

THE MILOSEVIC REGIME
VERSUS SERBIAN DEMOCRACY
AND BALKAN STABILITY

HEARING
BEFORE THE
COMMISSION ON SECURITY AND
COOPERATION IN EUROPE

ONE HUNDRED FIFTH CONGRESS
SECOND SESSION

DECEMBER 10, 1998

Printed for the use of the
Commission on Security and Cooperation in Europe
[CSCE 105-2-?]



Available via the World Wide Web: <http://www.csce.gov>

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

LEGISLATIVE BRANCH COMMISSIONERS

HOUSE

CHRISTOPHER H. SMITH, New Jersey
Chairman
JOHN EDWARD PORTER, Illinois
FRANK R. WOLF, Virginia
MATT SALMON, Arizona
JON CHRISTENSEN, Nebraska
STENY H. HOYER, Maryland
EDWARD J. MARKEY, Massachusetts
BENJAMIN L. CARDIN, Maryland
LOUISE McINTOSH SLAUGHTER, New York

SENATE

ALFONSE M. D'AMATO, New York,
Chairman
BEN NIGHORSE CAMPBELL, Colorado
SPENCER ABRAHAM, Michigan
CONRAD BURNS, Montana
OLYMPIA SNOWE, Maine
FRANK R. LAUTENBERG, New Jersey
HARRY REID, Nevada
BOB GRAHAM, Florida
RUSSELL D. FEINGOLD, Wisconsin

EXECUTIVE BRANCH COMMISSIONERS

JOHN H.F. SHATTUCK, *Department of State*
VACANT, *Department of Defense*
VACANT, *Department of Commerce*

COMMISSION STAFF

MIKE HATHAWAY, *Chief of Staff*
DOROTHY DOUGLAS TAFT, *Deputy Chief of Staff*

ELIZABETH CAMPBELL, *Receptionist/System Administrator*
MARIA V. COLL, *Office Administrator*
OREST DEYCHAKIWSKY, *Staff Advisor*
JOHN FINERTY, *Staff Advisor*
CHADWICK R. GORE, *Communications Director, Digest Editor*
ROBERT HAND, *Staff Advisor*
JANICE HELWIG, *Staff Advisor*
MARLENE KAUFMANN, *Counsel for International Trade*
SANDY LIST, *GPO Liaison*
KAREN S. LORD, *Counsel for Freedom of Religion*
RONALD McNAMARA, *Staff Advisor*
MICHAEL OCHS, *Staff Advisor*
ERIKA B. SCHLAGER, *Counsel for International Law*
MAUREEN WALSH, *Congressional Fellow for Property Restitution Issues*

**THE MILOSEVIC REGIME VERSUS
SERBIAN DEMOCRACY AND BALKAN STABILITY**

DECEMBER 10, 1998

OPENING STATEMENTS

	PAGE
Opening Statement of Co-Chairman Christopher H. Smith	1

WITNESSES

Daniel Serwer, Senior Fellow, U.S. Institute of Peace	3
Nebojsa Covic, Coordinator, Alliance for Change	5
Srdjan Darmanovic, Director, Center for Democracy and Human Rights in Podgorica, Montenegro	8
Ylber Hysa, Director, Kosova Action for Civic Initiative	10
Milan Panic, CEO and Chairman of the Board, ICN Pharmaceuticals, Inc.	20
Slavko Curuvija, Publisher, <i>Dnevni Telegraph</i> and <i>Evropljanin</i> News Magazine	22
Boris Karajcic, Founder of the Student Movement, "Otpor"	25
Paul B. McCarthy, Program Officer, National Endowment for Democracy	27

APPENDICES

"Promoting Democracy in Yugoslavia," submitted by Daniel Serwer	40
"FY1998 U.S. Federal Aid to FRY," submitted by Daniel Serwer	42
"The Alliance for Change," submitted by Milan Panic	51
"A Letter to the President," submitted by Slavko Curuvija	54
"Resistance," submitted by Boris Karajcic	58
Prepared Statement of Paul B. McCarthy	61

61

THE MILOSEVIC REGIME VERSUS SERBIAN DEMOCRACY AND BALKAN STABILITY

THURSDAY, DECEMBER 10, 1998

COMMISSION ON SECURITY AND COOPERATION IN EUROPE,
WASHINGTON, DC

The Commission met at 10:00 a.m. in Room 2172, Rayburn House Office Building, the Honorable Christopher H. Smith, Co-Chairman of the Commission, presiding.

Witnesses present: Daniel Serwer, Nebojsa Covic, Srdjan Darmanovic, Ylber Hysa, Milan Panic, Slavko Curuvija, Boris Karajic, Paul B. McCarthy

OPENING STATEMENT OF CO-CHAIRMAN CHRISTOPHER H. SMITH

Mr. Smith. The Helsinki Commission meeting will come to order.

Ladies and gentlemen, to begin the hearing this morning, I note that today is Human Rights Day. In fact, today is the 50th anniversary of the Universal Declaration for Human Rights. When, on December 10, 1948, 48 of the 56 United Nations members adopted the Declaration in Paris, they confirmed the truth set in eternity—the dignity of all human beings. The authors laid the foundation for the legitimization and strengthening of international human rights efforts in these closing years of the millennium. The Universal Declaration and documents like the Helsinki Final Act did not eliminate human rights abuses, but, by defining universal rights and freedoms, they have shed light on the gulf between standards and actual practice by government authorities.

The Universal Declaration, the Final Act and other documents also established the fact that human rights abuses in one country are not an “internal matter” but a legitimate concern for this country and all others. Reflecting the revulsion for traditional diplomatic practices in the wake of the Holocaust, these international documents challenged the long-held notion that national sovereignty could shield governments from scrutiny of their human rights records and accountability for the gross mistreatment of their own citizens.

It is entirely appropriate that on Human Rights Day we focus on the Milosevic regime in the Yugoslav federation of Serbia and Montenegro. This regime’s pervasive grip on Serbian society has logged a long record of human rights violations. The recent actions against the independent media are only the latest. From 1992 to 1995, the wars raged, and with this year’s Kosovo crisis, there is no doubt that Milosevic and his militant minions have blood on their hands. It was 2 years ago this month that the Helsinki Commission held a similar hearing on the prospects for democracy in Serbia considering the then daily, massive protests against the regime for failing to acknowledge the results of municipal elections in Serbia.

Many of us on the Helsinki Commission and in the United States Congress are disgusted by the fact that the international community, led by the United States, has worked through Slobodan Milosevic to end the very conflicts in the Balkans which he actually instigated as

a means to maintain and enhance his power. Milosevic is a man to be stopped, not coaxed. Dealing with this man and his regime is not just an ethical question. We must question the wisdom of this tack. Milosevic masterfully perpetuates his rule through negotiating agreements and, because agreements made by Milosevic lack integrity, future conflicts in the region are made that much the more likely. Hopefully our first panel will comment on Milosevic as a factor for instability in the Balkans.

Long-term stability in the Balkans, in my view, would be best served by democratic change in Serbia. The people of Serbia, like all other people, have the right to live freely. Serbs may not have been subjected to the same butchery inflicted upon their neighbors, but they, too, have emerged from Yugoslavia's violent demise as victims, not as victors. All but the criminals are poorer. Only those in power have ensured their own rights. Thousands of Serbs are refugees from conflicts started in their alleged defense and on their behalf, and the authorities show little care. Milosevic based his aggression in Bosnia and his assault on Kosovo on the defense of the Serbian people, yet, as former New York Times correspondent Chuck Sudetic recently noted, did Milosevic even make the public gesture of visiting a hospital to meet Serbs wounded in the fighting? No. The fact is that Milosevic cares no more for Serbs than for Albanians or Croats or Bosniacs. The only difference is that ultimately he needs Serbs to stay in power.

The people of Serbia deserve better, and there are many within Serbia struggling for the worthy goal of a democratic Serbia, whether they are in political parties, the independent media, labor unions and other non-governmental organizations, or the universities. The horrors of Bosnia and Kosovo have frequently caused analysts and policymakers in Washington and other capitals to blame and to punish Serbia as a whole for the acts of the power mongers in Belgrade. Part of the problem, if I may suggest, rested in the fact that the highly divided political opposition in Serbia did little to distance itself from Milosevic's external policies. Indeed, many in the opposition tried to challenge Milosevic by advocating views that were actually more nationalistic than Milosevic's. Some even tried to explain away the atrocities in an effort to prove their Serbian patriotism. The true patriots are those who condemned what was being done in the name of the Serbian people and face accusation of treason as a result.

It is my hope that today's hearing will demonstrate that things must change. I trust our witnesses will suggest ways in which the United States Congress and the U.S. Government, and other countries and organizations like the OSCE, can help. Urgent situations like that in Bosnia or this year's conflict in Kosovo demand an international response. Regrettably the choices for response have been limited to two, intervene militarily or rely on Milosevic. We must iden-

tify alternatives before the next urgent crisis arises. We therefore need a viable, democratic alternative to Milosevic, for the sake of long-term Balkan stability and the future of the people of Serbia.

Our first panel will address the Milosevic regime as a factor for instability in the Balkans and the wisdom of dealing with Milosevic to secure peace in the region.

First, we have Daniel Serwer, a former Foreign Service Officer and Senior Fellow at the United States Institute of Peace. He has participated in two previous Commission briefings, one on U.S. efforts to make the federation in Bosnia work and one more recently on conflict resolution in Kosovo. Mr. Serwer has recently visited the Yugoslav Federation, visiting Serbia itself as well as Kosovo and Montenegro.

Next is Nebojsa Covic, Coordinator for the leading coalition of opposition political parties, the Alliance for Change. Mr. Covic, a former Socialist Party officer, was mayor of Belgrade but resigned in 1996 in sympathy with those protesting Milosevic's refusal to acknowledge the result of the municipal elections. He has since founded his own political party, the Democratic Alternative, which belongs to the Alliance for Change.

Since Milosevic is the President of Yugoslavia, we thought it would be worthwhile to have some views by some others in the federation. Srdjan Darmanovic is Director for the Center for Democracy and Human Rights in Montenegro, the other Republic in the Yugoslav federation, which has, in elections during the past year, distanced itself considerably from Belgrade.

Finally, in the first panel, Ylber Hysa is a journalist and Director of the Kosova Action for Civic Initiative, a think tank based in Kosovo. Mr. Hysa, who has been involved in various civic efforts and round tables in Kosovo, will address how Kosovo fits into Milosevic's game plan.

So, I would like to ask Mr. Serwer if he would begin, and then each panelist to proceed from there. And please use whatever time that you would like.

**TESTIMONY OF DANIEL SERWER, SENIOR FELLOW,
U.S. INSTITUTE OF PEACE**

Mr. Serwer. Thank you, Mr. Chairman.

My name is Daniel Serwer, and I am a Senior Fellow at the United States Institute of Peace where I focus principally on regional Balkan security. I was an officer of the U.S. Foreign Service for 21 years. I have now left the State Department. I've spent most of the last 5 years working on the Balkans and visited there last month, as you mentioned.

It is my personal view, Mr. Chairman, that the major threat to regional stability in the Balkans is the incomplete democratic transition in Belgrade. The autocratic regime there has repeatedly, over the last decade, asserted its authority in illegitimate, and sometimes criminal, ways that have led to resistance, war and secession.

The pattern set in Slovenia, Croatia and Bosnia in the early 1990s is being repeated in Kosovo, and likely also in Montenegro. I would not be surprised if this pattern were someday to reach Vojvodina and Sandzak as well.

We in the international community have focused on the victims, especially in Bosnia and Kosovo, but Serbs have suffered as well. This decade has brought to all of the people of Yugoslavia poverty, suffering, corruption, isolation, and war. The people of Serbia, unlike their compatriots in other parts of what we used to call Eastern Europe, have not begun to taste the fruits of freedom.

On my recent trip to the region, I found an atmosphere of fragmentation, fatigue, and fear in Belgrade and Pristina. This contrasted sharply with the sense of commitment and direction that is so powerful in Podgorica, the capital of Montenegro, and Skopje, the capital of Macedonia, where democratic and economic reforms are beginning to take hold.

I believe the United States and its allies and partners need to focus on bringing about a democratic transition in Serbia, one based on free civic institutions and not on the empty ritual of elections that are neither fair nor free. This would require open media, an independent judiciary, free trade unions, unfettered universities, transparent and multi-party electoral commissions, vigorous political parties, and a web of non-governmental organizations devoted to the many real issues that confront the people of Serbia.

I question, Mr. Chairman, the wisdom of reaching any agreement on Kosovo unless in doing so the United States is clearly not supporting, even indirectly or unintentionally, the continuation of an autocratic regime in Belgrade. An agreement that provides the regime with increased leverage could cause greater suffering for Serbs as well as others.

The Clinton Administration has begun to talk forcefully about Milosevic as the problem. The Balkans Working Group, convened by the United States Institute of Peace, has propounded the view that the regime is the problem for the past eight months. I would prefer, however, that the United States Government say less and do more.

Specifically, I believe that the United States should add \$35 million to the about \$8 million it is spending this year on democratization programs in Yugoslavia. We should focus this effort on institutions and coalitions, not individuals, and on long-term grassroots efforts rather than instant results.

I have provided to you in writing a brief paper that outlines these ideas, based on discussions among Governmental and non-governmental organizations that participate in USIP's Balkans Working Group. I would appreciate this paper being placed in the record.

Mr. Smith. Without objection, your paper will be made part of the record.

Mr. Serwer. Thank you. Let me underline, in concluding, that even a democratic Serbia would have many problems, including a legacy of corruption and mismanagement. It will not be easy for any regime in Belgrade to confront the past, turn over war criminals, and resolve the status of Kosovo.

Some of the people who will testify here today hold views on these questions that I do not fully share, but I respect their right to those views and believe that the possibility of finding solutions would be vastly enhanced if Serbia were a democracy, where the rule of law and open debate governed rather than a leadership determined to maintain its hold on power, whatever the cost to the citizens of Yugoslavia. Thank you, Mr. Chairman.

Mr. Smith. Mr. Serwer, thank you very much for your excellent testimony. I read over your suggestions from the U.S. Institute of Peace last night, and I think they are very, very well taken, and I think it provides a blueprint for the Congress, looking to next year, as to how do we allocate scarce dollars. I think your point about the long-term grassroots efforts and the idea of really putting down roots is extremely timely, and it is a time—like Victor Hugo had said—“an idea whose time has come”, and I really do thank you for your excellent contribution.

Mr. Covic, please.

TESTIMONY OF NEBOJSA COVIC, COORDINATOR, ALLIANCE FOR CHANGE

Mr. Covic Thank you, Mr. Chairman. I would like to thank you for granting me this opportunity to present the situation in Serbia and Yugoslavia on behalf of the Alliance for Change.

In this moment, Milosevic has absolute for power in Serbia. The source of that power is much more important than the fact that the power exists. There are many misunderstandings about the source of his power. It is not charismatic, it is not the ability of the ruler, it is not the support of the people, it is simply unscrupulous, ruthless manipulation of people and their lives and their destiny.

All analyses of the behavior of Slobodan Milosevic, starting from the prejudice that Milosevic has a political advantage, are erroneous. He is pathologically linked to power. He adapts himself perfectly to all changes, and channels all modalities of his behavior to stay in power, no matter the political card he has to use in such endeavors.

Milosevic is not a communist, but he takes advantage of an important part of the electoral body in Serbia. These are mainly people of middle age who grew up in communism. The picture of communism became, in the minds of these people, an emotion that is consciously being transformed into a new myth about the happy days. To that aim, Milosevic uses skillfully the symbol and the remnants of communism. He constantly uses the terms “equality”, “social justice”, “humanity”, “solidarity”. He is constantly harboring the illusion of the people that such a time will come again, and keeps the people in a kind of “time quarantine”.

Milosevic is not a nationalist either. He has transformed nationalism into destructive xenophobia and chauvinism, again, to create insecurity, dependence, fear, which are basic mechanisms for crashing any kind of resistance or any form of free thinking, as well. The concept of the greater Serbia, which Milosevic marketed skillfully through the adjectives of others, was only used for taking advantage of an awoken national charge.

In addition to this, the source of Milosevic’s power is the legitimacy, given de facto to him by the international community. He is elevated above the constitution, above the parliament, and above all state institutions, but also above the will of the majority of the citizens of this country.

The sanctions of the international community which are still in force are the confirmation of the legitimacy of Milosevic as the representative of the entire nation. In such a situation, the lives of the people becomes increasingly difficult, and people blame the international community for that, while Milosevic and his entourage ma-

nipulate the people in a much easier way with much less effort. Everything is reduced to the following statement: “The whole world hates us, but we are here to save you”.

Through such activity, Milosevic succeeded in bringing the vast majority of people into a state of dependency, of inability to think autonomously, in a state where there is fear of any kind of changes. In one word, Milosevic “created” in the citizens the illusion that there was no solution, no way out, without him.

Slobodan Milosevic bases his power on three basic levers—the media, the financial institutions and large industrial enterprises, and the secret police. Using the state television, RTS, and his other media, Milosevic assures absolute total control of information in the entire territory of Serbia. Every event is presented in a way which is appropriate for Milosevic and his ruling group. Every contact with the international community, no matter the result and the outcome of the talk, is presented as new proof that the international community cannot avoid Milosevic, that his policy has won.

By controlling the money flow, Milosevic prevents the creation of an economic base for the forces which could endanger him, and that makes it possible for his loyal officials on important positions in banks and large industrial enterprises to become enormously rich. In that way, Milosevic protects himself from possible blows coming from that side. No financial institution in Serbia is liquid in the strict economic sense, and all of them are based on the good will of Milosevic and on their links with the National Bank of Yugoslavia, which Milosevic also controls. Through the police, Milosevic knows at every moment the plans of the opposition, and plans his moves accordingly.

The opposition became at one moment the victim of the general demagoguery, by treating the national question as “the” main question. However, the opposition was not defeated by appeals to the national sentiment, the opposition lost the battle because the people were conditioned, they were in panic of the “Doomsday” when their nation will be lost, when it will vanish from the planet. The highlight of this manipulation is the “opium” presented in the form of heavenly people thesis. The opposition was not ready to avoid that trap, to stay outside of it.

The Alliance for Change has learned that lesson. This nation is not in danger from outside, but from inside. The nation has been manipulated by methods that have already been seen that are extremely destructive. This nation needs help in order to find a way out from its hypnotic dream. The support of the international community may shorten the period of awakening, may mitigate the consequences of the return to reality.

The Alliance for Change is dealing with the substance of the situation, not with its consequences. By making the true diagnosis of the situation in Serbia, the Alliance for Change has developed a strategy of a struggle which does not comprise a frontal attack against the system but, on the contrary, unmasks that destructive and anti-civilizational creation.

• I21 The Alliance for Change works on behalf of all individuals for their right to the freedom of choice. The free-thinking representatives of this nation shall revive its creative power, shall acquire for it the place in the international community to which it is historically entitled.

• I21 The events we experienced during the last 10 years in Serbia, with Milosevic in power, are pure evil for all citizens of Serbia. The main field of action in which the international community might give a contribution is the democratization of Serbia. The minimum conditions for the success of the process of democratization of Serbia are the freedom of media and free elections. A democratic Serbia is the prerequisite for the democratic solution of the problem of Kosovo and of the relations between Serbia and Montenegro as a common state. Democratic Serbia cannot be achieved by only partially solving these problems.

