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# brief 34

Defense Reform  
and Conversion  
in Albania,  
Macedonia and  
Croatia



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Macedonian soldiers patrolling along  
the border with Kosovo.



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## Defense Reform and Conversion in Albania, Macedonia and Croatia

**Tobias Pietz**  
with **Marc Remillard**



# List of Acronyms and Abbreviations

AAA	Albanian Atlantic Association
AAF	Albanian Armed Forces
ANP	Annual National Program
ARM	Armed Forces of Macedonia
BA&H	Booz, Allen and Hamilton
CAF	Croatian Armed Forces
CARDS	Community Assistance for Reconstruction, Development and Stabilization
COSS	Council for Oversight of the Security Services
DP	Democratic Party of Albania
DPA	Democratic Party of the Albanians
DUI	Democratic Union for Integration
EAPC	Euro-Atlantic Partnership Council
EPD	Economy and Privatization Directorate
ESDP	European Security and Defense Policy
EU	European Union
ICTY	International Crime Tribunal for the Former Yugoslavia
IOM	International Organization for Migration
JNA	Army of the Federal Republic of Yugoslavia
JNSC	Joint National Security Committee
LEPEZA	(spectra) Macedonian Resettlement Project
LTDP	Long Term Development Plan
MAP	Membership Action Plan
MAPE	Multinational Advisory Police Force
MOPO	Ministry of Public Order
MPRI	Military Professional Resources Inc.
NACC	North Atlantic Cooperation Council
NAMRA	National Association of the Military in Reserve
NCO	Non-Commissioned Officer
NDC	National Demilitarization Center
NLA	National Liberation Army
PARP	Planning and Review Process
PCC	Prague Capabilities Commitment
PDP	Party for Democratic Prosperity
PG	Partnership Goals
PMC	Private Military Company
RASDP	Reintegration Assistance for Separated Defense Personnel
SAA	Stabilization and Association Agreements
SAIC	Science Applications International Corporation
SAP	Stabilization and Association Process

SDR	Strategic Defense Review
SDSM	Social Democratic Union of Macedonia
SP	Socialist Party of Albania
SP	Stability Pact for South- Eastern Europe
SPECTRA	Separated Personnel Care and Transition Program
TDF	Territorial Defense Forces
TRADOC	Training and Doctrine Command
UNEP	United Nations Environment Program
WEU	Western European Union

**The Geneva Centre for the Democratic Control of Armed Forces (DCAF)** was established in October 2000 on the initiative of the Swiss government. The Centre encourages and supports states and non-state governed institutions in their efforts to strengthen democratic and civilian control of armed and security forces, and promotes international cooperation in this field, initially targeting the Euro-Atlantic regions. To implement these objectives, the Centre:

- collects information, undertakes research and engages in networking activities in order to identify problems, to establish lessons learned and to propose the best practices in the field of democratic control of armed forces and civil-military relations;
- provides its expertise and support to all interested parties, in particular governments, parliaments, military authorities, international organizations, non-governmental organizations, academic circles.

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# Executive Summary

Albania, Macedonia and Croatia are entering a phase of defense restructuring that most Eastern European countries have already surpassed. A sufficient degree of stability has been established in the Western Balkans following the wars and domestic unrest of the 1990s, in which reform processes and potential disarmament was brought to a halt. This *brief* deals with the military reform and the defense conversion process in the aforementioned countries. Among the issues covered are the adoption and implementation of strategic-doctrinal documents, and the modernization and downsizing of armed forces, including the reintegration measures for redundant personnel and the arrangements for sale and conversion of military bases.

The current goal of defense reforms in Albania, Macedonia and Croatia consists mainly of establishing small, modern, effective, deployable and interoperable professional armies. With the adoption of strategic documents, legal frameworks, and with the downsizing of personnel already in an advanced stage, the essential yardsticks of defense have been met. This *brief* concludes that the reforms have been guided primarily by external actors, namely by NATO, foreign Private Military Companies (PMC) and bilateral support by the US and various EU countries. NATO's influence has played a particularly formative role, as reforms are one of its priority issues, carried out through various programs and activities. All three countries consider these reforms as a test of their capability and willingness to adopt and implement the rules and standards of NATO as well as a step towards potential EU membership in the future.

Theoretically, defense reform should help adjust national institutions to NATO standards in civil-military relations as well. This *brief* argues that the role of national institutions in guiding the reforms remains rather

subordinate. The relations between the main security players, such as the Parliament, the President, the Prime Minister, and the Defense Minister demonstrate contradictions between defense laws and everyday practice. Very few NGOs are involved in security and defense matters, as they mostly repeat the stereotypical goal of NATO integration without providing civilian expert input. Additionally, the legacy of the communist past continues to perpetuate a culture of secrecy and influences civil-military relations in Albania, Macedonia and Croatia.

The findings of this *brief* further show that the defense reform process in the Western Balkans is complex. This is because it involves not only the improvement of civilian and democratic oversight and the modernization of the armed forces and the Ministries of Defense, but also the adaptation of the armed forces to the new global, regional and local strategic environment. Yet public opinion in Albania, Macedonia and Croatia associates defense reforms more with the closure of military sites, loss of employment and a decline in living standards for former military personnel. Despite achievements in the defense reform process, the Western Balkan countries have achieved differing degrees of success regarding the restructuring of their armed forces, the reintegration of redundant military personnel, and the conversion of military sites for civilian purposes. The reintegration of ex-military men into civilian life remains a secondary problem, as it is not an integral part of defense reform. The issue does not seem to be a priority for NATO or PMC either, leaving it up to weak national institutions that act under huge financial constraints and with limited integration possibilities of national economies and labor markets. An exception to this is the strong, financial and structural involvement of the International Organization for Migration (IOM) in the Croatian reintegration process.

Regarding the concrete programs which are currently implemented for the reintegration of redundant personnel, only Croatia's SPECTRA program can be judged as successful by the author, while all the other programs are either deficient or have just entered the implementation phase with very modest outcomes. The lack of available funding and qualified expertise for the preparation and implementation of reintegration programs delayed the start of the LEPEZA program in Macedonia. At the same time, the inability of the MoD in Albania to offer a realistic reintegration program has forced it to focus on improving pension benefits for ex-military men, despite the fact that funding capabilities to implement the pension law for ex-officers is rather minimal.

The conversion of military sites remains vague in all three countries. State officials often equate the term with the transfer or sale of military property and equipment, or a modernization or income generation, but not necessarily with benefits to individuals, local communities or regions. At times, the modernization of military bases for new operational tasks is also referred to as conversion. As a rule, the national MoDs are the institutions that are responsible for implementing and controlling the conversion of military property. Consequently, sale or renting is used as the main "conversion model" with the main purpose being to generate funds. Such a money-making approach may in part explain the lack of transparency in the process, and why the MoDs cannot be seen as impartial brokers.

To improve the overall performance of the conversion activities of the three countries, this study recommends to:

- Increase transparency in all planned and currently undertaken conversion activities, but especially within the process of the transfer and sale of military bases, sites and assets. The model

of an independent agency for conversion would guarantee more transparency and streamline bureaucratic procedures.

- Avoid duplication of structures and efforts but use synergies such as the integration of IOM into the set-up of the SPECTRA program, which could be used for other activities in defense conversion as well. Moreover, NGOs should be involved in making the process more cost-efficient, and, in the case of retraining and resettlement, to have civilian partners on board for reintegrating ex-military into society and the economy.
- Drop high expectations for profits from transfers and sales. They are not likely to materialize. The environmental issues in particular could backfire on the planned sales. An option to attract new funds in times of low donor interest for military reform is to request financial support for the clean up of polluted military sites. Though this presents no financial gain in the defense budget, it presents a positive benefit to communities.
- Increase and institutionalize the exchange of experiences in the region on defense reform and concrete conversion projects. Structures like the new Defense Conversion Cell at RACVIAC can provide important support for this purpose.
- Provide the message that no social benefits automatically result from a military career, but rather that each soldier has a civilian identity and personal responsibility to society.

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Nevertheless, it goes without saying that only the author is responsible for the views expressed in this study.



# Introduction

Defense reform, the restructuring of armed forces, NATO integration and defense conversion are common issues for the Western Balkan countries. International organizations, such as the Stability Pact for South Eastern Europe (SP) and NATO, think tanks, NGOs, and private companies are trying to respond to a growing demand by national governments for financial help and expertise to cope with the implications and consequences of military reforms and defense conversion.<sup>1</sup> Similar to other areas of post-socialist transition and transformation, the Western Balkan states are entering a phase which most Eastern European countries have already passed with varying degrees of success. A sufficient degree of stability has been established in this region following the wars and domestic unrest of the 1990s, in which reform processes and potential disarmament was brought to a halt. Euro-Atlantic integration is becoming a likely prospect for a growing number of states in the region while old threat perceptions are slowly changing. Judging by the recent strategic defense and security papers published in the region, military reforms and the resulting conversion needs are gaining importance in all Western Balkan countries.

This study deals with military reform and the defense conversion process in general. Among the issues covered are the adoption and implementation of strategic-doctrinal documents, and the modernization and downsizing of armed forces.<sup>2</sup> Part of the implementation of these goals is the build-up of an appropriate defense planning system, an adequate and affordable resource allocation, a proper and efficient budgetary system, a clear, transparent and efficient procurement process, human management systems, appropriate social programs to deal with the adverse effects of the reform, public communication strategies, and an efficient decision-making system. The ultimate goal of these reforms

consists in establishing small, modern, effective, deployable and interoperable professional armies as opposed to conscript-based forces.

More specifically, this study analyzes the developments, achievements, and shortcomings of defense reform and defense conversion in Albania, Croatia and Macedonia. The study attempts to single out the main factors that influence military reform and defense conversion. It is based on information gathered during field trips to all three countries in March and April of 2005, and to NATO in December 2005. Albania, Croatia, and Macedonia were selected to complete a series of studies issued jointly by the Geneva Center for the Democratic Control of the Armed Forces (DCAF) and the Bonn International Center for Conversion (BICC) covering almost all Western Balkan countries.<sup>3</sup>

The text of the following study has three country chapters and an overarching conclusion with recommendations. Each country chapter begins with a general description of the state of the military reform, the status of Euro-Atlantic integration, and the degree of progress in establishing functioning civil-military relations. The main subchapters are the analysis of policies, plans and activities in the field of military reforms and the two most relevant fields of defense conversion: the retraining and resettlement of discharged military personnel and military base conversion.

The criteria chosen to measure the achievements and shortcomings try to answer the following key questions: how realistic is the process of reform planning (realism)? How efficient is the institutional framework of reform (efficiency)? How sufficient are the financial and human resources (sufficiency of resources)? What is the role of external support for reforms (external support)? By applying these indicators the author aims to provide feedback on achievements and shortcomings of military reforms and defense conversion and to make recommendations on managing the

process of military reform. This feedback could then be used to formulate lessons learned to better the national processes of each country analyzed in this study.

In discussing various elements of the defense reform four aspects are presented: first, the strategic planning, e.g., those documents necessary to develop a conceptual orientation of the whole defense reform; second, the implementation process; third, the characteristics of armed forces to be achieved by the reform; and fourth, basic principles for executing the process. This will include the security and defense strategy, the financial aspects of the process as well as the strategic defense review.

Defense conversion is seen by national and international actors as an integral part of a comprehensive Defense and Security Sector Reform process in the Western Balkans.<sup>4</sup> Conversion has been described as the transformation and re-use of various kinds of military assets for civilian purposes.<sup>5</sup> Therefore, activities like retraining and resettlement of redundant military personnel, and redevelopment, clean-up of environmental contamination, and rehabilitation of military bases all fall within the realm of conversion. However, with regard to the defense conversion in the Western Balkan states—namely in Croatia, Albania and Macedonia—national and international actors involved are using differing definitions of and approaches to this concept of conversion, often following slightly diverging agendas. The concept of defense conversion itself remains vague, but it is mostly understood as referring to downsizing, resettlement and reintegration of military personnel, the conversion of military bases and property as well as the conversion of defense industries. State officials often equate the term with the transfer or sale of military property and equipment; with modernization or income generation; but not necessarily with the benefits to individuals, local communities and regions. Sometimes the modernization of military bases for



new operational tasks is also referred to as conversion. The Ministries of Defense of the three countries under study show similar expectations and visions of defense conversion as those of other Balkan countries such as Serbia and Montenegro.<sup>6</sup> For these countries, defense conversion is expected to provide funding for the modernization of military bases or overall military reform.

However, experience shows that it is unrealistic to see defense conversion as a means of generating major funds for defense reform.<sup>7</sup> Savings through downsizing are only moderate and the direct income from the sale of assets is markedly reduced by the costs of environmental clean-up. As such, the profits of conversion for society are often not directly measurable in financial terms, but are rather of a general nature: a cleaner environment, additional and improved infrastructure for local communities, and more housing, etc. Similar to the way the Peace Dividend did not materialize as had been hoped, the profits of defense conversion in the Western Balkan countries are unlikely to meet the optimistic expectations currently held in the regional Ministries of Defense.<sup>8</sup>

The defense reforms in the Western Balkans have been primarily driven by the involvement of NATO. NATO's outreach has played an indispensable role in the region and reforms are one of its priority issues, carried out in particular through various programs such as the Euro-Atlantic Partnership Council (EAPC), the Partnership for Peace (PfP), the Membership Action Plans (MAP), and the Planning and Review Process (PARP). These programs are considered as "a vehicle to promote essentially the same vision of defense reform, depending on each Partner's needs".<sup>9</sup> NATO through its PfP and MAP is among the main promoters of defense reform in the Euro-Atlantic area.<sup>10</sup> In particular,

the defense reform in the Western Balkans presents a huge challenge for all countries concerned and is a test of their capability and willingness to adopt and implement the rules and standards of NATO. However, it is understandable that the armed forces of the Western Balkan countries are psychologically and linguistically unprepared to immediately start co-operating with NATO.

Although reform needs are perceived differently in the individual countries, "NATO members usually refer to three 'baskets' of ideas of defense reform":<sup>11</sup>

- 1) Defense restructuring and reform of defense management practices and institutions;
- 2) Development of defense capabilities required to meet both new and traditional defense-related challenges; and
- 3) Action that will increase the countries' ability to contribute to NATO-led crisis response operations. Those involved in NATO's PfP program and respective activities with the partner countries in the Western Balkans have interoperability with NATO forces as their prime objective. Defense conversion is therefore a function of the overall goal of modernizing defense and military related strategies, structures and equipment.<sup>12</sup> Interoperability in possible future joint operations is the prime objective for NATO, and this is likely to remain so in the near future.

Whatever the underlying conception of "conversion", the reform process should be guided by basic principles. Any reform must be accompanied by strong political support, and should be carefully planned and adaptable during the course of implementation. Defense reform requires a clear understanding of the security environment, the capability to anticipate and translate threats and challenges into adequate force plans as a part of an overall strategic assessment, and the ability to

secure governmental and parliamentary support for sufficient resources. Given the importance of a coordinated inter-agency approach, the reform process should also be designed as a national project.

The defense reform process in the Western Balkans is complex. It involves the improvement of civilian and democratic oversight, the modernization of the armed forces and the Ministries of Defense, the adaptation of the armed forces to the new global, regional and local strategic environment—rendering the armed forces capable to deal with the new kinds of security threats and conflicts—and the capability for international interoperability to help solve crises and cope with terrorist threats.<sup>13</sup> This presents a huge burden not only for the defense sector alone, but also for the environment and society as a whole.

# Albania<sup>14</sup>

## Defense Reform

Albania has not experienced an overt interstate conflict or frontier change during the past decade, but rather a spell of internal disorder in 1997, which required a brief NATO military intervention (“Operation Alba”). This was sparked by the collapse of the pyramid investment schemes that were initiated in the early 1990s, and many people lost their life savings as a result. This situation gave rise to widespread public unrest in March 1997, during which 1,300 army stores were looted by the general population. During this turmoil, it is reported that over 550,000 SALW and about 900 million rounds of ammunition were taken from military depots. The government lost control over most of the country and the environment became highly insecure.

During the civil unrest the army was also disintegrated. However, the process of defense restructuring was not so much influenced by events in the security environment as by “...frequent changes of defense policy, a lack of any realistic resource management system, and a tendency to develop plans for force structures that try to save the jobs of the existing officer corps.”<sup>15</sup> Basic strategic documents, like the National Security Strategy and the Defense Policy, were adopted in Albania only in February 2000, the Military Strategy in August 2002, while the White Book is still pending to be passed through parliament.<sup>16</sup> These documents describe plans for the implementation of the reform process up to 2010 in a more realistic manner, compared to previous plans. The Military Strategy set three main goals for the defense reform, namely “...to develop a professional army, reducing the number of conscripts and increase defense budget per 0.1 per cent of GDP annually till 2010.”<sup>17</sup>

Since NATO’s “Operation Alba”, there has been international support for security improvements, and there is widespread public and political

support for closer cooperation with NATO. Consequently, the Albanian government holds the opinion that the Albanian Armed Forces (AAF) have to be downsized, professionalized and modernized in order to be compatible with other armies in NATO. Therefore, almost all changes within the AAF are the result of the goal of NATO membership, including the revised draft of the Military Strategy (2004) labeled as “Strategy of NATO-integration”. This fact has generated some criticism in Albania that the real mission of the AAF is to meet the NATO military standards as soon as possible.<sup>18</sup> However, the Military Strategy sees the main mission of the AAF as providing combat readiness for defense; monitoring and surveillance of Albania’s sea, air, and land territorial space; participating in humanitarian assistance and disaster relief operations; fighting terrorism; and participating in peace support operations.<sup>19</sup>

The AAF has been undergoing transformation since 1992. Albania’s armed force structure until the year 2000 comprised 5 divisions/32 brigades with no engineers, logistic or civil protection structures. The main aim of AAF restructuring, which is planned to be completed by 2010, is to achieve a smaller but more capable force with appropriate financial resources.<sup>20</sup> In 2000, the Albanian government put forward a plan with two stages: to first transform the AAF into smaller, more efficient forces during 2000-2004, and then to modernize them during 2005-2009. The AAF had to be downsized from 43,000 to 31,000 troops.<sup>21</sup> In 2002, Albania launched a 10-year defense reform strategy sponsored by the US Department of Defense in order to trim down and thoroughly modernize the AAF.<sup>22</sup> The Military Strategy of 2002 mandated the AAF’s strength to be at 18,000<sup>23</sup>, 70% of which have to be professional soldiers, and 30% conscripts. Conscripts that ended

their military service but had chosen to remain in the AAF were to make up the future professional army. Plans foresaw a force strength of 14,500 active duty personnel in peacetime, with an additional 2,000 civilians. They also authorized 20,000 soldiers in reserve formations.<sup>24</sup>

However, in mid-2003, due to a reassessment of security threats and affordable resources, the Albanian Assembly authorized a further downsizing from 31,000 to 16,500 until 2010. In fact, the revised Strategy of 2004 no longer mentions the strength of the reserve, but rather states: “the AAF’s active component will be supported by an appropriate and reasonable Reserve Force.”<sup>25</sup> This decision was based not only on fiscal realities and a mission analysis, but also on the desire to meet NATO criteria for membership. A former high-ranking defense official claimed that the current personnel strength of the AAF was something controversial, estimating them to be at around 12,000 – 13,000 as of March 2005.<sup>26</sup> NATO officials revealed the intriguing fact that the AAF has reached the number of 16,500 by this year, almost 5 years ahead of the original plan.<sup>27</sup>

According to the Military Strategy, the AAF is restructured into 5 Commands: Land Forces, Air Forces, Navy Forces, Training and Doctrine, and Logistic Support Command. According to the revised Military Strategy, the Land Forces are based mainly in Zall Herr, Vau i Dejes, Poshnje and Yzberisht. They consist of a Rapid Reaction Brigade, the Engineer Brigade, a Commando Regiment, and a Communication Battalion. Five Reserve Infantry Brigades are subordinated to Land Forces Command. The Air Forces are based mainly in Tirana (Rinas) and Farka, as well in two reserve bases (Kuçove, Gjader). They consist of one multi-purpose helicopter Regiment, fixed-wing surveillance aircraft, an air defense brigade and troop School. Navy Forces consist of two Naval Districts (Durrës and Vlora), a

Logistics Battalion (maintenance and repair), a Shipyard for maintenance and other supporting elements.

Training and Doctrine Command (TRADOC) is concentrated mainly in Tirana and Vlora. TRADOC is composed of the Defense Academy, the Military University “Skenderbej,” the NCO Academy, Basic Training Brigade, Logistic Battalion and Center of Military Scientific Research. The Logistic Support Command provides support for the Armed Forces throughout Albania’s territory. It is composed of a Supply Brigade, a Transport Brigade, a Maintenance Base, a center of maintenance at Depot Level, an Import-Export warehouse, a Central Laboratory of the Armed Forces, and the Logistic Troop School. In addition to the 5 Commands, the General Staff has its autonomous units, such as the Joint Operations Center, Communication Battalion, Support Battalion, Military Police Battalion, Center of Radio Intelligence Service, the Civil Protection Base, and the Central Military University Hospital. The General Staff itself has been modified according to NATO standards into nine “J-departments” dealing with Personnel, Intelligence, Training, Logistics, Planning, Communications, Resources Management, Public Health and Civil Military Relations.<sup>28</sup>

The transformation of Albania’s military education system is almost finished and from NATO’s point of view, is the best achievement of Albanian defense reform.<sup>29</sup> The ‘Skenderbej’ Military Academy achieved the status of a defense university and remains the main institution for training officers for the Albanian Army, Air Force and Navy. The development of a career NCO corps is seen as a crucial goal of AAF’s professionalization. The military education reform—ongoing since 1992—focuses on increasing NCO’s staff that already has a university degree.<sup>30</sup> The specialist training schools of the different military branches are preparing infantrymen, tank crews,

communicators, artillery-men, pilots and others over a one-year period, while the Basic Training Center is in charge of the basic training of soldiers. In addition to the domestic system, hundreds of military personnel have been trained in Western countries. Since 1993, the US has been spending USD \$1 million every year to train the Albanian military. Fifty people take part in the training program each year; however, not all of them are willing to go back to the AAF after training abroad, and for those who do return, it is not easy to find an appropriate assignment for them.<sup>31</sup> Among those laid-off in 1997, 400 officers had received training in the West.<sup>32</sup> The hope of the MoD is that these officers will still be needed for the envisaged tasks of the AAF in the future. However, there is no apparent logic in having officers trained in Western academies, only to let them go.

