

Intelligence Report

DCI Interagency Balkan Task Force

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Serbia's Milosevic: Still on the Negotiating Track

Serbian President Milosevic appears determined to attempt to conclude a negotiated settlement, despite the Krajina Serb defeat in UN Sectors North and South in Croatia, and accusations of betrayal by Serb refugees flowing out of Croatia into Serbia.

- *Various reporting indicates Milosevic remains motivated by the desire to terminate UN-imposed sanctions on his regime and to use a negotiated settlement to legitimize and lock in remaining Serb territorial gains in Bosnia and perhaps in Croatia's Sector East.*

Continued Croatian Army advances into Bosnia or an attack against Sector East, will however, severely limit Milosevic's options and possibly trigger direct Yugoslav Army (VJ) intervention into the conflict.

Belgrade's Objectives

Milosevic's decision to not contest the Croatian takeover of the Krajina Serb-populated UN Sectors North and South, along with Belgrade's strong criticism of Krajina and Bosnian Serb leaders, indicates that Milosevic is attempting to consolidate his political control over a future, more compact greater Serbia that will include parts of Bosnia and perhaps Croatia. Milosevic probably was never dead set on controlling all of the territory carved out by the Serbs in Croatia and Bosnia since 1991.

- In 1993, Belgrade was prepared to give up most of the Serb-occupied areas of Croatia to Zagreb, to secure the Posavina corridor between Serbia and western Bosnia

Milosevic's overriding objective is to stay in power. The Croatian conquest of the Krajina removed for the Serbian leader the dilemma of defending distant Serb-held territory and has provided him the opportunity to eliminate key Serb rivals, especially Bosnian Serb leader Karadzic, who have impeded Milosevic's efforts to gain a negotiated settlement and legitimatization of a greater Serbia. Milosevic and other Serbian leaders claim that Karadzic's refusal to accept the Contact Group plan allowed Croatia time to train and equip forces capable of defeating the Krajina Serbs.

- Although Karadzic has the support of the Bosnian Serb assembly and other hard-line Serbs, his days as leader of the Bosnian Serbs are probably numbered. Even if he remains Bosnian Serb "President" real power is likely to increasingly flow to Bosnian Serb Commander Mladic, who is closer to Milosevic.

Milosevic almost certainly views the lifting of sanctions against his regime as integral to his maintaining power, especially in light of the almost 150,000 Krajina Serb refugees will burden Serbia's already depressed economy.

- [redacted] Milosevic will, at a minimum, insist on a sanctions relief package along the lines spelled out in EU-envoy Carl Bildt's peace package. [redacted]

Still in Position to Negotiate

Milosevic's control of the security services, most of the media and senior officers in the VJ ensures his control of the reins of power in Belgrade for the foreseeable future. It has enabled him to avoid blame for the fall of the Krajina by shifting it to the Krajina and Bosnian Serb leadership.

- Since the Croatian takeover of the Krajina, the pro-government media in Belgrade has steadfastly claimed that the Krajina Serb leadership is as much to blame for the Krajina debacle as Zagreb because it failed to accept the initial Zagreb-4 proposal granting the Serbs limited autonomy within Croatia. [redacted]
- Milosevic has also defused, for the moment, the potentially explosive presence of large numbers of disgruntled Serb refugees in Serbia. Serbian authorities have dispersed the refugees relatively quickly to

This memorandum was prepared for Ambassador Richard Holbrooke, Assistant Secretary of State for European and Canadian Affairs [redacted] Office Of European Analysis. Comments and queries are welcome and may be directed to Chief, DCI Interagency Balkan Task Force [redacted]

Vojvodina, southern Serbia, and the ethnic-Albanian populated province of Kosovo. According to US diplomatic and other reporting, Serbian police have cordoned off Belgrade--the only place in Serbia where opposition to the regime has been voiced--to the refugees and are threatening to send fighting-age male refugees to the Bosnia battlefields as a form of intimidation.

- Milosevic appears also, for the moment, to have successfully muzzled the ultranationalists. White Eagle leader Mirko Jovic was arrested after participating in pro-Krajina protests on 5 August and Vojislav Seselj's influence appears to be decreasing. [redacted]

Belgrade Amenable to Contact Group Plan Modification

Various reporting--and Milosevic's acceptance of previous peace plans--suggest that the Serbian president would agree to key aspects of the latest US initiative and be willing to press for Bosnian Serb acceptance. Milosevic appears to believe that Mladic will be more receptive than Karadzic to negotiating a settlement.

- [redacted] Mladic, unlike Karadzic, wants to conclude a negotiated settlement with the international community--or launch an all-out Bosnian Serb offensive to win the war--because he believes the Bosnian Serb forces cannot sustain indefinitely the low-intensity warfare being waged in Bosnia.
- Milosevic probably is calculating that the defeat of Krajina Serb forces in Croatia will lead Mladic to question how long he can count on Belgrade's assistance if he chooses to prolong the war. Various reporting also indicates that Mladic relies on the VJ for key supplies for his Bosnian Serb forces. [redacted]

Gaining Milosevic's recognition of Bosnia and Croatia stands to be more problematic. [redacted] Milosevic was moving toward recognition of a Bosnian entity--but not the Izetbegovic government or as a internationally recognized state--in July in exchange for sanctions relief.

- He was more reluctant to recognize Croatia, a sentiment that will be reinforced by the collapse of Sectors North and South and the presence of angry Croatian Serb refugees in Serbia. [redacted]

[redacted] Milosevic's response to the Croatian attack on Sectors North and South, however, suggests that he may be inclined to eventually negotiate the status of Serbs in Sector East within the Croatian state, mostly if he gains immediate sanctions relief.

- Indeed, Milosevic probably would agree to initiation of negotiations based on the Zagreb-4 plan that allowed for delayed implementation of any agreement that called for the Krajina Serbs in Sector East to come under Croatian rule. [redacted]

Backs To the Wall

It is difficult to ascertain the specific circumstances that would prompt major VJ intervention into the conflict besides a major Croatian attack on Sector East. Former federal Yugoslav Foreign Minister Jovanovic earlier this month warned that Belgrade would not stand by if its vital interest were threatened, but failed to define those interests.

- [redacted] VJ forces are mobilizing along the Serbian-Croatian border near Sector East--probably in order to deter a Croatian offensive. They could also be used, however, for a VJ deployment into eastern Croatia or the Posavina corridor in northern Bosnia.
- Montenegrin President Bulatovic implied to the US Charge on 10 August the VJ forces in Montenegro might intervene to stop Croatian Army attacks near Trebinje that could trigger refugee floods into the Montenegrin capital of Podgorica.
- Reported Croatian plans to occupy current Bosnian-Serb-held territory in southern Hercegovina to the Montenegro border also could trigger a response.
- [redacted] Belgrade almost certainly would intervene if Croatian or Bosnian Government forces threatened Banja Luka or cut off the Posavina corridor that links Serbia to western Bosnia. [redacted]