The problem of Kosovo is the problem of democracy in Kosovo. Only free citizens can find a just solution for the problem of Kosovo, a solution that would satisfy the interests of all ethnic groups and create the necessary condition for the life in a common country. The international community should assure equal dialogue between Serbs and Albanians, without insults and prejudice, without prefixed options, ideas and solutions. This would mean to discard the black-and-white solution. This would require confidence in those who understand the substance of the problem, who have a vision of a solution. Through such an approach, the international community would create the necessary conditions for a substantial change of the attitude of all citizens of Yugoslavia toward the problem of Kosovo, and for finding the solution necessary for joint life in a joint country.

We do not know how important the Balkans are for the international community, but for us the Balkans represent an important part of Europe. Democratic Serbia is a guarantee of a democratic Yugoslavia. Democratic Yugoslavia, in turn, is an important factor for the democratization of the relations in the Balkans, in general. Despite the conditions experienced by Yugoslavia during the recent years, still, there was some democratic aberrations, the example of Montenegro. The democratic area acquired in such a way must not be lost, and it must be expanded with the help of the international community to all regions of Yugoslavia.

If one could name the greatest single obstacle to the development of the democratic processes in Yugoslavia at this moment, then it would obviously be the new law on information. This law abolishes completely the freedom of the media. Without strong support of the international community for the withdrawal of that law, there are no elementary conditions for the normal functioning of democratic forces in Serbia.

This tragic experiment in the very heart of Europe at the end of the 20th century shows that all people are vulnerable, and that they sometimes need help when unfortunate circumstances stop the wheel of history or even move it backwards. Such a fate might occur in any nation and, therefore, the best interests of the international community are as follows: to show confidence in the true democratic forces in Serbia, the Alliance for Change, which understands the substance of the problem and has a vision of a solution; to free the nation of the general demonization; even more, to reaffirm the nation not only of its opposition and of the leaders of the opposition in the world public opinion; and, in Serbia, at this moment, first and foremost, to dissociate itself from the ruling regime and its creator. Thank you for your attention, and I am sorry if I took more time than I was allotted.

Mr. Smith. Mr. Covic, thank you for your excellent statement and the many insights you have provided the Commission, and for your very heroic actions you have taken inside Serbia. Resigning your important mayorship, I think, sent a clear and important signal to the international community. You brought out how important it is that the law or statute that precludes free press in Serbia is a major impediment to any democratization. The international community needs to speak with one voice as to why that needs to be dismantled. So, thank you very much for your excellent testimony.

I'd like to ask Mr. Darmanovic, if you would proceed.

TESTIMONY OF SRDJAN DARMANOVIC, DIRECTOR, CENTER FOR DEMOCRACY AND HUMAN RIGHTS IN PODGORICA, MONTENEGRO

Mr. Darmanovic. Thank you, Mr. Chairman. I am Srdjan Darmanovic. I work as Assistant Professor at the faculty of the University of Podgorica, Montenegro, and I am the Director of the Center for Democracy and Human Rights in Podgorica, Montenegro, the NGO which mostly acts as a think-tank group.

Mr. Chairman, ladies and gentlemen, it is an honor to speak in the U.S. Congress today when we celebrate the 50th anniversary of the Universal Declaration for Human Rights. I would like to thank our host for giving me this exceptional opportunity.

In inviting me to this hearing, the Honorable Congressman Christopher H. Smith expressed his expectation that I would offer remarks on the following key issues: The attempts of Milosevic and his supporters to maintain control over Montenegrin affairs, Montenegro's ability to encourage democratic change in Serbia, assessment of the prospects for tensions between Belgrade and Podgorica, and the possible outcome of these tensions, role of the international community and ways for helping the situation in both Montenegro and Serbia.

Being the only participant from Montenegro in this hearing, I find these proposed issues quite logical, regarding the current very complicated situation in Montenegro, as well as the increasing friction between federal partners, Montenegro and Serbia. Allow me to comment on these issues briefly.

In dealing with Balkan crisis, the international community, led by the United States, have used the so-called "stick-and-carrot" strategy. At the same time, the United States and the European Union have decided to work directly with President Milosevic in achieving peace agreements and securing their implementation.

What are the results of this approach up to now? A reactive policy of fragile disagreements, always after enormous human tragedy and suffering. Furthermore, we cannot conclude that such an approach will secure a lasting and consolidating solution. The reason for the fragile outcome and uncertainties lays in the nature of Mr. Milosevic's governance. He cannot simply rule in normal circumstances. On the contrary, producing crises which usually include wars, conflicts, clashes, human sacrifices, et cetera, is the only environment in which he can maintain, broaden, and prolong his authoritarian power.

It is not difficult to list all the troubles he has caused. What is remarkable is the fact that he manages to use each new disaster to make himself more powerful. The only territory left for exercising this method of creating crises to stay in power is Montenegro, at the moment.

More than 6 months after the Montenegrin elections, there are no signs that Mr. Milosevic will recognize the results of these elections. He still refuses to accept any real division of power, democratic compromise, or at least cohabitation. He directly violated the federal constitution and electoral results by appointing the leader of the defeated party in Montenegro, Momir Bulatovic, as a federal prime minister.

Moreover, Milosevic blocked the 20 newly elected Montenegrin members of the federal House of Republics, the upper chamber of parliament, from occupying their seats. The reason for this is very simple—the upper chamber is the only place where Montenegro can fully exercise its constitutional equality with Serbia, and where it can use veto power, directly jeopardizing the federal government. Knowing these facts, it is possible to say federalism practically does not exist in Yugoslavia as an alliance. It is a struggle between two federal units, two political concepts, two principles of governance, two foreign policy orientations.

Along with political pressure, Milosevic uses economic pressure and propaganda on a regular basis against the Montenegrin Government; however, his last few moves have shown that he is entering a new phase, preparing a more dangerous confrontation with Montenegro, which could even have a violent outcome.

The sudden dismissals of his chief of secret service and the general chief of staff of Yugoslav army is a clear sign that something could happen in the very near future. The two dismissed men were believed to advocate the policy of noninterference in Montenegro's internal affairs.

At this moment, the direction of Milosevic's next step in Montenegro is more or less known. His Montenegrin loyalists have already announced a readiness to organize a so-called "public celebration" of the Orthodox New Year on January 13, next year. Many politicians and analysts believe this event could ignite possible violent demonstrations, riots, and clashes that could lead to a new big crisis in the former Yugoslavia. Unlike last January's coup attempt in Montenegro, Milosevic now completely controls the federal government and the highest official of the Yugoslav.

Indeed, the U.S. Congress is the place where it needs to be said that it is only a matter of time before Montenegro becomes the most current issue in the region. The U.S. Administration, which seems to have two different lines in its regional approach, must urgently clarify its policy towards Montenegro. Strong statements by U.S. officials are not sufficient. All the post-Yugoslav crises to date show the role of the international community is enormous. They show how tragic a late and nondecisive reaction by international pressure can be, and how only decisive pressure works on Mr. Milosevic.

Montenegro is a chance for the international community, and especially the United States, to make a precedent in dealing with the Balkan crisis, to prevent and not simply to react to events. The Montenegrin Government has already called for the deployment of OSCE observers in Montenegro. The Austrian Foreign Minister Schuessel

stated that it would be possible to extend the OSCE mission to include Montenegro. I find this possible decision a step in the right direction.

A direct international presence in Montenegro combined with decisive threats towards Mr. Milosevic in the event he tries to cause another crisis is necessary as a policy of prevention. Although Montenegro is too small to have any great nation plan or to jeopardize any neighbors, its importance in the present regional issues should not be underestimated.

At this moment, when the Serbian democratic opposition is trying to reorganize under extremely difficult conditions with many of their own internal problems, the Montenegrin Government, with its constitutional capacities, plays the role of Milosevic's most important and most organized opponent. In spite of the fact that Montenegro cannot overthrow Mr. Milosevic by itself, it can constantly be a thorn in the side of his authoritarian regime. It is indirectly encouraging the Serbian democratic forces, not to mention the important assistance it offers to them, such as a facilitating registration in Montenegro of the punished and repressed Serbian independent media.

Allow me to conclude by saying the international community needed 3 years to stop the war in Bosnia with great human losses, it needed 7 months before acting decisively to stop the war operations in Kosovo. Let us hope that this principle to act only after human sacrifices and material disasters will not be repeated in Montenegro. The citizens of Montenegro are not the only ones who would benefit from the prevention of this possible conflict. Democratic forces in Serbia would also profit, as would the implementation of Kosovo District.

Finally, the international community would not need to use further costly resources to deal with the consequences of yet another Balkan crisis. Thank you.

Mr. Smith. Thank you very much, Mr. Darmanovic. I've got some questions shortly, but I appreciate your fine comments.

Mr. Darmanovic. I will submit copies of this testimony.

Mr. Smith. Very good. I would like to ask Mr. Hysa, if you would proceed at this point.

**TESTIMONY OF YLBER HYSA, DIRECTOR, KOSOVA ACTION
FOR CIVIC INITIATIVE**

Mr. Hysa. Mr. Chairman, ladies and gentlemen. After an 8-month crisis resulting in the dislocation of more than 400,000 people and up to 2,000 victims, some massacred families with 10 percent of the victims being children, 32 percent elder people up to 92 years old of both genders, and some 1,300 kidnaped and 1,700 charged with association with acts of terrorism, the long waited for agreement between Mr. Holbrooke and his old pal, Milosevic, came into being. This agreement, reached with a man responsible for initiating four wars that have promoted the disintegration of Yugoslavia, came about again through the direct threat of force being used by the greatest military alliance in the history of mankind. However, it was soon to be proven that the agreement portrayed by the architect of the Dayton Agreement, as a great peace-bringing deal, was nothing more than a puzzle with unclear competence which could, in turn, help to bring about

another bloody round by springtime. What seemed to be a great compromise from Milosevic—allowing the level of international verifiers and reconnaissance flights over Kosova—was proved not to be so.

First, civilian verifiers are unarmed and, as such, resemble what was already present in the field, an expanded Kosova diplomatic observer mission. The jets that fly over are also unarmed, and they look more like gliders. Making the problem further complicated, as most analysts feared in regard to Bosnia, is the fact that the verifiers could be taken hostage, maybe not in the full meaning of the word, but, by the very fact that they are in the field, something could happen to them. This is an intimidating factor for their mission. They are supposed to be protected by the 3,000 NATO troops in Macedonia, some 100 kilometers away from the capital of Kosova, Pristina. Instead of the opposite taking place, now the OSCE mission is in Kosova and NATO is in Macedonia.

Anyway, this is where the story begins. Milosevic, in fact, has intentionally caused a crisis in Kosova with the intent of sticking to the last straw in his well-known strategy of causing problems that the international community cannot solve and, therefore, sits and negotiates with the person causing them. Thus, Milosevic has come forth as a pupil that never progressed to the next year, but never fails either. He is never in detention. On the contrary, the truth is that by initiating a conflict at the delicate spot in the Balkans close to fragile Macedonia, Milosevic has again attempted to become a partner with the West, signing another international agreement since Dayton has been slipping out of his hands.

Thus, after several months of hesitation and futile threats from the West, Milosevic commenced with his bloody assault on Kosova, generating, as the counters believe, 60,000 permanently dislocated people, engulfing 432 settlements in the flames of war, which are 33 percent of entire Kosova, and inflicting damage during looting of over 52,000, adding up to \$10 billion.

Thus, from an internationalized political crisis, he has created a humanitarian crisis in Kosova by shifting the dimensions of the crisis and compelling the West to finally become involved. The result was the Milosevic-Holbrooke Agreement, with Holbrooke, supported by the Security Council's Resolution 11.9.9 and NATO, arriving in Belgrade for negotiations with Milosevic. In fact, Holbrooke's mission in Belgrade, at first considered a mission of delivering threatening messages to Milosevic, soon turned into something completely different, negotiations. Mr. Holbrooke turned from a messenger into a negotiator, bringing to life the fragile peace to be contested as it can be seen at any time. Such a turn brought about the development of the agreement, unclear to many sides and absolutely unclear to the Albanian side but also to the Serbian public. It resembles more and more every day a personal agreement between Holbrooke and Milosevic, an agreement that can be breached by one side only, but guaranteed by both sides.

Lately, at a time when Milosevic's dislike for Ambassador Hill's proposals has increased—for they grant Kosova competencies similar to those guaranteed by the 1974 Constitution which were stripped forcefully by Belgrade—he simply decided to break the agreement. At first, he sent his puppet, the president of Serbia, Mr. Milutinovic, to meet the Kosova "Egyptians" and offer a ridiculous draft agree-

ment for solving the issue. A little while later, with Washington sending out signals of ousting Milosevic, then Milosevic showed his true face. After the Mafioso-like execution in Pristina of the high-ranking KLA officer, who participated in the welcomed release of the Serbian inspector's Zbilic, being killed, Milosevic proved that he can take the conflict from the woods to the city. This and another incident in the aftermath resulting in 12 Albanians dead within 2 days, was a message for the West and for the United States: if you confine me, I will play dirty. This was immediately followed with a new draft agreement from Ambassador Hill which was a pale resemblance of the previous one, drastically paralyzing the authority of the Kosovar institution, while centralizing that of the federal government over Kosova. Such a move merely proves that Milosevic has realized that he can play the West and that bluffs do not work. He knows when the threat is serious, as he knew in Dayton at the negotiating table.

On a recent occasion in Pristina, Milosevic has shown that the agreement reached with Holbrooke gives him license to bloody maneuvers in Kosova. He has no need to conduct these maneuvers in the hilly sides of Kosova anymore, for you cannot fight the guerilla in the wintertime. Until spring, the very fires will provide a buffer zone between his security forces and the guerrillas, but anything can happen in springtime.

Thus, the agreement reached can in many ways be labeled as a winter armistice. On the other hand, until spring comes, Milosevic can clamp down on and subordinate Serb media, pave the way for the ultra-right of Seselj and ultra-left of his wife, Mira Markovic, and crack down on the universities and institutions in Serbia. He can also dismiss the army chief commander, just as he has done in the aftermath of the war in Bosnia, at a time when he does not need a strong army as much as he needs a strong police force, a sort powerful gendarmerie to be contracted in Serbia and in Kosova, and able to play the street games at anytime. Thus, the Milosevic-Holbrooke agreement is not valid for it does not solve the problem of Kosova, and it does not democratize Serbia either. Quite the contrary, it gives Milosevic a free hand in giving out threats of the wars scenario, such as the division of Kosova, which would spark a regional conflict in the Balkans and would be a long-term destabilizing act. It would engage the USA and Europe in years of striving to dress up a catastrophe with unimaginable consequences.

The West's partner and the person that signed an international agreement, Mr. Milosevic, who believes that with acceptance of an agreement he has carried out his part of the deal, can now by threat and blackmail try in getting the carrot, such as the lifting of the sanctions or something similar. He has understood that blackmail can serve its purpose, especially if he is not taken seriously. Thus, it is not surprising that he yet again uses his well known tactic of acting while others are resting. During summer holidays, he has conducted the bloodiest campaigns in Bosnia and in Kosova and, as the communist that he is, not believing in God, instead of resting for Christmas as the rest of the world, he can act again in Kosova. The Serb opposition has, only God knows for what time in a row, the opportunity to help itself and others. Now that even the military officers are tired of the war and that Milosevic's so-called patriotic motives are well known, that the economic and social instability has reached its peak, any

opposition unified in a pro-democracy front would be the best solution for all. However, it is hard to believe from the Kosovar standpoint, that such a strong Serbian opposition exists right now. Meantime, the tiny federal partner in Montenegro, 80 times smaller than Serbia, stands aside waiting for its chance. The Kosovars believe, that if the Serb public opinion underwent media decontamination and would come to its senses at what is happening in Kosova and Serbia, Serbia would itself rid the country and the Balkans from an autocratic and anachronistic regime threatening to everyone. With Kosova at its back, there is no democratization of Serbia and of the Balkans. Thank you, Mr. Chairman.

Mr. Smith. Thank you very much, Mr. Hysa.

Let me begin the question with Mr. Serwer. This past year, as I think you know, the Congress passed resolutions condemning Milosevic, saying that he ought to be held accountable for war crimes and genocide. Do you share the belief as expressed in those resolutions passed almost unanimously by both chambers, that when we are looking at all the other culprits and perpetrators of crimes, the chief perpetrator of those crimes seemingly gets off scot-free? In the past some have suggested that he be nominated for the Nobel Peace Prize because of his participation at the Dayton Peace Accords. But it seems to me that the time for being honest with the evidence has come. What is your view on that?

Mr. Serwer. Mr. Chairman, I am not a lawyer, I am simple folk who see a crime and who see somebody who says he is in control of the people who commit the crime. I say to myself, well, that means he is responsible. Nevertheless, you know, it is not my responsibility, or even that of the Congress of the United States, to decide who is guilty and who is innocent. It is the responsibility of a War Crimes Tribunal in The Hague, and I would want the question of guilt or innocence to be settled there. The presumption of innocence obviously exists for Mr. Milosevic as well as for others. But these are very serious questions that have been raised. I can only see them settled in court.

Mr. Smith. What effect—I would ask the others also to respond, if they would—would an indictment of Milosevic have? How can the Executive Branch be helpful in accumulating evidence? In the past I asked the Administration whether or not they have built a dossier, or whether or not any gathering of facts has occurred. What kind of effort has been put forward? Is a general grant of immunity being given to this person?

Mr. Serwer. On the question of indictment, again, the issue is one for the court. I cannot tell you what evidence may or may not have been turned over by the United States Government. As a citizen, I would hope that whatever evidence of war crimes, whomever they may refer to, whatever evidence exists should be turned over.

Mr. Smith. Would any of the others like to respond to that?

[No response.]

Let me ask, Mr. Darmanovic, you indicated that the purge may be the harbinger of some action, perhaps, against Montenegro. Well, in Croatia, there was a long-standing animosity between the Croats and the Serbs. There was the discontent between Catholics and Orthodox, or at least the ability to exploit that difference. The same could be said perhaps about the Muslims in Bosnia.

In Montenegro, we are talking about Orthodox Slavs. What would the military do? Do you think that they would just follow in lockstep if Milosevic were to initiate or instigate an action against Montenegro?

Mr. Darmanovic. It is very difficult to answer that question right now because nobody knows how loyal the new general chief of staff will be. Up til now, he was very loyal to Milosevic. I think that Milosevic entered into the last phase of his kind of authoritarian rule. When you appoint the only 100-percent loyal people, when you are threatening, but it is very difficult to say. How will really the army act in impossible events. President Djukanovic, president of Montenegro, is a member of the Supreme Defense Council, and as far as I can see in public, the relationships between the army in Montenegro and Montenegrin state is quite normal, but what will be the order of Milosevic in possible crisis? It is very difficult to say, as well as is difficult to say what the army decide in that very touchy moment.

I do not doubt that Milosevic will try to organize something in Montenegro because he never fights in two fronts. He will act in Montenegro before Kosovo again. He will not act on two fronts, Kosovo and Montenegro. It is the reason I said that January is maybe a critical time in Montenegro. If I have to predict, I could say that Milosevic could try maybe without the army in the first phase, and then evaluate what he achieves. Only after that, only after that decide to involve the army or not. But involvement of the army could lead to the breakup of the country because there is no doubt that the Montenegrin state will defend itself. Involvement of the army is the last step, without withdrawal after that.

Mr. Smith. Is President Djukanovic, in your view, committed to democracy in Montenegro?

Mr. Darmanovic. The climate in Montenegro is much better than before. It is a fact. You have to realize that Montenegro's ruling party is in two pieces. That ruling party, 6 years active as a monopolistic ruling party, like Milosevic, like his coalition partner. Changing behavior of monopolies is not so easy and so on. But we have the fact that Mr. Djukanovic his Alliance with the opposition, and turned over completely against Milosevic, and now it is completely turned to the West.