The priorities of the AAF’s draft Equipment Modernization Program include the individual soldiers kit mainly for the units deployed abroad<sup>33</sup>; Command and Control Systems for which investment is ongoing; equipping the Helicopter Regiment with Search and Rescue (SAR) and troop transportation helicopters; equipping the Coast Guard with fast patrol boats and SAR- helicopters; and strengthening of maintenance structures and transportation support.<sup>34</sup> However, the only secure sources of equipment modernization are donations and grants, the most recent of which was an Italian donation of 6 vessels.<sup>35</sup> In addition, in August 2005, Albania was granted US \$8 million by the United States for its role in international peacekeeping and the global war on terror.<sup>36</sup> Considering maintenance and other such problems, however, the Albanian MoD is now more critical about accepting different kinds of equipment as donations and instead requests concrete help for specific partnership goals.<sup>37</sup>

The defense budget for 2005 was 12,963 million Leks (about US \$129.63 million) or 1.5 per cent of the GDP. This marks a real increase of 20 per

cent compared with 2004, with a planned annual increase of 0.1 per cent of GDP until 2010<sup>38</sup> (Albanian GDP as of 2004 was US \$17.46 billion<sup>39</sup>). After 2010, the government intends to sustain these defense capabilities with funding that amounts to approximately 2 per cent of the GDP. However, expectations that downsizing and modernization will decrease the military budget are not well-founded. NATO is also skeptical as to whether the annual increase of the defense budget by 0.1 per cent of GDP will be achievable, as defense reform is not a priority of the Ministry of Finance.<sup>40</sup>

### Euro-Atlantic Integration

Albania was among the first post-socialist countries that joined the North Atlantic Cooperation Council (NACC) in June 1992 and the Partnership for Peace (PfP) in February 1994. The PfP program based on the defense Planning and Review Process (PARP) has contributed to the restructuring of the Albanian military establishment and capabilities according to NATO standards. In April 2002, Albania accepted a demanding Partnership Goal package, whose implementation is supposed to be part of the new AAF Structure and Implementation Plan for the period 2002-2010. NATO’s Membership Action Plan (MAP) mechanism tailored an assistance program that focused on rebuilding the armed forces, which included help in a) establishing the conceptual framework for armed forces<sup>41</sup>, b) starting a structural reorganization of the military and c) managing specific problems, such as ammunition storage and ordnance disposal. The fact that Albania was not included in the second wave of NATO enlargement has increased the pressure on the government to improve its defense sector. The 2008 summit will most likely deal with another round of enlargement, and thus the year 2006 might bring Albania a new invitation.<sup>42</sup> It is hoped by the Albanian military and both sides of the political spectrum that joining

NATO would mean less expenditures for the army and more security for the country;<sup>43</sup> however, the experience of Eastern European countries shows that a professionalized army in fact requires more expenditures.

The Albanian military is of the opinion that NATO expects from them the capacity for interoperability, stability and cooperation, including a contribution to NATO peacekeeping operations. Tirana sees the growing participation of new NATO-aspirants in missions abroad as a relief from the burden of military personnel from Western NATO-members.<sup>44</sup> Working with NATO for Albania means working with individual NATO-countries, particularly with the US, Italy, Greece and Turkey. Such cooperation includes military equipment assistance, training, and the procurement of spare parts.<sup>45</sup> For instance, the private US-American company "Science Applications International Corporation" (SAIC) is supervising the Albanian defense reform financed by the US Department of Defense.<sup>46</sup> Although it is known that the SAIC is responsible for all management training for the Defense Finance and Accounting Service, it was not possible to obtain more information about the Company's activities in Albania. Even the web site of SAIC does not disclose its presence in Albania.<sup>47</sup>

The NATO permanent mission in Tirana, situated within the MoD, is monitoring the fulfillment of Albania's bilateral agreements and provides the Government with political and technical advice. NATO's MAP helps Albania to focus its preparations on meeting its relevant goals and priorities.<sup>48</sup> The Annual National Program (ANP) covers political, economic, defense, resource, security and legal issues.<sup>49</sup> The Planning and Review Process (PARP) was introduced within the PFP, based on a bi-annual planning cycle, and was designed to advance interoperability and increase

transparency among the allies and partners.<sup>50</sup> The Partnership Action Plan on Defense Institution Building (PAP-DIB) aims to enforce reforms and takes into account the OSCE Code of Conduct on Politico-Military Aspects of Security.<sup>51</sup> The PAP-DIB includes possible new measures to facilitate and harmonize operational cooperation between the security structures of member states, including those beyond the responsibility of the MoD.

Practically all the changes within the AAF are undertaken with the goal of NATO membership in mind. However, due to the classified nature of many strategic documents, it is not possible to define the actual size and impact of NATO activities on the AAF's transformation.<sup>52</sup> The formal eligibility criteria for NATO membership was initially outlined in the 1995 Study on NATO Enlargement.<sup>53</sup> This includes mainly non-military criteria like a functioning democratic political system and a market economy; treatment of minority populations in accordance with OSCE guidelines; resolution of all outstanding disputes with neighbors and a commitment to the peaceful settlement of disputes; and the ability and willingness to make a military contribution to the alliance and to achieve interoperability with other members' forces. Nevertheless, these criteria are only loose requirements and not necessarily prerequisites; though they may become so with Albania's potential bid to join the EU.

Although the EU is not involved in Albania's defense reform, the rule of law is currently a target area that the country must tackle in order to attain candidate status for both the EU and NATO. EU relations with Albania are part of the EU's Stabilization and Association Process (SAP). Under the SAP, Albania may negotiate Stabilization and Association Agreements (SAAs) and getting trade access and other ties to the EU on the condition that it meets further specific political and economic criteria. The EU thus invokes the prospect of eventually inviting Albania to join the Union as leverage for insisting on a series

of reforms to bring the candidate states' political and economic systems in line with European standards.<sup>54</sup> Albania has filed formal applications for membership and a SAA has been under negotiation since January 2003. The November 2005 Progress Report on Albania in the context of the Stabilization and Association Process registered progress in a number of areas, but called for improved results in fighting organized crime and corruption, enhanced media freedom, further electoral reform and swifter property restitution. The Commission's November 2005 Enlargement Strategy Paper found that Albania's reform progress paved the way for the conclusion of SAA negotiations. Signature of the agreement could take place in the first half of 2006. In December 2005, the European Council adopted a revised European Partnership for Albania, which identifies short and medium term priorities that Albania should address to serve as a checklist against which to measure progress, and to provide guidance for assistance under the EC. These priorities reflect Albania's particular stage of development and are tailored to its specific needs.<sup>55</sup>

The overall objective of the EU's assistance is to bring Albania closer to EU standards and principles, and to prepare the country for gradual integration into EU structures. This will also have an impact on the security sector in Albania, including the military. However, without having yet signed an Association Agreement with the EU, Albania has no formalized cooperation with the Western European Union (WEU). Nevertheless, the WEU is present in Albania. In March 1997, a fact-finding mission from the WEU Planning Cell was sent to Albania to monitor the situation following public unrest. In May 1997, the WEU Council decided to establish a Multinational Advisory Police Force (MAPE) in Albania, in order to provide advice and training to the Albanian police. Moreover, WEU is examining if further contributions could be made



in accordance with NATO assistance programs in the field of military training and for restructuring of the Albanian armed forces.<sup>56</sup>

The integration of Albania into Euro-Atlantic structures is considered an important element also in the context of the Stability Pact (SP) for South Eastern Europe. The idea of the SP was to strengthen the countries of South Eastern Europe “in their efforts to foster peace, democracy, respect for human rights and economic prosperity in order to achieve stability in the whole region.” Euro-Atlantic integration was promised to all the countries in the region.<sup>57</sup> Albania and other countries in the region misperceived the SP as an additional source for financial support, which did not hold true. These high expectations have since been abandoned because the activities of the SP have not generated any concrete projects in Albania so far.

Many performance indicators show that progress has been made in Albanian’s relations with NATO and EU but, all in all, the country has not yet met their standards and is still very much behind in official rankings regarding corruption, freedom and democratic consolidation.<sup>58</sup> Nevertheless, a future invitation to join NATO is considered among the Albanian military as a given and taken by the population at large as an eventual step towards EU membership. All political parties in Albania have NATO and EU membership as political priorities, but neither organization has made a formal decision as of yet.

#### *Regional Cooperation*

The issue of NATO membership has influenced regional cooperation between Albania and other Western Balkan NATO partners. The basic platform for such cooperation is the Adriatic Treaty Agreement of Partnership between Macedonia, Albania and Croatia (2003). The Treaty is seen as a means of regional

stabilization, speeding up the potential for development, democratic and economic reforms in the country. The Treaty is a key document on the basis of which the US and other NATO members can help the region reach the standards for NATO and EU membership. The “Adriatic process” is seen as a vehicle that will take countries smoothly through the MAP process to the final strategic objective of NATO membership.<sup>59</sup> Regarding regional conflict potentials, Albania has always tried to remain as neutral as possible in the ethnic conflicts in Kosovo and Macedonia, and seeks normal relations with neighboring Slavic states. During the various interviews held by the authors, no perceptions of threat were expressed vis-à-vis Serbia, though there was strong support for Kosovo’s independence.

#### **Political Guidance of Defense Reform**

Meeting NATO’s standards for defense capability is potentially a force for both democratic reform and military modernization in Albania. However, the ongoing defense reform requires a permanent adjustment of national institutions to meet NATO’s standards in civil-military relations in particular, which has not yet been accomplished.

According to its Constitution, Albania is a parliamentary republic, whereby the Parliamentary Assembly is supposed to be the supreme state institution. The parliament must approve all strategic documents on national security and defense policy and exerts control over the armed forces. However, according to many local and external experts, the Assembly is only pretending to exercise oversight over the security sector and performs its functions very poorly. Especially with regard to national security and defense policy, the parliament has been playing a rather marginal role. For example, the parliamentarians have to rely on information released by the government and the military, which are the very institutions that they are expected to oversee.<sup>60</sup> A lack of proper debate is also evident even

when defense-related documents are approved. This is mainly attributed to the limited expertise of many parliamentarians on the issue of defense, as well as to a lack of interest. Military issues are also rarely on the agenda of local NGOs.

What is more, parliamentarians do not have the resources, expertise or the time to keep a close watch over the complex activities of the Government. Budget control is also supposed to be at the heart of parliamentary control, though this is an area where there is a gap between constitutional provisions and parliamentary practice. In Albania, the draft law on the budget is approved by the Parliament, which must then act upon it during the three months of the end of the preceding budget year. If the Parliament fails to do so, the Government can spend the same monthly amount as the average monthly expense of the preceding year.<sup>61</sup> Elected by the Parliament, the President of the country has a rather ceremonial function as the General Commander of the Armed Forces and head of the National Security Council (NSC). According to the Constitution, the NSC is an advisory body to the President, discussing and providing him with opinions on issues of defense policy, arms control and security matters.<sup>62</sup> In practice, the meetings of the NSC are geared mainly for PR purposes and thus rarely have an impact on national security and defense policy.<sup>63</sup> The Prime Minister approves the organizational structure of the army and co-ordinates the work of institutions involved in defense policy. Incidentally, the former Prime Minister, Fatos Nano, created another advisory institution—the National Security Committee—that does not have any legal or constitutional basis. This committee consists of the same ministers as the NSC and is tasked with the approval of key national security documents and long-term programs.<sup>64</sup> The National Security Committee under the Prime Minister is a good example of the contradictions and

gaps that exist between constitutional provisions and everyday political practice in Albania.

#### *Decision-Making in Defense*

The Minister of Defense is a civilian position. The individual in office has full authority over all military and civilian personnel within the department and the armed forces in peacetime, and over the general management of the Armed Forces. The incumbent is responsible to the Parliament, the President and the Prime Minister for implementing the defense policy. The Minister of Defense also has the authority to propose changes in defense policy and the budget, and takes most of the decisions regarding Albania's defense reform process. Between 1997 and 2005, the Albanian Government had eight different Ministers of Defense, resulting in the inconsistent and inefficient implementation of the reform agenda.<sup>65</sup> While the Chief of General Staff<sup>66</sup> is responsible to the President, as well as the Prime Minister and the Defense Minister, his subordination to these authorities is not always clear. For example, in his daily work, the Chief of General Staff cooperates with the Minister of Defense, but in times of war he may be elected Commander of the Armed Forces.<sup>67</sup>

According to Albanian experts, the decision-making process on defense reform proceeds as follows: policy ideas are launched by the Council of the Ministers, specifically by the Minister of Defense. Many ideas emerge from the political contacts between the Minister (and high level military officers) and NATO high officials and experts. Once these ideas are formalized into concepts, it is up to the military experts led by the Chief of General Staff to translate them into short and medium term programs and plans. The Minister of Defense then proposes these plans for adoption by the Parliament.<sup>68</sup> However, the implementation of these programs and plans is problematic and resembles the

movement of traffic on the streets of Tirana, where most of the drivers do not follow the rules. More specifically, if the 'drivers' of institutions do not feel that they will be caught for breaking the rules, they are less likely to have any respect for the law.<sup>69</sup>

Institutional co-ordination is known as the Government's Achilles' heel. With little experience in following legal and administrative rules, high level officials and relevant experts find it difficult to co-ordinate their efforts. This results in continuous delays, gaps and inefficiency in implementing political programs. In addition, the constitutional status of the President and the Prime Minister is an issue that generates tension between the two institutions, since both often hold different views on defense and foreign policy.<sup>70</sup> It is interesting that such a complicated relationship between the President and the Prime Minister is not seen by NATO as such a big problem, but rather as typical for the region.<sup>71</sup>

Moreover it is important to keep in mind the legacy of the communist era, when there existed a close link between society and the military, but not necessarily a positive one. The military became alienated from the communist authorities that used nationalistic rhetoric to justify their repressive policies.<sup>72</sup> Again in 1997, one of the first consequences of AAF-restructuring following the change of government was the discharge of 1,500 officers of different ranks from the AAF, the military academies, the General Staff, and the Ministry of Defense.<sup>73</sup> The reason for their discharge was that these officers were appointees of the Democratic Party and were thus replaced by officers "loyal" to the ruling Socialist Party. However, the current attitude in the general public towards the military is one of respect, but many also hold the opinion that it should only play a modest role in today's society.<sup>74</sup>

#### *NGOs and Media*

The NGO sector in Albania relies on foreign donors and focuses more on issues related to democratization, human rights, and economic issues rather than on military ones. Very few NGOs are involved in security and defense matters, none of which have yet presented a serious assessment of Albania's security challenges.<sup>75</sup> Because of the lack of expertise on security issues among members of the political parties, the stereotypical goals of NATO membership are taken as representative of Albania's security needs.<sup>76</sup> To the question: "What is the impact of civil society on defense and security policy?" a high-level MoD official replied: "No impact."<sup>77</sup> Public awareness of security and defense issues is very rare, and there exists an attitude that such issues are classified despite the fact that political documents on defense and security issues are generally not classified as Secret. Nevertheless, in practice, access to even a basic military document is often a challenge.

Under the framework of NATO integration, state institutions provide the media with lots of information, giving the impression that membership is the only issue for AAF transformation.<sup>78</sup> The military newspaper "Ushtria" (Army) and magazine "Mbrojtja" (Defense) provide information for the AAF and are not widely known outside the AAF. Even for the military these publications are more like propaganda than good sources of analytical information.<sup>79</sup> From time to time, the non-military newspapers publish some low interest articles on defense issues, but since the media is supposed to be oriented toward public interest, military issues are not necessarily a profitable topic.<sup>80</sup> Since there is no disagreement on the security and defense policy between the Government and the opposition, there are no scandals, disputes or any "hot news" to report on the issue. Nevertheless, journalists are often accused by military officials of not being qualified enough to cover security and defense affairs. But this



is most likely due to the fact that they often ask controversial questions; for example, “What is the army doing today?”, “Why do we need this large army in a completely different internal and external security environment?”, “What does defense reform mean at all? We do not know! We do not see any exercises!”, and “Where are the taxpayer’s money going?”<sup>81</sup>

To say that Albanian defense reform is in need of greater transparency is to state an obvious fact. The Communist legacy in Albania continues to perpetuate a mentality whereby all defense issues are classified. Restricted access to information on matters of national security will likely remain a reality in Albania for the near future. However, the Communication and PR Strategy of Albanian defense reform could be changed. A new information campaign of the MoD should aim not only toward gaining public support for NATO membership, but also serve as a source of information on what this reform entails, why it must be done, and what benefits it will bring to Albania in particular and to the stability of the region as a whole. The MoD has the requisite resources to initiate such a policy by updating its website on a regular basis and using the media as a means of communicating success stories of reform rather than disseminating propaganda. The Euro-Atlantic perspective should be a powerful stimulus for the development of a well-functioning military bureaucracy in Albania that meets the standards of NATO countries. International actors, who continue to apply pressure on the reform process, will gradually reduce their lead role in terms of financial support, and thus Albania will have to face the challenge of cultivating local buy-in and ownership over defense reform. In addition, there is a disconnect between the political elite and demobilized officers with regard to the reform process, the latter of which are frustrated by the consequences of this process, including base closures and the loss of jobs. This frustration, however, can be decreased by a new

PR and communications strategy of all national institutions involved in the reform process, which will also help generate local buy in and support.

## Defense Conversion

### Downsizing in Albania: Benefits instead of Resettlement

The restructuring of the AAF foresees the complete or partial closure of garrisons and the relocation of units. Consequently, more than 17,000 officers and NCO were released from the military service during the period 1992-2004 (13,000 officers and 4,000 NCOs). Among these, 9,530 retired during 1992-1995; another 5,400 in 1996-2000; and a further 1,140 in 2001-2002. Only 930 officers and NCO actually left the AAF during 2003 – 2004.<sup>82</sup> A total of 211 officers will have to be demobilized in 2005-2006, the large majority of which are between the ages of 40-55. The number of redundant officers and NCOs is astonishing. It is thus surprising that no reintegration programs for ex-military men have been implemented or even prepared for a long time. The position of many high-ranking MoD officials is that the current pension law covers all needs of ex-military men sufficiently.<sup>83</sup>

#### *Pensions and Benefits*

Redundant officers are entitled to a transitional salary for 2 years (3 for women), amounting to 50 per cent of

their monthly average salary during their last year of service. If the soldier is 47 years old (42 for women) and has fulfilled at least 15 years of service (12 years for women), he or she is entitled to an early pension starting at 50 per cent of his/her final salary. The new draft law, “On the supplementary social insurance of the AAF military personnel of the Republic of Albania,” was approved by the Albanian Parliament on 20 May 2005.<sup>84</sup> It defines significant changes in receiving a transitional salary, as well as early and supplementary pension. According to the new law, a transitional salary will be offered to ex-military men who served in the AAF for over five years. They are entitled to two bonus salaries commensurate with their rank and 50 per cent of their monthly salary over a period of two years. An early pension is offered to ex-military men with 15 years of service (12 for women) and who are the age of 47 (44 for women). This pension is provided until the individual reaches the regular pension age.<sup>85</sup> The early pension amounts to 50 per cent of their original monthly salary, with an additional 2 per cent for each year of service. A supplementary pension provides 40 per cent of the full pension amount, plus 2 per cent for each year of service, independent of age if an individual spent 15 years in military service (12 years for women). The annual costs of the new law’s implementation amount to 75 million Leks (US \$720 000). The new laws were passed in January 2006, leaving doubts as to whether there will be sufficient funding for their full roll-out.

## Figure 1: Benefits for ex-military men

Source: *Albanian MoD, May 2005*

Pension benefits	Number of personnel
On transitional salary	1,595
On early pension	8,566
On supplementary pension	1,963
No support due to lack of work experience	4,876

The number of ex-military personnel currently included in the social insurance scheme is 12,124; another 4,876 of redundant staff will remain without support until at least 2006 due to a lack of necessary working experience.<sup>86</sup>

The additional benefit of the new law includes the opportunity to apply for a low rate of credit (3%) in order to buy or build a house.<sup>87</sup> This is a remarkable point because housing is not provided to officers in the AAF; active officers have to rent flats and houses. Only a small number of young officers live in military hotels and barracks—facilities that are often lacking the most basic standards of comfort.<sup>88</sup> However, in reality, only high-ranking officers in active service enjoy the possibility of receiving such credit after applying to a special commission in the MoD.<sup>89</sup> Most of the other demobilized officers do not have such reintegration support.

Apart from the legal provisions, the MoD's assumption is that the majority of retired officers are already integrated into civilian life.<sup>90</sup> However, only 1,862 retired personnel have found employment with or without the help of the MoD. A large part of these individuals were "reintegrated" into the Albanian security sector, 270 of which were civilian positions within the Armed Forces, 103 within the Intelligence Service, 563 within the police units of the Ministry of Public Order (MOPO), and 97 in State justice divisions. The remaining 839 individuals found positions within local governments, as well as financial, educational, and private sector structures.<sup>91</sup>

*Draft Resettlement Program*

More than 17,000 officers and NCO were released from military service during the period 1992-2004, but until recently there was no attempt by the MoD to develop any reintegration program for them. The first effort in this direction was done not by the MoD but rather by an NGO, the Albanian Atlantic Association (AAA). The Draft Resettlement Program

**Figure 2: Ex-military men employment statistics (1992-2005)**

Source: *Albanian MoD and authors calculations, March 2005*

Agency	Number of personnel
Civilian position of AF/MoD	270
Ministry of Public Order	563
National Intelligence Service	103
Penitentiary Department	80
Court Institutions sore	10
Construction Police	7
Others	839
<i>Total</i>	<i>1872 military personnel</i>

(2003) of the AAA aimed to assist the efforts of the State in creating a system for social adaptation of redundant military servicemen. The basis of the program was supposed to be the creation of so-called "Resettlement Centers", which aimed to provide job orientation courses in five different areas: Tirana, Shkodra, Korça, Gjirokastra and Vlora.<sup>92</sup> The funding of the Program, estimated at 2.8 million Euro over a period of four years, was expected to come from external sources. The Program was scheduled to start with a Pilot Project in 2004 but was delayed and finally cancelled due to a lack of agreement with the MoD.<sup>93</sup> According to the MoD, the high rate of management personnel costs was the reason behind their disagreement, as well as "the low number of ex-military" within the AAA organization, which apparently rendered them less credible in representing the interests of discharged soldiers.

Although the Draft Resettlement Program was focused more on post-military orientation and required an amendment to its reintegration components, it was the only plan that enjoyed the attention and support of NATO's Economic Directorate.<sup>94</sup>

According to the President of the AAA, at least 40 per cent of MoD funding was needed in order to attract external investors for the program, but in reality there was no single donor who was actually willing to provide such financing. While NATO supported the program, its funding intentions were minimal. In addition, the AAA was politically close to the opposition Democratic Party at the time, and thus there appeared to be little reason for the former ruling Socialist Party (SP) to support the program.<sup>95</sup>

*Draft Program on the training and integration of the military to civil life*

The termination of the MoD and AAA's cooperation was of little consequence. At the time of writing, the MoD's activities in the field are quite modest. The recently drafted "Program on the training and integration of the military with civil life" is planned to be a joint project of the MoD and the Ministry of Labor, and attempts to tackle the gaps of the AAA's Resettlement Program.<sup>96</sup> Namely, the approach has changed: cooperation between the MoD and the Labor Ministry is foreseen in the form of using and maintaining 36 already existing regional employment

offices. The draft program is an improvement because it expresses an understanding that training and re-training measures should take into account the needs and requirements of the labor market. However, it is essential to create a long-term strategy for combating unemployment, one in which a reintegration program for ex-military men is an integral part. The intention of the draft is to promote self-employment of demobilized soldiers through small business courses on how to acquire credit, and it also promotes greater transparency and NGO involvement, which are steps in the right direction. According to the draft, the Board and Managing Staff will share responsibility with NGOs and external experts in the design and creation of reintegration programs. The approximate funding requirement amounts to 100,000 Euro, which is modest compared to the three million Euro required for the AAA draft program.

