the UN, the EC, NATO, or the CSCE. Without mandates and resources to fulfill peacekeeping missions, no institution will be able to manage similar crises in Europe in the future. While NATO’s credibility has not been directly damaged by the crisis, the Alliance’s willingness and ability to support CSCE missions, like peacekeeping, will be severely tested.
Can Negotiations Succeed?
Left to themselves, the Yugoslav parties are incapable of reaching a negotiated settlement. At best, it may be possible to lower the level of violence and reduce the potential for spillover beyond Yugoslavia. Only greater international intervention—including diplomatic, economic, and military sanctions, binding arbitration, and stronger and expanded peacekeeping forces—provide a chance for these outcomes over the next year or two:

- Fear of international isolation, encirclement by hostile neighbors, exclusion from EC reconstruction aid, and sanctions could compel Serbia to negotiate seriously. Fear of losing control within Serbia might make Milosevic more willing to compromise, but only if other nationalists also reached the conclusion that peace would safeguard Serbian interests best. More EC economic carrots probably would be needed to persuade Serbia to drop its maximum territorial demands.

- Outside pressure, especially German pressure on Tudjman, would increase the chances that Croatia will drop its demands for recovering all its lost territory.

- The complete deployment of UN peacekeepers in Croatia and an expanded mission in Bosnia might buy time for the EC-sponsored talks in Brussels to succeed. The UN would have to be prepared to take and inflict casualties as it tries to maintain the cease-fire, disarm combatants, and protect returning refugees. The UN is likely to require US logistic support and military personnel for any enhanced mission.

- Growing war weariness, economic dislocation, and the greater activism of the small, democratic opposition in Serbia eventually could help undermine the approach of Milosevic and other hardliners toward Croatia.

- A weakened JNA might accept negotiated territorial adjustments, because it believes a multistrike conflict or international military sanctions threaten its institutional survival.

Bringing the parties to the table probably will require concerted application of all available sanctions and rewards against all the warring parties, including withholding membership in the UN and international financial institutions, enforcing arms and economic embargoes, and raising the military costs of continued fighting in Yugoslavia.

What Might A Settlement Look Like?
Intelligence Community agencies differ on whether a satisfactory outcome must include internationally sanctioned border and population shifts in order to be effective. Some agencies maintain no settlement is possible without redrawing borders, shifting populations, and guaranteeing minority rights. Even then, a settlement may remain elusive.

The agencies holding this view do not underestimate the extraordinary difficulty of implementing such measures and of limiting the dangerous precedent of seeming to validate the use of force in achieving border changes. They argue that these borders are, in fact, being changed by force, and that active management of these changes by international institutions is most likely to reduce human suffering and bring the process within international norms.

*The Central Intelligence Agency and the National Security Agency hold this view.*
Competing Demands on the United States

- Allies are likely to request logistic and intelligence assets (including heavy airlift, AWACS, and satellite reconnaissance) to support a peacekeeping mission. In addition, they might request that the US Navy maintain an embark go or provide air support for UN peacekeepers.
- If peacekeeping exceeds the capabilities of the UN, some allies will press NATO assist CSCE efforts to restore order and avoid atrocities.
- Some Balkan and neighboring states will increasingly ask for intelligence on the military capabilities of their neighbors. Some combatants will request direct US military assistance.
- Some parties, for example, the Kosovars, may present new petitions for diplomatic recognition, and newly independent states will want Washington to support their bid for IMF membership and reconstruction funds.
- The United States could be asked to reinforce, redeploy, or evacuate UN peacekeepers.

Other agencies believe that the central flaw in peace negotiations up to now has been their failure to follow through on the EC’s earlier strategy. This strategy conditioned aid, recognition, and economic association of independent Yugoslav republics on acceptance of the principle that borders cannot be altered by force and a return to the interrepublic border regime of 1974. In their judgment, redrawing borders would be unworkable under current conditions, and the displacement of large populations would produce more violence and economic hardship, violate collective and individual human rights, and undermine European institutions such as CSCE.

All agencies agree that either approach would leave in place powerful, potentially violent irredentist forces and require long-term international management.

Implications for the United States

A broadening crisis in the Balkans would undercut US interests in promoting democracy, economic reform, and regional cooperation. It also would complicate relations with all Balkan countries as they press Washington to support their conflicting positions. Longstanding US allies, including Greece, Turkey, and Germany, could become entangled in this competition. Such allied disputes would almost certainly hamper US efforts to gain agreement on NATO’s future security role.

There is a danger that the UN and the EC will become less willing to increase their involvement in the crisis without comparable US action. Beyond US support for the EC peace process, they will expect the United States to bolster—perhaps with NATO’s help—the UN’s peacekeeping capabilities, toughen responses to Serbian and Croatian intransigence, and press neighboring states—where US leverage is strong—to stay out of the fighting.

In sum, there is virtually no chance of a negotiated settlement that leads to interethnic peace. There are, however, two other attainable goals: to reduce the likelihood of spillover and the level of ethnic violence. The first is achievable through concerted international sanctions; the second would require introduction of outside combat ready forces with a long-term commitment. Greater US engagement increases the risk that US forces could become involved in the fighting. However, failure to act or to achieve a positive outcome would have a negative impact on the US security role in Europe.

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The current crisis is not 1914 revisited, because no European Great Power has been promoting instability in the Balkans. But the competing territorial, ethnic, and religious claims that spawned World War I endured and have been rekindled by the collapse of Communism.

The demise of Ottoman hegemony at the end of the 19th century contributed to the creation of shifting alliances among newly emerging states and challenges to the Great Powers. After 1908, Bulgaria, Serbia, and Greece set aside their conflicting claims to Macedonia and joined Montenegro to take advantage of Turkish weakness. The First Balkan War of 1912 led to the virtual dissolution of European Turkey. Competing territorial ambitions resurfaced in the Second Balkan War of 1913, when Serbia and Greece—with the help of Turkey and Romania—won back large parts of Macedonia from Bulgaria. Bulgaria joined the Central Powers in 1915, hoping to recoup its territorial losses.

As Turkish influence collapsed, Bosnia-Hercegovina became the target of an independent Serbia and Croatian nationalists in the Austro-Hungarian Monarchy. Austria's annexation of the former Turkish province in 1908 sparked Serbian terrorism and led to World War I.