I think that if somebody in the present Montenegrin Government does not want democracy—but I doubt if you can find it—democracy is a necessary weapon in their hands to fight against Milosevic. Only by exercising democracy and what is necessary also, prioritization and liberalization of the economy, it is the only weapon in their hands to fight against Milosevic and to find allies abroad.

If I can say in 200 years of Montenegrin history, no one government in Montenegro has 100-percent played their cards to the West like Mr. Djukanovic's government. In Montenegrin history, always was the division between Russia and the West, periods with a Russian alliance, periods with other attempts, but this is completely a turnover to the West of Montenegro, unlike the federal Serbian foreign policy, you know, they even tried to organize some alliance with Russia, and that is what I think even the Russians will reject.

Mr. Smith. Let me just ask the entire panel whether or not the recent purges might suggest deeper divisions and fissures and cracks, if you will, in the military's support for Milosevic. In the '80s I led the

effort to try to deny most-favored nation status to Romania because of Nicolae Ceausescu's egregious human rights abuses, and the terrible and despicable behavior of the Securitate and the secret police. We all remember that few—and I am among them—saw that there would be a major breakdown. Suddenly the military and others would all join with the democratic forces. There's always the question whether or not Iliescu's takeover was planned, but the question arises: once it began, the breakdown was like a waterfall. Does this suggest that he just getting rid of some people who are not as loyal as he would like them to be, or are there some real deep cracks and we might see another Ceausescu somewhere down the road?

Mr. Darmanovic. I think that this kind of authoritarian regime, like Milosevic's, can last or can blow up suddenly, even by its own stupidity. They have stolen the elections in '96 and '97 without any real reason, without any real reason, because they won the federal elections two weeks before that. I think its military and police will wait maybe to join to the winners in the end. I am not so sure that Milosevic can rely 100-percent especially on the military, and maybe in some sense maybe in the police.

Mr. Smith. Mr. Covic.

Mr. Covic. I believe that Milosevic removes people who are not entirely loyal to him, and also people that have achieved a certain high popularity among the public. In any case, he cannot count on 100-percent loyalty neither from the military nor the police. But in turn, these entities, the military and the police, do not have a serious political force that they could rely on either.

Let me just remind you that in this latest crisis, Mr. Perisic did quite a lot, and he signed an agreement overcoming the crisis, and I think that was a step that really upset Milosevic, that he could not tolerate, because that made Mr. Perisic very popular.

Mr. Smith. Let me, Mr. Covic, ask you a question about the elections. Many of us believed there should be no observers for the presidential elections a year ago. As a matter of fact, I spoke on the Floor on this. Do you believe that the OSCE presence and the fact that some of the observers were misquoted in the Serbian media, which was never retracted, gave a legitimacy to that election? Should we not have been there? If there are elections in the future, what preconditions should be established by them so that the observers are not misused to give legitimacy to something that might not be legitimate?

Mr. Covic. I believe that there should be observers in all upcoming elections, but they should be better organized to prevent the misuse of them by Milosevic. Milosevic will use any mistake made to his favor.

We have to have free elections, we have to have independent media, and we also have to organize new elections and the control of the elections in order to be successful. To do so, we need the assistance of the international community. If we have such assistance, I believe we could win over Mr. Milosevic, however, I do not believe that he is ready to leave his post in the course of elections.

Mr. Smith. Let me ask Mr. Hysa, how do you think the situation would be different in Kosovo if the Alliance for Change were to come to power? Would the opposition be able to settle things in a peaceful, democratic way in Kosovo?

Mr. Hysa. Let me answer you in broader sense. Albanians sometimes participate in the elections of Serbia, and sometimes I have a feeling that international community is looking for something from us that it is not able to solve itself. I am saying this, because I think Mr. Milosevic is not just simply a problem of Albanians and Serbs, but a direct threat to the stability of the region, the stability that is also in the U.S. interest.

So in this sense, I think that the Serbian opposition would maybe help the Kosova situation if it would behave in another way, meaning that it should recognize a certain right that the Kosovars have by the constitution of '74. It should also in a way recognize the long-term right for Kosova, because we should understand that, as some people in some opposition circles have understood in Montenegro, that even the Federal Republic of Yugoslavia is interim state, and we should think about the democratization in the entire region.

Mr. Smith. I would like to yield to the Commission's staff advisor for the Balkans, Bob Hand, for any questions he might have.

Mr. Hand. Mr. Serwer and Mr. Covic, how much popularity does Milosevic actually have out in the heartland of Serbia, outside Belgrade, in southern Serbia? Is there the potential for there to be significant social unrest? Maybe it is not necessarily support for opposition political parties, but there have been incidents in the past of strikes, protests, et cetera. I would like to hear your comments as to how popular an individual he still is to the average Serb. Related to that, I was wondering if you could comment—and this would be a question for the second panel as well—in the municipal elections in 1996, the coalition Zajedno did win in the major cities of Serbia, and I would like to know how those local governments are functioning at present. Is there any visible difference in those cities in terms of what is happening there? Is there more openness in those cities, or is Milosevic from Belgrade able to thwart any efforts by those local governments to run the cities effectively?

Mr. Serwer. I will let Mr. Covic answer most of this question, but I did want to remark that it is important to understand that the entire political situation in Serbia is distorted by the autocracy. Mr. Milosevic's personal popularity, according to the polls I have seen, is quite low, but so is everybody else's in Serbia. Some may have different statistics. The point is, we have no idea what the people of Serbia would really choose under democratic conditions. Those conditions do not exist. I think that is important in evaluating also the question of what would happen if an opposition were to come to power in Serbia. I think we do not know. That opposition does not exist today, with all due respect to those who participate in that opposition. It might look quite different if there were open media and independent judiciary, if there were free association to form NGOs. We do not know what that Serbia looks like.

Mr. Covic. The population of Milosevic is about 200925 percent presently in Serbia, but the other leaders do not have even those numbers. These figures are according to the companies that conduct surveys, and it is questionable how much we can believe those companies because they are also paid to provide these services, in some cases, by Milosevic's regime.

There are conditions of social unrest and they are greater every day. I think we need to be aware of who could channel those types of unrest, should they arise. So far, the only person who was interested in channeling the unrest was Mr. Seselj, but I think that now there is also another organization interested in that issue, and this is you.

Regarding your second question about the electoral winner of the coalition side in major cities in Serbia, I think that the citizens are generally disappointed. Unfortunately, the coalition fell apart last year in June or July.

There are certain cities where the local government is operating well and where the problems are resolved on a different basis. However, even those local governments cannot do much—because, as you know, the power in Serbia is centralized and the local governments have little factual power. They are simply used as scapegoats if a crisis arises. However, there certainly is an anti-Milosevic attitude in Serbia, however, we are facing two problems here. One is that Milosevic controls basically everything, and the second problem is that there are no basically capable political leaders or structures in Serbia.

I'm not in favor of discussing history, but if we just go back to '92 when we had DEPOS Coalition and when Mr. Panic was one of the candidates, if Albanians had participated in those elections, then I think that would be an event that would be able to change the course of events and I don't think that we would be here today, in that case.

Mr. Hand. If I could ask Mr. Darmanovic, what are the views of people in Montenegro but, more specifically, the ethnic Montenegrin population itself, regarding Kosovo? I can imagine that it's something that they may be torn over, so I'd like to hear your comments on that, as well as the prospects for these various proposals being put forth on how to resolve the situation of having Kosovo become, whether on a temporary or permanent basis, an equal member in the Federation. Does that strengthen Montenegro's position vis-a-vis Belgrade by having an additional partner potentially, or is that something with which Montenegrins have some problems.

Mr. Darmanovic. As I can analyze the attitude of the Montenegrin Government and governmental structure—when I say government, I don't think only government of president, parliament, and so on—up to now, they refused the idea of Kosovo as an equal federal unit in Yugoslavia on the basis of the present constitution.

That attitude of the Montenegrin Government is based on, as I can say, numerous reasons because the Upper Chamber of Federal Republic of Yugoslavia, as I mentioned before, is the only place where Montenegro can have 20-20 relationships with Serbia, and even have a veto power, in many issues, to block almost everything what is necessary. In their attitude, third fellow units could reduce the power of Montenegro in that chamber from 500933 percent.

It is interesting how the Montenegrin Government will treat that issue if the present constitution will be changed in the direction of more confederate states, more loose community, more reducing power of federal administration. Because Montenegro now is also under pressure of Belgrade authority—I mean, Mr. Milosevic—and they don't want to lose that teeny instrument like this chamber of republics.

The Montenegrin Government supported other solutions, if I have good information from public, you know, acts of Kosovo in other federal structures like chamber of—the lower chamber, but it is very difficult to estimate what will actually happen in that situation.

If I am free to say, Montenegro cannot decisively influence the Kosovo issue. For example, if Serbian and Albanian representatives made some agreement, if the U.S. and international community sponsored that, even if they are very against—unfortunately, Montenegro cannot say, okay, we don't accept it, because Montenegro is not a key player in the region.

Montenegro can act preventively maybe to block some solutions which are not in favor of Montenegro. I think the process of reshaping the Federal Republic of Yugoslavia is not ended, and I think that Montenegrin Government will make their attitudes depend on what direction that process could take. Now this is the present situation, as I can see it.

Mr. Hand. If I could ask a somewhat related question. I know that in Serbia, and especially up in Vojvodina, there were a lot of protests and objection to having sons being sent down in the Yugoslav forces into Kosovo to fight. I assume that there was similar sentiment in Montenegro. Is the Montenegrin Government able to exercise any authority on the use of Montenegrins in the forces and how Milosevic uses them?

Mr. Darmanovic. Montenegro Parliament passed a special resolution of not using Montenegrin soldiers in Kosovo operation. I think that behind the scenes there were some negotiations between Montenegrin officials and the Yugoslav army chief commanders, but Montenegro didn't act in forbidding their soldiers to go to Kosovo, it means to reject any service in military because Montenegrin Government tried to respect the army as a federal institution.

I think that this was caused by the attitude of President Djukanovic to be, as much as possible, in good relationship with the previous general chief of staff who was almost politically his ally. Dismissal of the general chief of staff could maybe change Montenegrin attitude towards the federal army, if the federal army could be used against Montenegro. Up to now, I think—at the moment, I think officials of the Montenegrin Government can on wait what the Yugoslav army will do in the future. Especially on the Montenegrin territory, the army units have pretty good relationships with the Montenegrin Government. What will be, for example, in January, or later, we will see, but Montenegro cannot—the real instruments, for example, to reject any army service in the crisis. They didn't do that. They only passed a resolution statements, public appeals called for peace against actions in Kosovo against both sides, and Montenegro, at the same time, dealt with many, many refugees on its territory, and it was maybe the biggest problem of Montenegro toward Kosovo crisis at the moment.

Mr. Hand. And, finally, Mr. Hysa, regarding the efforts of Ambassador Hill and Holbrooke to try to find some sort of interim solution. Many people really wonder whether it will even last beyond this winter, and whether there will be new fighting in the spring, but assuming that some sort of solution can be reached, most of the proposals seem to include elections in Kosovo sometime next year.

One complaint I have heard from people with the Alliance for Change is that there is no inclusion of elections in Serbia itself. What do the people of Kosovo feel about this very question, whether it's a temporary solution or permanent solution for Kosovo to still remain within the Federation, whether there should not be some requirement in the agreement that the entire Federation, indeed, should be democratized?

Mr. Hysa. Well, just as I said before, Kosova, in a way, has understood the position of the Federal Republic of Yugoslavia as an interim solution, because even what is called the Federal Republic of Yugoslavia is not recognized by Washington and, in the way it was created doesn't have legitimacy, democratic legitimacy, in Serbia and Montenegro. It doesn't have legitimacy for the Albanian people who, based on the last constitution of '74, were a were the constituent of the former Federal Social Republic of Yugoslavia. In this sense, Albanians would probably agree on some interim solution which will lead to a long-term solution and which will provide in a way stability for others. Probably as the basis for the interim accord, there should be in a way the restoration of the autonomy which Kosova has used based on the 1974 constitution. During the process of 3 years, or maybe even more, the Kosovars, Serbs, and Montenegrin would sit down again and rethink the future of the region. Kosova is a key, not just for the stabilization and democratization of Serbia and Montenegro, but for stabilization of Macedonia which has great importance for the region.

Mr. Smith. Thank you very much, Mr. Hand. I want to thank our very distinguished panel for the insights you have provided to the Commission. They will be taken to heart, and hopefully used in a very productive way, especially as the new Congress is sworn in in early January. I think this needs to be a very proactive Congress as it relates to the former Yugoslavia and to Kosovo and Montenegro. Again, Mr. Serwer, your recommendations, I think, give us a blueprint of something we want to be doing next year with regards to our foreign aid allocation, so I do thank you for that. I would thank all of you, and ask if the second panel would now take their seats at the witness table. Again, we are very very grateful you have agreed to participate in this hearing.

Our second panel will address the struggle for democracy in Serbia. First, let me welcome Milan Panic, a leader who stands as an exception to what I said earlier about Serbian opposition failing to stand up against abuses committed by the Milosevic regime.

Mr. Panic, who took leave from his successful California business to become the Prime Minister of the new Yugoslav Federation in 1992, was wrongfully—and I believe very unfairly—viewed by some as a smokescreen for Milosevic while ethnic cleansing was in full operation in Bosnia. He was, more than any other individual, able to unite forces in opposition to Milosevic, and was Milosevic's greatest challenge in the December 1992 Serbian presidential elections.

Since those elections, which were highly irregular, if not outright fraudulent, Prime Minister Panic has sought to unite the voices of reason in Serbia, most recently through the formation of the Alliance for Change. Let me say, Mr. Prime Minister, you honor us with your presence and your participation today and, in keeping with the long-standing tradition of this Commission over the many years, we have heard from many prime ministers. We have heard from many people

who were in very high positions of power and prestige—Haris Silajdic, for example, twice appeared before our Commission. We are very proud and happy to have you here to present your views on what should be done.

Second, we have Slavko Curuvija, head of the Dnevni Telegraf newspaper in Belgrade. In October, having just reached an agreement with Richard Holbrooke on Kosovo, Milosevic closed his newspaper down and took action against other independent media through new restrictive measures that were adopted at the time. Mr. Curuvija will address the plight of the independent media in Serbia today.

The third panelist is Boris Karajcic, a former founder of the Serbian student movement which is known as Resistance. As is the case in so many other places, students and universities in Serbia are sources of change, and Milosevic knows this very well.

In late 1996, it was the students who led the way in taking to the streets, protesting Milosevic's refusal to acknowledge local election results. Recently, Belgrade authorities have sought to purge the universities of what they consider to be elements of independent activism. Mr. Karajcic will address this and other issues of interest to students in Serbia.

Finally, our last panelist will be Mr. Paul McCarthy, of the National Endowment for Democracy, an organization which we all know has been enormously successful in promoting democracy abroad. Mr. McCarthy has followed independent and opposition movements in Serbia and other countries in southeastern Europe for a number of years, and knows their strengths and weaknesses as well as anybody. He will wrap up our hearing with some comments on the potential for democratic challenge to Milosevic. Mr. Prime Minister, if you would begin.

**TESTIMONY OF MILAN PANIC, CEO AND CHAIRMAN OF THE
BOARD, ICN PHARMACEUTICALS, INC.**

Mr. Panic. Mr. Chairman, Members of the Commission, thank you for your invitation to testify before you this morning. For 7 years I have been seeking international recognition and support for my efforts to bring true democracy to Serbia. This opportunity to testify at this public hearing is heartening and encouraging,

Mr. Covic and I represent the most broadly-based democratic movement Serbia has ever known, the Alliance for Change. We are here today to seek your recognition for our efforts to mobilize the Serbian nation in the struggle for true democracy. You can show us the way and provide us with moral and material assistance, which is very much in your interest. For until there is true democracy in Serbia, there will not be peace and stability in the Balkans.

How do we bring true democracy to Serbia, and how do you help us achieve this? First, let me present the record of elections stolen by the Milosevic regime for the past 7 years.

I challenged Milosevic in the 1992 Serbian presidential election. Here is what the OSCE elections mission said about that election: "The December Federal and Republican elections in Yugoslavia were neither free nor fair. All international experts who observed the election campaign came to the conclusion that the governing party's complete control of nationwide electronic media, and its abuse of power, made a fair campaign impossible."

This assault on the independent media has recently been intensified. Well aware of the fact that democracy cannot flourish in the absence of independent media, the Milosevic regime has taken advantage of the Kosovo tensions to close down or harass and intimidate with punitive legislation several newspapers and radio and television stations.

The OSCE Election Mission to Yugoslavia, led by Felipe Gonzalez, in its December 27, 1996 report, called for the establishment of free and fair elections to be conducted under international monitoring. In March 1997, I sent an open letter to Milosevic, calling upon him to establish conditions for free and fair elections, emphasizing that without free media there could not be free elections. The regime's cynical response has been to create conditions to ensure its own longevity, rather than free and fair elections. In addition to controlling and intimidating the media, the regime has gerrymandered electoral districts to give them significant advantage over the democratic opposition. Election dates have been manipulated in order to make significant international monitoring impossible.

The regime callously ignored a June 4, 1997 petition from 12 opposition parties which outlined minimal electoral conditions for the parliamentary and presidential elections, and then even more callously proceeded to violate every point mentioned in the petition. In effect, the Milosevic regime has stolen every election in Serbia since 1990. In effect, they were really illegally elected officials. Stealing means illegal. In effect, they may not be elected. Their only interest is to remain in power as long as possible, by whatever means possible, so that several thousand political appointees to public and enterprise management positions can live in relative luxury while millions of Serbs sink into endless and hopeless poverty.

Undaunted by the regime's ruthless distortion and hijacking of the electoral process, the Alliance for Change unveiled a 21-point action program on September 9, which stressed the need for early elections at every level of government, and called for the immediate and complete democratization of Yugoslavia. Alliance leaders have begun an intensive program of grassroots rallies in cities and towns throughout Serbia. I should add that the Alliance has taken hope and inspiration from President Djukanovic's implementation of an excellent and comprehensive program of political and economic reform in Montenegro, which we fully support.

As I said at the outset, the Alliance for Change needs the understanding, recognition, and support of democratic governments and organizations. I think Washington policymakers now clearly understand that there will not be democracy in Serbia as long as the Milosevic regime reigns supreme. And there cannot be peace and security in the Balkans without democracy in Serbia. I have long argued that Milosevic is the problem, not the solution. It is high time that we declare that we no longer regard him as a necessary partner for the international community. If international leaders no longer parade to Belgrade to meet with him, his public image as the internationally recognized leader and protector of the Serbian nation will quickly fade, and it will become apparent to an overwhelming majority of Serbs that his regime no longer enjoys international legitimacy.

Those international leaders who want to encourage democracy in Serbia should meet with the leaders of the Serbian opposition on every possible occasion, not with those who repress democracy.

The most important thing that can be done by the international community at this point in order to help bring true democracy to Serbia is to make the lifting of the sanctions dependent upon Milosevic's regime cooperating with the international community to establish conditions for free and fair elections under massive and total international supervision at all stages—during the preparation for elections and the election campaign, during the actual conduct of the elections, and during the counting and certifying of the vote. This must include conditions for free and independent media. As a concrete first step in this direction, the establishing by the U.S. Congress of a commission for free and fair elections in Serbia would serve as a firm statement of commitment.