The practical steps of the project's set up consist of two phases. According to the MoD, Phase I is ongoing and includes short-term courses provided exclusively by the MoD.

The number of people trained in such a way is planned to reach 130. This will cost 1,975,000 Leks (about US\$

20,000) of internal funding. Phase II is supposed to offer courses in business-administration, Italian language, topography, small business funding, electric-repair, auto service, plumbing, tailoring, computing, secretary and cosmetics skills. The second phase is planned to be provided by the Ministry of Labor and Social Affairs and needs extra funding by the Government and other donors. However, there are few employment prospects for participants of both courses.<sup>98</sup> These two phases can therefore be seen as small inputs by the MoD to start and attract external funding at a later stage.

The draft does not include a description of the costs for the planned activities and products; in fact, many activities are planned without a concrete description of the terms. There is no data on how long the preparation phase will last and how long it will take for staff training. There are also no clear achievement indicators. However, as of June 2005, a common working group was created by the Ministry of Defense, the Ministry of Social Affairs and the National Association of the Military in Reserve (NAMRA) in order to "identify the right qualifications in compliance with the categories of military personnel to be reduced" and to "evaluate the costs per person for each course."<sup>99</sup>

#### NGOs' Activities

The non-governmental sectors' activities for the reintegration of ex-military men are modest, but compared to the MoD capabilities they appear to be more focused.<sup>100</sup> While the MoD agrees to cooperate with NGOs and associations of ex-military men, it has its "preferences". For example, the National Demilitarization Center (NDC) specializes in issues of small arms and light weapons (SALW), ammunition disposal and retraining. This NGO enjoys the attention and, more importantly, the financial support of the US Embassy in Tirana. The MoD sees the NDC as the "true" representative of ex-military interests; it is the largest association of ex-military men, with 250 former officers.<sup>101</sup> The NDC conducted an "SALW awareness education project", whereby four ex-officers were employed. Additionally, the NDC is offering "train the trainers" courses and "computer training" for future weapons collection projects and ammunition disposal. These courses are preparing 25 to 29 former officers to work on the safe handling of ammunition and light weapons, and international legislation for the demolition of SALW.

Another association, which is informally involved in supporting

### Figure 3: Phase I

Source: *Albanian MoD*<sup>97</sup>

Course	Number of participants	Term (2005)
3-month English course (2)	30 (15 + 15)	March-May September-November
computer course (2)	20 (10+10)	April and June
laboratory assistant course	15	May-June
vehicle driving course	8	March-May
Mechanics course	12	September-October
Air traffic control course	10	April-May
Meteorology course	10	April-May

ex-military men is the National Association of the Military in Reserve (NAMRA).<sup>102</sup> NAMRA is not only a preferred partner of the MoD but even has its office in the MoD's headquarters and a network of 70 to 80 reserve officers throughout the country.<sup>103</sup> NAMRA tries to lobby for ex-military men by offering legal advice on pension issues. In the absence of State support, NAMRA also tries to help with the employment of reserve officers through personal networks in the security and customs sectors.

A major objective of the 1995-2000 reform was to offer the new military officers the opportunity to obtain a university diploma. It was envisaged that officers could pursue this degree after finishing the 'Skenderbej' Military Academy as full or part-time students. However, because of the high costs and frequent interruptions of part-time studies, this objective was rendered impossible.<sup>104</sup> The choice of pursuing a higher education still remains—there are possibilities for studying for future civilian jobs through weekend courses in the universities of Tirana, Skodra, Vlorë and Elbasan. Active and retired officers also have the opportunity to get diplomas in economics, journalism or law through weekend courses over four years.<sup>105</sup> Unfortunately, the cost of this education is high at US \$700 per year, which an active or retired officer cannot necessarily afford. Moreover, the high level of unemployment in Albania does not bode well even for those with university degrees. In such a situation, it is difficult to get a broad public support for the special treatment of former soldiers in such a poor country with 17 per cent unemployment.<sup>106</sup> As a result of all these factors, Albanian ex-military men are generally disappointed with the lack of reintegration support from the Government.

The Albanian military survived the collapse of socialism in contrast to the former state planning apparatus of the Communist Party. National armies turned into symbols of Statehood, national independence

and power. From this point of view, demobilization and reintegration of retired officers should involve the creation of new social roles, networks, professional identities, as well as helping officers to overcome psychological stress. However, reintegration also requires a re-conceptualization of the military institution, which requires public dialogue and the participation of political parties and the media. A national strategy for the reintegration of ex-military men should be worked out by asking the following questions: should ex-military men in Albania be integrated into civilian life and support the State social security system by paying taxes; or should they rather be protected by this system? It seems that the Albanian MoD prefers the second option by upgrading the pension law. To date, the draft program remains in the preparatory phase and focuses only on post-military orientation without convincing reintegration components. To improve it, if such willingness exists, it is advisable to study patterns of adjustment on the job market of those ex-military men laid off since 1993 and to amend the final draft accordingly. The goals of any potential program must be clearly formulated, particularly with regard to individual entitlements, and promises must be kept. This is also important for the credibility of the program and thus its attractiveness to external partners. It is also recommended that the intellectual support of international organizations, who are facilitating a range of bilateral meetings and working groups on issues of reintegration, be taken as a possible source of funding, presenting them with convincing arguments and realistic reintegration models.

#### **Base Conversion: Reuse and Modernization**

Albania still has a decentralized defense system. Before the regime change, the country had around 2,000 military sites dedicated to territorial defense, most of which belonged to the army.<sup>107</sup> At present, the total number of military sites, check points and installations amounts to 1,117. Between 586 -

600 military sites are planned to be released and converted in the near future.<sup>108</sup> Conversion planning for military property started in 1992, but only with a few concrete steps. During the last three years, the MoD has been in the process of registering all military property and conducted a feasibility study for the prospects of base conversion. According to MoD officials, the Draft Conversion Plan includes a Program of Military Property Conversion until 2010, but it was not possible to get access to the document at the time of writing.<sup>109</sup> While the Draft Conversion Plan was set to be passed through the Assembly at the end of 2005, it was still pending as of April 2006. There is also not much hope for transparency, as the Plan was announced to be partly classified.<sup>110</sup> According to the MoD, all types of bases need to be converted: air bases, navy bases and land forces sites.<sup>111</sup> All together, the MoD estimates that about 2100 ha of military property will be transferred.<sup>112</sup>

Similar to many countries faced with the need for base conversion, the MoD is the leading agency. It has conducted feasibility studies, drafted plans and will be responsible for their implementation. Primarily, the MoD is in charge for the reuse and modification of the military sites.<sup>113</sup> However, once the Defense Minister has made an appropriate decision, the responsibility is handed over to the National Privatization Agency which has the right to organize an auction.<sup>114</sup>

The conversion activities include the following types: military reuse; housing for officers; transfer to local governments; transfer to other state authorities; privatization; renting; and closure/demolishing.<sup>115</sup> The modernization of the AAF is the driving force for the sale or transfer of military property. In Albania, the whole process of the reorganization of bases—including also the increased use of locations for military purposes—is called conversion, thus using a much wider definition of this term. Such an increase in the use of locations for

military purposes can occur through the addition of base functions or a change of base status. Some military bases have only changed their status from active to reserve bases. Among them are the navy bases in Senin, Sarande and Porto Romano and air bases in Legu and Kucove.<sup>116</sup>

According to the MoD, all military sites taken together encompass about 6,000 different premises (mostly buildings).<sup>117</sup> Data on the different type of premises are not publicly available, though the largest number to be transferred to civilian use are located in rural areas. Since they are far away from urban zones, there is little demand from private investors.<sup>118</sup> The MoD handed over the military premises located inside urban zones to be used for housing active military personnel.

However, at the time of writing only a minor part of earmarked facilities (25 buildings) had been transferred for this purpose. The MoD also owns grounds that are appropriate for the construction of lodgings. The MoDs Economy and Privatization Directorate (EPD) is planning to use these areas for housing construction. Some of the facilities will be given to local governments, which are supposed to be end-users of ex-military property, though this transfer has to be declared by the Prime Minister.<sup>119</sup> A small number of military facilities (31) were already handed over to the municipalities, and the Emergency Ministry will receive a certain number of buildings as well.

Some of the military property will still be privatized or rented.<sup>120</sup> An unknown number are also planned to be closed

or destroyed, including military depots, points and ammunition depots.<sup>121</sup> The premises located at the Adriatic and Ionian could in theory attract the commercial interest of companies in and outside the country, though the policy of the MoD is to convert some of those military zones into recreation areas for military personnel and their families.<sup>122</sup>

Although the Albanian government has been open for external proposals regarding conversion, the MoD did not manage to attract donor or investor attention for civilian conversion.<sup>123</sup> As such, no external funding for this type of conversion is likely to materialize. On the flip side, there are expectations that privatization and the renting of military facilities could bring new funding into the military

### Figure 4: Military reuse model

Source: Albanian MoD official, March 2005.

Base Type and Location	Change of Status	Change of function
Navy bases Senin, Sarande, Porto Romano	from active to reserve	
Air bases Legu, Kucova	from active to reserve	
Air base near Tirana		Rapid Reaction Forces base
Land forces base Bunavia		Basic Training Center

### Figure 5: Conversion for civil purposes

Source: Albanian MoD, March 2005.

Applied model	Number
Transformation for housing	25 facilities
Transfer to local governments	31 facilities



budget—selling military property to private persons is seen as a money-making process itself.<sup>124</sup> However, the challenge is that foreign investors are not interested in military property in Albania.<sup>125</sup> External support from the US, Greece, Turkey and Italy is only available for the revamping of military bases.<sup>126</sup> Examples of such assistance are the navy bases near Vlore (Italian assistance) and Durres (Greek assistance), as well as the air base in Kucove (Turkish assistance). The Italian armed forces are eager to support the transformation of the air base near Tirana for use by their units in NATO’s Rapid Reaction Forces, while some of the already transformed reserve bases are foreseen to serve in support of NATO in case of emergencies.<sup>127</sup>

Surprisingly, the MoD assumes that there are no environmental problems with respect to the conversion of military property.<sup>128</sup> This is rather questionable as experiences with Eastern European military sites have proven that many of these were heavily polluted areas.<sup>129</sup> Moreover, some military sites are situated near areas notorious for environmental problems. One example is the navy base in Porto Romano, on the outskirts of the port of Durres. The area is so toxic that in 2001, the United Nations Environment Program (UNEP) declared it a “disaster area.”<sup>130</sup>

There are no experiences or plans of the MoD to combine base conversion with the reintegration of redundant military personnel. Some ex-military officer associations, like the NAMRA, have tried to locate empty MoD buildings throughout the country and acquire them for symbolic rent in order to create employment areas for other ex-military men, or as entertainment centers (such as casinos or night clubs) for active and redundant officers. The MoD has been skeptical toward such proposals despite the fact that, according to NAMRA, “over hundreds of buildings” were handed over from the MoD to other users through political ties.<sup>131</sup>

The MoD insists that base conversion is an ongoing process and about 20 per cent of the facilities have already been converted.<sup>132</sup> There is no independent way to confirm these statements because there is no access to statistics about what, when and how military bases were converted over the last several years. Although the MoD insists that the conversion process is transparent and that civil society is informed about its activities, a conversion plan is not yet available and access to it is expected to be restricted in the near future.<sup>133</sup> There is no information about the new owners of military property or of the MoD’s income from the privatization of military sites. Base conversion in Albania is definitely not transparent enough, similar to the downsizing and

resettlement processes. Moreover, it is the most confusing one, because the MOD’s representatives define base conversion primarily as a process of modifying or reforming current military sites for further military use. The transformation of military sites for civilian purposes is embedded within this process as well; hence it is not possible to acquire much information due to the high level of secrecy involved. It would therefore be advisable to separate the two processes of military and civilian conversion. In addition, as the MoD is the institution responsible for implementing and controlling the conversion of military property, it has an interest in privatizing or renting such property for financial gain. The MoD therefore cannot be an impartial or “honest broker” in this process, and it would be beneficial for another State agency or even NGO to help ensure that its self-interest is kept in check.

## Conclusions

In measuring the achievements and shortcomings of defense reform in Albania, it is clear that the first phase of this reform is almost finished given the adoption of strategic documents, a legal framework, and the “rightsizing” process already in its final stages. The National Security Strategy, the Defense Policy and the Military Strategy all provide plans for the reform process in a more realistic manner. From NATO’s

**Figure 6: External assistance for military bases reuse**

Sources: *Interview of MoD official, March 2005.*

Base type	Location	Assistance
Air base	Kucove	Turkish AF
Navy base	Vlore	Italian AF
Navy base	Durres	Greece AF
Air/ Rapid Reaction Forces Base	Rinas/ Tirana	Italian AF



point of view, only the first year was a difficult one where it had to apply pressure on Albania to move forward with military transformation. Since then, Tirana has been very engaged in defense reform.<sup>134</sup> However, even if the national legal and strategic framework has been established, military reform is guided primarily by external actors and through the mechanism of the MAP. It is therefore more of an international than a national project.

There is some justified criticism among security experts in Albania that the goal of meeting NATO military standards is the driving force behind defense reform as opposed to Albania's security environment, national defense requirements, or economy. Ironically, even these experts do not offer any alternative to Euro-Atlantic integration or to following NATO standards in defense reform. As a matter of fact, NATO requirements do not contradict the needs of Albania's national security and in fact consider the capabilities of Albania's national economy. Moreover, NATO standards positively influence the national defense management system and improve the professionalization of the AAF. Nevertheless, the expectations that downsizing will decrease the military budget and allow AAF to modernize are not well founded. Unfortunately, there is only verbal assurance from NATO's representatives that the defense reform process has progressed sufficiently, without any further comments or indicators of success or failure.

Nevertheless, meeting NATO's criteria and defense capability standards obliges Albania to adopt NATO's culture in political institution management, civil-military relations and military career preconditions. In this regard, there is justified concern among the Albanian military that the change of government means the end of their professional career for

many high-ranking and loyal officers to the previously ruling party. Despite assurances from the President Alfred Moisiu and of NATO's engagement, many officers hold the opinion that this policy will continue with every succeeding government. Another critical point is the lack of transparency in the defense sector, which was also proven in the course of gathering data for this text. The figures for defense restructuring stated in Government documents, by NATO headquarters and through interviews are not always identical. It is clear that the legacy of the communist past continues to perpetuate a culture of secrecy and influence civil-military relations in Albania.

Theoretically, defense reform should help adjust national institutions to NATO standards in civil-military relations. Unfortunately, the role of Albania's institutions in guiding the reforms remains rather subordinate and weak. The relations between the main security players, such as the Parliament, the President and the Prime Minister, demonstrate contradictions between the law and everyday practice. From NATO's point of view, however, the appropriate instruments for planning and budgeting in defense reform are in place in Albania. Obviously, there are two different realities (or statistics)—one for Brussels and the other for publicity in Albania. Since very few NGOs are involved in security and defense matters, many simply repeat the stereotypical goal of NATO integration. The media in particular are victims of a non-transparent environment and of the disinterest of the population in issues related to the defense sector.

Under these conditions, it is difficult to assess the ability of Albania's institutions to coherently manage its own reforms and generate public support. In fact, these functions are taken over by external actors like NATO and SAIC. Even if it is not transparent, the MAP mechanism outlines the goals for understanding and interpreting defense reform in

Albania, such as interoperability, stability, cooperation and participation. But we do not know enough about how the MAP actually works and for what purpose.

The demobilization of surplus military personnel must also be seen as part of an overarching process of restructuring. However, the reintegration of ex-military men into civilian life remains only a "regrettable" consequence, not a part of Albanian defense reform. The issue does not seem to be a priority for NATO or SAIC, leaving the issue to be dealt with by weak national institutions.<sup>135</sup> However, despite achievements with respect to defense reform, the main security actors in Albania are not able to deal efficiently with the consequences of the armed forces' restructuring, such as the reintegration of redundant military personnel and conversion of military sites. The lack of available funding and qualified expertise for the preparation and implementation of reintegration programs does not even permit them to start. Unfortunately, the intellectual support of international organizations cannot solve the problem either, and donors are not yet convinced of supporting a potential reintegration program in Albania. The inability to offer a realistic reintegration program forces the MoD to work in the direction of improving pension benefits for ex-military men, despite the fact that funding capabilities to actually implement the upgraded pension law for ex-officers is rather minimal.

The involvement of the government's employment offices, business associations, private job counseling agencies and ex-military NGOs in the defense reform process is desirable. However, the unwillingness of the MoD to co-operate with some NGOs due to their political affiliations or preferences does not help to unite the efforts for ex-military reintegration. Without external support, the MoD cannot focus on

business-oriented programs and self-employment courses for ex-military men. Consequently, ex-military businessmen are a very rare breed in Albania. In addition, it is regrettable that ex-military officers' NGOs do not influence the MoD in its reintegration policy, and can only hope for, but not expect broad public support for the special treatment of former soldiers. The absence of sufficient conceptual and legal frameworks for such reintegration can have a negative impact on the public's understanding of the whole reform process.

There are only a few concrete achievements in the conversion of military sites in Albania. The "Draft Conversion Plan until 2010", even if not publicly available, obviously lists what should be converted. However, the MoD uses the term conversion primarily for the modernization of military bases. A very small part of military property is actually planned for transfer to civilian use. Moreover, the MoD is the institution that is responsible for implementing and controlling the conversion of military property. Consequently, sale or renting is used as the main "conversion model" for generating funds. Such a money-making and self-interested system could explain the lack of transparency in the process. As such, the MoD cannot be seen as an impartial, "honest broker" in the process. On the other hand, any non state agency (or direct transfer of former bases to local and regional administrations) would be in need of subsidies, and no special funding for this purpose is planned or foreseen. Unfortunately, the Albanian Government did not manage to attract any external funds for base conversion.

The MoD also assumes that there are no environmental problems with respect to the conversion of military property, which is certainly questionable. In the case of barracks or warehouses, environmental problems may simply consist of waste, surplus material and scrap left behind, though they tend to be much more serious in the case of former air bases, missile bases, as well as fuel

and chemical storage facilities. There is no independent way to confirm the statements of the MoD that about 20 per cent of the military facilities were already converted. There is no access to statistics about what, when and how military bases were converted over the last several years. Base conversion in Albania is definitely not transparent enough, similar to the downsizing and resettlement process. Success stories of base conversion in Albania—for example the conversion of military sites into civilian residential areas, for educational purposes, or into social or cultural centers—were hard to come by.

Although there were substantial and detailed assessments<sup>136</sup> of the security and defense sector transformation in Albania, which enable an understanding of the problems involved and how to tackle them, the capability for institutional learning and course correction remains rather weak. The state of affairs of defense restructuring in Albania therefore does not only reflect its own lack of capability, but also the lack of transparency in the evaluation of external actors.

# Macedonia

## Defense Reform

The desire to establish a defense system according to current Euro-Atlantic trends and to become part of the wider European integration process was outlined from the very beginning of the Macedonian State.<sup>137</sup> The goal was to build Macedonia's own defense system and strategy and to incorporate it within collective defense and security.<sup>138</sup> The reform process began fairly early in Macedonia and has been rather slow in the first decade. Macedonia was not involved in the post-Yugoslavian wars of the 1990s; though it found itself on the edge of a full-scale civil war during 2001.

During the 1990s, Macedonia was seen as an island of peaceful ethnic coexistence in the region. However, this peace was built on the de facto division of the two main communities in the state—ethnic Macedonians and ethnic Albanians—who lived in more or less isolated but parallel societies, with a high degree of mutual mistrust. In February 2001, armed conflict broke out in north-western Macedonia between armed Albanian insurgents and Macedonian security forces. The National Liberation Army (NLA), recruiting insurgents from Kosovo and from the Macedonia Albanian community, employed guerrilla warfare and terrorist tactics, allegedly in protest against the discrimination of Albanians. This guerrilla conflict continued for six months and escalated ethnic tensions until the international community brokered a cease-fire agreement in August 2001—the Ohrid Framework Agreement. The agreement provided greater rights and representation for Albanians and an amnesty for the NLA fighters in exchange for the disarming and disbanding of the NLA.<sup>139</sup> The 2001 crisis between the Macedonian and Albanian communities in the country revealed a great deal of confusion and hesitation in implementing the legal authority of key governmental security institutions. Both Albanian and Macedonian militias were formed, as well as radicalized elements of the national police force.

Over the past few years, the Partnership for Peace program (PfP), the Membership Action Plan (MAP) and the Strategic Defense Review (SDR) have been catalysts for transformation and reform. The SDR was adopted by the Parliament in the spring of 2004 and reflects the National Security and Defense Concept (2003).<sup>140</sup> It is currently under review to ensure that it remains a relevant and viable document. The Macedonian Assembly has so far passed the Army Service Regulation Law (2002) and the Defense Law (2005). The main goal of the Army Service Regulation Law is to provide support for recruitment and retention of the military by creating a personnel management system based on a rational rank structure, developing an NCO corps and systematic military education. The Defense Law provides a base for the participation of Macedonian Armed Forces in operations outside Macedonia, imparts host nation support within Macedonia, and prohibits political activity within the armed forces.<sup>141</sup>

The National Defense system is transforming itself from one based on conscription and territorial defense to one that will be incorporated into Euro-Atlantic security structures. It includes plans for the army to be fully professionalized by 2008, with appropriate representation from all ethnic communities, adequate downsizing and the modernization of its equipment.<sup>142</sup> The Macedonian armed forces (ARM) will be restructured to create a small, efficient and modern force compatible with NATO and EU forces. The SDR also redefines the role of the ARM, which completed the transfer of duties for border protection to the Border Police at the end of 2005. A limited ARM counter-insurgency capability will also be developed after the ethnic Albanian opposition finally approves limited support for the police in the course of domestic security operations.<sup>143</sup>

With the successful outcome of the EU-led “Operation Concordia” in late 2003, the defense reform process has

been driven by NATO’s “Open Door” policy, which was reconfirmed at the alliance’s Istanbul Summit in 2004.<sup>144</sup> The strategic goal to become a member of NATO by 2008 drives many of the changes within the ARM and the defense system in Macedonia as a whole.<sup>145</sup> The Macedonian National Security and Defense Concept states that “The defense system should attach strong significance to and prepare special guidance and plans for the introduction of a system for planning, financing, programming, and budgeting in accordance with the NATO standards.”<sup>146</sup>

One of NATO’s membership requirements was the de-politicization of Macedonia’s armed forces. However, the formal process of de-politicization did not remove all of the political links and preferences of the elite classes. A change of political power in the course of elections usually means a change of high ranking officers in the Ministry of Defense (MoD), the General Staff and the ARM.<sup>147</sup> While the Macedonian Constitution does not prohibit military members from becoming members of political parties, Article 47 of the Defense Law clarifies that “...membership in a political party must not influence appointments, promotions, evaluation, education, additional training, rewarding and other rights of military persons and civilians employed in the ARM.”<sup>148</sup> Within the ARM, political parties or citizen associations may not be organized or functional. Military personnel while performing their service may not be guided by their political affiliation, nor can they express or represent those in the course of their duties or influence other persons. Military persons may not attend and participate in political gatherings and rallies wearing their uniforms, nor may they use any symbols of political parties.