In conclusion, please accept my sincere appreciation and that of my associates in the Alliance for Change for giving us this opportunity to testify before you this morning. You have given us hope, and when there is hope, many things can happen, and Serbs do need these many things.

Mr. Smith. Prime Minister Panic, we thank you for being here. The Commission will try to do whatever we can to advance and to provide additional amplification of the reform agenda set out by the Alliance. It's very important, I think, that everyone knows that while we never take sides in elections, nor should we, we are on the side of those who are for change. Perhaps that means advancing the positions of the Alliance. We certainly are against people like Milosevic, who obviously has committed crimes against humanity. As Mr. D'Amato's resolution noted so well—which passed the House and the Senate—he has committed, we believe, crimes of genocide and other acts of barbarity. So, let the word go forth that this Member of the Commission certainly fully endorses the Alliance and hopes that you will prosper.

I'd like to ask our second witness, Mr. Curuvija, to proceed.

**TESTIMONY OF SLAVKO CURUVIJA, PUBLISHER, DNEVNI
TELEGRAI AND EVROPLJANIN**

Mr. Curuvija. Mr. Chairman, ladies and gentlemen, a free press is no longer possible in Serbia. A new press law has brought self-censorship and fear to newsrooms across the country. Since the law was enacted last October, journalists have stood accused, and convicted, of "attempting to overthrow the constitutional order", of "jeopardizing the security of the state", of espionage and high treason. Draconian fines have been imposed in the name of the law, depriving journalists of livelihood and effectively shutting down their publications.

Allow me to use my own example to demonstrate the chilling effect the most recent crackdown has had on free media. A mere month or so ago, I was a successful publisher and owner of two influential, popular publications, daily newspaper Dnevni Telegraf and newsmagazine Evropljanin. Mr. Chairman, I stand before you today as a man whose company has been ruined, whose publishing house assets have been seized and whose publications have been banned by Slobodan Milosevic's regime.

The regime crackdown on my publications, and others, began on October 14, when daily Dnevni Telegraph was banned because of a front-page headline which said "NATO approves Activation Order, Milosevic signs agreement". The Ministry of Information determined that this straightforward news reporting fell under the category of "spreading fear and defeatism", and "endangering the state". At one o'clock in the morning, police forcibly removed journalists from the newsroom and sealed Dnevni Telegraph's premises. At this point, I would like to bring to your attention that throughout the crisis, regime media in Belgrade suppressed the fact that NATO approved the activation order and that Slobodan Milosevic acted under duress.

Nine days later, on October 23, newsmagazine Evropljanin was fined exorbitantly after a rigged political trial in front of a magistrate's court. The magazine was charged with "incitement to a violent overthrow of Yugoslavia's constitutional order". And on what grounds? An open letter to President Slobodan Milosevic, in which a colleague and I criticized his 10-year rule. We accused him of destroying everything Serbs had created in the past 150 years, and we offered 13 suggestions for Serbia's salvation.

The regime responded by slapping us with a \$260,000 misdemeanor fine, to be paid in full within 24 hours. It invoked a new press law that was enacted 2 days after we went into print, and applied it retroactively. It sentenced us on Saturday morning, and it demanded a lump payment by Sunday morning, when banks are closed. To top it off, it violated its own stipulations by confiscating our assets on Sunday night. On October 25, financial police, accompanied by 30 officers under arms, seized Dnevni Telegraph's assets and the paper's entire press run. They blockaded my house and kept my family and friends under siege until 3:00 a.m. They spent the next 2 days confiscating private property owned by Evropljanin's manager and chief editor. They took household furnishings, including television set, although they did leave behind the baby's crib.

It took me 12 days of strenuous efforts to establish a new company in Montenegro, to find banking capital and to restart Dnevni Telegraph. It was no use. No sooner did the first run of the new Dnevni Telegraph start rolling off the presses on November 7, the paper was slapped with a new \$120,000 fine. Same charges—incitement to a violent overthrow of the constitutional order. Why? We ran an advertisement of a student protest group called Resistance. The symbol of the group is a clenched fist. Their slogan runs as follows: This is not a System, this is a Disease. Resistance is the Answer. This gentleman will talk about it, I suppose.

Today, I have new bad news from home. We were again fined yesterday with new \$50,000 fine. That means third time—no, fourth time.

Since then, the Serbian police have seized every copy of Dnevni Telegraph they were able to lay their hands on, stopping and searching cars, trucks, buses, trains, and even airplanes coming from Montenegro.

Mr. Chairman, I come from a country where there is no rule of law. In the opinion of prestigious Yugoslav and international lawyers, the new press law blatantly disregards the Serbian and Yugoslav constitutions, as well as international norms. The regime uses it as a club to beat down anyone who opposes it. With one sweep of this illegal law, the regime of Slobodan Milosevic has effectively wiped out my

company valued at \$5,000,000, the fourth largest daily in Yugoslavia, and the highest circulation newsmagazine in the country. By making an example of me, the regime sends a message to all those who would oppose it, intimidating and bullying all the independent media in the process.

The crackdown on my publications and other media organizations has jeopardized the right to free speech in Serbia. The crackdown on the universities jeopardizes another basic human right, freedom of thought. Belgrade University has been deprived of autonomy, its professors have been sacked for failing to sign loyalty oaths, its students jailed for protesting.

Mr. Chairman, I think that these are the brazen first steps of an openly declared dictatorship. After all his other wars, Slobodan Milosevic appears to be preparing to wage war against his own people in Serbia and Montenegro.

Mr. Chairman, Slobodan Milosevic has convinced the people of Serbia that he is their only savior and shield against outside threats. Attempts to unseat him over the past 10 years have failed spectacularly. The forces of democracy were too feeble to win repeated multi-party elections. Successive mass demonstrations and protests in March 1991, June 1992, June 1993, November 1996, all withered on the vine. He lost wars but mysteriously continued to win elections. Even a monumental economic crisis in 1993 left him unscathed. Why?

I believe there are at least five reasons. First, the people of Serbia have been punished for Milosevic's deeds. They have been treated as pariahs by the international community; they have become an outcast nation suffering collective guilt. The people of Serbia have been left at the mercy of Slobodan Milosevic's regime.

Second, by creating successive crises in the region, Slobodan Milosevic's regime has succeeded in keeping Serbs in a permanent state of emergency. He created a state of siege and fear. Contesting his rule became treason. The nation became his hostage.

Third, as Milosevic solidified his position, a small group close to him and his wife monopolized all economic and financial resources of the country, while the rest of the nation sank into poverty and the middle class all but vanished.

Fourth, the forces of democracy have lost heart over repeated failures and the lack of serious support from the outside, while the opposition is scattered, fractious and suspicious of one another.

Fifth, there is a widespread belief in Serbia and Montenegro that Slobodan Milosevic is America's man, ironically, the supposed guarantor of peace in the region, USA's negotiating partner of choice.

Mr. Chairman, there can be no solution in Kosovo, nor peace in the Balkans, without a democratic Serbia. There can be no peace in Kosovo nor solution to Balkan crises unless Serbia is reintegrated into Europe and the international community at large.

There exist democratic forces in Serbia and Montenegro that are trying to work towards that end. They want peace in the Balkans, fundamental political change in Serbia, harmony between nations and religious sharing a common land. Those forces urgently need your help and support.

Mr. Chairman, I wish to take this unique opportunity to say that your government has weakened democratic forces in my country by strengthening Milosevic's hand. You have exempted him from demo-

cratic and economic reforms; at the same time, you have punished the population with rigorous economic sanctions and permitted him to use the Kosovo crisis as an excuse to crack down on any opposition to his regime. To quote Senator Richard Lugar, “when his victims in Serbia begged the West for support, they heard mostly silence”. Thank you.

Mr. Smith. Thank you very much for that very important statement, and I’m so sorry to hear of the continuing crackdown on your ability to publish and to get the truth out. The Commission and the United States Government, the U.S. Congress and the Executive Branch should take very seriously all of what you’ve said, but your concluding remarks that our government, the U.S. Government, has weakened democratic forces in your country by strengthening Milosevic’s hand. That is quite an indictment of our foreign policy. So, it should be looked at very carefully, and I tend to agree that the more we curry favor with a despot, with a dictator, the more apt that the dictator will grow in his importance and his ability to maintain his iron grip on his country and on those that he enslaves in nearby areas. So, thank you for that fresh reminder.

I’d ask our next panelist, Mr. Karajcic, if you would proceed.

TESTIMONY OF BORIS KARAJCIC, FOUNDER OF THE STUDENT MOVEMENT “OTPOR”

Mr. Karajcic. Mr. Chairman, distinguished members of the Commission, thank you for inviting me as a representative of the students’ movement in Serbia, and I would like to introduce myself. My name is Boris Karajcic, a senior student of philosophy and the German language and literature at the University of Belgrade in Serbia.

Let me start my testimony with a sentence said by James Madison in Federalist No. 51 two centuries ago. Madison said, “In framing a government which is to be administered by men over men, the great difficulty lies in this—you must first enable the government to control the governed, and in the next place oblige it to control itself”. And I think we come to the point exactly by this sentence because for the regime in Serbia is not able to control itself because 10 years they are trying to control everything they can, and it comes to the opposite. Now they are in such a panic that it cannot control even itself.

If the goal just 8 years back in the year 1990, we can see that it is always a question about a lack of institutions in Serbia. I want to say that every institution now in this present moment is totally controlled by the regime, by one or two parties in the regime. And we don’t have free independent institutions. So this lack of institutions, not having independent media, not having independent police forces, not having an independent army, and 6 months ago we don’t have independent university also, so it comes to the university question, is a story about the university who has always been the most difficult and biggest point for the regime because the University in Serbia, especially the Belgrade University, has always been the nucleus of critical thought and critical opinion. And when it comes to the point of protesting, you can see that in all these recent years—in ’91, ’92, especially in ’96 and ’97—it has been the university who raised his head against Milosevic and his regime.

Six months ago, in the highest point of the Kosovo crisis, at the end of May and the beginning of June, Milosevic dared to attack the university, and unfortunately succeeded and took the autonomy away, so he succeeded to instill total control over the university, which means that the dean or a vice chancellor of the university has to be totally loyal, has to be a member of the regime, member of the ruling party, and then he can be a vice chancellor or a dean.

So we can see it does not matter of being an expert in his field, it is a matter of loyalty. So, in such a system, a university loses its role in society. The University doesn't make any sense in some way because professors are not capable to talk about freedom, about politics, about sociology the way they should because they are controlled by one party, one man.

And in such an atmosphere, studying is not possible. In such atmosphere, the forming of new generation of educated people which will lead the country into better future is not possible. And considering all the facts, all the things that have happened in Serbia, we as young people, young students, are aware of the fact that it is not a matter of considering what happened and how, who is responsible or who is not responsible, it is a matter of acting and it is a matter of giving answers, and our answer is to be said in one word, it is resistance. Resistance to the regime, resistance to everyone who is trying to manipulate people to everyone who is not responsible enough, who is lying, who is stealing, and who is murdering. And in this moment, of course, it is the regime that we are attacking and we are fighting against, but I can guarantee you that every further, every next regime, every next government who would not be much better than this regime would hear the same things from us. So, it is not a matter of supporting one political option or party, it is a matter of supporting values we believe in, values like truth, like free market, like democracy. And because of many things, we as young people are disappointed in political parties, which doesn't mean that we don't believe that one day we will get to the point to get a second chance, but it has to be said that in '96 and '97, we had big student and civil protests, and both protests had the same aim, to give those people who own the elections the chance to make something out of it. And the students weren't the ones who would be in charge to rule. So we just supported those who won the elections and, unfortunately, the results are not such as we expected, and it does not matter why the coalition fall apart and doesn't exist anymore, and that's why we have to deal with such things today, with such repressive laws, with such repression every day in the street, in cities, in villages, everywhere in Serbia, it's about concession.

We believe that we can maybe one day also become involved in the political process, but that today we can try to install a democratic atmosphere, that we can try and succeed to explain to the people that the change of regime means at the same time a better life for all, that we succeed in the information that the regime is stealing them every day through taxes and different things, and that the monies from the people is going to the hierarchy of government, not to social givings as they are saying. And when we succeed in explaining all these facts, then we will have a democratic atmosphere that will lead us to free elections, to a point that real change in Serbia is possible. And, please let me remind you that when it comes to the point what will happen in Serbia, we see two different ways—we see a democratic solution,

we see a victory of democracy on the elections—but then it comes to the point will this regime who is ready to do everything they can to remain in power, will they recognize these elections, and they will if the international community forces them to do it. It's the only way.

And the second solution, and it's a solution I'm afraid of, is the violent one. It's the people in Serbia who are even now totally confused and totally lost because of all the things happening to them, that one day they took the things in their hand and then we would have chaos in Serbia, and I don't think that after this chaos we will have a democratic structure because the totalitarian parties are much, much more used to this situation and they will know how to remain in power even after that.

So, the third solution I believe in is that what happened in Poland in the '80s. In Poland, changes came when 12 million people realized that they are living in a jail, in a big jail, and these people formed upon solidarist movement made their changes in 8 years of fighting, but it wasn't a matter of party or political structure, it was a matter of public resistance against the communistic regime, and that's what we are trying to explain, that we need not only students as the most active segment of the citizens, but we need also elderly people, all of them who are disappointed, not satisfied with what's happening to them and who believe that Serbia has still something to do in the future, in a better future, and we hope that we will be this nucleus to bring it into rolling.

One thing I want to say, that all these young people which I represent today are willing to stay in Serbia no matter what happens because Serbia has lost almost half a million young educated, well educated people. Many of them live today also in the States here as loyal citizens, but we need those young people, educated people, open-minded people who do not consider the world as being black or white only. We need those people in Serbia, and then we will have a chance for a better future for all. Thank you, Mr. Chairman.

Mr. Smith. Thank you very much for your testimony, Mr. Karajcic, and for your leadership, and for your responses to the questions momentarily.

Mr. McCarthy, if you would proceed.

**TESTIMONY OF PAUL B. MCCARTHY, PROGRAM OFFICER,
NATIONAL ENDOWMENT FOR DEMOCRACY**

Mr. McCarthy. Thank you very much, Mr. Chairman. I'm pleased to appear this afternoon to address this extremely important international issue. I represent the National Endowment for Democracy, a private, nonprofit organization created in 1983 to strengthen democratic institutions around the world through nongovernmental efforts. With its annual congressional appropriation, NED makes hundreds of grants each year to support pro-democracy groups in Africa, Asia, Central and Eastern Europe, Latin America, the Middle East, and the former Soviet Union. Many NED-funded programs have been conducted by the Endowment's four core institutes: the International Republican Institute, the National Democratic Institute, the Center for International Private Enterprise, and the American Center for International Labor Solidarity. In addition, a substantial portion of the work that we do has been carried out by scores of other organiza-

tions abroad, some with partners in the U.S., working in the areas of independent media, human rights, civic education, rule of law, and conflict resolution.

NED has been assisting democracy building programs in the former Yugoslavia since 1988, and in Serbia, Montenegro, and Kosovo since the disintegration of the Yugoslav Federation. During the wars of Yugoslav succession and the U.N. embargo, NED was one of the few Western organizations, along with the Soros Foundation and some European foundations, to make grants in the Federal Republic of Yugoslavia, and to work with local NGOs and independent media throughout the country.

Last year, we made 15 grants in the Federal Republic of Yugoslavia, totaling a little less than \$1 million, most of which was targeted on the independent sector itself in Serbia, in other words, direct grants programs.

I'll enumerate the key areas that NED is involved in. The NED concentrates its funding in the following areas: Independent media being one of the most important. NED programs helped to ensure the survival of a number of independent media and helped break the stranglehold of government-dominated media in Serbia by strengthening influential sources of objective information. Our grantees in the past have included Nasa Borba, Vreme, and Danas, and, most importantly, the Association for Independent Electronic Media, ANEM, which received Endowment funds to expand its news programming which is broadcast throughout Serbia and Montenegro.

Another large area of our work is nongovernmental organizations, including human rights groups, programs which promote youth participation in politics, and develop youth leadership potential. NED has a particular interest in supporting independent think tanks and research institutes which focus on policy development and the promotion of civil society. More on that a little bit later.

NGO development and networking is another area that we spend a lot of time focusing on. NED is committed to supporting the struggling NGO sector at the grassroots level. Another area is the trade unions. NED, for the past 8 years, has been supporting through the American Center for International Labor Solidarity, Nezavisnost Trade Union, a multi-ethnic trade union confederation which opposes the Milosevic regime.

Finally, we also support programs which promote economic reform. NED assistance encourages the development of new thinking in Serbian economic reform policy. The Center for International Private Enterprise, in coordination with the European Movement of Serbia and the G-17 group of independent economists, is conducting a research program to identify barriers to private sector development at the local and federal levels and to promote economic reform legislative.

If I may, Mr. Chairman, I'd like to point out some of my recommendations for what we should do for challenges in the future. I'd like to turn to how Western assistance organizations should respond to the rapidly changing situation in Serbia, and also to highlight some of the obstacles we have faced as an organization, and will face in the future, in trying to help the independent sector in Serbia.

First of all, in the independent media sector, my recommendation would be that Western organizations should increase direct support to the independent media in Serbia, Montenegro and Kosovo. Special

attention should be given to supporting the independent electronic media in Serbia, such as Radio B-92 and TV Negotin in eastern Serbia, in order to challenge the domination of the airwaves by the Milosevic regime. The Association of Independent Electronic Media, ANEM, which we have been supporting for a number of years, should continue to be aided in its efforts to establish an independent television network covering all of Serbia and Montenegro.

Because of the new draconian media law, the independent print media sector, including newspapers like Dnevni Telegraph and Damas, will need to develop alternative means of printing and distribution. Assistance should target the establishment of small "underground" print shops, for example, and distribution networks. In addition, we should also think about establishing a legal defense fund to defend journalists fined and otherwise attacked by the authorities.

An independent media is probably the strongest civil society sector of them all, in my opinion. I believe that you will see new leaders, perhaps even viable political leaders, coming out of the independent media sector, ultimately.

Another important issue that needs immediate attention, the West should help the democratic political opposition develop a concrete program which offers positive alternatives to the restrictive policies of the Milosevic regime. Democratic think tanks, independent research organizations, and expert groups should be supported to develop these alternative policy recommendations. Furthermore, dissemination of this new democratic thinking to the broad public must be encouraged by fostering close cooperation among the think tanks, opposition parties, and independent media. Think tank programs focusing on practical policy development can also be helpful in identifying and nurturing new leadership.

In addition, assistance and policy formation, U.S. organizations like IRI and NDI should continue to provide opposition parties with expertise in coalition building, message development, media outreach, improving the operation of party branch offices, and election monitoring.

In the area of NGO development, which is the third important area, we as Western funding organizations should encourage programs which improve cooperation between nongovernmental organizations and which expand their media outreach capabilities. The first coordinating meeting of the Forum of Nongovernmental Organizations held in Belgrade in June is a good first step, but more needs to be done in this area. Funding must also be directed at developing the leadership skills of NGO activists.

A fourth area, and an increasingly important area, is the development of alternative educational institutions and assistance directly to student organizations. Given the new university law which has result literally in an assault on academic freedom in Serbia, Western funders must be prepared to support alternative educational institutions, like the newly formed Alternative Academic Network, which are being organized by oppositional professors who have been removed from their positions by the authorities.

In addition to these alternative educational forums, Western assistance organizations must continue to look at ways to assist student organizations. For example, the student-led Anti-War Campaign protested the war in Kosovo during last spring and summer by distribut-

ing over one million leaflets throughout Serbia. Although one could debate the ultimate impact of such activities, it is important to continue assisting projects which keep student groups engaged in a constructive way in the future democratic development of their country. These activities can help develop the leadership and organizational skills of young people and new young political leaders.

The victory of anti-Milosevic forces in Montenegro has created an unprecedented opportunity for democracy-building activities in the tiny republic. Due to the crackdown on democratic forces in Serbia, Montenegro is becoming more and more a haven for the Serbian independent sector. For example, several prominent independent media in Serbia have recently re-registered and begun publishing in Podgorica. In the event of an even harsher crackdown on private television and radio stations in Serbia, Western funders should focus on developing electronic media and help it develop the capacity to broadcast into Serbia from Montenegro, if necessary, or from other countries. Furthermore, democratic forces in Montenegro, including media, think tanks, student groups, human rights organizations, must be supported financially and nurtured through increased contact with their Western counterparts through Western-sponsored exchange programs, for example.

Finally, as just a general note, my own opinion is that the opposition—political opposition and oppositional forces, generally, will not succeed in Serbia unless they learn to act together. As our friend from the student movement just pointed out, in Poland, you had a number of different organizations coming together in a broad swath of the population coming together under one banner, solidarity's banner.

In Serbia, what we find, and I'm sure what other organizations find, is that there are incredible divisions within the independent sector, not just in opposition political parties but within trade unions, even within the independent media sector. And anything that we can do to increase cooperation and coordination between organizations within the independent sector in Serbia, we will do.

The recent parliamentary elections in Slovakia demonstrate that increased cooperation among pro-democratic organizations like that of the OK-98 Coalition, can help oppositional political forces on voting day. Assistance organizations should consider making a certain portion of their funding conditional on the ability of NGOs, independent media, political parties, trade unions, student groups and academics to organize joint programs across different sectors in Serbia. For example, one of the most important tasks is to increase cooperation between trade unions and political parties. In addition, independent media must be encouraged to report on the work of independent organizations such as trade unions, human rights groups, and independent think tanks. This will help to publicize the work of these organizations and help sensitize the public to the importance of the independent sector.

Finally, support should be increased for cross-border programs which promote the transfer of experience and advice from more advanced Eastern European countries, such as Poland, Bulgaria, and Slovakia, to the democratic forces in Serbia. In addition to being cost-effective, regional programs bring together democratic activists, forge strong bonds of mutual assistance and cooperation among independent groups across borders, and help break down ethnic, religious and historical animosities.

Finally, on the issue of the money that is being spent in the Federal Republic of Yugoslavia, we, as Western funding organizations need to make a distinction between that money which is going to Serbia through U.S. organizations and that money which is going directly to support the operating costs of Serbian organizations. I think we need to look more and more at providing direct assistance to organizations for things like rent, salaries, newsprint, and so forth.

It is my own opinion that a lot of the money that is spent on programs in Serbia does stay in the West in one way or the other, and we really do have to start thinking about direct funding in the future. Thank you very much.

Mr. Smith. Mr. McCarthy, thank you very much. Let me ask, first of all, Prime Minister Panic, the opposition, the Alliance for Change, how does that differ from the 1996 and the 1992 efforts to pull together a coalition of opposition? Is the prospect for success higher now? Is the sense that some of our differences need to be buried so the greater good can be achieved? Is there that pragmatic conclusion, has that been reached?

Mr. Panic. That is an excellent question because it really covers partially some views of other members of this panel, especially our able young student.

Whenever you have opposition which works, developed through success for 10 years, there will always be a problem. Milosevic has successfully managed to minimize the value of opposition. I should remind you that this same opposition in 1992, in a matter of 60 days, united in election against Milosevic all opposition against Milosevic. And as some people said, it succeeded. It succeeded many other times, but it truly lost on issues such as how the election was held.

Before I get to the main question, there is some positive signs of our coalition working together. In spite of generally thought that the valiant efforts of democratically oriented young people and all other citizens of Yugoslavia which demonstrated under the most difficult conditions, did not really bring fruit, this is not thought to be correct. It did some. In some cities, coalition of all opposition is working not successfully because the problem is not politics, the problem is economics. So, under those conditions, nobody can perform. As a matter of fact, in the condition of sanctions, it isn't truly a place for opposition to be governing anything because it has no chance to succeed and, therefore, will get critics or will get opinions or feelings of others as those expressed.

Now, your question, why is this opposition different? It is different because it is not based on political views, political opinions, philosophy, ideology; it is a movement. I can tell you with total conviction—we have done very sophisticated studies—that 82 percent of Serbs want change. There is no question: the movement for change is right. And, therefore, because it is not based on personalities, and it is not based on philosophy of political parties—left, right, center—like they are trying to grasp the concept of democracy, in understandably changing times, is very important. Therefore, I believe truly that they will succeed. That is the second part of the question. But they will succeed for us in opposition, we must—we must—we must have the emphasis that it cannot succeed with the sanctions on, in effect.

I am sorry almost to have to disagree with total international community of saying lift the sanctions. Put the blame of sanctions on Milosevic, and don't punish the people, for that—asking for free media and free election and controlled election by international community—and that would be magnificent way of putting the burden on whom it belongs, on Milosevic. If you don't allow free election, and if you don't allow election to be controlled, and if you don't free the media of these people who are desperately trying to cope with the government institutions, then we all will tell every Serb that you are the one who punished. If that is done, I truly believe it could make the change.

I also would like, before I stop—we have our program, why is it different, you said, this opposition of others? First, it is not politically organized; second, it is not leaders; and the third, it has a program. And I have, I hope, good news for you—it is not political program, it is an economic program. We need solid economy in Yugoslavia. Only under that condition do we have a chance to build democracy. You cannot have a democracy with poor people. We are an impoverished country today. Our standard of living is the lowest in Europe, most likely lower than Albania which used to be the lowest. Our banking system doesn't work. We have inflation-deflation combination. Our factories don't work. Our capacity to produce is enormously diminished. Our economy of our country is truly ruined. It would be extremely difficult to build democracy under these conditions, by opposition or anybody else. And I hope it is the democratic opposition because in that I truly believe.

Mr. Smith. Mr. McCarthy, you may want to start on this—and Mr. Curuvija also mentioned earlier in his testimony, talked about how one level of sanction after another over the last few weeks have been leveled on, taking a \$5 million, very prosperous, able to succeed without any help whatsoever, newspaper and magazine and turning them into a stolen enterprise that has been ripped off by the Milosevic regime.

Is there a place now, since there has been this massive crackdown on the media and on universities, on the academic freedom to respond very specifically and hopefully in a massive way as well to those kinds of crises, where a newspaper has been shut down, that's where resources are now put, if they will accept them, in order to get them up and running, so now it's not only an attack on an independent newspaper or magazine or radio station, it's also an attack on an internationally recognized and supported effort just to get the truth out. Is that something that NED might want to do? And let me say—because I do wear another hat. As I think you know, I do chair the Committee on International Office of Human Rights that has jurisdiction over that funding. I'm a total supporter, I think what you do is outstanding not just in the former Yugoslavia, but also throughout the world. It seems to me that crisis should be met with crisis management. This might be a place where an emergency help or assistance could be given to get them up and running again. I have a question for Mr. Curuvija. Has Mr. Holbrooke met with you? Has he met with other like-minded journalists and publishers—opposition figures, if you will—who have simply tried to bear witness to reality and the truth?

I will take to my colleagues as well—I mean, the indictment you have leveled against our government—and, again, that shows that you don't pull your punches. Here you are in the United States Capital, in the House of Representatives, in the Rayburn Building, and you point out that the U.S. Government has weakened democratic forces in your country by strengthening Milosevic's hand.

We need to take that criticism very seriously. One immediate response could certainly be, not just raising our voice and saying we are in solidarity with your ability to publish and to freely express your thoughts, but we should put our money where our mouth is with grants. Also, at the highest level of the U.S. Government, we need to convey to Belgrade about this absolute travesty that cannot be tolerated.

Mr. McCarthy. If I may, Mr. Chairman, I completely agree with what you've just said. I think in this very changeable situation in Serbia, we, as funding organizations, absolutely have to be able to react quickly. In fact, the NED itself—and I'm sure this is happening in other organizations—but the NED is reviewing its grant-making procedures to make grants in a more expedited fashion so that we can respond not only on a quarterly basis like we do right now, but on a monthly basis even to get assistance quickly to organizations.

International support for beleaguered media is absolutely necessary. A perfect example of this is Radio B-92 and the ANEM network. As we notice pretty much the authorities have laid off the B-92 and the ANEM, Independent Electronic Media Network. They've closed down some of the stations. They are under pressure. But, overall, there has not been as much pressure on them as on other organizations, and part of this has to do with the high level international support that Veran Matic and his staff receive in the form of high level visits from people like the Committee to Protect Journalists, other organizations, Congressmen, Senators, and so forth, it's very helpful.

If I could point out, one recommendation that I would have is if we could, as often as possible, bring these media leaders, as we have with Mr. Curuvija, to the United States to give them a policy platform—to bring them to Congress so that they can explain themselves. And this also has to be done on a very expedited basis, given the situation.

Mr. Smith. I would hope that, if you were interested, you would engage in a discussion about how we can be helpful—even if it were a bridge loan or bridge aid to get over this crisis until those assets can be returned, and stolen property is given back to its rightful owner.

Mr. Curuvija, would you want to comment on that?

Mr. Curuvija. Thank you very much. I, of course, completely agree with what you said. And maybe I could talk very long about the assistance we need, but Mr. McCarthy said everything I wanted to say, and that is very good, and I thank to him.

What is left to say about helping us is, we are organizing each other these days in Belgrade, here in this room is also my very good colleague who is sitting at the news press table. He is editor-in-chief for very influential weekly in Belgrade, and him and me are members of president of new association which we established several weeks ago. We call it, when we joke, Council of Yugoslav Directors and Editors of

Newspapers, but we establish that just to protect us from everything government is doing at the moment, including this completely or partly anti-constitutional law.

But what you asked me about Mr. Holbrooke was also very, very important. I never met him and, as far as I know, he never ask anybody to meet me, but I couldn't say that he didn't meet anybody else from our branch in Belgrade. My problem with those meetings and asking for assistance until today was I was really very successful until October. I was fourth ranking newspaper in Yugoslavia and first best selling magazine. I made profit, and I never ask anybody from inside or outside to give me help or money. The situation is now very terrible, as you heard, and we have to prepare completely new infrastructure to print, to transfer, to distribute our newspapers.

As I said, I expect—I couldn't say what Mike Reese think about it—but what I expect is really a new worsening of situation, and next year is when I am afraid we shall be pushed underground. Now, similar as in Poland, that means that we shall have many presses around Serbia, small ones, you know, spread in bigger Yugoslav towns, and do something similar what people from solidarity done, make newspaper with only four pages, left in the street every morning very quickly, and sell it before police come to confiscate it, and sell it, of course, very cheap—for one cent—everybody has one cent.

In that case, I think we shall really need grants assistance because when they attack you, they ruin everything. It's not only political problem, problem safety—of course, it is—but they ruin your credit lines distribution. There is no any bank now in Serbia which is ready to cooperate with me, to give me credit line.

I was kicked out from two-thirds of distribution in Serbia because they are state property. Minister for Information sent letter to every printing department in the country not to print them—when I say “them”, there are two newspapers that are registered in Montenegro, *De Te* and *Danas*—if you print, you will be punished. And you go around and knock on doors and getting answers that nobody is brave enough to print you. It is terrible. From other hand, we don't have money because of old situation, and I think to build that new infrastructure, and that's the very important for us, and also it's very important what Mr. McCarthy said.

Mr. Smith. The printing presses themselves, the physical plant, where has it gone? Is it padlocked? Is it being used by the government for their own purposes? What has happened to your factory?

Mr. Curuvija. The printing presses are very expensive things. And I start this business in '94 with 100DM (Deutsche Mark) borrowed by my friend, and when you have to start everything from very beginning, you know, you need many, many times to earn money to buy printing press. New printing press is \$3.5 million. That's why all of us print our newspaper in state printing departments, and that is the worst thing. Only one phone call can be the end of your existence. And that's what's happened.

Now I am the first who is punished, the other newspaper not in this position but they could also expect the same thing next year. And we desperately need completely independent printing presses located maybe in Serbia or maybe in Montenegro—I think it's better in Montenegro somewhere on the border between two republics—and those infrastructure I mentioned underground—trucks, of course, computers, et cetera.

Mr. Smith. Mr. Karajcic, the professors that spoke openly and worked with students in order to promote freedom and democracy, what has happened to them?

Mr. Karajcic. Well, in May and June, we, as students, proposed boycott of course programs completely as an answer to this new law on universities. And the answer of the professors then was that they will try to fight in a legal way, through legal institutions, and we said no, it doesn't make any sense because we don't have these institutions. And they have been afraid that we will lose our course programs, that we will lose our lectures and so on. And the situation then and now is completely different because now we have all the consequences of this law.

Now we have, for example, on my faculty of philosophy, we have a dean who is a member of the Serbian Radical Party, who forces us to learn Russian language. For example, on the post graded studies, I will have to learn Russian language, and I don't have nothing against the Russian language, but I ask myself why not Japanese, why not Spanish, and that's the problem. These people have all the power and they doing what they want. And in public faculties, this is not normal.

So, now, in this situation, the students are completely boycotting the course programs, and the professors are also now—they realize that there is no other way but giving the right answer, and it is resistance, and there is no legal way of fighting. So, the professors will either make these alternative programs because some groups don't exist anymore. On my faculty, for example, world literature is completely banned out of the faculty, and so the professors are trying these days to organize themselves in this alternative academic web. And if we don't succeed in one or 2 months, that they return to the faculty. This alternative lectures will be held somewhere else, which doesn't mean that we obey the regime, but it does mean that we will need more time. And this time mustn't be lost without studying, so that is the aim of this project. So the professors and the students are now together in the same process.

Mr. Panic. The answer, if you will permit me, they are on the street, they are out, the professors which are not on the list.

Mr. Smith. Is there a number as to how many have been sacked?

Mr. Karajcic. Four hundred. Four hundred.

Mr. Panic. And next 200 will be very soon. They are having their lessons in the street in front of faculties, at the moment. They are using police forces to kick people from university, students and professors.

Mr. Karajcic. On the faculties, we have completely diverted atmosphere, a nonacademic atmosphere, so faculty isn't what it used to be. It isn't about studying anymore, it is about beating someone up.

Mr. Smith. In talking about resistance, mention was made earlier about solidarity and about Poland. Probably the chief pillar in that opposition, in that sense of resistance, came from the Catholic Church. The Orthodox Church, unfortunately, has not been all that vigilant in promoting democracy, although some, I guess, have spoken out. What is your view as to where the church stands now? Is it willing to take on Milosevic? Is it willing to be in solidarity with those who want to alter for the better the course of events in Serbia?

Mr. Panic. If you permit me, the Serbian Orthodox Church is in full support of the opposition to the regime and support of opposition, if we may interpret that, but they are in opposition to regime. He demonstrated, our Patriarch—it's a national church, it's not international Catholic Church, it's the Serbian Church, therefore, it's different, but our Patriarch has demonstrated with students, so he has demonstrated that he is supporting the movement to democracy. So, the Church is on the side of students and opposition.

Mr. Curuvija. My answer is a little bit different, different from Church in Poland and in Yugoslavia and Serbia. This Serbian Orthodox Church I don't find in same way influential as the other one in Poland. Patriarch, yes, he supported students from time to time, but are very interested in topics according to importance to Kosovo. And they have never been so involved in other happenings in accordance in developing of democracy.

Mr. Karajcic. I personally am very honored by the fact that the Church supports my colleagues and our movement, and I am also honored by the role of the Church during all these decades, but the Church is also an institution which cannot be isolated of all that's happening in Serbia, and what's happened all these years, and the Church also suffered all the consequences. So, now they have lower functioning in the Church—I don't know the right name—who are more worried about Milosevic than, for example, about Jesus Christ, and then they have to choose about Jesus Christ or Milosevic, they will choose Milosevic. It is so. But it doesn't mean that the Church, as an institution, is for the government, it isn't, because the Church is one big strength, and it will be even bigger in the future when the people believe again in all the values the Church stands for. And it's right that the Church doesn't have so much influence, so it has among some people, some spheres and some levels of society, but the role of the Patriarch isn't so much influential as it will be in the future, I hope, and that is the problem. And the Church really supported us all the time and in the right way. We have, in fact, as students and the people from the Church, we have the same aim, we don't want to be a part of politics because we want to do politics, we are involved in it because we don't want to suffer all the consequences anymore. And that's the thing to connect us in some way. It would be very satisfied if the day would come that politicians could make politics and all the others could live our lives—

Mr. Curuvija. Make newspapers.

Mr. Karajcic. Yes, make newspapers, or for me, teaching philosophy, for example, but we have the situation which is not normal, and that's what we have to fight to have a normal situation one day.

Mr. Smith. Well, as we've seen in recent years, many people who had no previous aspirations to politics, from Landsbergis in Lithuania to Havel in the Czech Republic, who have not had what you would think would be a political background, have gone on to be great leaders. Mr. Hand?

Mr. Hand. Thank you. I think that a comment that Mr. Karajcic made was an important one regarding the possibility of election in Serbia. The question of whether Milosevic would acknowledge the results if he were to lose election. And, of course, I know that he himself is not popularly elected, he's elected by parliament, but if there were parliamentary changes he, indeed, would be threatened.

I wonder if it really goes further than that. As somebody who observed elections in Serbia, including in 1992, I really get the feeling that Milosevic will not allow himself ever to lose an election. It won't even necessarily get to the results again, other than maybe at the local level. He will continually cheat just enough to ensure his own victory.

I've observed elections that were problematic in many other countries, but lots of times the manipulation is very subtle. Mr. Milosevic's manipulation of elections is not very subtle at all. And so that places an additional burden on the political opposition, on the Alliance for Change or whomever else is there.

The international community can, and should, apply as much pressure as it can, insisting on internationally supervising the elections, although ultimately he would have to agree to that, but if ultimately the man is just not going to leave through an election, the political opposition has to not only be able to beat him in an election, but to give him no other choice but to have an election in which he can be beaten.

I was wondering if—Mr. Karajcic, Mr. Curuvija, and Mr. Panic in particular, can comment on this question—ultimately, are the Serbian people going to have to come out and say enough is enough, no matter how much the international community tries to support, and is it even thinkable that Mr. Milosevic would agree to an election, allow the international community to come in and supervise it, lose it, acknowledge the results, and retire from the scene and, if that's not the case, how can he be compelled to do it?

Mr. Karajcic. If I could answer, I remember listening to you—I remember a student slogan from the student protest, and it said you can fool all the people some time, and some of the people all the time, but not all the people all the time. So, most of the population gets to know that this regime is constantly, for 8 years, using them, that they are lying to them, stealing off them their money, putting it in their bags. And when we succeed in this explanation, that it is not a matter of nationalism, of ideology, it's a matter of being a thief or not being a thief, it's very simple. And if we come to this point, then every normal person will come to the conclusion that this regime has to go.

It's the question how can we succeed without free media, without money, without any institution on our side. So we have to do it like maybe centuries ago, going from door to door, talking to people, making public attempts for wakening the people in the society, but we don't have any other possibility, and we are trying it and doing it, maybe not so efficiently and not so successfully like years ago, but I believe that the time will come, and it is not so far away, that we will have once again the same people on the same streets, but we will not repeat the same mistakes. And that's what I stand for and what I believe in. Any other solution will be a catastrophe for all.