Similar to other defense reforms in the Western Balkans, restructuring and downsizing is one of the key features of defense reform in Macedonia. The active peacetime component of the ARM was reduced from 16,000 in 2002

to 12,858 (including 70% professionals and 30% conscripts) in 2003.<sup>149</sup> As of March 2005, the total strength of the ARM—including employees at the MoD—was 8,869 civilian and military personnel: 1,556 of which are officers, 2,120 NCOs, 2,679 contract soldiers and 1,365 civilians.<sup>150</sup> As of May 2005, the number of conscripts was estimated at around 10,000.<sup>151</sup> The targeted strength, which is planned to be reached by the end of 2007, is 8,460 individuals, including 919 officers, 1,930 NCOs and 817 civilians. The number of contract soldiers is planned

to increase to 4,794, while conscription is planned to be abolished by the end of 2006.

It is hoped that the downsizing of the armed forces will correct the disproportionate number of officers in all ranks within the officer corps hierarchy. According to the Strategic Defense Review (SDR), the projected ideal rank composition inside the MoD and ARM is as follows:

The change from a conscript-based to a professional army is aimed for completion by the end of 2007.

Related to this is Macedonia's military professional education system, which is a critical point for the country's defense reform process. The only existing Military Academy was established in 1995 and its main task is to educate, train and provide professional development for ARM personnel.<sup>153</sup> However, most of the training services of the Academy are currently in moratorium due to a surplus of officers in all ranks. The latest class

**Figure 7: The current and planned strength of the ARM<sup>152</sup>**

Source: *Macedonian MoD, March 2005*

	Civilians MoD	Civilians ARM	Officers ARM	NCOs ARM	Contract soldiers	Total
2005	1149	1365	1556	2120	2679	8869
2007 (planned)	453	364	919	1930	4794	8460
<b>Difference</b>	<b>696</b>	<b>1001</b>	<b>637</b>	<b>190</b>	<b>+2115</b>	<b>409</b>

**Figure 8: Distribution of Ranks in the Officer's Corps of the ARM**

Source: *Macedonian Strategic Defense Review, Skopje 2004.*

Rank	Projected in 2007	% of total number of officers projected for 2007	Current	% of total number of officers in 2007	Difference between current and projected number of officers
General	7	0.9	8	0.49	1
Colonel	58	6.3	92	5.59	34
Lt colonel	127	14	250	15.19	123
Major	205	22	284	17.25	79
Captain 1 <sup>st</sup> class	0	0,00	94	5.71	94
Captain	223	24	451	27.40	228
Lieutenant	243	26	356	21.63	113
Second lieutenant	56	6.1	111	6.74	55
<b>Total:</b>	<b>919</b>	<b>100,00</b>	<b>1646</b>	<b>100.00</b>	<b>727</b>

of graduated cadets was declared redundant. There is one remaining class to graduate and it is also expected to be declared redundant.<sup>154</sup> Various models for a transformed Military Academy exist that would involve the Academy in the officers' professional development. However, the will to transform this institution appears to be lacking. If the Military Academy is to survive as an institution, it obviously must transform itself to meet the military training standards of NATO. Currently, the Military Academy only offers short-term (6-month) courses for NCO training. The newly approved officers' career path will acquire officer candidates directly from the University. However, the NCO Working Group foresees the training of NCOs to occur solely within the Training Command of the General Staff. It now offers Basic and Advanced NCO courses.

In addition to national training institutions, the American firm Booz, Allen & Hamilton (BAH)<sup>155</sup> and NATO Advisory Team (NAT) are providing consulting to the MoD and the ARM. Both entities are embedded in the MoD (see also next chapter). BAH provides advice to the Minister, State Secretary and State Advisors within the MoD in the field of planning, budgeting, logistics, human resources, and language training. BAH also works with the General Staff, primarily with the departments of the GS as G1 (Personnel), G3 (Training) and G4 (Logistics). Its contract objectives are set by the US European Command (US EUCOM)'s annual campaign plan with the primary goal being the transformation of the MoD and ARM. The goal of the NAT is to assist the MoD and ARM to meet NATO standards and to verify that standards are enforced in relation to declared units. To that extent, NAT works closely with the GS and conducts frequent inspection visits to ARM units within Macedonia.

The restructuring of the MoD and ARM is part of a process to raise the number of ethnic minorities in the ranks of Macedonian defense

**Figure 9: Ethnic composition of the staff of the MoD**

Source: *Macedonian MoD, March 2005*

	Current total	Planned of total for 2013	Difference
<b>Macedonians</b>	415	205	-210
<b>Albanians</b>	16	81	+65
<b>Turk</b>	-	12	+12
<b>Roma</b>	-	8	+8
<b>Serbs</b>	10	6	-4
<b>Bosniaks</b>	2	3	+1
<b>Vlahs</b>	9	1	-8

**Figure 10: Integration of Albanians with university education in armed forces units in 2005**

Source: *Macedonian MoD, March 2005*

Units	Current	Projects	Difference
MoD	16	81	+65
Military Academy	0	4	+4
Military Intelligence	4	17	+13
ARM	0	11	+11
<b>Total</b>	<b>20</b>	<b>113</b>	<b>+93</b>

institutions. The requirement is that 25 per cent of all positions within the ARM are filled by ethnic Albanians. Currently, 2.54 per cent of the armed forces personnel are Albanians, in contrast to 92.79 per cent of ethnic Macedonians.<sup>156</sup> The number of other minority communities (Bosniaks, Roma, Serbs, Turks and Vlahs) represented in the ARM is also planned to increase (See Annex, Table 1).

At present, there are 1,227 ethnic Macedonian officers, while there are only 68 ethnic Albanians within the

officers' ranks. The ethnic ratio should be changed by 2013 into a more balanced proportion of 591 to 232. In the current personnel structure of the MoD, there are 415 Macedonians and only 16 Albanians. However, there are a number of senior-ranking ethnic Albanians within the Ministry; for example, the head of Sector for Personnel and the Deputy Defense Minister are Albanians.

Two programs for minority integration into the ARM and MoD were approved by the MoD in March 2005.<sup>157</sup> One program targets candidates with a university education, while the other



### Figure 11: Integration of Albanians with university education into ARM in 2006 - 2013

Source: *Macedonian MoD, March 2005*

2006	+50
2007	+52
2008	+6
2009	+6
2010	+6
2011	+6
2012	+5
2013	+5
<b>Total: 2006 – 2013</b>	<b>+136</b>

targets those with a high school education for filling the officer and NCO positions within the ARM and the MoD. The integration program for minorities with a university education must be completed by 2013 due to the Ohrid Framework Agreement (OFA), which requires there to be a proportional representation of all ethnic communities in State services.

From 2006 onwards, the number of ethnic Albanian officers inside the ARM will be increased every year, to a total of 136 in 2013.

For people with a high school education, the integration plan is to be completed by 2007 with only a small increase in the number of Albanians to 77.

The integration of minorities into the ARM in general is a very controversial issue in Macedonia, mainly because it implies a reduction in the representation of and positions open for Macedonians. The “traditionalists” among Macedonian officers are strongly opposed to the integration

of Albanians, claiming that they have no patriotic links to Macedonia. The opposition party leaders also think that the only reason for reintegration of minorities should be their professional qualification and skills, not their ethnicity.<sup>158</sup>

There are other problematic issues as well. For instance, two courses for NCO aspirants from the minority communities were completed in 2005 and early 2006. For operational reasons (i.e. funding), each course was conducted as a standard NCO aspirant course without any skill leveling. Results of both courses were mixed, with a sizable portion of the NCO candidates being unable to graduate. It is evident that the ARM is attempting to meet the OFA requirements, resulting in either fewer graduated minority candidates or the graduation of unqualified individuals into the NCO ranks.

There are also cultural differences between ethnic groups that may make it impossible to reach some of the goals set forth in the OFA. For example, the current service law requires a high school education as a minimum to be eligible to join the ARM. However, some ethnic groups still do not have access to a higher education, or do not believe that a higher education is necessary. This is a problem that should be addressed nationally, as it is well outside of the bounds of traditional Defense requirements. Nevertheless, minority integration in the ARM is seen as a principal condition for the country’s accession into NATO, and that the alliance expects its full implementation by Macedonian authorities. The modernization and procurement of new equipment has to match the projected capabilities and capacities of the ARM and be compatible with NATO regulations and budget projections. The Special Forces have priority in getting new equipment.<sup>159</sup> Along with the plans to buy new materials, Macedonia has to dispose of obsolete and surplus military equipment.<sup>160</sup> The process of divesting such materials began with

the destruction of the T-55 tanks in January 2004 by the decision of the Government. In accordance with the Modernization Plan, 61 tanks have already been destroyed, and the remaining 30 tanks will be destroyed as well. Four SU-25 aircrafts have been put out of service, and the MoD hopes to find a reliable partner for the exchange of these aircrafts for other assets or maintenance services. The disposal of Soviet weapons is very controversial. However, it is seen as part of the ARM modernization process and as compatible with NATO standards. From NATO’s point of view, however, it is not about compatibility, but rather due to the fact that Macedonians have little money to maintain Soviet tanks and aircraft.<sup>161</sup>

Determined to reform its armed forces by mostly using domestic budget funds, Macedonia set its military budget to Denar 6,108 million (US \$122 million) in 2004, which was almost 2.3 per cent of the projected GDP.<sup>162</sup> The 2005 defense budget amounts to Denar 6,413 million (US \$122 million), which is about 2.4 per cent of the GDP.<sup>163</sup> Nevertheless, external assistance remains a main source of military development in Macedonia. For instance, in 2003 the US granted almost US \$12 million—including support to the Special Forces—to improve the mobility of units, establish an IT- system compatible with NATO standards, and to develop the shooting range Krivolak as an “Adriatic Charter” regional training center.

Many performance indicators prove progress in Macedonian defense reform. However, Macedonia still remains deficient with regard to meeting some NATO standards. The country’s military budget is still not able to meet NATO’s requirements. Most recently, NATO requested the development of additional units with specialized capabilities and, more importantly, a national Air Surveillance Operations Center (ASOC). However, these additions are not feasible under Macedonia’s current defense budget.



Minimum projected cost for a national ASOC is 23 million USD. Originally, the requirement for an ASOC was thought to be best served through a regional solution and more realistic for military budgets of participating countries.

### Euro-Atlantic Integration

In 1993, the Macedonian Assembly passed the decision to seek Euro-Atlantic integration of the country and in 1995 Macedonia joined the Partnership for Peace Program (PfP). A NATO Advisory Team (NAT) is permanently located within the Macedonian MoD. This team is made up of army advisors from different NATO member countries assigned to NAT for periods ranging from 3 to 6 months. However, the short assignment periods of NAT officers makes it extremely difficult to build continuous and trusting relationships with their MoD or ARM counterparts. Recently, through a bilateral agreement, France, for instance, was able to provide a Personnel and Human Resources representative for a two-year NAT tour. This will provide continuity in this critical sector for NATO. The main purpose of NAT is to provide support and assistance to the ARM and General Staff in meeting NATO standards. The various tasks within the Membership Action Plan (MAP) and PfP have been agreed upon in order to ensure that Macedonia meets the requirements for full NATO membership. The team members provide advice and have the ability to provide additional information or training as required.<sup>164</sup>

### *NATO & PMCs*

The Macedonian Individual Partnership Program (IPP) comprises five chapters, covering political and economic conditions, defense and military considerations, resource issues, security status, and legal matters. In addition, the Partnership Planning and Review Process (PARP) provides a tool for enhancing interoperability between Macedonia and NATO in the areas of peacekeeping, humanitarian

missions, as well as in search and rescue operations. It also contributes to transparency in defense planning. Moreover, the MAP launched in April 1999 guides defense reforms in Macedonia. As with other NATO aspirants, Macedonia has submitted an Annual National Program (ANP) on preparations for membership. ANP targets and work schedules are updated each year.

Daily pressure in reaching transformation goals and NATO standards is applied by the American firm, Booz, Allen & Hamilton (BAH). Both BAH and NAT struggle with the bureaucracy and post-socialist mentality in Macedonia.<sup>165</sup> When asked about the relationship between NATO and BAH in Skopje, NATO representatives stated that their advising team plays the main role in the ARM restructuring process and uses a coordinated approach with BAH, who are also striving toward the same goals.<sup>166</sup> When queried, BAH representatives state that they play the major role in MoD and ARM transformation and that NATO membership is a milestone in that process. It is obvious that some professional rivalry exists. The end result is that both entities are striving to move the Macedonian MoD and ARM forward to a modern defense structure.

Due to the restricted character of all bilateral strategic documents, it is not possible to define the actual impact of the NATO integration strategy on the ARM transformation. Only the ANP serve as the main source of information on the restructuring of Macedonia's Armed Forces.<sup>167</sup> The concepts of interoperability, stability, cooperation and participation in peacekeeping operations are consistently repeated to describe this process of transformation and its goals.<sup>168</sup> Sometimes it seems that the idea of NATO membership has become a sort of dogma in Macedonia, with no other alternative.<sup>169</sup> The latest

poll of the Institute for Democracy, Solidarity and Civil Society in Macedonia shows public support for NATO membership at 68.89 per cent, while 13.97 per cent voted against, another 13.49 per cent were without any opinion and 2.67 per cent did not answer.<sup>170</sup>

### *European Union*

NATO and the EU have a common interest in the Western Balkans, which is to see the emergence of stable, prosperous and peaceful democracies. To achieve this, the alliance and the Union have employed different tools. The main one on the EU side is the Stabilization Association Process (SAP) and for NATO, the main tools are the PfP and MAP. The Stabilization and Association Agreements (SAA) was signed by Macedonia in April 2001, while on 9 November 2005, Macedonia was granted 'candidate' status for EU membership.<sup>171</sup> However, the candidate status was given with no firm prospect or deadline for membership negotiations.<sup>172</sup> Currently, the EU has focused on four essential areas of support to Macedonia: democracy and rule of law, economic and social development, justice and home affairs, and environmental policy.<sup>173</sup> If Macedonia is allowed to begin accession talks, it will be able to seek funding for institutional and other reforms in a much greater amount than the present financing arrangement—known as Community Assistance for Reconstruction, Development and Stabilization (CARDS) – allows.<sup>174</sup> According to recent polls, Macedonians strongly support joining the EU and feel confident that the country is on the road to membership. Data from the Sector of European Integration in May 2004 revealed that 91.4 per cent of Macedonians answered "yes" to the question of accession to the EU.<sup>175</sup> All political parties in Macedonia have therefore included NATO and EU membership in their priorities.<sup>176</sup> Like in other Western Balkan countries, the possibility of joining NATO drew particular interest from Macedonia in 2002-2003, partly because it is

considered easier than meeting the EU's far more elaborate demands; and partly because of the symbolism for local countries who are transforming from 'consumers' to 'producers' of security. Many performance indicators prove progress in Macedonian relations with the EU. However, Macedonia still remains deficient with regard to meeting EU standards.<sup>177</sup>

#### *Threat perceptions and regional cooperation*

In all strategic documents it is stated that there are no threats of a conventional war in Macedonia.<sup>178</sup> However, the most common threat-perception among ethnic Macedonians is the independent status of neighboring Kosovo. Many ethnic Macedonians hope that Kosovo will never achieve independence, because this would set a precedent for the Albanian community in Macedonia, which would be catastrophic for developing the multi-ethnic Macedonian society.<sup>179</sup> By contrast, the Government and the President of Macedonia have made diplomatic statements supporting the resolution of Kosovo's status by the international community. Some Macedonian politicians support strongly an independent Kosovo. Among them is the Deputy Defense Minister Talat Xhaferi, who stated this as his personal view.<sup>180</sup> The Albanian community in the country also does not see any danger if Kosovo were to be granted independence.

The Adriatic process, which includes Albania, Croatia and Macedonia, is regarded in Macedonia as a regional vehicle that will take these countries smoothly through the MAP process to the final objective of NATO membership.<sup>181</sup> There are various activities at different expert levels, as well as training activities in order to test and improve operational capacities, readiness, efficiency and troop deployment of the participating countries. The Macedonia MoD

offered the shooting range Krivolak as a regional training center for Armed Forces of the Adriatic Charter countries.<sup>182</sup>

#### **Political Guidance of Defense Reform**

Meeting NATO's criteria and defense capability standards can be a force for both military reform and democratic transformation, but it also obliges Macedonia to adopt the political culture and civil-military relations of NATO countries. This relationship is in the process of development with progress occurring on an intermittent basis.

The Parliament of Macedonia performs the supervision of the Government in defense and security affairs and adopts the National Security and Defense Strategies.<sup>183</sup> The parliamentary Committee on Defense and Security is responsible for security and defense issues. Additionally, intelligence and security operations must be reported to the committee.<sup>184</sup> While the defense budget is now presented to the committee in final form for approval or disapproval, the committee has recently been able to influence budget execution by requiring expenditure reports quarterly. However, taking into account the wide range of the Committee's functions and topics it has to supervise, some Macedonian experts doubt that the Committee is capable of performing its functions efficiently. Theoretically, the Parliament has influence over the defense budget, but this is not necessarily the case in practice. The defense budget comes to the Parliament at its final stage without being previously consulted or discussed.<sup>185</sup> Such a situation is an evidence, the Assembly remains on the margins of political developments, playing the role of a "voting machine" for decisions made by the President and the Prime Minister.<sup>186</sup>

The views of local experts to the critical role of the Parliament in Macedonia do not differ very much.

Some hold the opinion that the situation has not really improved since 2002–2003 and the Macedonian Assembly has never been more of a "voting machine" as under the current government.<sup>187</sup> The others see only slight progress, especially in relation to the MoD on budget issues; but in general, the influence of the Parliament on the Government with regard to budget issues remains low. This shows the difference between constitutional provisions and the marginal role of the Assembly in Macedonia in reality.<sup>188</sup>

Another important institution in the civilian control of the military is the President who is elected directly by the citizens and thus is not responsible to the Assembly. Moreover, with regard to the legislative branch, the President possesses a veto on the adoption of laws. He is the supreme Commander of the ARM and adopts the main strategic documents such as the Defense Strategy and the Defense Plan. The main part of the President's duties is performed through decrees. Making them operational is done through the MoD and General Staff. According to the Constitution, the President is head of the National Security Council (NSC).<sup>189</sup> The NSC is supposed to consider matters of significance for national security and provide advice to the President and recommendations to the Prime Minister and Parliament. According to some, it has been a rather 'shadowy institution' functioning in a non-transparent manner.<sup>190</sup> The Government's competencies in defense matters are left to the MoD; but there is a lack of legal clarity regarding the precise position and responsibility of the Defense Minister. The most important issue is whether the Minister is responsible to the Prime Minister or to the President directly. Although the Defense Law's inconsistencies imply a closer relationship with the President, it is not necessarily the case in practice. The decisions of the NSC can be blocked by the Government, and the

President can block the initiatives of the Government in the security and defense sphere.<sup>191</sup>

The power-sharing of the executive is not clearly defined by the Constitution and depends on the assertiveness of the individuals holding office rather than on the President and the Prime Minister. According to the Constitution, the Defense Minister is only accountable to the Government. While the accountability of the General Staff and its Chief of Staff is unclear. The President appoints or dismisses the Chief of Staff without approval by the Parliament, but the law stipulates that the Chief of Staff is accountable both to the President and the Minister of Defense.<sup>192</sup> The lack of co-ordination between the President, the Prime Minister and the Minister of Defense was troublesome during the 2001 ethnic conflict, as contradictory orders were coming from all three institutions.<sup>193</sup> Similar to Albania, such complicated relations between the President and the Prime Minister are seen by NATO as typical for the region.<sup>194</sup>

Apart from this, there is a general lack of cooperation between the executive and the legislative branch, partly resulting from the socialist legacy of executive rule.<sup>195</sup> The inter-ethnic factor, which has to be taken into account in the process of decision-making, does not make cooperation any simpler. Three political parties of the Albanian community are present in the Assembly, one of which is always in the ruling coalition.<sup>196</sup>

#### *NGOs and Think Tanks involved*

There are hundreds of NGOs in Macedonia, however, very few of which are seriously involved in security and defense policy. Expertise is confined to governmental and international actors or private consulting companies like NATO, DCAF, Stability Pact or BAH.<sup>197</sup> The military media in Macedonia cover military issues mostly with topics

aiming to create public support for NATO- membership.<sup>198</sup> However, civil media coverage is at times critical, but like in other Western Balkan countries, journalists in Macedonia are then accused of being “unqualified to cover security and defense affairs”.<sup>199</sup> Journalists are blamed also for being unable to make security issues understandable for common people.<sup>200</sup> Generally, military matters are not broadly discussed in society, and journalists claim that the information provided to them through official press conferences of the MoD is not satisfactory.<sup>201</sup>

Nevertheless, currently the perception of a military person in Macedonia ranges from neutral to generally positive. The ARM is still enjoying the remarkable positive perception of the old Yugoslav National Army (JNA). The military and the military profession enjoyed a respected position in the former Yugoslavia. This was based on a fairly common experience of the republics during the First World War and a shared partisan experience during the Second World War. However, this perception cuts across ethnic lines but opinions of younger Macedonians are more likely to be non-committal. Generally, to be a military officer in a country with an unemployment rate around 37.5% is regarded as a secure job with service housing and reasonable holidays in military recreation areas. It is also a source of stable income (See Annex, Table 2). There are thus few examples of officers leaving the active service voluntarily.

Similar to Albania, the MoD in Macedonia is in need of a Communication and PR Strategy for defense reform. It is important to overcome the sole focus on NATO membership, even if there is no alternative to the Euro-Atlantic perspective. The Macedonian MoD has a number of success stories to present and challenges that need to be explained to the public, however

sensitive these may be (for instance, the matter of minority integration into the ARM). A new information campaign of the MoD should thus aim not only at garnering public support, but also serve as a source of information in explaining what reform is, why it must be done, which benefits it brings to Macedonia in particular and to regional cooperation and stability as a whole. As with the case of Albania, the military media is a tool that is already in place in the country; however, it is in need of reform as well.