Mr. Panic. Your statement that Milosevic never gave up an election, he has never won an election. One he steals and the second one he loses. Here is a phenomenon—he has not won. We had two opposition leaders from left to right, called Mr. Vuk Draskovic and Mr. Seselj, in election. They have won.

Mr. Curuvija. Together.

Mr. Panic. Together—of course. So, if they were honest to their constituency—because both are vigorously anti-Milosevic—I mean, they were really—I mean, you don't hear that in this country—they were vigorously and viciously against—especially Seselj. Then Seselj-Draskovic win. All what they need—and I have said that many times—is responsibility to their constituency to get together, organize the parliament, change constitution, bring new election and eliminate Milosevic, but they abdicated that because they decided it is easier to go with Milosevic. So, here, how in the changing system from Socialism and Communism to democracy, you go through these phases which are not quite familiar to a free world.

Here the most vicious opposition leader becomes part of the government ruling party, unbelievable phenomenon. So, I was sort of surprised, but important for you to know he did not win, he lost. As a matter of fact, the maximum he gets of the parties is around 19-20 percent, it's minimum. It's other parties together, of course, that win for sure. As a matter of fact, always the opposition has managed to win, but they lose in his tactic of how he manages opposition. And now it says if Mr. Seselj loses for whatever reason, that he will then go in coalition with Mr. Draskovic, a sad story for Serbs, but that's the truth.

But I think that what's happening, Serbs are also democratically oriented. So you see now Seselj's popularity is going viciously down, very vigorously down, and Vuk Draskovic. So, I have great hope for democratization of Serbia and, as I said, you can—as all other big figures, you can manage these things, and that's what's happening there.

So, I recommend that the U.S. Government, as you said, should create a commission and committee for free and fair election in Serbia and Kosovo and in all region, and that would tremendously help, and I hope that a recommendation like this is accepted. We need your help. We don't need help to win, we need help in that elections are run democratically, and I think democratic views in Serbia—Serbs are a very democratically-oriented people and, if they are given the opportunity, I am convinced that Serbs will vote for democracy.

Mr. Curuvija. The fact is that Milosevic and allies were very good specialists in winning elections all these years, and successful in that. I expect them to be again specialists in winning elections successfully, but the problem is from the last election, that winning was so transparent. And we had 3 months' mess in the streets, terrible pressure on them because it was obvious they stole.

I think that they will try to do the same thing next election, and I agree with what Mr. Panic said, if the international community sends—not somebody—enough people and institutions to monitor that process, I think that this, let's say, change could be possible.

Mr. Karajcic. If I can just say something, in the last elections in September, we had unique example of complete manipulation. The example of Junik—Junik, as you know, is the center of the UCK, the organization of Kosovo Albanians, and in this village, Milutinovic, the Serbian president, won 98 percent of votes in September. So, you see—

Mr. Panic. Hundred votes, 98 percent with only hundred votes.

Mr. Karajcic. So you see what kind of manipulations are possible, and if we know that in the Kosovo area there are about 2 million inhabitants, and 1.23 million voters of them, and 90 percent of them

don't vote, so that 100,000 people have the same number of delegates in the parliament as, for example, Belgrade with 1.2 million votes, so one vote in Belgrade is ten times worth less the vote of the Kosovo Serb. That manipulation—that's a bad election law, and that's how Milosevic stays in power all the time.

Mr. Hand. My last question is for Mr. McCarthy. If additional assistance is given to independent forces, human rights NGOs in particular, maybe also the media, et cetera, are there ways in which the regime can actually lessen the effectiveness of it? I know that in terms of people who come over from NDI, IRI, other organizations, there are visa problems and things like that, but is there a way in which the regime in Belgrade can be anticipated as trying to counteract assistance that is given?

Mr. McCarthy. When you are talking about monetary assistance, there are many ways that he can do, and he is doing it to some degree now. For example, in the future, if money from an organization like the NED is going to a bank account in Serbia, a bank could slow down the process of withdrawing money, it could take huge commission fees for that money, basically, gutting bank accounts of various organizations.

With the new sanctions that have just been put into place, the U.S. Government, AID in particular, and OFAC at the Treasury Department, have set up a specific bank account in Belgrade which is more or less trustworthy, and that's where most of the Western assistance is going. However, the way we operate is that our grantees prefer to have bank accounts outside of Serbia, just to be sure, it's easier for them. Even though they have to travel to places like Budapest, to Vienna, places like that, they still prefer to have it done that way. They still have to bring the money back into the country, though—in other words, through the border police—and this could be a problem. As we saw with the Open Society Fund in Zagreb, they were caught at the Croatian border with \$30,000 on them, and the border police stopped them, and a huge scandal ensued, et cetera, et cetera, we know that story. More incidences like that might occur, and Milosevic could clamp down on money like that.

Mr. Smith. Thank you, Mr. Hand.

Mr. Panic. I would ask, Mr. Chairman, that our program, Alliance's program, which gives those differences, answer what's different now than before, becomes part of your record, with your permission.

Mr. Smith. Without objection, the full contents of your Alliance for Change agenda will be made a part of the record.

Anyone else who would like to—

Mr. Karajcic. I have here in my hand some facts about Resistance, about what we have done in these 2 months, and what we are planning to do, so everyone who is interested can take it.

Mr. Smith. I appreciate that. Thank you very much, again, for your excellent testimony. The Commission will take the very valuable insights you have provided and will act on those, and we will do everything humanly possible to be part of the solution and part of the efforts to make a positive contribution. Thank you. The hearing is adjourned.

[Whereupon, at 1:05 p.m., the hearing was adjourned.]

PROMOTING DEMOCRACY IN YUGOSLAVIA

SUBMITTED BY DANIEL SERWER

The U.S. Government should increase sharply its support for democracy in Yugoslavia from the current level of about \$18 million to \$53 million this fiscal year.

This should be part of a broad diplomatic initiative aimed at developing alternatives to the authoritarian regime in Belgrade. U.S. Government officials traveling to Yugoslavia should be required to meet with opposition and independent media representatives and minimize contacts with government officials, especially Milosevic.

U.S. and European NGOs should be encouraged to increase their presence in the FRY; the USG should expand FRY private citizen participation in regional programs.

A primary focus should be development of a new generation of leaders who respect political pluralism, market reform, rule of law and tolerance.

This effort should include a reinvigorated public affairs stance: the people of Yugoslavia deserve better than the current authoritarian regime.

The U.S. should lead its allies with a policy of strong, irreversible support for a democratic Serbia, as was done in the rest of Central and Eastern Europe.

FOCUS ON DEMOCRATIC INSTITUTIONS

Open media—\$10 million

- Extend the audience by providing needed infrastructure improvements as well as quality entertainment and information programming
- Provide advice, technical support and professional education
- Fund legal protection and self-defense funds for persecuted journalists and media
- Publicize cases of repression
- Indigenous NGOs—\$5 million
- Respond to local needs for NGO training
- Fund Balkans regional networks of think tanks and media organizations
- Form legal teams ready and willing to defend NGOs and media challenged in court
- Seed multiethnic NGOs focused on crosscutting issues (e.g.: human rights, environment, economic development)
- Promote NGO coalitions for self-defense against repression, appropriate electoral activity, and professional development (lawyers, journalists, teachers, academics)
- Encourage the Serbian Orthodox Church to play a stronger pro-democracy role in Belgrade
- Labor unions—\$1 million
- Promote union membership, including among retirees and the unemployed
- Facilitate links to European union organizations and Yugoslav student organizations
- Support repressed union leaders through self-defense funds and actions

Education—\$5 million

- Assist alternative education networks
- Support professors who have been fired for refusing to sign new contracts
- Develop alternative teaching materials emphasizing democracy and conflict resolution
- Independent judiciary—\$1 million
- Train judges in procedures that meet international standards
- Support those who are fired or subjected to political pressures
- Support combined international/domestic trial monitoring program

Political parties—\$7 million

- Expand training of political parties in grassroots organizing
- Promote consolidation of an opposition political bloc
- Encourage coalitions of political parties with NGOs, which should undertake parallel non-partisan tasks: activate youth participation, voter education, and media monitoring
- Develop the “second tier” of party leadership from provinces, municipal level, and from sectors not previously active as well as successor generation activities
- Provide support to local governments in control of responsible opposition

Local governance—\$3 million

- Provide technical assistance to opposition local government to facilitate their work with unions, small and medium enterprises, and NGOs on local economic development planning
- Improve management, budgeting and service delivery
- Promote open and transparent procurement and decision-making

Electoral commissions—\$1 million

- Train members in transparent administrative procedures
- Fund tamper-resistant electoral technology
- Support census/registration procedures
- Expand and train existing domestic electoral monitoring NGOs
- Youth organizations—\$2 million
- Promote democratic student organizations
- Fund travel abroad for student leadership
- Support study programs and internships in Europe and the U.S.
- Form an international support group.
- Convene a donor group that would meet regularly to discuss priorities
- Invite Yugoslav NGOs to participate in this group, and to comment on international programs
- Set up an international advisory network to support democratic development

FY 1998 US FEDERAL AID TO FRY

NED funds primarily service private sector development, emphasizing civic education (political motivation, free trade, privatization, democracy training) and communications (independent radio and newspaper).

\$350,000 Trade Union Education (UGS Nezavisnost)
 \$30,000 Human Rights Monitoring (Council for Defense of Human Rights and Freedoms/Kosovo)
 \$20,100 Democratic Center Foundation
 \$30,000 Legislative and Constitutional Policy Group (Belgrade Center for Human Rights)
 \$45,000 Helsinki Committee for Human Rights in Serbia
 \$40,000 Human Rights Monitoring (Humanitarian Law Center/Kosovo)
 \$57,060 Local Civil Activism (Center for Anti-War Action/Serbia and Montenegro)
 \$42,458 Kosovo Democracy and Policy Forum (Center for Strategic and International Studies)
 \$50,000 Commission for Civic Initiatives and Policy Analysis (Koha Ditore/Kosovo)
 \$84,267 Private Sector Development at the local level (Center for International Private Enterprise and European Movement in Serbia)
 \$49,320 ANEM (Association for Independent Electronic Media)
 \$45,350 Beta News Agency, independent news agency, Serbia
 \$34,000 Danas, independent daily newspaper, Serbia
 \$30,000 Vreme, independent weekly newspaper, Serbia
 \$30,000 Vijesti, independent daily newspaper, Montenegro
 \$937,555 Total

**UNITED STATES AGENCY FOR INTERNATIONAL
 DEVELOPMENT (USAID) SUPPORT FOR EAST EUROPEAN
 DEMOCRACY (SEED)-FUNDED PROGRAMS**

USAID funds primarily service media training and development, grass-roots political motivation, NGO development including Delphi-STAR, a women's organization, and legal/election reform. USAID allots portions of its budget to political party development sponsored by the National Democratic Institute for International Affairs (NDI) and the International Republican Institute (IRI). Both NDI and IRI focus efforts on election monitoring.

\$800,000 Democracy Governance and Public Administration
 \$545,000 Rule of Law (ABA CEELI)
 \$451,000 IRI political party development
 \$99,000 IRI student groups development
 \$640,368 NDI political party development and election monitoring
 \$388,000 IFES Election Reform
 \$450,000 Trade Union Education and Reform (Solidarity Center/ACILS)
 \$2,300,000 Independent Media (Internews and ANEM)
 \$584,632 Local NGO development
 \$1,740,000 Privatization and Enterprise Restructuring (Montenegro only)
 \$2,050,000 Technical Assistance to Enterprises (Montenegro only)

\$2,380,000 Trauma and Humanitarian Assistance (Kosovo and Montenegro)
 \$1,000,000 Participant Trainin
 \$13,428,000 Total

International Disaster Accounts (IDA)-funded programs
 USAID's Office of Transition Initiatives (OTI) provides direct grants of assistance for democracy-building. Since funds come through IDA, they can disperse these grants (which are generally under \$50,000) much more quickly than other USAID programs.

\$1,830,000 Media
 \$620,000 Indigenous Civil Society organizations
 \$2,450,000 Total
 United States Information Agency (USIA)

SEED-funded USIA activities primarily support educational opportunities with various grants and civic motivation. Also, USIA emphasizes the importance of free communication, by way of internet and independent media.

\$300,000 Ron Brown Fellowship Program (graduate study at American universities, professional internships)
 \$200,000 Democracy Commission Small Grants (funding of local, democratic initiatives)
 \$300,000 Internet Program (independent media and school connections)
 \$125,000 University Affiliation (Kosovo—promote curriculum development and administrative reform)
 \$60,000 Democracy and Civil Society Awards (promote peace and prosperity in CEE region)
 \$40,000 English Teaching (Kosovo)
 \$50,000 Media Training (future project)
 \$185,000 Freedom Grants Program (International visitors program to “gain skills and information that can be applied to the development of democracy and a market economy”)

\$1,260,000 Total
 \$18,075,555 Total FY 1998 U.S. Federal Aid To FRY

Open Society-Yugoslavia (Soros Foundation) FY 1997

Open Society-Yugoslavia emphasizes the “need to modernize the whole of society” via support of educational programs in Kosovo, the independent media, health care reform, and inclusion of arts .

\$1,172,000 Arts and Culture
 \$2,519,000 Children and Youth
 \$899,000 Civil Society
 \$311,000 Conference and Travel
 \$951,000 Education
 \$576,000 Legal Reform and Public Administration

\$2,728,000 Media and Communications
 \$332,000 Publishing
 \$295,000 Science and Health Care
 \$1,996,000 Operating Costs
 \$4,384,000 Other
 \$16,163,000 Total

THE ALLIANCE FOR CHANGE

An alliance of democratic opposition parties in Serbia founded in 1998.

Founding members of the Alliance for Change are Milan Panic, Alliance for Change; Dr Vladan Batic, Christian Democratic Party of Serbia; Nebojša Covic, Democratic Alternative; Dr. Zoran Djindjic, Democratic Party; Dr. Vesna Pešic, Civic Alliance of Serbia; Velimir Ilic, New Serbia; Dr Vuk Obradovic, Social Democracy; and Dr Dragoslav Avramovic, former Governor, National Bank of Yugoslavia.

The Alliance for Change became the broadest opposition political coalition in Serbia as new members joined in October and November 1998.

In addition to the founding members the membership now consists of Dr Dragoljub Micunovic, The Democratic Center; Dr. Milan St. Protic, SDC Defense; Predrag Vuletic, Liberal Democratic Party; Dr. Andraš Agošton, Democratic Party of Vojvodina Hungarians; Dragoljub Ackovic, Rom Congress Party; Ilija Sujica, Alliance of Citizens of Subotica; Dragan Milovanovic, Association of Free and Independent Trade Unions; Vladimir Deanovic, Democratic Movement for Pancevo.

The Alliance functions as an multi-party coalition, whose membership is open to all those under the flag of the opposition that desire fundamental change of the political system.

All members of the Alliance for Change (AC) have accepted the AC Program Draft that defines the basic goals of the coalition.

THE GOALS OF THE ALLIANCE ARE:

- Urgent organization of free and fair general elections and a change of government through these elections.
- The complete democratization of the country.
- The introduction of comprehensive social, political and economic reform in Serbia and Yugoslavia.
- THE DRAFT PROGRAM LISTS:
- the main elements of the country's crises.
- the essential conditions for change
- elements of a program for the first one hundred days of a new government

The adoption of the Draft Program completed the process of negotiating a joint program among members and the Alliance for Change currently is focusing its energies on strengthening the organizational structures of the coalition.

The work of the Alliance for Change is directed by the presidency and a number of specific working groups were created at the coalition's founding. During the initial six months since its inception, the Coordinator of the Alliance for Change was Dr. Vesna Pesic, President of

the Civic Alliance of Serbia. On 20. November 1998 this duty is being administered by Mr. Nebojsa Covic, President of the Democratic Alternative.

In addition to its normal activities in the country, the Alliance for Change has also maintained an exceptional international presence. Within the last six months cooperation was established with many international organizations, while the leaders of the AC have had contact at the highest level with representatives of numerous countries. Two visits of AC leaders to Washington, DC (in October and November 1998) were especially successful.

WHO IS WHO

FOUNDERS

ALLIANCE FOR CHANGE—MILAN PANIC

A grassroots citizen movement centered around Mr. Milan Panic, the former Prime Minister of Yugoslavia. In the fall of 1997, groups of citizens in the city of Nis and its surrounding region organized themselves as grassroots activists for democratic change as represented by the charismatic leadership of Mr. Panic. Since then, similar groups have been spontaneously founded throughout Serbia. The honorary president of the AC-MP is Milan Panic, CEO and Chairman of the Board of ICN Pharmaceuticals, Inc., a successful American-based international company. Mr. Panic has been actively engaged in the struggle for democratic reform in Serbia and the Balkans over the last decade. As candidate for President of Serbia in 1992 he received 36 percent of the vote in elections viewed by many international observers as being neither free nor fair.

CHRISTIAN DEMOCRATIC PARTY OF SERBIA

A Center-Right party founded on 6 May 1997. Its headquarters is in Belgrade. It is the first political organization in the history of Serbia to have a program based on the ideas of Christian democracy. It has local organizations at the level of municipal or initiating boards in over 80 cities and towns of Serbia. The President of the party is Dr. Vladan Batic, a Belgrade attorney with a doctorate in law, anti-communist and twice served in the Peoples' Assembly of Serbia.

DEMOCRATIC ALTERNATIVE

A democratic civic party of social democratic orientation founded on 16 July 1997. Its headquarters is in Belgrade. The Democratic Alternative in order to achieve its program goals formed a coalition with the Peasant Party of Serbia and the Party of Pensioners. Despite a short election campaign (21 days) and a lack of access to media it won one seat in the Republic Parliament in the elections of 21.09.1997. Membership is centered on 150 local committees throughout Serbia. The President of DA is Mr. Nebojša Covid, who was the youngest mayor in the history of Belgrade and a politician that said 'no' to the theft of votes during local elections in Belgrade.

DEMOCRATIC PARTY

The Democratic party is a modern peoples' party of liberal orientation founded on 2 February 1990 in Belgrade. From 1990-1997 the DS participated in all elections. In 1997 in a show of protest because of the state of election conditions, it boycotted the elections for President and Parliament of the Republic of Serbia. The DS won 29 seats in the Parliamentary elections for the Republic of Serbia in 1993. The DS participates in the governments of 23 municipalities in Serbia and in 8 districts of Belgrade. The DS has two members of the Citizens Assembly of the Federal Parliament. The DS is comprised of 29 regional, 159 municipal and several hundred local boards. The DS was one of the founding members of the Zajedno Coalition. The President of the Democratic Party is Dr. Zoran Djindjic.

CIVIC ALLIANCE OF SERBIA

Party of social democratic orientation registered in 1992 (successor to the Alliance of Reform Forces of Yugoslavia of 1990). From the beginning of conflict in Yugoslavia it consistently was an anti-war party. It was a member of the DEPOS coalition during the 1993 elections and of the Zajedno coalition during the 1996 elections. From 1993-1996 it held seats in Parliament. In the 1996 elections a number of GSS members were elected to local government office as candidates of Zajedno. Following the theft of elections during these elections, experts from the GSS were responsible for waging the legal battle that led to the recognition of the actual election results (lex specialis and the report of). Due to the lack of conditions for free and fair elections, the GSS boycotted the parliamentary and presidential elections of 1997. The Civic Alliance of Serbia has 87 municipal committees and 10 regional committees throughout the territory of Serbia. The President of the party is Dr. Vesna Pesic, a sociologist and recognized fighter advocate for human rights. She has received many prestigious honors including the Democracy Award (1993) of the National Endowment for Democracy and the Andrej Saharov Award (1997) of the Norwegian Helsinki Committee and the Democracy Award (1997) of the National Democratic Institute in Washington, DC.

. NEW SERBIA

New Serbia is a moderate right party founded on 10 August 1998 after the break-up of the Zajedno Coalition. Its fundamental principles stem from political and cultural traditions, as well as liberal-democratic influences of western Europe and America. New Serbia was founded by Velimir Ilic, a former ranking member of the Serbian Renewal Movement and the mayor of Cacak along with some of his former colleagues and other prominent opposition leaders throughout Serbia. From Sombor in the west to the south of Serbia, New Serbia currently has 385 district, 78 municipal and 4 city committees.

Social Democracy

A party of social democratic orientation founded in May 1997. It has 147 municipal committees throughout the territory of Serbia. It participated in the parliamentary elections of September 1997 as the youngest political party in Serbia. It won 105,000 votes, and Vuk

Obradovic won 120,000 votes as a candidate for President. The President of Social Democracy is Vuk Obradovic (doctorate in military-political science), a former general that left the JNA in 1992.

DR. DRAGOSLAV AVRAMOVIC

Former Governor of the National Bank of Yugoslavia, the creator of the stabilization program that successfully halted the hyperinflation of 1994.

*Dr. Milan St. Protic—president of the non-party political organization “Defense”. “Defense” is a group of prominent and respectful individuals from different fields, founded in October of 1997. A number of members were previously involved in political activities and movements (DEPOS, ZAJEDNO) opposed to the existing government in Serbia.

PROGRAM OUTLINE

- Main Elements of the Crisis
- Essential Conditions for Change
- Program for the First 100 days
- Procedure

MAIN ELEMENTS OF THE CRISIS

Most people in Serbia long for change. This change is desired because: war is raging in Kosovo, the federation between Serbia and Montenegro is rupturing at the seams, the economy is in a deep and worsening recession, poverty has gripped wide masses of citizens, the entire developed part of the world has turned its back on us, and a moral crisis grips the nation.

Every day members of opposing forces in Kosovo are killed, a large portion of the population has taken flight to the mountains and forests of the countryside, the fate of prisoners and the missing is uncertain and winter and hunger threaten to compound the tragedy. The war daily costs Serbia and Yugoslavia between 1 and 4 million German Marks, which annually may amount up to 9 billion dinars. This along with the current economic crisis will cause a further delay in the payment of salaries and pensions and/or will accelerate inflation, or both. The threat of NATO intervention looms and can have unforeseeable consequences. New and serious initiatives need to be found to solve the Kosovo problem. Time is of the essence.

Yugoslavia is falling apart. The failure to respect the election results in Montenegro, the challenge to the legitimacy of the federal government, the slowness of economic reform in Serbia, the obstruction of the normalization of relations with the world and financial conflicts may soon lead to the end of the Yugoslav federation, unless a quick and radical turnaround occurs.

The economy is in a very difficult state. The policy of stabilization of exchange rate and prices has been broken, prices have jumped more than 30% in comparison to one year ago and there are clear signs that they will continue to rise. The dinar has devalued 50% in respect to the DMark and US dollar and tends to fall further. 40 % of personal income is received late, while in some sectors of the economy the delay in payment can be up to two years. Unemployment is about 800,000

people, while a large number of those employed have been forced to take leave. The best of our young specialists are emigrating. The infrastructure of the country is collapsing and the economy is suffocating under administrative controls and tax burdens. Losses in industries are overwhelming. Privatization is conducted halfheartedly, with great delay and in a way that appears to protect the interests of the newly created wealthy class. An unhealthy symbiosis between the economy and politicians has developed producing conflicts of interest and encouraging corruption and the abuse of power. The economy is in agony and only manages to hold on thanks to an impoverished agriculture, the creativity of the population in the "gray economy" and the remittances of Yugoslav workers who are abroad. Yugoslavia has the lowest level of economic recovery of the six European countries in transition (Poland, Slovenia, The Czech republic, Hungary, Croatia and FRY), while salaries are perhaps lower than in all of the former Yugoslav republics. In July 1998, an average salary in Serbia was 160 DEM compared to 1,060 DEM in Slovenia.

Yugoslavia is currently among the most isolated countries in the world. Sanctions are maintained on Yugoslavia and new ones are being planned.

The political and economic crises have not only spawned social problems, but have also fuelled the rise of crime and corruption. Crime has infiltrated every sphere of government.

This is why today we live worse than others, and our perspective is that tomorrow we will be worse off than we are today. Our civic, national and state existence has been brought into question. There is almost no serious problem in our country that has been solved in the past ten years. Because of this all problems have grown to threatening dimensions and new ones are continually developing. If we do not change the system and political structure we will enter the 21st century as a people without a future.

Despite the outflowing of skilled cadres, among our people we have enough capable, industrious and skilled individuals. In the world we may still have allies and friends that will, we hope, assist us in becoming a normal country. We must unite everything that is healthy and normal so that we can show the world and ourselves that we are a people capable of guaranteeing a better future for our children.

ESSENTIAL CONDITIONS FOR CHANGE

The essential conditions for changing the current situation in our country are:

- Immediate and complete democratization of the country.
- Implementation of comprehensive social, political and economic reforms in Serbia and Yugoslavia.

PROGRAM FOR THE FIRST 100 DAYS

If the Alliance for Change is entrusted by the citizens of Serbia with the responsibility for running the government, we promise and will be bound by the following program for the first 100 days of the new government:

- An immediate end to the righting and the establishment of a foundation for the peaceful and democratic resolution of the problem of Kosovo and Metohija.
- Development of a firm basis for a democratic state federation of Serbia and Montenegro.
- Initiation of the preparations for the drafting of a new constitution and change of other laws and regulations to guarantee a decentralization and regionalization which are the basis for successful modern societies.
- Introduction of a new stabilization program that will create the economic and financial stability needed to assure a sustained increase in production, employment, income and the standard of living.
- Preparation of the basis for new programs for health care, education, pensions, and social care (children supplements and other welfare measures) that will improve these services.
- Development of the basis for a program to solve the problem of refugees.
- Development of the basis for a national program to renew villages and agriculture.
- Enforcement of a decision to pay the debt owed by the state for crops that were sold by the state without compensation to farmers.
- Development of proposal for repayment of old hard currency savings.
- Introduction of the principle of interest payments at equal rates on debts owed by the state and state companies to citizens as well as the debts of citizens to the state and state companies.
- Preparation of the basis for reform of the tax system.
- Preparation of the basis for reform of the government with the goal of reducing the size of the administration while at the same time improving efficiency and cost effectiveness.
- Formulation of new decisions that will guarantee comprehensive, honest and speedy privatization.
- Creation of a special fund for payment and retraining of workers who may lose their jobs during the restructuring of the economy. Contributions to this fund will be found in budget savings, private donations and from the international community.
- Development of the basis of a national program to address unemployment.
- Preparation of the basis of an investment program for the next four years for the renewal, modernization and development of production capacity, which is an essential precondition for increasing employment.
- Taking the initiative in ending sanctions and the integration of Yugoslavia in the international community and international institutions, including the full membership of the FRY in the United Nations.
- Creation of the political and legal precondition for attracting foreign investment and the repatriation of domestic capital, without which there can be no economic renewal. The end of the suspension of our membership in international financial institutions is of the greatest priority.

- Undertaking of actions for the solving of the problems of succession of the SFRY which will allow for the development and enhancement of cooperation with other former Yugoslav republics, as well as the full participation of FR Yugoslavia in the plans for regional cooperation in Southeastern Europe and ease the reintegration of the country into the international community.

Introduction of basic military and police reforms that would comprise:

- the radical reduction of the Army of Yugoslavia. The complete depolitization and deideologization of the army with the gradual professionalization of the military with guarantees for the professional military ranks. Reducing the length of service and allowing conscripts to serve in their own regions. Improve the standard of living and status in society of members of the Yugoslav Army. Active participation of the FRY in the efforts to build a new regional and European security system. The banning of all paramilitary and parapolice forces.
- the radical reduction of the police and its transformation so that it only serves as a service for citizens and guards their security. The elimination of any possibility that the police can act as an independent political actor outside of public and parliamentary control. The placing of the state security service under the control of democratic parliamentary institutions and insuring that it can not serve as a tool for the interests of one group or political party.
- during the reduction of the military, police and state administration special attention will be paid that the rights of individuals be respected.

Creation of the legal, organizational, political and personnel conditions for the determined attack on corruption, abuse of authority and the theft of state and public property, as well as on the factors that endanger the personal, family and property security of citizens. Implement a program to strengthen the independence of the judiciary and other institutions of the legal system.

PROCEDURE

The urgency and importance of the problems confronting us and the necessity of developing programs and decisions to address these problems calls for the immediate organization of early elections for federal, republic and local governments in Serbia. The organization of elections and the guarantee that they will be conducted under conditions of full democratic freedoms is in accordance with the Gonzales report, which our state has accepted as binding.

**SPEECH OF MILAN PANIC, FORMER PRIMER MINISTER
OF YUGOSLAVIA, AND CHAIRMAN AND CEO,
ICN PHARMACEUTICALS, INC.**

Institute of Peace,
Washington DC
October 15, 1998

Good morning ladies and gentlemen.

I want to thank you for the opportunity you have given me to share my views with you on what needs to be done to build a true lasting peace in Yugoslavia. Mr. Holbrooke has hammered out an agreement which, if fully implemented, should end the current conflict in Kosovo and establish the conditions for dealing with the catastrophic refugee problem there. But it would be a mistake to characterize it as a peace agreement. At best, it is a cease-fire, an armistice. True, it does call for serious negotiations on the questions of autonomy for Kosovo, and for local elections in Kosovo. But it does not address the fundamental underlying problem of continuing political instability in the Balkans: the lack of democracy in Serbia. In fact, this agreement strengthens Mr. Milosevic's position of unabridged authoritarian power because it permits him to have his controlled media herald him as a victorious international statesman who faced down the international community, led by the United States, and successfully defended Serbian vital interests. He will now quickly move to a posture of cooperation with international refugee agencies, while loudly proclaiming that he has exercised his sovereign right and duty in suppressing a terrorist rebellion in Kosovo, which was threatening the public order.

Bad as this is, it is better than bombing. You may have seen my open letter to President Clinton in Tuesday's *Washington Times*. I spoke on behalf of the Alliance for Change, which represents advocates of democracy throughout Serbia, including Kosovo, in arguing against air strikes. I said that this would only worsen the human tragedy in Kosovo by encouraging extremist elements among both Serbs and Albanians, and would exacerbate the problems, not solve them. I concluded that Milosevic has not and cannot serve as a factor of stability in the Balkans. NATO air strikes against Serbia would further undermine the single force that can bring real change to the Balkans—democracy. And my message to President Clinton, and my message to you today, is that we must begin a radical process of regional democratization with elections throughout Serbia, not just Kosovo.

Now that it looks like an agreement has been reached for an interim solution to the Kosovo problem, it is essential that the international community, the United Nations, the OSCE, and NATO take serious steps to support the forces of democracy in Serbia. Let us understand that without true democracy and free and fair elections, Serbia will remain economically and politically unstable. Until the Serbian nation is permitted to govern itself in a truly democratic manner, the future of the Dayton accords and the Kosovo agreement will remain dangerously perilous.

Democracy cannot develop and flourish in the absence of independent media. Well aware of this, the Belgrade regime has taken advantage of the Kosovo tensions to close down two independent daily newspapers and the student radio station Index, and also to forbid 30

local radio stations from carrying VOA, BBC, and RFE broadcasts. The international community should express its outrage at this authoritarian curtailing of the freedom of expression.

And while we are talking about autonomy for Kosovo, how about international support for university autonomy. In an obvious attempt to intimidate university professors from supporting opposition politics, the Belgrade regime recently significantly curtailed the autonomy of Belgrade University and other institutions of higher education. Faculty members have been forced to sign repressive contracts or face suspension. The international community should assist in efforts to preserve the intellectual autonomy that Serbia's universities enjoyed even under the worst repression of the former Communist regime.

What can the international community do to support the development of democratic forces in Yugoslavia? First of all, Yugoslavia should be informed that it will not be readmitted to international organizations until its elections are certified as free and fair. No Yugoslavia election has been so certified for the past 7 years. I challenged Milosevic in the 1992 Serbian presidential election. Here is what the CSCE Elections Mission said about the election: "The December Federal and Republican elections in Yugoslavia were neither free nor fair. All international experts who observed the election campaign come to the conclusion that the governing party's complete control of nation-wide electronic media—and its abuse of this power—made a fair campaign impossible. On Election Day, virtually every delegation that visited polling sites in Serbia witnessed irregularities in electoral administration, especially in voter registration; these irregularities disproportionately favored the governing party." The OSCE Election Mission to Yugoslavia, led by Felipe Gonzales, in its December 27, 1996 report called for the establishment of free and fair elections, to be conducted under international monitoring. In March 1997 I sent an open letter to Milosevic, calling upon him to establish conditions for free and fair elections, emphasizing that without free media there could not be free elections. The regime's cynical response has been to create conditions to ensure its own longevity, rather than free and fair elections. In addition to controlling and intimidating the media, they have gerrymandered electoral districts to give them significant advantage over the democratic opposition. They have manipulated election dates, which made significant international monitoring impossible. They callously ignored a June 4, 1997 petition from 12 opposition parties, which outlined minimal electoral conditions for the parliamentary and presidential elections of 1997, and then even more callously proceeded to violate every point mentioned in the petition. In effect, they have stolen every election in Serbia since 1991.

Undaunted by this ruthless distortion and hijacking of the electoral process, the democratic forces in Serbia have regrouped in a broadly based coalition called the Alliance for Change. The group is made up of nine opposition parties and several citizens' alliances, and also includes myself, Dragoslav Avramovic, the former governor of Yugoslav National Bank, and Bishop Artemije of Kosovo. On September 9th, the Alliance unveiled its joint action plan, consisting of a 21-point program to address Yugoslavia's current crisis. In presenting its program the Alliance stressed the need for early elections at every level and called for the immediate and complete democratization of Yugoslavia. I should add that the Alliance has taken hope and

inspiration from President Djukanovic's implementation of an excellent and comprehensive program of democratic political and economic reform of Montenegro.

The Alliance for change needs and seeks the understanding, recognition, and support of democratic governments and organizations. Understanding in the sense of recognizing that the road ahead will be difficult but our objectives are attainable; recognition in the sense of meeting with us and listening to us in Yugoslavia and elsewhere; and support in word and deed. This is not a fund-raising meeting, but you know full well that political movements that fail to obtain adequate financing are unlikely to endure.

Finally, I want to emphasize to this audience of people who work for peace that there cannot be peace in the Balkans without democracy in Serbia, and there will not be democracy in Serbia as long as the Milosevic regime reigns supreme. For over six years I have stated that Milosevic is the problem, not the solution.- It is high time that we declare that we no longer regard him as a necessary partner for the international community. If international leaders no longer parade to Belgrade to meet with him, his public image as the internationally recognized leader and protector of the Serbian nation will quickly fade, and it will become apparent to an overwhelming majority of Serbs that his regime no longer enjoys international legitimacy. Those international leaders who want to encourage democracy in Serbia should meet with the leaders of the Serbian democratic opposition on every possible occasion, not with those who repress democracy.

**A LETTER TO THE PRESIDENT BY ALEKSANDAR TIJANIC AND
SLAVKO CURUVIJA**

WHAT'S NEXT, MILOSEVIC?

Mister President, perhaps you are not aware but a coup d'état took place in your country last week. An extreme group of your associates—from the three ruling parties—contrary to your assertion that the threat of military intervention has been averted, upheld an unconstitutional Regulation, in fact invoked extreme measures, suspended laws and usurped power in Serbia.

The first act of this group was to forbid Serbs to hear, speak and see. Three daily newspapers and one radio station were banned, which has never before happened in Serbia's history. They did so brutally, with a pathological enjoyment in the demonstration of their personal power and immunity.

This is horrid for Serbia, Mr. President. But it is not the worst that can happen to this country and its people. The evil policy of malice is leading us directly to lawlessness, fear, terror and dictatorship.

We are writing to you to defend the freedom of the press. However, we are also writing to you regarding even more significant matters. In Yugoslavia, without declaring war and extreme measures, martial law and extreme measures were invoked. And you did not react. Why?

Is it because you are attempting to avoid facing the final results of your ten-year rule? Is it because, tired of governing, you are avoiding accountability and ceding authority to a group that won the palace battle for control of the political process, courts, money, police, secret services, army, universities, media, the entire society and the state? Or is it because, having exhausted the tremendous support of most Serbs since the beginning of your rule, you resorted to a repertoire of political tricks, like mass hypnosis and cultism, and elected to preserve your rule by suspending the Constitution and rule of law, as a mediator between yourself and the citizens, and now rule like an absolute monarch.

If you are avoiding the final tally of your decade-old rule—it is useless. A historical accounting, an archive of facts, has already been created. Every Serb, alive or dead is a bookkeeper and witness:

With revelry was squandered everything the Serbs created in this century: state and national territories; western military ally status from two world wars; image of state and nation; we were expelled from all international institutions; destroyed the European identity of Serbs, withdrew from ethnic Serb territories in Croatia and parts of Bosnia; the nation was burdened with a complex of a war loser, aggressor, a genocidal nation and the last guardian of European communism.

By design destroyed the image of all Serbian institutions: You equated universities with farm collective, the Academy with an old-age home, discounted the church, judiciary, media, parliament and the government.

Deliberately, with so-called "transition," another expression for robbery, made poor the middle class, greatly enriched the newly created economic-political elite, the national per capita income fell to \$1,400, while in Slovenia, which you convinced us would fall to ruin after secession, it jumped to \$9,500, and in Tudjman's Croatia to \$4,600; pensioners are fated to wallow in garbage containers, While their

pension funds are six to seven cheques in arrears; financial pyramids with the types of Dafina and Jezda, loans and non-repayment of foreign currency accounts the state robbed its citizens of several billion Deutsch marks; currently there are two million unemployed, over one hundred thousand of the best schooled and ablest emigrated from the country running away from War, immobilization, or because they saw no future here.

Handling of state and social wealth was left to a selected circle of around one hundred families who enjoy your support and protection; functionaries of the state of which you head demonstrate feudal profligacy, nouveau riche arrogance in the wake of poverty and misery; large (state) companies are managed by your trustees, who are strangling the induction of a market economy because a market economy is incompatible with coordination's, committees, offices, monopolies, quasi-banks, quasi-ministries, falsified loans, and the control of the black market exchange by authorized currency dealers.

Your country is civilly dying, Serbs are dying from treatable diseases or ones that do not exist in the world. there is no medicine, the health situation is dramatic, while sedatives are used here like vitamins in the normal world.

Criminality, like nowhere in Europe, joined hands with the ruling elite; you are the only head of state who had three household visitors killed on the street and even today, neither the murderers nor the reason for their liquidation have I been discovered; there are too many weapons on the street and too many assaults; organized crime controls the price of important goods and services; para-police still exist today; street assaults and murders are a common daily occurrence and the state has practically placed the onus on the citizens to protect their property and personal safety.

You know exactly the low worth of the people you have entrusted to head the most important Serbian institutions or tasks. That is an insult and a humiliation of all intelligent in Serbia and the entire spiritual inheritance of Serbs who, for those tasks, and throughout history, chose the most able with the best image; you idolize secret agreements, mystery, unreliable associates, you made certain that every functionary exists directly through your patronage and then forced them to constant internal intrigues, through which rise the least able but unscrupulous; encouraged populism and created, as an end result, the cult of personality; you refused to publicly state the name of the system you are creating—socialism, capitalism, or something third.