Establishing an appropriate defense management system and a well-functioning military bureaucracy similar to other NATO countries remains the challenge for Macedonia. These aspects need to attract greater attention by, and the support of international actors who are guiding the reform process. However, the national institutions should be wary of the challenge of future ownership of defense restructuring and ask themselves how it can be cultivated in Macedonia where international organizations have been playing the lead role? The negative consequences of defense reform, such as base closure and the loss of work, are also very sensitive in Macedonia. From this perspective, those institutions responsible for security and defense matters are in need of a new PR and Communication strategy to better explain and promote local buy-in to the defense reform process.

## **Defense Conversion**

### **Restructuring in Macedonia: Military Pensions & Individual Responsibility**

The MoD applies different measures for downsizing<sup>202</sup> the ARM, including the termination of work contracts, the outsourcing of non-essential functions, and early retirement. From the year 2003 to March 2005, the total outflow of military personnel reached 1,971. Among these, 222 were employed at the MoD while 1,749 were discharged from the ARM.<sup>203</sup>

**Figure 12: Military personnel outflow (2003 – 03. 2005)**

Source: *Macedonian MoD, March 2005*

	Retirement	Personal request	Disciplinary measures	Death	Failure to meet requirements	Contractual transfer	Total
<b>Officers</b>	167	16	1	4	0	152	<b>340</b>
<b>NCOs</b>	89	14	6	1	0	367	<b>477</b>
<b>Professional soldiers</b>	0	113	37	2	167	219	<b>538</b>
<b>Civilians</b>	278	23	4	4	0	85	<b>394</b>
<b>Total</b>	534	166	48	11	167	823	

Thus early retirement will be the main option to implement the planned downsizing. The total number of soldiers seeking early retirement will reach 892 by 2007 (255 officers, 172 NCO and 465 civilians).

Another measure to enable further downsizing is the transfer of some functions from the MoD to other state agencies. By the end of 2005, approximately 187 servicemen will have been transferred from the MoD to the Directorate for Rescue and Protection, while 270 people will have moved from the MoD to the Crisis Management Center. Another 200 civilians dealing with production services within the ARM (such as catering and maintenance) will have been taken over by other State companies and agencies.<sup>204</sup> A total of 823 officers and NCOs terminated their service in the ARM in 2004 and were transferred to the State Border Police of the Ministry of Interior. By the end of 2005, an additional 660 persons changed from the ARM to the State Border Police.<sup>205</sup> Retraining courses were organized in the ARM in 2004 and 2005 only for the ARM personnel to be transferred to the State Border Police (MoI).<sup>206</sup>

Until recently, there were no additional measures available to demobilized officers and NCOs in terms of

support for retraining or reintegration apart from general pension benefits. However, not all personnel departing the ARM are still entitled to a military pension.<sup>207</sup>

*Pensions and Benefits*

Under the Defense and Army Service law, in order to qualify for an “old age pension”, a service member has to be 64 years old (62 for females). The old age pension is determined according to an individual’s length of service. The governmental sub-law (act) promises retired policemen and ex-officers 30% in addition to the normal pension amount.<sup>208</sup> At the end of year 2002,

there were 275,446 beneficiaries from the pension and disability insurance. At that time the overall number of pensioners in Macedonia was 249,421, only 3,083 of which were military pensioners.<sup>209</sup> In order to receive a military pension, military personnel have to have spent 35 years in the armed forces (30 for female soldiers). The “Law on Early Retirement” (valid for the period of 2003-2007) regulates the benefits for those ex-militaries who are forced to leave the army because of downsizing. Military officers who have up to this point taken early retirement are receiving compensation for up to five years of work. This is Macedonia’s only measure in support of the reintegration of demobilized personnel.

**Figure 13: Early retired military personnel**

Source: *Macedonian MoD, March 2005*

Year	Officers	NCOs	Civilians	Total
2003	107	54	195	<b>356</b>
2004	31	24	67	<b>122</b>
2005	48	31	50	<b>129</b>
2006	35	33	77	<b>145</b>
2007	34	30	76	<b>140</b>
<b>Total</b>	<b>255</b>	<b>172</b>	<b>465</b>	<b>892</b>



The parliament recently passed the MoD requested amendments to the Army Service law and Defense law to provide the Minister with the authority to dismiss service members based on redundancy, as well as to put the military pension age at 55 with 25 years of service. This amendment aims to put the retirement and service age in harmony with the officers' career development concept approved by the Minister of Defense. The initial forecast for retiring service members was 607 persons at the end of 2005. Among this number are 186 officers, 109 NCOs, and 312 civilian employees. The planned funding for early retirement amounts to 23,490,138 Euro (for the period 2003-2007) and these funds are allocated from the State budget.<sup>210</sup> Given the so-called 55/25 rule of the MoD, many key individuals will be eligible to depart the service. This has the potential to create an immediate "brain drain" and severely hamper both operations and the transformation process. Therefore, the MoD is currently developing a selective retention system to allow key individuals the opportunity to remain in service beyond the 25-year mark.

The initial concept to support service members forced to leave the ARM as part of the downsizing process called for a small compensation to be offered to them depending on their military rank, salary and time spent in the ARM. (Those who did not spend 35 years in the ARM were not entitled to an early pension or any other pension benefits). Their compensation could not be higher than eight months' salary. For instance, a 35-year-old Captain who served in the ARM for about 17 years and earns a salary of 300 Euro per month would not receive more than five salaries (1,500 Euro) as compensation. If a military person leaves the ARM voluntarily before having served the minimal amount of years, he is not entitled to any compensation. The group of early-retired men without 35 years of service—the number of which is unknown—is not included into any MoD statistics. These individuals are not beneficiaries of the "Law on early retirement".

Apart from those without pension benefits, there is another critical group that is in need of attention: the former guerrillas of the so-called Albanian National Liberation Army (NLA). These individuals participated in the 2001 ethnic conflict and were not incorporated into the special "Law on compensation" since they are still considered enemies of the State, despite having been granted a general amnesty. Families of NLA fighters who were killed in action are not entitled to any compensation, while all ethnic Macedonians are entitled to this support.<sup>211</sup> Public debate over this issue provoked a negative response from the Albanian community. The Democratic Union for Integration (DUI) also announced that if Macedonian "homeland defenders" are rewarded by the State for their services, then the issue of social compensation for the families of NLA fighters killed or wounded in action should be considered.<sup>212</sup>

Only some participants of the civil war of 2001 from the Albanian side are already employed by the ARM and civilian administrations.<sup>213</sup> By contrast, Albanian politicians who took part in the ethnic conflict of 2001 are well integrated into civilian life. There are three Albanian parties represented in the Assembly. The DUI - best known as the political wing of the NLA<sup>214</sup> - is part of the ruling coalition. Its member Talat Xhaferi is a former UCK-fighter in Kosovo who is now assuming the position of the Deputy Defense Minister. The Chief of Staff of the former NLA, Gen. G'zim Ostreni, is the Vice-President of the Macedonian Assembly. However, some experts hold that "cynically enough the experienced combatants became civilian politicians." Indeed, only the experienced combatants were successful in becoming civilian politicians in the parliament, thus "reintegrating" into civilian life in the best and most profitable way.

*The Macedonian Resettlement: individual responsibility and participation*

The original perspective of the MoD was straightforward with regard to the retraining of departing military personnel—it was considered ineffective given the economic and social situation in the Republic of Macedonia. According to the data from the Macedonian Census Office, the unemployment rate in Macedonia is 37.5%, which includes all educational profiles.<sup>215</sup> Therefore, Macedonia did not have until recently a draft resettlement program. Although two programs for ethnic minority integration were mistakenly presented by the Macedonian MoD during different workshops as re-integration programs, these programs have in fact nothing to do with the resettlement of demobilized personnel.

In early 2006, the MoD and the Norwegian Embassy in Skopje signed a contract for the LEPEZA (mac. spectra) resettlement project.<sup>216</sup> The aim of the project is to find alternative careers for surplus officers to provide the participants with skills and knowledge that would make them more competitive in the labor market.<sup>217</sup> The resettlement project will have the capacity to admit 700 people annually. After the completion of the ARM transformation period, the annual inflow and at the same time outflow of military personnel from ARM will be a total of around 700 people per year (See Annex, Table 3). LEPEZA is designed to help departing army officers with both transition counseling and education opportunities to improve their qualification and competitiveness level on the civilian labor market. This objective is planned to be achieved by way of a two-phased approach.

Phase 1 is accomplished wholly with MoD assets and consists of counseling and transition assistance in CV writing, learning of interview tactics, aptitude testing and etc. The first step of the project, which may also include possibilities to apply for micro-credit,

is to open a “Transition Center” in Skopje.<sup>218</sup> The center will train staff to work in helping surplus personnel find civilian careers. Phase 2, which is still in the planning stage, is the education component and may consist of language training, academic programs, and vocational training. Apart from Skopje, the Defense Ministry plans to open another two regional centers in Stip and Kicevo.

The Government of Norway has donated 200,000 Euro for equipment of the resettlement project. Britain, Sweden and Denmark have also committed themselves to providing financial aid.

For instance, a public information campaign has been designed for the Macedonian resettlement program and will be funded at the initial level of 25,000 Euros by the United Kingdom. The primary focus of the campaign will be to present information about resettlement to the Macedonian public. The internal communication effort will be accomplished through internal MoD publications and a series of command information briefings presented to all units. It is expected to be implemented during the year 2006. LEPEZA is planned to continue beyond the transformation period and is recognized as a critical element of the new professional military system. Since all officers are on a contract system, there will be a constant outflow of personnel from service and LEPEZA will assist these individuals in reintegrating into civilian life. It is planned that LEPEZA will be funded from national resources after 2007.

The perception of the Macedonian MoD is that resettlement and reintegration support is recognition for having faithfully completed one’s military service. However, the MoD also stressed the individual responsibility of participants toward this end, as they are often not qualified for civilian life and lack several necessary requirements. For instance, during their education at the Military Academy, officers acquire a university education diploma that is not equivalent to one obtained in the

**Figure 14: Conversion objects**

Source: *Macedonian MoD, March 2005*

Real estate	Current number	Identified for MoD needs	For conversion
Barracks	26	13	13
Command facilities	9	5	4
Facilities for health care/Maintenance	4	4	
Warehouse groups	43	24	19
Shooting ranges	16	13	3
Army Homes	12	3	9
Military canteens	19		19
Catering facilities	4		4
Swimming pools	3	1	2
Military resorts	3	3	
Military hotels	1	1	
Military economies	3		3
Land reform (parcels)	37	11	26
Business premises	21	1	20
Areas in q/m	3458097	1783902	1674195

**Figure 15: Facilities identified by the MoD for conversion**

Source: *Macedonian MoD, April 2005*

Real estate	Number	Transaction
Army Homes	3	Disposal (sale)
	3	Concession
Warehouse groups	1	Disposal (sale)
	7	Rent
Military canteens	17	Concession
Military economies	2	Concession
Military catering facilities	8	Concession
Military barracks	6	Transfer to Ministry of Interior
Military border posts	10	Transfer to Ministry of Interior
Total	57	



civilian education sector. Another factor that hinders the reintegration of military personnel is Macedonia's high unemployment rate. This factor alone is indicative of the critical lack of job opportunities in the country, which burdens the process of reintegration as a whole.

Although the Macedonian resettlement program is only taking contours focusing currently only on post-military orientation, it could be prized as modest but long expected input after many intellectual pressure of international think-tanks facilitating a range of meetings and working groups on issues of reintegration.

Although the Macedonian resettlement program is only a modest effort, it is nevertheless a much anticipated and welcome initiative that follows from the work of many international experts and think-tanks, who facilitated a range of meetings and working groups on the issue.

#### **Base Conversion: Sale and Foreign Investment**

Macedonia inherited the Yugoslav defense structure based on a strategy of territorial defense.<sup>219</sup> The ARM does not possess large military bases and so the conversion of property focuses on small-sized facilities. In total, there are 112 military objects that have to be converted or transferred.<sup>220</sup> The total area of land with military infrastructure amounts to approximately 28,562 ha. The ARM has to get rid of its property that has no direct military function, some of which include military barracks, command facilities, warehouse groups, shooting ranges, army homes, military canteens, catering facilities, military resorts, swimming pools, and military hotels.

A Military Property Conversion Plan has been developed by the Macedonian MoD in cooperation with other state agencies and aims to complete the transfer and disposal of military sites by 2007. The transfer of military sites is regulated by the general "Law on possession of real estate", and thus

the Real Estate Department of the MoD is coordinating and monitoring the implementation of this transfer.<sup>221</sup> However, the MoD is not the exclusive decision-maker in the conversion process and has to co-operate with others state agencies. For example, the Agency for Privatization is in charge of the privatization of all state property, while the "Public Enterprise for the Management of Housing and Business Premises" is responsible for the assessment of the value of the property. Finally, the "State Authority for Geodesic Works" is involved with the registry of the property.<sup>222</sup> The coordination between these units with respect to the privatization procedure of military property is rather unclear.

The National Property Conversion Plan foresees different ways that could be applied for military estate transformation, including: disposal or sale; exchange for apartments; concession/renting; transfer of the right to use the property to another state authority; transfer of the right to use and redevelop the property to the local administrations.<sup>223</sup>

The MoD claims that the privatization of the military estate is an ongoing process. As of April 2005, 57 facilities of the MoD were identified for transformation.

In the spring of 2005, various sites were transferred by different modes, including:<sup>224</sup> 6 military barracks in Skopje, Kriva, Kocani, Delchevo, Borovo, Strumica; 6 army homes in Tetovo, Veles, Kicevo, Bitola, Kriva, Stip; 17 military canteens (5000qu m) in Kumanovo, Skopje, Tetovo, Petrovets, Debar, Kicevo, Veles, Stip, Strumica, Krivolak, Prilep, Ohrid, Bitola; 2 military economies<sup>225</sup> in Krivolak and Petrovets.

Within the framework of military cooperation, the US is preparing to invest in the infrastructure of the army shooting range at Krivolak.<sup>226</sup> The MoD does not expect any external funding for other conversion purposes

and has also not applied nor tried to attract any external funds for base conversion.<sup>227</sup> It should be mentioned that there are no legal obstacles for foreigners to buy property in Macedonia.<sup>228</sup> Nevertheless, there is an expectation in the MoD that conversion or the transfer of military bases will generate funds and bring about social and financial benefits. The acquired funds from the sale of estate and other areas are planned to be used for the benefit of active military personnel, especially by providing them with apartments for housing.<sup>229</sup> This approach is not unusual for a society where ex-officers are entitled to housing.

In exchange for privatized military property, the MoD has already provided 22 apartments for military personnel (Skopje – 3, Kocani – 4, Kumanovo – 13, Veles - 2). Among those facilities were: business premises "Kumanovo", (value 330 658,13 Euro); business premises "11 Oktomvri"- Kumanovo, (119 605,89 Euro); basic auxiliary place Kocani, (value 76 213,60 Euro); warehouse group "Gorce Petrov" (MoD-facility)– (178 603,39 Euro); warehouse group "Biqanovce" Kumanovo, (69 956,00 Euro); double purpose shelter (Military Home) – Veles, (71 764, 00 Euro).<sup>230</sup>

#### *Institutional Set-up*

The Public Enterprise for Management of Housing and Business premises is responsible for the assessment of the value of the property. However, there are some major concerns regarding the transparency of this process and of the privatization of military property in general. For instance, the privatization process of the 'Military Home' in Veles was investigated by the Macedonian media and revealed corruption and clientelism. Many journalists and opposition party members were convinced that the price for the Military Home exchange in Veles was artificially low. The income of 71,764 Euro sufficed only to get two apartments in exchange for the building. Another accusation related to this "conversion case" was based on

family ties between the new owner of the premises and the head of the local ruling party.<sup>231</sup> Despite such frequent accusations, the MoD insists that the conversion and privatization process is carried out in accordance with legal regulations based on the “Law on possession of real estate”. Apart from that, a report on the progress of property transformation, the funds generated by this transformation and consequent investments is to be submitted by the MoD to the Assembly once a year in order to promote greater transparency overall.<sup>232</sup>

The MoD does not provide any information about environmental problems at military bases, stating only that the military sites meet “the ecological, geographic, hydrologic, climate requirements prescribed by the legislation.”<sup>233</sup> However, a joint effort between the MoD and the Ministry of Environment and Physical Planning will ensure that environmental protection measures are carried out.<sup>234</sup> With regard to reintegration, the MoD cannot offer any positive examples of combining base conversion with reintegration and retraining of redundant military personnel.<sup>235</sup> Since 2003, all tenders for the concession of military facilities like canteens and farms are subject to the condition that new users keep all working personnel for at least 10 years.<sup>236</sup> Unfortunately, this regulation is quite a deterrent for new owners.

Compared to Albania, military site conversion in Macedonia is a relatively transparent process with some achievements presented during various seminars and working groups. However, similar to Albania, the MoD is the institution responsible for implementing and controlling the privatization of military property. Consequently, the sale or renting of such property is primarily used as a means of generating income for the MoD. A separate State agency, non-state actor or even an NGO could be an alternative institution for overseeing this process, which would help

overcome the self-interest of the MoD and mitigate the frequent accusations of bias and corruption in the process.

## Conclusions

With the adoption of strategic documents, a legal framework, and with downsizing already in its final stage, the first phase of defense reform in Macedonia is almost finished. The Strategic Defense Review (SDR) reflects the goals of the reform process; however, even if the national legal and strategic framework is established, this reform is guided primarily by external actors, namely the mechanism of the MAP. As such, it is more of an international than a national project.

So far, NATO standards have positively influenced the national defense management system, corrected the disproportionate representation within the ranks of the officer corps, and stimulated the professionalization of the ARM. The inclusion of ethnic minorities within these ranks is seen as a natural element of NATO’s military culture. Despite all of this, it is still hard to assess the actual state of progress in the realm of transition and reform, as in most cases the issue of sustainability arises. Are the transformed defense institutions capable of standing alone, functioning as required without external advice and support?

The Macedonian MoD was praised by NATO for introducing an efficient planning and budgeting instrument. Unfortunately, according to some sources from within, the coherent role of national institutions in guiding the national defense reform remains in name only. The Macedonian Assembly has been on the margins of military developments but is taking an ever-increasing role as the democratic control processes mature. The security and defense structures like the NSC and the MoD are seen by some critical experts as rather ‘shadowy institutions’ functioning in a non-transparent manner, even if the ‘sensitive’ work of the NSC

requires, at a minimum, some closed-door proceedings. The accountability and relationship of the main national players in the defense sector, such as the Minister of Defense, the Prime Minister and President, are not clearly defined by the Constitution. Their role and relationship depends more on the assertiveness and personality of the individuals holding these offices.

The same institutional weaknesses can be found throughout civil society as a whole. The post-socialist mentality in Macedonia is pervasive and there is considerable nostalgia for the days of a united and nominally prosperous Yugoslavia. The NGOs in Macedonia are not seriously involved in security and defense policy formulation. The media are victims of a general lack of interest in defense issues as well as their own lack of expertise in this issue area. The few but competent critical voices that have come through on national defense reform nevertheless make the MoD very nervous.<sup>237</sup>

It is difficult to assess the effectiveness of national defense institutions. In fact, many advisory functions are taken over by external actors like NATO and BAH. The NATO Advisory Team (NAT) is permanently located within the Macedonian MoD and continues to apply pressure on the Government for the fulfillment of NATO’s membership requirements. However, NATO is not able to get past the post-socialist mentality of Macedonian military bureaucracy on its own. As such, the role of a defense reform “pusher” is taken over by the private American firm BAH. Their combined efforts should help bring the ARM closer to NATO’s standards. Reintegration success depends on an individual’s qualifications, age, goal-oriented retraining and, most of all, on the absorption capacity of the regional economy and labor market. Limited absorption capacities in Macedonia are the most obvious reason for why the government has not yet offered any retraining for ex-military men.

The demobilization and reintegration in Macedonia has not yet created new social roles and networks or a new professional orientation for ex-military men. Rather, the shift from a military profession to a post-military “career” has resulted in the sense of loss of personal security and social prestige, which affects self-esteem and the position of the male as head of the family. Demobilized officers are forced to adjust themselves to the prevailing patterns of civil society and weak national economy. Until recently, there were no additional measures in Macedonia available to ex-militaries in terms of support for retraining or reintegration apart from general pension benefits. What is more, not all previously separated personnel are entitled to pension benefits.

The reintegration of formerly separated military personnel remains the weakest point of the Macedonian defense reform process. Although the Macedonian resettlement plans are only taking contours of a program focusing currently only on post-military orientation, it could be prized as modest but long expected input after many intellectual pressure of international think-tanks facilitating a range of meetings and working groups on issues of reintegration.

The absence of a conceptual, long-term and stable legal framework of reintegration has a negative impact on the support of the populace. Public opinion associates defense reform not only with Euro-Atlantic integration but also with the closure of military sites, loss of employment, a decline in living standards, as well as the integration of ethnic minorities. This is an area where the expertise of the international NGOs could best be applied. Not only could they assist the Macedonian parliament in the creation of appropriate legislation but they could also assist in obtaining initial funding for ex-military men’s counseling and retraining programs.

The conversion of military property in Macedonia focuses on small-sized facilities without any direct strategic

or military value. There exists a Conversion Plan for military sites and a legal framework for property transformation. The MoD is the institution that is implementing and controlling the conversion of military property. Consequently, the sale or renting of such property is used as a means of income generation for the MoD. Such a money-making system could explain the frequent allegations of corruption against the Ministry. Some of the most successful examples of converting former military bases and integrating them into the local economic structures in Eastern Europe have been the transformation of these into residential areas, for educational purposes or into social and cultural centers. The authors of this study were unable to find such success stories in Macedonia. On the other hand, any non-state agency or the direct transfer of former bases to local and regional administrations would be in need of subsidies; and, even with the MoD running the conversion process, no such funding is available. At the same time, there is the expectation that conversion or the transfer of military bases will in fact release funds and bring about social and financial benefits for military personnel. Yet, the sale of military property by the MoD has not even influenced the living standards of active military personnel, let alone retired personnel. It is therefore unfortunate that the Macedonian Government did not manage to attract any external funds for military site conversion.

# Croatia

## Defense Reform

By contrast to developments in post-socialist countries in the mid-1990s, Croatia, like the Former Republic of Yugoslavia, retained its traditional force structures, heavy weaponry and territorial defense strategies due to its experiences in the Balkan wars.<sup>238</sup> The same holds true for military reform, downsizing and the slow restructuring of the armed forces for new tasks. Only after the death of Franjo Tudjman in 1999 and the victory of the opposition in the 2000 elections were the structure, purpose and size of the Croatian Armed Forces (CAF) slowly put under scrutiny.