You imposed on society the psychosis of permanent extreme measures, imposed is a fear of the all-powerful police or your delegated powerful personnel who boast that they are authorized to decide the question of life or death over people they do not like; absolute obedience is demanded; inciting hysteric choreographies of support after every victory that is returning us a step bellow in civilization's ladder from the one where the historical victory started. The majority considers democracy the right to manifest their political will, taste and their culture, as a law responsible to the minority.

In your time you drew out, stimulated by the state media, national prophets, vampires, pseudo-doctors who exalted death, exalted war, being careful not to die in it, invented race exceptionality, mission,

faith, spreading hate and belief in wondrous weapons left to us by Nikola Tesla or sent by Zhironovsky; that is what created a societal unreality in which we live today.

With the politics of provoking minor internal wars: rich against the poor, provinces against Belgrade, Serbia against Montenegro, police against the army, state media against an opposition leader, politicians against the independent media. students against professors, illiterate against literate, you destroyed the spirit of tolerance and unity, justice and truth.

If you are tired of government and, to avoid accountability, giving authority to a group of extremists from the three ruling parties, then, Mister President, you should know:

Not a single European socialist, except you, has ever chosen an extreme right-wing politician for a coalition partner. Can you imagine the French premier, socialist Jospin or the centrist Chirac, entering into a coalition with LaPen. That is the radical right-winger who insists that Hitler's gas chambers and Pavelic's Jasenovac were only "minor incidents of the second World War." Seven days ago, your coalition partner and vice-president of Serbia Vojislav Seselj bestowed the title of an honorary citizen of a Belgrade suburb on LaPen. On which side did we fight in World War II, Mister President?

A coalition of socialists, neocommunists and extreme right-wingers is unnatural, uncivilized, ideologically monstrous and shows your only ambition: to preserve rule at the cost of a pact with your political, ideological, personal and family enemy. And you could have chosen a different ally if you gave the better part of Serbia the opportunity.

The Radicals will not be satisfied with a division of rule. They are recruiting sympathizers from JUL and the Socialist Party, creating a nucleus which offers Serbia only two possibilities: a dictatorship or civil war, camps or street-savagery by para-police and bands authorized to kill people outside the mediocre photo-robots created in the headquarters of this group.

In the event that you alone have decided to suspend the Constitution, rule by decree and, eliminating middlemen between you and the people, takeover absolute rule, you should also know:

For everything that will happen to Serbs, Serbia and the citizens of Yugoslavia under such an absolute rule, you will be responsible.

There is not a country in Europe in which such a rule could last for long, and it won't last long in Serbia or in Yugoslavia.

The basic method of rule in such a system is force. To implement such force the worst people inside the nation are recruited, the best and hardest-working are isolated, and the majority left in fear. That is how the state regresses, the nation and every individual. Do you really wish to rule with the aid of such people, of which there are already too many in your vicinity.

Mister President, country your people and your fellow citizens have spent the last ten years living in a psychosis of external measures, war, surrounded by death, misery, hopelessness and fear. Serbia's territories and riches are being carted off as if she was already dead. Serbia is bearing fewer children, and those she does bear, she rarely sees. Hungry and humiliated, they do not have the strength for even a verbal protest, accepting this life as fate. That was seen from the actual crisis. The Serbs, concernedly resigned, awaited both possible

outcomes—American bombs or Albanian secession. The Serbs have become an unarmed nation, without defensive reflexes, exactly how they were shaped by an alienated system.

In that case, if the people remain quiet and accept the rule which would not survive in any civilized state in the world, why the suspension of the Constitution and laws, ruling by decrees, banning of media, divisions of patriots and traitors, threats of arrest and the inflamed atmosphere of war or extreme measures?

Your duty is, Mister President, to such an atmosphere and lawlessness, without delay, to resist. To return the confidence in government and reach a peace agreement with the citizens of your country. You will succeed if:

- Break the coalition with Vladislav Sesel and the Radical Party;
- Demand the resignation of the Serbian government and Premier Mirko Marjanovic;
- Suggest to Milan Milutinovic, President of Serbia, to call elections or mandate the position of Premier to an individual capable of forming a competent government of experts;
- Come to a peace with the governing coalition in Montenegro;
- Ask for the resignation of the Federal government, return the mandate to coalition Premier Mile Djukanovic and recognize his mandate in the Federal parliament;
- Return interethnic confidence inside Yugoslavia and include representatives of national minorities in the political system of the state;
- Engage yourself in revoking the Law on universities;
- Prevent the hunt on media and Journalists;
- Begin a genuine privatization, strengthen free markets and the social state;
- Show determination and results in the battle against crime in the state apparatus;
- Provide an independent judiciary and a strong respect for the division of government on a lawful, executive and judicial basis;
- Return Yugoslavia to international institutions and renew world confidence in Yugoslavia and her citizens;
- Define our national orientation in accord with the civilized achievements of the developed world, raise the candidacy of Yugoslavia for the European Union and Partnership for Peace.

Mister President, for your people these thirteen points represent a choice between hope and hopelessness. Without hope, in a system that does not respect any of the Ten Commandments, your rule and your position are becoming illegitimate. A government and a president who do good for their people can claim legitimacy.

This letter to you is our humble donation to the battle of freedom from fear.

Belgrade, 19 October 1998

RESISTANCE

Aim: Spreading the ideas of civilian resistance to the repression of the Serbian regime in all segments of society.

Holder of the project: In the first phase students and professors of the Belgrade University. In further development of the situation the aim is to gather the widest front of Serbian citizens whose mutual interest is to offer resistance as individuals or as groups and thus to prevent repressive behavior of the Milosevic regime in those segments of society where it develops—first of all in academic freedom, in free thought and speech (independent media) and in civil and human rights (general political liberalization of society).

Organisation system: Since repression is present in a lot of segments and levels of everyday life, the need for resistance as a logical answer to the regime is constantly growing. The structure is fully opened and decentralized. For the moment in the structure of the movement are representatives of Belgrade University faculties and representatives from several cities in Serbia. Its structure will spread as the resistance itself spreads. The Resistance movement has no prejudices towards representatives of various groups or organisations. On the contrary, everyone, as an individual or as groups, who support Serbia without repression and who is fighting for democracy, is welcome. Furthermore, everyone who is ready to organise or participate in some public actions is welcome too. At the moment, there are negotiations about including the representatives of independent trade unions and disappointed pensioners in the movement. The cooperation with the free media is for a longer period of time very good already. Naturally, such activity is followed by open and decentralized organisational structure which is constantly enlarging with people from different fields of public life, who decided to contribute to the Resistance movement. A lot of famous persons (such as Rade Serbedzija, a famous actor, Djordje Balasevic, ambassador of the good will in U.N., other famous politicians, journalists etc.) use the word resistance and the symbol—clenched fist—in their public performances. At the moment, the resistance activities are coordinated by a temporary crisis board, which consists of many faculty representatives and the services for logistic, press and marketing.

Methods: Most accepted methods of the civilian resistance are

- Non-violent actions with a clear and understandable messages (such as the recent action under the slogan “No to installing fascism in Serbia”).
- Distribution of printed material (newspapers called “Resistance”, pamphlets posters) in order to inform B.U. students better about our struggle.
- Organizing protest tribunes and lectures whose lecturers are professors, though highly respected experts in the academic world, who are out of the course programs, thanks to repressive measures.
- Actions, whose aim is to increase civilian conscience to resist conveyed through alternative media (like distributing electric resistors on the streets or writing graffiti)
- Parallel teaching, held by first-class professors who are illegally excluded from their jobs, is already going on at the Faculty of hillology. This method will be put in effect everywhere where students and professors are directly attacked.

Other methods of public appearance such as public student meetings on squares and afterwards walking through the streets. All these activities and more have one aim—to increase the number of open-minded people and to convey the idea of resistance to a huge number of citizens.

Dynamics: In this phase our movement is active at four big faculties at B.U.: Faculty of Philology, Faculty of Electro-engineering, Faculty of Law and the Faculty of natural sciences. Activating the resistance at some of the faculties is directly connected with the increasing of the repression, firing professors and suspending students who talked in public against the repressive methods used by the regime-loyal Deans. Since the activities are spreading fast it is nearly impossible to show a clear picture of the following actions within the Resistance. The Faculty of Philosophy is very close to join the other for faculties in the protest, and several actions and video projections have been already organized in some towns like Nis, Novi Sad or Uzice.

Future plans:

- Spreading resistance at the whole Belgrade University and other Universities in Serbia.
- Cooperation with all friendly and democratic organized groups in Serbia and outside.
- The inclusion of a huge number of famous persons by promoting our ideas.
- Working on the territory of whole Serbia and also with democratic orientated students from Montenegro. First step—student march Belgrade to Novi Sad (45 miles) on December 16.
- Continuing with public manifestations, tribunes, producing clips, jingles and films followed by usual printed materials such as posters, leaflets, newspapers

Political attitudes: Resistance gathers individuals who differ in their political and ideological beliefs, as well as in their social surrounding they belong to, but the basic political attitude could be summarized into the following way:

Short term aims—with expanding resistance we create the widest front against repression in Serbia.

- To revoke the actual Law on University and adopt a new one. The proposal already exists and guarantees the full autonomy of the University and a high quality system of education.
- To support independent media in their struggle for revoking the present Law on informing.
- Constantly try to disperse fear among the people, fear on which the regime is based and mostly depends.

Long term aims:

- to give contribution to a global political liberalization so that democratic institutions can be stronger.
- To establish a society of justice based on the respect of free thinking and personal political and social rights.
- To develop interchange and cooperation with foreign Universities, as well as to improve the connection with Serbian students and experts in the world, who have been forced by the regime to leave the country
- To establish a solid political base for free elections.
- To join the European and worldly integrational streams.

Resistance is on the opinion that all these aims can be fulfilled in a near future, but these changes must be consequent and systematic. The first condition for reinstalling democracy in Serbia is the removing from power of Slobodan Milosevic and his regime. That is what Resistance will constantly be fighting for.

**STATEMENT BY PAUL B. MCCARTHY, NATIONAL ENDOWMENT
FOR DEMOCRACY**

Mr. Chairman and Members of the Commission:

I am pleased to appear this morning to address this important issue. I represent the National Endowment for Democracy (NED), a private, nonprofit organization created in 1983 to strengthen democratic institutions around the world through nongovernmental efforts. With its annual congressional appropriation, NED makes hundreds of grants each year to support prodemocracy groups in Africa, Asia, Central and Eastern Europe, Latin America, the Middle East, and the former Soviet Union. Many NED-funded programs have been conducted by the Endowment's four core institutes: the International Republican Institute (IRI), the National Democratic Institute for International Affairs (NDI), the Center for International Private Enterprise (CIPE), and the American Center for International Labor Solidarity (ACILS). A substantial portion of the work has been carried out by scores of other organizations abroad (some with partners in the U.S.) working in such areas as independent media, human rights, civic education, rule of law, and conflict resolution.

NED has been assisting democracy building programs in the former Yugoslavia since 1988, and in Serbia, Montenegro, and Kosovo since the disintegration of the Yugoslav Federation. During the wars of Yugoslav succession and the U.N. embargo, NED was one of the few Western organizations, along with the Soros Foundation and some European foundations, to make grants in the Federal Republic of Yugoslavia (FRY), and to work with local NGOs and independent media throughout the country. The NED concentrates its funding in the following areas:

INDEPENDENT MEDIA

NED programs have helped ensure the survival of a number of independent media and helped break the stranglehold of government-dominated media in Serbia by strengthening influential sources of objective information. NED assistance has enabled newspapers, radio and TV stations to purchase desperately-needed supplies and equipment, including newsprint and broadcast transmitters. Past grantees have included the newspapers Nasa Borba, Vreme, and Danas, an independent TV station in eastern Serbia, TV Negotin, the prominent news agency BETA, and the important Belgrade station, Radio B-92. In addition, the Association for Independent Electronic Media (ANEM) received Endowment funds to expand its high-quality news programming which is broadcast throughout Serbia/Montenegro through ANEM's wide network of affiliate radio stations. NED funds have also been used to bring talented young journalists from the FRY to the United States for professional internships.

NON-GOVERNMENTAL ORGANIZATIONS**HUMAN RIGHTS ORGANIZATIONS**

NED grants have been used to promote greater respect for human rights and improved inter-ethnic relations. For example, NED funding is providing assistance to the Humanitarian Law Center (HLC), the most important domestic nongovernmental source of information

on human rights practices in the Federal Republic of Yugoslavia (FRY), to continue the operations of its branch office in Kosovo which monitors the human rights situation in the province, and investigates and documents cases of human rights abuse.

YOUTH PARTICIPATION IN POLITICS AND YOUTH LEADERSHIP

If Serbia is to develop into a truly democratic state, young people must be encouraged to participate in the political process and a new generation of leaders must be prepared to take responsibility for the country's future. With Endowment support, the Center for Democracy Foundation, a prominent Belgrade-based nongovernmental organization led by Dragoljub Micunovic, organized a School for Democracy for secondary and university students in Serbia in Subotica in July 1997. The forum helped facilitate the exchange of ideas and promote cooperation between young activists who are committed to reforming Serbia's moribund political and economic system.

THINK TANKS

NED has a particular interest in supporting independent think tanks and research institutes which focus on policy development and the promotion of civil society. The Belgrade Center for Human Rights (BCHR) has received NED assistance to encourage Serb academics, journalists and civic activists to participate directly in the formation of policy for the democratic political opposition in Serbia. With this support, the BCHR is establishing a Legislative and Constitutional Policy Group (LCPG) which will address fundamental issues affecting Serbia's future and propose courses of action that will promote democracy in the country.

NGO DEVELOPMENT AND NETWORKING

NED is committed to supporting the struggling NGO sector at the grass-roots level. The Center for Anti-War Action (CAA) has received Endowment funding to promote the development of an independent civil society in Serbia by fostering political activism in the country's larger towns and cities and by strengthening nascent nongovernmental organizations outside of Belgrade. CAA has established regional affiliates in four key provincial cities in Serbia whose core activities are town meetings and educational seminars. Through this program, CAA is encouraging cooperation and information exchange between local NGOs and developing their organizational, networking and conflict resolution skills.

TRADE UNIONS

With NED funding, the American Center for International Labor Solidarity continues to assist UGS Nezavisnost, a multi-ethnic trade union confederation which opposes the Milosevic regime. As its 300,000 members cope with unemployment, political repression and general economic decay, Nezavisnost has continued to oppose the anti-democratic policies of the government, counteract the regime's propaganda, and challenge the hegemony of the Serbian political elite and the unions they control.

PROMOTING ECONOMIC REFORM

NED assistance encourages the development of new thinking in Serbian economic reform policy. The Center for International Private Enterprise (CIPE), in coordination with the European Movement of Serbia (EMS) and the G-17 group of independent economists, is conducting a research program to identify barriers to private sector development at the local and federal levels and to promote legislative change. EMS is working with local communities to develop strategies for private sector growth within the framework of open competition and public/private cooperation. EMS is publicizing its activities and recommendations through a coordinated campaign of debates, seminars, and media outreach.

CHALLENGES FOR THE FUTURE

Western assistance organizations should give increased attention to following areas of work:

INDEPENDENT MEDIA

Western organizations should increase direct support to the independent media in Serbia, Montenegro and Kosovo. Special attention should be given to supporting the independent electronic media in Serbia, such as Radio B-92 and TV Negotin, in order to challenge the domination of the airwaves by the Milosevic regime. The Association of Independent Electronic Media (ANEM) should continue to be aided in its efforts to establish an independent TV network covering all of Serbia/Montenegro.

Because of the new media law, independent print media like Dnevni Telegraph and Danas will need alternative means of printing and distribution. Assistance should target the establishment of small "underground" print shops and distribution networks. In addition, a legal defense fund could be established to defend journalists fined and otherwise attacked by the authorities.

ASSISTANCE TO THE DEMOCRATIC POLITICAL OPPOSITION

The West should help the democratic political opposition develop a concrete program which offers positive alternatives to the destructive policies of the Milosevic regime. Democratic think tanks, independent research organizations and expert groups should be supported to develop these alternative policy recommendations. Furthermore, dissemination of this new democratic thinking to the broad public must be encouraged by fostering close cooperation among the think tanks, opposition parties and the independent media. Think tank programs focusing on practical policy development can also be helpful in identifying and nurturing new leaders. In addition assistance in policy formation, U.S. organizations like IRI and NDI should continue to provide opposition political parties with expertise in coalition building, message development, media outreach, improving the operations of party branch offices and election monitoring.

NGO DEVELOPMENT

We should encourage programs which improve cooperation between non-governmental organizations and which expand their media outreach capabilities. The first coordinating meeting of the Forum of Non-

Governmental Organizations held in Belgrade in June is a good first step, but more needs to be done in this area. Funding must also be directed at developing the leadership skills of NGO activists.

ALTERNATIVE EDUCATIONAL INSTITUTIONS; STUDENT ORGANIZATIONS

The university law has resulted in an assault on academic freedom in Serbia. Western funders must be prepared to support alternative educational institutions, like the newly formed Alternative Academic Network, which are being organized by oppositional professors who have been removed from their positions by the authorities.

In addition to alternative educational forums, Western assistance organizations must continue to look at ways to assist student organizations. For example, the student-led Anti-War Campaign protested the war in Kosovo during last spring and summer by distributing over one million leaflets throughout Serbia. Although one could debate the ultimate impact of such activities, it is important to continue assisting projects which keep student groups engaged in a constructive way in the future democratic development of their country. These activities can help develop the leadership and organizational skills of young people.

TRADE UNIONS

Support should continue to be directed at trade union activities which encourage the involvement of workers in civic and democracy building activities.

MONTENEGRO

The victory of anti-Milosevic forces in Montenegro has created an unprecedented opportunity for democracy-building activities in the tiny republic. Due to the crackdown on democratic forces in Serbia, Montenegro is becoming more and more a haven for the Serbian independent sector. For example, several prominent independent media in Serbia have recently re-registered and begun publishing in Podgorica. In the event of an even harsher crackdown on private television and radio stations in Serbia, Western funders should focus on developing electronic media which have the capacity to broadcast into Serbia from Montenegro. Furthermore, democratic forces in Montenegro, including media, think tanks, student groups, human rights organizations, must be supported financially, and nurtured through increased contact with their Western counterparts through Western-sponsored exchange programs.

INCREASED COORDINATION AND COOPERATION IN THE INDEPENDENT SECTOR; CROSS BORDER COOPERATION

Cooperation and coordination between organizations within the independent sector in Serbia and Montenegro has been a persistent problem. The recent parliamentary elections in Slovakia demonstrate that increased cooperation among pro-democratic organizations can help oppositional political forces on voting day. Assistance organizations should consider making a certain portion of their funding conditional on the ability of NGOs, independent media, political parties, trade unions, student groups and academics to organize joint projects across different sectors in Serbia. For example, one of the most im-

portant tasks is to increase cooperation between trade unions and political parties. In addition, independent media must be encouraged to report on the work of independent organizations such as trade unions, human rights groups, and independent think tanks. This will help to publicize the work of these organizations and help sensitize the public to the importance of the independent sector.

Finally, support should be increased for cross-border programs which promote the transfer of experience and advice from more advanced Eastern European countries, such as Poland, Bulgaria, and Slovakia, to the democratic forces in Serbia. In addition to being cost-effective, regional programs bring together democratic activists, forge strong bonds of mutual assistance and cooperation among independent groups across borders, and help break down ethnic, religious and historical animosities.