Due to the concept of “total defense” of Tito’s former Yugoslavia, and the huge reservoir of personnel in the so-called Territorial Defense Forces (TDF) in all Yugoslav Republics, more adult civilians participated in military training prior to the break-out of the war. This training proved to be crucial when Croatia had to form its armed forces from scratch at the beginning and during the war in 1991-95. While the Yugoslav People’s Army (JNA), with its Serb dominated officer corps, was able to rely on professional soldiers and its share of military equipment, Croatia had only some former JNA-trained officers or soldiers but the majority was civilians taking up arms to fight for independence. The so-called “Homeland War” is thus seen by the majority of Croat people as a nation-building war for Croat society to separate their country. The CAF has had a special position in society ever since, also due to the fact that Tudjman used the highly politicized security forces to stabilize his semi-authoritarian regime and to bolster his own popularity as “defender of the country”. Therefore, any reform that touches the CAF’s size and structures is still very delicate.<sup>239</sup> In particular, the new tasks of the PfP and maybe NATO membership in the future are very difficult for the CAF to comply with because of its unique background and subsequent development. The military education of CAF personnel is still very low. Though the operational

and combat capacities—especially for classical territorial war—are well developed, many officers lack substantial education. A lot of ‘uneducated heroes’<sup>240</sup> were promoted during the war to positions where they now face tensions with old JNA-educated officers and young officers who have undertaken advanced training at Western military academies.<sup>241</sup> With regard to downsizing and resettlement measures of the MoD, these groups are likely to compete for positions and benefits.

The approach towards military reform did not change in favor of Euro-Atlantic integration until the year 2000. From 2000 to 2003, military reform was subject to the political games of different parties with no substantial improvements in restructuring and modernization of the CAF so that it may face the future challenges of interoperability with NATO. Nevertheless, Croatia had implemented some activities before turning its wartime structures into peacetime ones, which was mainly supported by the American private military company, Military Professional Resources Inc. (MPRI), who was already involved in training the CAF during the war. Some of MPRI’s services have been heavily criticized as low quality and for lacking transparency.<sup>242</sup> Croatia was the first case of comprehensive consultancy on military reform and the production of strategic papers by MPRI.<sup>243</sup> The first National Security Strategy and Defense Strategy for Croatia in 2002 were put together very hastily and without much involvement of parliamentarians or civilian experts.<sup>244</sup> It seemed that external pressure two years after Croatia’s admission to the Partnership for Peace (PfP) program of NATO influenced the acceleration of that process. Only two months after the Sabor, the Croatian parliament accepted both strategies and the country entered the Membership Action Plan (MAP) of NATO at the ministerial meeting of the Euro-Atlantic Partnership Council on 15

May 2002 in Reykjavik. It would have not been possible without the adoption of the strategic documents.

After closing the first two cycles in accordance with NATO’s prerequisites, Croatia is currently in the third cycle of the MAP<sup>245</sup> but had hoped for full NATO membership at the Istanbul Summit in 2004. Not only did the war crimes suspect General Gotovina’s non-compliance with the ICTY lead to Croatia’s denial of full membership in NATO, but also the insufficient level of modernization of the CAF at that point in time.<sup>246</sup> However, Croatia has been contributing to NATO operations in Afghanistan since 2002 and took part in various maneuvers with NATO member countries over the past several years. Although the European Union delayed Croatia’s accession talks because of the Gotovina case, the goal of integration into Euro-Atlantic structures remains high on the agenda of the main political parties. A clear signal for the strong interest of the Croatian Government in military reform is the new Strategic Defense Review (SDR), which has finally been completed and awaits adoption by the parliament. For the Croatian MoD, the SDR is “conceived as a thorough inventory of the defense system which will [...] propose a new defense concept”.<sup>247</sup> The SDR is the long awaited basis for the still unfinished Long Term Development Plan (LTDP) of the CAF, which is currently under discussion and likely to be agreed upon in spring 2006.<sup>248</sup> The work on the SDR started as early as October 2003 with the establishment of the SDR Council and SDR Development Committee. The SDR Council included not only the key MoD and CAF officials but also representatives from the Office of the President, the Government, Ministry of Foreign Affairs and Ministry of Finance. No independent civilian experts were present but during the whole SDR process, the Council and Committee held regular consultations with NATO Headquarters and its respective expert teams visiting the country.



The SDR concludes that major change has occurred in the security perceptions of Croatia and of the region as a whole since the end of the war ten years ago. It predicts only a low probability of a “conventional conflict, in which the Croatian territory would be part of a larger battlefield.”<sup>249</sup> Collective and not individual security is seen as the most beneficial strategy for Croatia, particularly with regard to the economy. And although the SDR cannot solve all the current problems of the CAF, it is an important framework for the LTDP and corrects some of the naive thinking<sup>250</sup> and reluctance to change that is pervasive in the defense sector, including the following:

- Compulsory service should be abolished within the next five years
- Flexible forces for international operations within NATO, EU or UN missions instead of heavy territorial defense
- Abolishment of the so called “B” reserves which comprise 76,000 reservists with regular training and basic equipment
- The remaining reserves will form an additional component to be called upon in the case of national defense (including a component of 8,000 members of contract reserve)
- Downsizing of active military personnel to 16,000, with the addition of 2,000 civilian employees (down from the current number of approximately 29,000)
- New equipping and modernization might take until 2015 due to limited funds—or even longer

Defense reform in Croatia still has a long way to go and much of the modernization and restructuring efforts mentioned above will remain

only on paper for the years to come if the already limited funds do not materialize. The option of postponing some of the measures is already indicated in the SDR.<sup>251</sup> Doctrines which are in accordance with NATO are envisaged only for 2007. But most important is the change of mindsets when it comes to issues of defense and security in this fragile region. The politically crucial issue for full membership—cooperation with the ICTY—seems to have been solved with the capture of Gotovina on Tenerife in December 2005. Therefore, the invitation for membership seems to be likely in 2006.

#### **Euro-Atlantic Integration**

In March 2005, the European Union (EU) postponed the beginning of accession talks with Croatia. „No Cash for The Hague“ was written on some walls, reflecting not only the wider public opinion but also the continuing reluctance of the political class to hand over or reveal the whereabouts of General Gotovina<sup>252</sup> who is accused of committing war crimes during Croatia’s war against Serbs in the self proclaimed Serb Republic in the Krajina region. Almost a year after the Istanbul Summit in 2004, where NATO also postponed full membership of Croatia in the alliance, this rejection by the EU was another failure for Croatian Euro-Atlantic ambitions. Though cooperation with The Hague had improved during the last two years, the case of Gotovina at that time exposed the still existing legacy of the Tadjman regime, not only in the HDZ, but also within the Ministry of Defense which only recently stopped paying pension contributions to Gotovina.<sup>253</sup> However, by October 2005, the EU surprisingly changed its mind and gave Croatia the candidate status it had long wished for. It was speculated that this shift occurred because of the changed judgment of the UN’s Chief Prosecutor, Carla del Ponte, regarding Croatia’s cooperation with the ICTY, as she was already informed of the planned arrest of Gotovina a couple of weeks later. But it is more likely

that the pressure applied by Austria in October 2005 for a bargain to accept Turkey’s candidate status in exchange for starting accession talks with Croatia was more significant. Nevertheless, with Gotovina being in The Hague since December 2005, Croatia’s highly visible political issues seem to be solved.

Moreover, Croatia has already been deeply involved in cooperation with NATO and EU security planning. Though not yet a member, Croatia is considering in its March 2005 Strategic Defense Review the contribution to EU Battle Groups and other structures of the future European Security and Defense Policy (ESDP).<sup>254</sup> Most of the planned contributions will, nevertheless, be the same units which Croatia will train and equip for NATO-led operations and structures.

#### *NATO Programs with Croatia*

The perspective of NATO membership has been, for the last several years, the driving force behind the reforms in Croatia’s defense sector. Since its accession to the Partnership for Peace Program (PfP) in 2000, Croatia has increased its activities and obligations within this program. Through the Individual Partnership Program (IPP), it has participated in 251 events<sup>255</sup> in 2004 and intended to participate in 430 IPP activities in 2005.<sup>256</sup> In addition, Croatia agreed in 2001 to coordinate the Planning and Review Process (PARP) with NATO, a biannual cycle for bilateral and multilateral consultations on defense planning. Through PARP, the Croatian side will each year agree upon a set of Partnership Goals (PG) aimed at the establishment of interoperability of the CAF with NATO forces and more affordable, modern structures. The PGs provide not only clear guidance for Croatian defense reform but also set deadlines for each goal. As Croatia has also reached the official status of a full NATO membership aspirant, all PARP and IPP measures inform the Membership Action Plan



(MAP) of NATO as well. Besides that, NATO experts as well as bilateral missions from the UK, USA, and Germany have been invited by the Croatian government for numerous other consultancies, missions and workshops. Two NATO expert teams, one on resettlement and retraining of redundant personnel and the other on base conversion, have communicated and met with the respective members on the Croatian side.<sup>257</sup> NATO experts were also involved in the preparation of the Strategic Defense Review in 2005. In addition, the Croatian MoD has signed up for several activities under the Prague Capabilities Commitment (PCC).<sup>258</sup>

The whole process of defense reform seemed to be steered through workshops, joint exercises and consultations with NATO countries in bilateral and multilateral ways. Though it is difficult to measure the direct impact and influence of NATO on each and every activity in Croatian defense reform, the increased speed of these reforms and the change of defense strategies, tasks and capabilities is clearly linked to the obligations and deadlines set by NATO. Without the option of NATO and EU membership and the potential benefits they may bring, the Croatian government would have not initiated the defense reform process at this pace.<sup>259</sup>

### Political Guidance of Defense Reform

The Croatian military, as well as the other state security forces, were highly politicized during the war and after 1995 by the regime of Franjo Tudjman. Tudjman's regime, for years classified by Freedom House as „Partially Free“, crumbled after his death and the first change of government in the 2000 elections. Tudjman, the hero of the Croatian war against the Krajina Serbs, was always in support of a strong CAF, and thus the General Staff of the CAF successfully refused any reform for a long time.<sup>260</sup> Nevertheless, Croatia has introduced various institutional measures to guarantee civilian oversight and democratic control of the military.

### Parliamentary and Civilian Oversight<sup>260</sup>

Based on the Defense Act and the Security Services Act, the Croatian Parliament has the authority to decide upon the main issues of defense, as well as the general supervision of the security forces including the CAF.<sup>262</sup> Its parliamentary committee for interior policy and national security can call in officials from the CAF for hearings, as well as evaluate all financial and material issues of the CAF and other security services. In addition, the establishment of the Council for Oversight of the Security Services (COSS) in 2003 consisting of seven independent experts was highly acclaimed. The COSS members are entitled to access the reports from the security services and its respective personnel whom it can call in for a hearing.<sup>263</sup> Though the set-up seems to be sufficient and similar to other oversight measures applied in European countries, the reality shows differently. There is a general lack of civilian expertise on military and security matters in the Croatian parliament. Due to the limitation of a four-year mandate, it is difficult for parliamentarians in the committee to build up this capacity adequately enough to perform any serious oversight and control function.<sup>264</sup> This also holds true for the NGO and research community in Croatia, where there is currently not enough expertise on security issues.<sup>265</sup> Regarding the COSS, not only did the head of this council, a well-known academic expert on defense and security issues recently resign from his post, but it seems that the Ministry of Defense and the General Staff are still reluctant to provide this forum with the requested documents. A scandal involving the accusation of rape and sexual harassment at the CAF is a recent example for this problem, as the results of the military investigation were neither made public nor given to the respective parliamentary committee or COSS. In November 2004, the

MoD had ordered an investigation into the allegations made by a human rights group regarding sexual harassment in the CAF. Ever since, the ministry has downplayed the significance of the allegations. The scandal erupted when another non-governmental group went public with stories of sexual harassment and rape of draftees dating back to 2000. The information came from three officers and involved dozens of cases.<sup>266</sup> Moreover, the Gotovina case showed for a long time the lack of civilian control over all security services in Croatia, as well as the continuing legacy of networks of the Tudjman regime.<sup>267</sup>

### The Division of Control over the CAF

Accumulated during the semi-authoritarian regime under Tudjman, the President of Croatia holds a strong constitutional position as official commander of the CAF. He is the chairman of the Joint National Security Committee (JNSC) which includes, inter alia, the Prime Minister and the Defense Minister. Though the powers of the President have been reduced by the current President Mesic, some areas with potential conflict between the presidential office and the Government or MoD remain.<sup>268</sup> While the Minister of Defense controls the military institutions, the budget and the planning process, the strategic decisions have to be taken by consensus by the President and the Prime Minister in the JNSC. Though the current set-up seems to be reasonably balanced, it could lead to confusion in the case of an attack or emergency.<sup>269</sup> Constant discussions regarding the competencies of the President and the Prime Minister over the defense sector, however, decreased the efficiency of democratic control of the CAF and other security agencies.<sup>270</sup> The institutional set-up with a strong President often leads to problems with the division of control over the armed forces, which is a common problem in almost all former Yugoslav Republics. While in Macedonia it has been less of an issue since the President and Prime

Minister have been from the same political party, in Albania and Croatia it has often interfered with the defense reform process to a fairly significant extent.

In general, military reforms in Croatia are already embedded in well-developed democratic structures and cultures and a fast growing economy. After two democratic changes through regular elections, Freedom House has rated Croatia since the year 2000 as “free”. Moreover, the Bertelsmann Transformation Index sees the country as a consolidated and democratic market economy, which is significant when compared to the cases of Albania and Macedonia.<sup>271</sup> Although the demonstrations in support of Gotovina in Zadar and other coastal towns in December 2005 showed that there is still a nationalist minority in Croatia, the majority of the government backed the transfer of Gotovina to The Hague. The de-nationalization of Croatian politics since Tudjman’s death has definitely had a strong impact on the de-nationalization of the CAF and the improvement of civilian and democratic control.

## Defense Conversion

### Downsizing and Resettlement in Croatia: The SPECTRA Program

Similar to the situation in Serbia and Montenegro, the Croatian government had to decide—mainly out of budgetary reasons—to downsize and restructure its armed forces without any of the strategic documents in place to determine the future tasks and related strength and structure of the CAF. Aside from budgetary reasons, the delay in considering the armed forces’ downsizing needs was also caused by fierce opposition and reluctance towards the process of downsizing by the CAF itself, as well as by war veterans’ associations.<sup>272</sup>

As mentioned above, the Croatian government had no clear restructuring and downsizing strategy for the Croatian Armed Forces in place for

a long time. There was no specific interest for that issue during the time of the Tudjman regime. The CAF, together with the other security forces, formed an important power base for the regime and, even after 2000 officials remained reluctant towards downsizing due to public and internal pressure.<sup>273</sup> The delay of the National Security Strategy and the Defense Strategy contributed to that trend as well.

Nevertheless, the development of a downsizing, retraining and reintegration program for redundant military personnel of the CAF was initiated in late 2001 based on the Croatian Government Activity Program for the period 2000-2004. A first draft of the project proposal was published in May 2002, the final draft was endorsed by the Croatian government on 3 October 2002, and the Separated Personnel Care and Transition Program (SPECTRA) was established in 2003, with the first project team operational by May and the other three by September 2003.<sup>274</sup> The Transition Office, which is the coordinating body for the program, was set-up as a distinct unit at the Ministry of Defense in Zagreb.

### Target Group

The prior objective of the SPECTRA program is the support of discharged personnel of the Croatian Armed Forces from the year 2002 onwards. Though their main approach to downsizing is meant to be a voluntary process, the high number of discharged personnel demands that some may need to be forced to leave involuntarily. The SPECTRA project originally envisaged 11,000 redundant members of the CAF by the end of 2006.<sup>275</sup> However, the planned number of 3,286 persons to be discharged in 2002 rose to over 8,000.<sup>276</sup> Altogether, the Transition Office (TO) reported 14,632 discharged persons by the end of 2005. With the new decision in the Strategic Defense Review (SDR) to downsize to 16,000 military personnel, the number of individuals entitled to support through SPECTRA will increase as well. Comparing the personnel projections in the original SPECTRA document of 2002, with current numbers provided by the TO, there seem to be some irregularities. Even the numbers of actual strength in 2002 and 2003 of the CAF have been changed in the current documents. Croatia now reached the exact same

**Figure 16: Personnel strength projection of the CAF and number of personnel to be discharged from 2002-2005**

**Source:** *SPECTRA Presentation at the Bonn International Center for Conversion, December 2005*

Year	2002	2003	2004	2005
Beginning strength	40.714	31.936	27.864	23.742
Organisational separation	2.117	0	0	0
Number of retirements	2.998	490	615	790
Other forms of natural attrition	663	582	507	432
Redundant personnel separation	3.000	3.000	3.000	3.000
Total annual separation	8.778	4.072	4.122	4.222
End strength	31.936	27.864	23.742	19.520

number of 19,520 already at the end of 2005 which had been envisaged for 2006.

Out of these 14,632<sup>277</sup>, over 9,000 persons have received an invitational letter from SPECTRA to confirm their eligibility for support. By the end of 2005, 2,100 individuals have received support from SPECTRA.<sup>278</sup> Due to its budgetary and structural limitations, SPECTRA is only able to support 800-1,000 discharged personnel per year. Therefore, the planned support of some war veterans and invalids within the program is currently left to other Government initiatives and projects of war veterans' associations. In general, most of the discharged personnel have either taken the option of early retirement or severance payment, which raises the general question of whether a highly sophisticated resettlement program was really needed in Croatia.<sup>279</sup>

The entitlement to support by SPECTRA for almost all discharged persons, as well as the lack of criteria to determine who should continue their service with CAF, has been criticized. Some military personnel should not be encouraged to leave the CAF through SPECTRA benefits.<sup>280</sup> Particularly during the initial years of downsizing and SPECTRA implementation, estimates show approximately 10-15% of the discharged personnel as highly educated individuals, even some with training at military institutes of NATO partner countries. The mentioned rivalry between old "uneducated war heroes" and young officers with capacities in foreign language and NATO training has led to some frustration for the latter, as young officers have had difficulties in 'climbing the ladder' despite having received additional training for future NATO interoperability tasks.<sup>281</sup> This claim is denied by the MoD, though results from a survey of the International Organization for Migration (IOM) seem to support it. It is likely that well-educated members

of the armed forces are more willing to volunteer for discharge and subsequent support through SPECTRA since their chances and opportunities in Croatia's current labor market are higher. Nevertheless, for the future tasks of the CAF in Euro-Atlantic structures, this resource drain could prove to be disadvantageous in the long-run.

#### *Institutional Set-up for Retraining and Resettlement*

The approach towards the implementation of SPECTRA is inter-ministerial, meaning that all relevant ministries are involved and have accepted to implement certain parts of the SPECTRA program.<sup>282</sup> The Inter-Ministerial Supervisory Council has the overall program management responsibility—though this is more of a symbolic and political task—while the Inter-Ministerial Operational Council meets every three months and reviews the status of program implementation.<sup>283</sup> The main body, however, is the Transition Office which acts very much independently, but maintains close lines of communication with the other partners. The original project document envisaged a close cooperation with NGOs in implementation and oversight of the program, but this has not materialized.<sup>284</sup> Such cooperation would have been an asset for the program. Under their own definition of an NGO, the SPECTRA team actually included Croatian war veterans' associations in the program as potential NGO partners. At a meeting with a representative of such an association<sup>285</sup> it was made clear that those associations are still very much separate from SPECTRA, but that the SPECTRA program staff would like to cooperate more closely with them given that they have adequate funding, but not enough capacity to implement veteran's projects.<sup>286</sup> So far, the aforementioned association has funded training for job hunters to assist with veterans and other SPECTRA clients.

Besides of the Transition Office based at the MoD, the program itself consists

of four so-called Mobile Transition Teams (MTT) situated in the cities of Zagreb, Rijeka, Osijek, and Split. All MTTs have counselors, psychologists, sociologists, economists, and lawyers employed. Currently 19 people work at the MTTs.<sup>287</sup>

A very unique additional component of the SPECTRA program comprises the involvement of the International Organization for Migration (IOM). By contrast to similar projects in Bosnia and Herzegovina<sup>288</sup>, the IOM was approached by the TO with the request to set-up a complimentary program to SPECTRA activities. The IOM and personnel from SPECTRA and the MoD then conducted a joint workshop to develop PRIOM or RASDP—Reintegration Assistance to Separated Defense Personnel. In February 2004, the IOM and the MoD signed a cooperation agreement. Instead of duplication of offices and efforts as is often the case, the experts and project managers of the IOM are integrated into SPECTRA structures while remaining independent in the conduct of their activities. The IOM has three sub-offices in the premises of the MoD in Zagreb, Osijek and Split, which cover four regions of Croatia. Seven advisors with a background in training, business, psychology, as well as the military (three ex-officers) are working as mobile teams and visiting their beneficiaries even in remote villages.<sup>289</sup> The RASDP program supports only individuals already selected by SPECTRA that have completed the orientation workshop to maximize their chances for employment. The IOM has chosen to mainly support individuals living in so-called 'Areas of Special State Concern' (ASSC), such as war-affected regions. Before setting up the program it conducted a Labor Market Survey within the ASSC to make the activities under the RASDP meet the local demand.<sup>290</sup> The main focus of the activities under RASDP is self-employment.

*Programs and Activities*

The SPECTRA program draft of 2002 envisaged a wide variety of activities for redundant military personnel, starting with obligatory orientation and transition workshops, to offering loans for employers and additional funds for self-employment. Some of these activities, especially the cost-intensive loans and payments and the Small and Medium Enterprise (SME) support did not materialize due to scarce funds.<sup>291</sup> Instead, the Transition Office team of SPECTRA decided to focus on the overall PR campaign to raise awareness within CAF as well as in Croatian society of SPECTRA, the transition workshops and the general support and counseling service offered for redundant personnel. After completing the workshop, participants can choose between receiving support for employment, self-employment or vocational training. Given the increasing number of discharged military professionals, this support enables the process of employment to move ahead more quickly rather than having to wait for adequate funds to be raised to implement more elaborate support programs.

The transition workshops were planned to last four days, but were cut very quickly to three days to raise the number of beneficiaries. The workshops are conducted in all four SPECTRA offices in the country and generally use the same methods, with the exception of a few minor differences (see the example of Osijek below). A mixed group of people according to rank and age is assembled in the transition course, and organizers also try to include discharged female personnel in every group, though this is difficult due to the low number of female military personnel in the CAF. The three days are structured in the following way:

**Day 1:**  
After a general introduction and icebreaking exercises, the participants fill in a questionnaire and perform a capabilities test. After that, all

participants take part in a job interview which is taped and analyzed on day three. Other topics on day 1 include laws and regulations, personal value, problem-solving techniques, and the production of an individual transition plan of each participant.

**Day 2:**  
On the second day, all participants elaborate their transition plan on which they had continued to work the evening before as homework. Besides that, day 2 is “career day” with writing exercises for cover letters, CVs, as well as exercises for job-hunting and how to approach a potential employer.

**Day 3:**  
The third day is mostly spent with the joint analysis of the job interviews taped on day 1. Besides that, successful beneficiaries of the SPECTRA program come back to talk about their current employment or business. In addition, the IOM provides an overview of the optional RASDP support activities. Finally, all participants receive their official certificates.

As a follow-up to the workshops, the counselors contact the participants after 2 days. There are three official counseling sessions (though some need more) for the participants to define their employment goals for the future and to choose one of the support programs. Though it was planned from the outset to monitor the success of the participants over two years, this has been reduced to a timeframe of up to one year—again, due to the structural and financial limits of SPECTRA.<sup>292</sup>

Though there is no detailed evaluation of the program’s impact thus far, initial numbers on the success of SPECTRA indicate a positive performance, taking into account the overall economic situation in Croatia and the labor market in particular. By October 2004, 1,100 beneficiaries took part in SPECTRA activities of which 40% were employed, 16% were able to

become self-employed, while 20% were in the process of starting their own business. A further 12% finished additional vocational training.<sup>293</sup> In interviews in April 2005, the program managers of SPECTRA revealed slightly different numbers with only 30% of 1,600 overall beneficiaries receiving employment, 23% self-employed and 15% in vocational training. By December 2005, these numbers had changed, again, with now 2,100 beneficiaries of which only 20% were employed and 42% self-employed. Though the changes in the number of employed and self-employed are rather substantial, it is more indicative of a shift in the focus of business counselors towards self-employment, as employment opportunities for ex-military are harder to locate. SPECTRA personnel also explained that those beneficiaries who fail to receive employment are not lacking capabilities or qualifications, but rather do not want to be employed. Some get a job on the black market, which helps them to avoid the 50% pension cut they would normally face if employed in the regular market.<sup>294</sup>

The RASDP of the International Organization for Migration had from its inception a focus on supporting redundant personnel mainly for self-employment. Its funds are used to co-sponsor the purchase of equipment, provide additional training, co-fund the adaptation of business facilities, act as collateral for business start-ups and to support the beneficiary in obtaining licenses and legal authorizations for his/her business.<sup>295</sup> IOM personnel introduce the program at the transition workshops of SPECTRA, and respective candidates receive a registration form (2,800 have already been sent out) which they have to submit if they are interested in participating in the RASDP. So far, 1,445 discharged persons have requested support by the IOM. The project team has signed 667 reintegration contracts as of March 2005, 222 of which are in the region of Zagreb and Rijeka, 263 in the region of Osijek, and 182 in the region of Split.<sup>396</sup> By the end of 2005, the



overall number of beneficiaries has risen to 1,002 with 852 being self-employed and 153 employed on the market. Co-funding of equipment was the most frequent type of assistance (76%), resulting in about 82% of all beneficiaries either continuing or starting self-employment activity. Approximately 73% have chosen agriculture as self-employment, such as cattle breeding and bee keeping, etc. Taking into account the potential accession of Croatia into the EU, this choice could prove risky in the long run for some clients, as small-scale agriculture can come under heavy market pressure. When asked about this, IOM managers assured that they inform their clients about the risk involved and have successfully lobbied for the establishment of cooperatives and associations; IOM counselors also cooperate with the Ministry of Agriculture on this issue.<sup>297</sup> In addition, since many clients already own land, have experience in agriculture, and are in favor of greater support, the IOM sees enough prospects in supporting the approach of forming cooperatives and associations even though competition from the European market might make it difficult.

The project plans to benefit 650 individuals in 2005. Though monitoring started as early as September 2004 with 65 cases, it is too early to judge the success and sustainability of the IOM's reintegration assistance. However, the flexibility of the program and the high motivation of the team could indicate a prosperous endeavor, keeping in mind that the IOM is serving some of the most economically difficult regions of the country. The counselors visit their clients regularly on a personal basis, driving even to the most remote villages and farms. Moreover, the IOM RASDP plans to expand their support to the broader group of unemployed war veterans who receive only minor assistance through legal entitlements, activities of the Ministry of Homeland War Veterans and some

associations. Of the roughly 20% of unemployed persons in Croatia, 10% are war veterans, which amounts to approximately 34,000 individuals.<sup>298</sup> Estimates from the war calculate that about 350,000 men and women circulated through the CAF from 1991 to 1995.

In addition to the different joint activities and structures of SPECTRA and the IOM, the RASDP also contributed the first clear analysis of the target group/beneficiaries in terms of educational background, age, and socioeconomic situation.<sup>299</sup> The average age of the beneficiaries is 40, but about 20% of the clients are under 35 years of age which is rather odd considering the problem of an over-aged CAF and its challenge to keep and recruit younger personnel. While only 32% of the clients had a specialized military education, approximately 6% were university graduates and over 35% claimed to have a good knowledge of English, something that would be useful for the CAF's future integration in Euro-Atlantic structures.<sup>300</sup> The study also proves the claim that most of the members of CAF were "civilians taking up guns": 63% of the separated personnel were either employed (56%) or self-employed (7%) before joining the CAF, which constitutes a major advantage for any type of reintegration assistance. As explained in the interviews with IOM personnel, most "clients" are interested in self-employment (80%), out of which 61% favor the purchase of equipment through the IOM program.

Funding remains one of the basic problems of both projects. From the outset, the SPECTRA management over-projected the amount of funds from external donors at about 54% of the overall budget, an exorbitant sum of USD 120 Mil.<sup>301</sup> So far, the transition office had to sponsor its own structures, and personnel costs were approximately EUR 100,000, an amount which was planned to fulfill the needs of only one year, not three.<sup>302</sup> Currently, the SPECTRA management is trying to get the coordination of the

future base conversion project in order to raise more money for resettlement through the expected profits from sales and lease of military assets.

Both, SPECTRA and RASDP face higher demand than they are able to satisfy. In the regional center in Osijek alone, there are 300 people on the waiting list because the transition courses are fully booked until June 2006.<sup>303</sup>

#### *Recommendations*

Though SPECTRA and its IOM component are also struggling for funds, their work seems to have positive prospects over the next two years. The institutional set-up and activities of both organizations have been well thought through and applied. Nevertheless, some aspects remain critical:

- There is the need for clear criteria to be applied which prevents young and/or NATO-trained soldiers (for NATO and other international missions) to not only leave the CAF but also to get benefits under the SPECTRA program.
- These officers need better career and promotion opportunities within the CAF.
- Civil society NGOs and not only veterans' associations should be more involved in the orientation courses, especially in the case of redundant personnel with war experience, to help their reintegration into civilian surroundings.
- The exceptional cooperation with the IOM should allow for further cooperation with other international development programs in Croatia.
- Although SPECTRA and the IOM provided some data on the programs and its beneficiaries,



they still lack a thorough evaluation of the current situation of previous beneficiaries. Such an analysis could also enable the SPECTRA program to approach donors for additional funds.

- IOM plans to also include war veterans without regular army entitlements into their program. The Transitional Office of SPECTRA should contemplate such an extension, too, which could lead to a joint program with the Ministry of War Veterans and various veterans' associations.

#### **Base Conversion: Profits for Modernization?**

A large number of defense installations in Croatia have been closed down in recent years, and even more will be given up within a period of ten years. According to the latest estimates, the military authorities will have a need for only 1/3 of the current number of installations. Those that remain under their authority will need to be updated to modern standards.

Although the Croatian Armed Forces (CAF) was created from scratch during the war of 1991-1995, the newly independent state inherited a lot of military bases and sites on its territory. Some of these were former sites of the JNA, the Territorial Defense Forces, and others were maintained by the Ministry of Interior (MoI) for its paramilitary forces. Moreover, some military sites were already put under the responsibility of towns and districts in 1992. A classification of military property in that year shows a total of 657 military sites, of which 511 were under the control of the MoD, 43 of the MoI, and 103 of towns and districts.<sup>304</sup> The different ownership and typology (JNA/TDF) of the sites has led to some irritation in terms of overall calculations of the sites that are maintained and those that have been transferred to other state agencies, communities, or the Privatization

Fund.<sup>305</sup> It shows the need for a more systematic calculation to present a precise overview on the status of base conversion in Croatia.

The issue of abandoned and hidden sites of the Territorial Defense Forces could present some difficulties for Croatia.<sup>306</sup> As one can see in Bosnia and Herzegovina, TDF weapons caches and hidden sites comprise an ecological and security issue and therefore a threat to local communities. It is not clear how big that problem is in Croatia and if or how it has been addressed so far.

Although the transfer of military sites began as early as 1992—with 64 sites already transferred by 1995 out of 511—there was no systematic procedure for base conversion in place. It seems that during the war, strategically unimportant bases were just abandoned to free money and personnel of the CAF for the war effort.<sup>307</sup> So far, there is no systematic analysis of what happened to these sites. Similar to the issue of downsizing, base transfer—let alone conversion in general—was not high on the agenda of the Tudjman Government, which tried to keep up its strength to deter another attack of the Former Republic of Yugoslavia and retain power against domestic opposition. From 1996 to Tudjman's death in 2000, only 22 sites were transferred, compared to 25 and 41 in the years 2002 and 2003 respectively.<sup>308</sup>

The lack of strategic documents and long term plans for the armed forces have had a similar impact on the process of site transfer and conversion as on the downsizing of military personnel. Overall, this impact has resulted in the absence of systematic approaches; the ad-hoc sale of property; and no clear analysis of future needs for integration within Euro-Atlantic security structures. Recently, the MoD and the government have realized that the issue of military facilities is a costly one, but one that may also generate benefits if a structured approach for transfer and conversion is initiated.

However, there are still shortcomings for concrete and successful next steps in this process. In the National Annual Program for the third cycle of the Membership Action Plan (MAP) presented to NATO, the MoD stresses the need for the modernization of important military sites, as well as the sale of some facilities to raise money for the CAF and SPECTRA as well.<sup>309</sup> It sets a deadline for the establishment of a concrete transfer and conversion program with a leading department in the MoD and all legal issues (property rights, etc.) to be solved by the end of 2004. External pressure has also increased on the MoD on this issue. The office of the president of Croatia filed an official request to the MoD to compile a systematic list of all military facilities and their status.<sup>310</sup> The MoD has assigned a working group with the task of developing a plan for the conversion of surplus facilities. However, the problem of the lack of a Long Term Development Plan of the CAF, which could indicate which military facilities would actually be needed for future tasks, persists. Though the draft of the LTDP is now circulating, NATO officials have indicated that they do not expect an official adoption until late spring 2006.<sup>311</sup> Even though the Strategic Defense Review from March 2005 was seen as an important step towards the LTDP it is, again, postponing clear decisions. For example, the SDR mentions the financial burden of maintaining and guarding the oversized number of military sites, but it leaves it to the LTDP to “define goals and dynamics for the development of buildings and infrastructure”.<sup>312</sup> Without those goals, it seems to be rather odd to transfer military facilities, which might be needed for future interoperability with NATO forces.

Nevertheless, and without clear targets for the future structure of the CAF, the MoD has transferred 124 military sites between the years 2002 to 2004.<sup>313</sup> Of the 336 sites currently still maintained by the MoD, only 203

will be kept by the armed forces. 71 sites are ready for transfer while 62 still have to be vacated by the armed forces.<sup>314</sup> Aside from the issue of releasing potentially important future sites, this policy makes sense from the perspective of the Croatian MoD. The sooner the MoD transfers these sites, the more they can increase their budget and personnel and allocate them for other purposes.<sup>315</sup> However, the general interest of the Croatian Government and State in a structured and beneficial conversion process should weigh more heavily than the short-term interest of the military in acquiring quick and profitable transfers.

Regardless of the numbers, it is clear that Croatia has had already numerous experiences in base closure, conversion or redevelopment with up to 204<sup>316</sup> “transferred” sites to date. If no general evaluation of these cases has taken place so far, the Croatian MoD should seriously consider such an evaluation before it takes any new steps in terms of establishing a new institutional set-up or other procedures. A collection of best practices (different types of successful re-use, efficient structures for conversion processes on the local level, etc.) would be an asset.

*The Institutional Set-up for Transfer and Sale*

In 2001, the Croatian government established a state agency to manage the disposal or transfer of state assets: the Privatization Fund (PF). A constraint for the transfer and conversion of military assets is that the State agency is responsible for disposing of assets ‘belonging’ to all government departments, and thus the process can be quite slow. The MoD is currently sponsoring a Bill to Parliament so that it can transfer the facilities itself. There seems to be no significant opposition to this,<sup>317</sup> although the MoD was candid in its admission that there was little support for it outside the MoD. The proposal has the potential advantage of speeding up the transfer of military facilities, but also the potential disadvantage of giving too narrow a

focus to conversion results that only appear beneficial to the MoD. A case needs to be made that a structured transfer and conversion of military assets should be beneficial to the country and its economy as a whole, and not just to the MoD.

When it comes to the first official transfer or sale of state-owned property, this is managed by three different bodies, depending upon the estimated value of the installation:

- The Central State Administrative Office for State Property Management (up to KN 100,000)
- The Assets Committee of the Croatian Government (from KN 100,000 to KN 10 million)
- The Croatian government (over KN 10 million)

The working procedures of the three bodies are unclear, as is their relation to the Privatization Fund. During the last two years, the majority of transfers were handled by the Assets Committee, some by the Croatian government and none by the Central State Administrative Office.<sup>318</sup> These bodies transfer the sites either directly to local municipalities, towns or cities, or to the Privatization Fund. Of the 124 sites transferred between 2002 and 2004, 54 were handed over to the Privatization Fund for free in 2002 and 2003. However, it appears that there has been a recent change of policy since no site had been transferred to the PF in 2004, and only one site was given away for free even though this policy was practiced for the past two years.<sup>319</sup>

Perhaps the model of an independent agency handling all conversion issues could be an option for Croatia. At a meeting with the NATO Task Force in Zagreb, the Privatization Fund’s representative mentioned a newly built Interagency Subgroup for Conversion

at the Fund, but did not explain its set-up, constituents and decision-making procedures.<sup>320</sup> It seems that there is still a lack of efficient and transparent structures with clearly set tasks and responsibilities, not only in the transfer of military assets, but also in the transfer of State-owned property in general.

*Procedures for Transfer*

Similar to the loopholes in the institutional set-up for the transfer and conversion of military facilities, the procedures are still in the development phase based on the Defense Strategy and the SDR. The military facilities have been nevertheless organized into four groups:

- those that have military prospects
- those that have temporary military prospects;
- those without military prospects;
- additional ones to be procured for the Armed Forces.<sup>321</sup>

Based on this typology, the MoD has decided to keep 203 of the current 336 military facilities.<sup>322</sup> Again, it has to be stressed that a selection of bases for closure without all strategic documents in place could lead to problems in the future restructuring and modernization processes.

Next steps for a site selected for disposal are the compilation of the information listed below, which is then put together by the MoD in a survey for the Central State Administrative Office for State Property Management:

- Copy from the land register
- Certificate on the status and purpose of the lot according to town planning
- Information about the lot status on the date of enacting the Law on agricultural land

- Information on the Refund Request made based on the Law on refund for property seized during the Yugoslav Communist System
- Declaration of Croatian Woods on the lot status
- Market value assessment by Tax Administration Agency of the Ministry of Finance
- Photographing the property
- Field examination
- Opinion of proper Public authority<sup>323</sup>

Between 2001 to 2005, 262 surveys have been passed from the MoD to the Central State Administrative Office for State Property Management, leading to 100 assets being transferred.<sup>324</sup> Again, these numbers and the overall procedure raise a couple of questions. Of the 124 sites that were actually transferred, none was given to the Central State Administrative Office for State Property Management. Moreover, only assets of minor value should be given to that authority, but barracks and bases are likely to have a higher value than KN 100,000. Clearly, this shows the inconsistent and nontransparent nature of the structures and procedures currently in place, as well as the lack of institutional and centralized knowledge at the MoD and other cooperating State agencies on passed and current processes in that field.

More importantly, the question remains as to who actually conducts such surveys. If the MoD is in charge for the whole input of that process, there might be a conflict of interest. The main goal for the MoD is the quick and profitable sale of military sites. Although the Tax Administration Agency of the Ministry of Finance is doing the market assessment, there is room for the MoD to exert influence

over the process by providing some basic data. The market assessments by the Tax Administration agency of the Ministry of Finance are sometimes significantly higher than those carried out by local towns interested in buying or leasing the site (see Box 2 on Krizevci). In addition, there have been complaints by the local municipalities that the market value assessment takes too long.<sup>325</sup>

*Property rights and ecological problems*

Another important issue for the conversion process is the ownership of the sites. This issues not only deals with the question of whether or not these sites and potential profits belong to the state, but also in terms of property rights of pre-socialist times or from the successor of the JNA, the Serb and Montenegrin Armed Forces. In some cases, a dispute over the ownership of a particular site remains a constraint. Croatia has received a loan from the World Bank to establish a land registry, as the current registers are not exhaustive.

The officials interviewed for this study downplayed the issue of the pollution of military sites several times.<sup>326</sup> However, taking into account the experiences with other sites in Eastern Europe, one can expect that similar problems exist in Croatia. In particular, the aging ammunition and other explosive ordinances from sites of the Territorial Defense Forces likely pose an ecological and security threat to the local population, as it does in Bosnia and Herzegovina.<sup>327</sup> From the meetings with MoD officials, it was not clear if there are any environmental specialists involved in producing the surveys on military sites, or if special units and programs exist at the CAF to clean up polluted bases. An official reply by Croatia's Ambassador to NATO in October 2005 finally showed that the MoD is acknowledging the problem. The official statement reads that "The most cost-consuming conversions will be those of ex-fuel storages, since they have had no proper maintenance, nor have they been used. These will bring

up environmental issues. Although the Republic of Croatia has no property contaminated with radioactive material, there is a certain percentage of property surrounded by mine fields."<sup>328</sup>

*Objectives of the MoD*

The two main objectives of the MoD for the transfer of sites and assets are:

- To free resources for the modernization of promising military property or the construction of new ones
- To free resources for the realization of the SPECTRA program and the reorganization of the MoD<sup>329</sup>

Through the envisaged "conversion program, the MoD wants to generate funds for the modernization of the CAF and the whole defense system, as well as the support of redundant personnel. This plan seems to be rather questionable. The military budget should not depend on expected profits from sales of military sites, as these are too unpredictable. In fact, conversion often implies more costs than profits in the initial years of the process.

Looking at the decisions of the Asset Committee from 2002 to 2004, the expectations for income generation at the MoD and other respective State agencies have increased over the last several years.<sup>330</sup> While in 2002 and most of 2003 the majority of sites were given out for free, in late 2003 and especially in 2004, the number of sites given away for free decreased to only 1 in 20. Why did the policy change? Does the MoD want to raise the profits? Does this development show a growing demand and interest by local towns in owning military sites? Judging from the conversion experiences in other post-socialist countries, the MoD should lower its expectations: the peace dividend rarely materialized in those countries. However, conversion and

the redevelopment of bases do offer the possibility for general benefits to society and the local economy that cannot be measured by fiscal profits.

Most of the objectives of the MoD are short-term, looking for quick solutions and sales with high profits. Rather than having the MoD in charge of the conversion process, the Croatian State should try to formulate long-term objectives and partnerships for the conversion process that could benefit the society as a whole. Since many military sites are also situated in under-developed war-torn areas, the Croatian State has to take into account more factors than simply military ones. Base closure can have severe consequences in such areas.<sup>331</sup> Perhaps a similar partnership to that with the IOM on reintegration would be beneficial. Linking up the base conversion process to SPECTRA assistance could be also useful. SPECTRA managers are currently looking for funds for an activity called “Military Base Conversion for Agricultural Purposes”<sup>332</sup> which would include ecological redevelopment, the provision of plants and seeds, and which should help some ex-military people become self-employed in agriculture.

#### *Recommendations*

- To achieve the “best value for money”, the possible re-use of military facilities needs to be subject to investment appraisal. This will involve the systematic comparison of the costs and benefits of different re-use options for any given site. Independent “assessors” should carry out the valuation of installations being sold. Confidence problems would therefore be avoided and price discussions made easier. Naturally, this is conditional on there being an independent body of assessors in Croatia.

- One way to speed up the conversion process may be the creation of a real-estate advisory team with a good knowledge of the Croatian real-estate market, real-estate economy, and financing. This team may either constitute a part of the MoD or be more independent so as not to allow itself to be influenced by them. This team could serve two main purposes:
  - Contribute to giving a realistic picture of the conditions for a sale and conversion, both with the MoD and local authorities
  - Give affected local authorities professional help so that the conversion process starts quickly
- A collection of best practices (for example, on different types of successful reuse, efficient structure for conversion processes on the local level, etc.) would be a useful tool. More detailed information on the sites and facilities which have been transferred is also needed.
- The communities in Croatia that have assumed property need to organize a network to share experiences and to act as an homogeneous group to push forward adequate legislation and policy in this field.

### **Conclusions**

While defense reform in general has been very much influenced by external pressure and incentives such as prospective EU or NATO membership, the concrete measures undertaken in the two areas of downsizing and resettlement and base conversion have also been pushed by financial considerations. By reducing the number of personnel and military bases, the MoD hopes to free more money for social benefits for redundant personnel, as well as for the modernization of the CAF as requested by NATO through their accession programs.

Domestic politics have nevertheless been a major obstacle for many defense reform measures for quite some time, especially during the time of the Tudjman Regime when democratic control of the military was lacking. Civil-military relations are to some extent still deficient in Croatia, but the country and its military have nevertheless been de-nationalized. However, it seems that parliamentary actors or civilian experts have had minimal impact on the current conversion issues and the respective planning process.

The two major areas of conversion activities—the SPECTRA program and the newly set-up conversion program—are well-designed and, in the case of SPECTRA, well implemented considering the limited amount of funds and compared to similar projects in neighboring countries. However, the process of base conversion and redevelopment needs more transparency and independent analysis. A clear review of all transfers of bases is needed in order to improve the output of the program and maybe even generate income. Nevertheless, the MoD should lower its own expectations in acquiring external funds for both projects, as well as in the potential profits it may acquire through the sale of military property.

However, the Croatian reforms in the defense sector have a significant advantage: they are embedded in a growing economy and a consolidated democracy. Since October 2005, the European perspective on Croatia and its ability to reach Euro-Atlantic defense standards is more realistic and positive than for any other Western Balkan country. European funds for the environmental clean-up of military sites, support for ex-military employment measures, and increased foreign direct investment in tourist areas are within reach and would mean a great difference for future of Croatian base conversion and reintegration programs.



# Overall Conclusions

The three countries analyzed in this study differ very much regarding the status of reform, modernization and professionalization of their armed forces. This also holds true for the programs initiated or implemented in the area of defense conversion, where all three countries are facing different problems or are in different phases of the project cycle. Therefore, an analysis of the level of reform and planning, the identification of lessons learned and issues to be considered in defense conversion programs in the future was undertaken, rather than a formal comparative study. The scope of the study was limited by a general lack of systematic analysis in the countries' defense sectors for project design and implementation, which is common to almost all programs examined. In addition, basic data sets on defense issues often do not exist, are not accessible or change depending on the sources. Therefore, the study also begs the following questions: How can research institutes, but also implementing agencies measure the success of defense reform if data is not accurate enough? What about when clear indicators are missing, or when the different agendas of external and internal actors are to some extent blurring the information?

Nevertheless, there are commonalities between the three cases that allow for the identification of several achievements, shortcomings, and determinants for defense reform in post-socialist countries in South Eastern Europe.<sup>333</sup> These will be discussed in turn.

## Achievements

The primary success of all defense reforms in the Western Balkans is the significant downsizing of military structures, which guarantees the future stabilization of this war-affected region. In most cases, the downsizing projects have led to changes not only in the structure of the military personnel, but also in education and training for

new tasks. Better military education as well as the reintegration and vocational training programs not only lead to more qualified personnel, but also to a change of socialist and paternalistic mindsets. In addition, the new armed forces in the three countries have lost their illusions and unrealistic expectations regarding equipment, available funds, and threat perceptions.

Another positive result is the absence of major disruptions or social unrest by discharged military personnel or war veterans in the slowly consolidating democracies of Albania, Croatia and Macedonia. However, particularly in the case of Croatia where the war traumatized a large portion of the population, it is important to examine the psychosocial problems of reintegration and its impact on society, such as organized crime, domestic violence or an increased rate of suicide among ex-military personnel.

In addition to the reform process, exposure to Western training and consultancy has supported the denationalization and internationalization of the armed forces in all three countries. In the case of Croatia, the capture and trial of Gotovina might finally disclose the role of some parts of the CAF in the war against the Krajina Serbs and thus support its transformation.

Regarding the concrete programs which are currently implemented on defense conversion, only SPECTRA can be judged as successful, while all other programs are either deficient or have just entered the implementation phase with very modest outcomes (LEPEZA). It is clear that only SPECTRA has been able to deliver support under scarce funding conditions and with high employment rates for ex-military personnel.

## Shortcomings

The late start of defense reform in the Western Balkans and the postponement of strategic papers in most of the countries constitute

the main factors for the current problems faced in Croatia, Albania and Macedonia. There are still structural deficiencies in the security sector, including the lack of civilian control of the armed forces, competing competencies of Government structures on defense issues, and the lack of input or independent analysis by NGO or think tanks. Those deficiencies have often led to frequent changes, delays and mediocre production of strategic defense and security papers, which has had an effect on long-term planning of the defense forces, their bases, and their equipment.

Without long-term strategies and plans, the downsizing, resettlement and transfer of military bases might lead to inefficient and poorly-equipped forces. The lack of plans and the remaining structural problems in the defense sector have had an impact on the way in which resettlement and reintegration, as well as conversion has been dealt with in all three countries so far. In all three cases, clear analysis and reviews of past conversion activities and the evaluation of current situations of ex-military are lacking. Such reviews could have guided ongoing, as well as newly planned measures in base conversion and the resettlement and reintegration of military personnel. The flawed reporting culture that is present in all three defense sectors prevent the much-needed analysis and accurate data that all projects would benefit from.

In addition, all three countries have for a long time held misguided expectations in terms of external funding or profits through the sale or transfer of military bases. Under funding of programs is a main problem, even in Croatia where the economy is recovering at a much higher rate than in the other two countries.



## Determinants

Prospective membership in NATO and the EU also seems to be the driving force behind the reform measures of all three countries analyzed in this study. However, financial pressure on their defense budgets is also playing a major role, as is the recognition of dysfunctional military legacies. Ironically, the financial pressure is somewhat increasing due to the demands for modernization and restructuring of the armed forces and their equipment through the obligations outlined in NATO's accession schemes. A unique case is Macedonia, because the restructuring of the armed forces is also pushed by the political agenda to achieve an ethnically balanced military. The exposure to Western culture and military training is also influencing the scope of reforms, as well as the generation change that all three armed forces are undergoing. In all three countries, PMCs are playing a role in pushing the reforms forward, although their impact is not measurable and is openly questioned by local and international experts.

Most of the intervening factors which have hindered rapid reforms originate in the slowly vanishing socialist mentality and post-war nationalism which was crucial for nation-building in Croatia and Macedonia, but which now constitutes a burden for these countries. Moreover, institutional legacies have had a negative impact on the scope and speed of reforms, particularly the tensions between Presidents and Prime Ministers on defense competencies, but also the inexperience of parliamentarians with military oversight and control. By contrast to Western states, parliamentarians in all three countries can also not rely on independent analysis and advice since there is a general lack of civilian capacities in the defense sector, such as experts, think tanks and academia.

The different outcomes of the reform processes in Croatia, Albania and Macedonia are mainly influenced by the level of realism with regard to prospective NATO or EU memberships. In the case of Macedonia, the ethnic heterogeneity clearly complicates this process, particularly with the necessary changes that are being undertaken at present. Moreover, the scope of the problems in demobilization and reintegration, as well as base conversion, differ a great deal. Croatia clearly benefits from its great economic growth and the consolidation of democratic structures. In addition, the overall capacities of the political regime to control and efficiently govern the defense sector is much better developed in Croatia than in the other two countries, as is the degree of action against corruption. The involvement of international organizations such as the IOM in Croatia has also increased the performance of projects like SPECTRA. Croatia and Macedonia have also benefited, and will continue to do so from their growing chances of EU membership.

## Recommendations for conversion programs

- More transparency is needed in all planned and currently undertaken conversion activities, but especially within the process of the transfer and sale of military bases, sites and assets. In order to achieve such transparency, parliamentary committees have to be better trained and strengthened. In addition, more independent expertise in consulting, implementing and evaluating such measures is crucial.
- Perhaps the model of an independent agency for conversion would guarantee more transparency and streamline bureaucratic procedures. An independent assessment of market value would be particularly important for this purpose. The institutional set-up, which was

established in all three countries, was not only unclear, but also seemed to be rather unpractical for implementation.

- Planning has to be predictable and long-term oriented; and also the benefit packages and entitlements have to be predictable and guided by transparent criteria.
- The good example of avoiding duplication by integrating IOM into the set-up of the SPECTRA program could be used for other activities in defense conversion as well. Moreover, NGOs should be used—as well as existing national agencies—to make the process more cost-efficient, and, in the case of retraining and resettlement, to have civilian partners on board for reintegrating ex-military into society and the economy.
- High expectations for profits from transfers and sales have to be reduced. They are not likely to materialize. The environmental issues in particular could backfire on the planned sales. Another option to attract new funds in times of decreased donor interest in supporting military reform is to request financial support for the clean up of polluted sites. Though this has no direct impact on earnings for the MoD, it will have a positive effect on the neighboring communities.
- The exchange of experiences in the region on defense reform and concrete conversion projects has to be increased. Structures like the new Defense Conversion Cell at RACVIAC can provide important support for this purpose and contribute to documentation and evaluation mechanisms for the programs in the region.

- Reintegration programs should take into account the different situations, environments and opportunities in each country, and not adopt a “one-size-fits-all” approach.
- In the case of retraining and reintegration, there should be a clear message that no social benefits automatically result from a military career, but rather each soldier has a civilian identity and responsibility to civilian society. In the long run, this will support the notion that military personnel are also a part of the society and should hold civilian capacities and values as well.

# List of Interviewed Persons

Agolli, Ilirjan, Voice of America, Journalist, Tirana, Albania, 2 March 2005

Aleksoski, Mile, General Staff (J5), MOD, Lt. Col., Skopje, Macedonia, 23 March 2005

Atanasovski, Emil, NDI, project officer, Skopje, Macedonia, 21 March 2005

Babic, Tomislav, IOM Program Manager, Osijek, Croatia, 14 April 2005

Basic, Ivan, Program Manager, SPECTRA, Zagreb, Croatia, 10 March 2005, 12 April, 12 December 2005.

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Begalla, Engjell, Ministry of Foreign Affairs, Chief of Ceremonial, Tirana, Albania, 4 March 2005

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Boland, Frank, Director of Force Planning, Defense Policy and Planning Division, NATO, Brussels, Belgium, 9 December 2005.

Bonovil, Ana, Counselor, SPECTRA, Bonn, 12 December 2005.

Bradic, Tomislav, Atlantic Council of Croatia, Zagreb, Croatia, 12 April 2005

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Ceko, Ivan, Project Manager, IOM RASDP, Zagreb, Croatia, 12 April 2005.

Cela, Arben, MoD, Human Resources Management, Expert, . Tirana, Albania, 31 May, 1-2 June 2005

Cota, Ilja, IOM Program Manager, Osijek, Croatia, 13 April 2005

Crvtila, Vlatko, Defense Adviser in the Office of the President & Faculty of Political Science of the University of Zagreb, Zagreb, Croatia, 3 April 2005.

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Goodstein, Gregoire, Chief of Mission, IOM, Zagreb, Croatia, 10 March 2005.

Hudhra, Thimi, General Staff (J5), MoD, Director, Col., Prime Minister's military advisor., Tirana, Albania, 1 March 2005

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Kosirnik, Rok, Land Force Analyst and PARP Country Officer, Defense Policy and Planning Division, NATO, Brussels, Belgium, 9 December 2005.

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Kuzev, Stojan, Military Academy, MoD, Chief of department of strategic research, Skopje, Macedonia, 22 March 2005

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Millj, Cesk, MoD, Chief of Projects Monitor Office, Col., Zagreb, RACVIAC, Croatia, 1-2 June 2005

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Spirollari, Mihallaq, UNDP, National Project Officer, Lt. Col.(R), Tirana, Albania, 1 March 2005

Starova, Arijan, Member of Parliament (DP), Former Minister of Foreign Affairs, President of NGO AAA, Tirana, Albania, 3 March 2005

Taleski, Dane, Center for European Integration/ Friedrich Wilhelms University, Master Fellow, Bonn, Germany, 14 March, 1 April, 10 June 2005

Temelkova, Vilma, Macedonian Assembly, Defense and Security Committee Expert, Skopje, Macedonia, 24 March 2005

Xhaferi, Talat, Deputy Minister, MoD, Skopje, Macedonia, 25 March 2005

# Annex

**Figure 1: Ethnic representation structure in the ARM**

Source: Macedonian MoD, February 2006.

R E V I E W of MOD and ARM personnel status on 01.02.2006															
No.	Group	MOD and MA <sup>334</sup> personnel		ARM personnel										Total in MOD and ARM	
				Officers		NCOs		Civilians in ARM service		Professional Soldiers		Total ARM			
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1	MK	566	85.76	1227	87.96	1430	76.59	1021	0	2139	78.29	5817	80.66	6383	81.08
2	Albanian	52	7.88	68	4.87	316	16.93	80	6.57	420	15.37	884	12.26	936	11.89
3	Turk	7	1.06	13	0.93	27	1.45	9	0.74	41	1.5	90	1.25	97	1.23
4	Serbs	16	2.42	24	1.72	32	1.71	62	5.09	63	2.31	181	2.51	197	2.50
5	Roma	3	0.45	3	0.22	6	0.32	9	0.74	28	1.02	46	0.64	49	0.62
6	Bosniac	2	0.30	12	0.86	18	0.96	5	0.41	7	0.26	42	0.58	44	0.56
7	Vlahs	10	1.52	17	1.22	7	0.37	11	0.9	9	0.33	44	0.61	54	0.69
8	Other <sup>335</sup>	4	0.61	31	2.22	31	1.66	21	1.72	25	0.92	108	1.50	112	1.42
<i>Total</i>	<i>660</i>	<i>100.00</i>		<i>1395</i>	<i>100</i>	<i>1867</i>	<i>100</i>	<i>1218</i>	<i>100</i>	<i>2732</i>	<i>100</i>	<i>7212</i>	<i>100.01</i>	<i>7872</i>	<i>99.99</i>



**Figure 2: The current pay scales within the ARM**

Source: *Macedonian MoD, February 2006.*

Number	Rank	Average salary - special units	Average salary - special units	Average salary - other in ARM	Average salary - other in ARM
		in Macedonian denar (MKD)	in \$	in Macedonian denar (MKD)	in \$
1	major general			43,500.00	870.00
2	brigadier general			32,700.00	654.00
3	colonel	35,800.00	716.00	25,600.00	512.00
4	lieutenant colonel	30,200.00	604.00	21,600.00	432.00
5	major	24,400.00	488.00	18,500.00	370.00
6	captain 1 class	23,700.00	474.00	17,200.00	344.00
7	captain	22,900.00	458.00	16,400.00	328.00
8	lieutenant	22,300.00	446.00	14,900.00	298.00
9	second lieutenant	23,300.00	466.00	14,500.00	290.00
10	command sgt. major			15,300.00	306.00
11	sergeant major	20,400.00	408.00	14,600.00	292.00
12	staff sergeant	20,300.00	406.00	13,900.00	278.00
13	sergeant 1 class	19,600.00	392.00	13,500.00	270.00
14	vodnik 1 kl	20,100.00	402.00	13,800.00	276.00
15	sergeant	19,400.00	388.00	12,600.00	252.00
16	junior sergeant	19,500.00	390.00	12,300.00	246.00
17	corporal	18,100.00	362.00	12,000.00	240.00
18	private 1 class	17,500.00	350.00	11,900.00	238.00

**Figure 3: Outflow of military personnel in Macedonia until 31.12. 2007**Source: *Macedonian Ministry of Defense, February 2005*

Category	Rank	01.09.2005	31.12.2007	Difference
Officers	General	7	6	1
	Colonel	87	59	28
	Lieutenant colonel	213	127	86
	Major	262	205	57
	Captain I class	55	0	55
	Captain	428	223	205
	Lieutenant	287	243	44
	Second lieutenant	103	56	47
<i>Total officers</i>		<i>1441</i>	<i>919</i>	<i>512<sup>336</sup></i>
Cadets	I st year at MA			
	II nd year at MA	3		3
	III rd year at MA	1		1
	IV th year at MA	88		88
<i>Total cadets</i>		<i>92</i>		<i>92</i>
Ncos	Sergeant major	80	38	42
	Master sergeant	171	135	36
	Staff sergeant I class	271	213	58
	Staff sergeant	247	425	-178
	Sergeant I class	5	0	5
	Sergeant	1055	1119	-64
<i>Total ncos</i>		<i>1829</i>	<i>1930</i>	<i>-101</i>
<i>Total (officers, ncos and cadets)</i>		<i>3453</i>	<i>2849</i>	<i>503</i>

**Figure 4: Overview of property in use, property to be abandoned and property ready for transfer in Croatia**

Source Table 1-8: *Croatian Ministry of Defense, March 2005*

Type of military facility	In use	To be abandoned	Abandoned
Barracks, HQs, af bases	56	10	
Logistics capacity	37	26	
Special purpose facilities	76	24	
Drilling-grounds, training ranges, and shooting ranges	30	2	
Other	4	0	
<i>Total</i>	<i>203</i>	<i>62</i>	<i>71</i>
			= 336

**Figure 5: classification of military property in 1992 in Croatia**

Type of military property	MOD	MOI	Towns and districts
Barracks, hqs, af bases	155	14	48
Logistics capacity	133	1	19
Special purpose facilities	72		1
Drilling-grounds, training ranges and shooting ranges	34		6
Lots (meadows and woods)	39	1	13
Armed forces halls	25	1	6
Tourist-catering facilities	16	1	1
Military health facilities	1		9
Guard-houses	3	25	
Other	33		
<i>Total</i>	<i>511</i>	<i>43</i>	<i>103</i>
			= 657

**Figure 6: Surveys passed on to the Croatian Central State Administrative Office for State Property Management 2001-2005**

Type of military property	Surveys passed on	Transferred property
Barracks, hqs, af bases	77	46
Logistics capacity	61	15
Special purpose facilities	31	9
Drilling-grounds, training ranges and shooting ranges	6	3
Lots (meadows and woods)	42	10
Armed forces halls	12	2
Tourist-catering facilities	3	11
Other	30	4
<i>Total</i>	<i>262</i>	<i>100</i>

**Figure 7: Transfer of military property in Croatia in the period 1992-2005**

Type of military property	Mod-92	Transferred
Barracks, hqs, af bases	155	77
Logistics capacity	133	30
Special purpose facilities	72	14
Drilling-grounds, training ranges and shooting ganges	34	4
Lots (meadows and woods)	39	27
Armed forces halls	25	9
Tourist-catering facilities	16	13
Other	37	10
<i>Total</i>	<i>511</i>	<i>184</i>



**Figure 8: List of transferred military property in Croatia**

Military property	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Total
Barracks, hqs, af bases	13	10	2	1	1	2	2		5	9	13	19	77
Logistics capacity	7	7		1					3	2	9	1	30
Special purpose facilities	3						1	1	2	2	5		14
Drilling grounds, training & shooting ranges								1	1	1	1		4
Lots	7	3		1		5	1		1		9		27
Af halls	5	2								1	1		9
Tourist	1	1								10	1		13
Other	1	2			1	2					2	2	10
<i>Total</i>	<i>37</i>	<i>25</i>	<i>2</i>	<i>3</i>	<i>2</i>	<i>9</i>	<i>4</i>	<i>2</i>	<i>12</i>	<i>25</i>	<i>41</i>	<i>22</i>	<i>184</i>

**Figure 9: Decisions for transfer of military real estate by Assets Committee of the Croatian government in 2002**

Location	User	Descriptor, comment
BAŠKO POLJE – holiday resort and campsite, BAŠKA VODA	Croatian Privatization Fond, based on the Decision of Govn't Committee	On the Government Decision, for free
SUTJESKA (Croatia) – vacation resort, BAŠKA VODA	Croatian Privatization Fond, based on the Decision of Govn't Committee	On the Government Decision, for free
BILOGORA – barracks, BJELOVAR, part of training ground Lepirac	City of Bjelovar Contract of donation	Decision, Contract of donation and Annex to Contract, buying a new site for MOD as compensation
KRIŽEVAČKA bb – economy (fish-pond) «PULMAN», BJELOVAR	City of Bjelovar Decision of Govn't Committee	On the Decision of the Assets Management Committee of the Croatian Government
KUKAVICA – training center, BJELOVAR	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of the Government, for free
EDEN (BELGRADE) – resort, CRIKVENICA	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of the Government, for free

Location	User	Descriptor, comment
PARK (Istria) – resort, CRIKVENICA	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of the Government, for free
UVALA SLANA – motor-camp, SELCE	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of the Government, for free
VILA ISTRANKA – resort, CRIKVENICA	State Assets Agency of Croatian Govn't, based on the Decision of Govn't Committee	Decision of the Government Committee, RESIDENTIAL FACILITIES
DONJI MIHOLJAC – blockhouse, DONJI MIHOLJAC	Town Donji Miholjac, based on the Decision of Govn't Committee	Decision of the Government Committee for State Property Management, for free
TRSTENIK – barracks, DUGO SELO	Ministry of Interior, based on the Decision of Govn't Committee	Decision of the Croatian Government, State Property Agency, the user pays the maintenance and utility costs
MOSLAVINA – barracks, IVANIĆ GRAD	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of the Croatian Government, State Property Management Agency, for free
LOGORIŠTE (S.M. ŠILJO) – barracks, KARLOVAC - shelled	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of the State Property Management Agency, for free
POPOVIĆ BRDO – ammunition depot, economy, KARLOVAC	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of the State Property Management Agency, for free
BORŠT – fuel depot, ŠAPJANE	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of the State Property Management Agency, for free
STUDENA (LISKOVAC) – depot, KLANA	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of the State Property Management Agency, for free
SENJAK – quartermaster depot, KNIN	Town Knin, based on the Decision of Govn't Committee	Decision of the State Property Management Agency, for free
STRMICA – depot, KNIN	Town Knin, based on the Decision of Govn't Committee	Decision of the State Property Management Agency, for free
KRVAVICE – water pool, MAKARSKA	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of the Government Committee, for free
KRVAVICE – resort, MAKARSKA	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of the Croatian Government, for free
GOLI – quay, island MLJET	Public institution National Park «Mljet», based on the Decision of Govn't Committee	Decision of the Government, State Assets Management Committee, for free
BONASTER – barracks, island of MOLAT	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of the Government, State Assets Management Committee, for free

Location	User	Descriptor, comment
Bay LUČINA – blockhouse , MO-LAT, ZADAR	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of the Croatian Government Assets Management Committee, for free
ARMED FORCES HALL AND BARRACKS, Frankopana 7, OGU-LIN	Town Ogulin, based on the Decision of Govn't Committee	Decision of the Croatian Government Assets Management Committee, the town ensures for civil servants two apartments (ca. 60 m <sup>2</sup> ), writes off the debt of the State and releases the MOD from paying utility costs
GALGE – complex, OGULIN	Town Ogulin, based on the Decision of Govn't Committee	Decision of the Croatian Government Assets Management Committee, the town ensures for civil servants two apartments (ca. 60 m <sup>2</sup> ), writes off the debt of the State and releases the MOD from paying utility costs
PERNA – resort and motor-camp, island of PELJEŠAC, OREBIĆ	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of Croatian Government, for free
TENJA – warehouse, OSIJEK	DUMPING d.o.o. Osijek, sale contract	Decision of the Croatian Government State Assets Management Committee, sold to DUMPING d.o.o. in Osijek. The money was paid to the state budget.
POD KRPELJ – ammunition depot, OŠTARIJE	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of the Croatian Government Assets Management Committee, for free
ŠPILNIK – complex, OTOČAC (devastated)	Town Otočac, based on the Decision on site exchange	Decision of the Croatian Government Assets Management Committee, exchange for a site in Runjavica
KARLO ROJC – barracks, PULA	City Pula, Decision of Govn't Committee	Decision of Croatian Government, write off the debt of the state to the value of the property
PINETA (13. MAJ) – resort, FAŽANA, PULA	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of Croatian Government, for free
LAĐARSKA (VASIL GAČEŠA) – barracks, SISAK	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of Croatian Government, for free
POTOČANI – shooting range, SLATINA	Town Slatina, Decision of Govn't Committee	Decision of Government Committee, for free
SLATINA – barracks, SLATINA	Town Slatina, Decision of Govn't Committee	Decision of the Croatian Government Assets Management Committee, for free
SV.NIKOLA (LORA) – barracks, part, SPLIT	City of Split, contract of donation	Decision of the Croatian Government Assets Management Committee, payment of the assessed ammount underway

Location	User	Descriptor, comment
SEGET, MEDENA – resort, SPLIT	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of Croatian Government, for free
BIOCE – warehouse (KOSA) ŠIBENIK	Town Šibenik, Decision of Govn't Committee	Decision of the Government Committee, write off the debt of the state to the value of the property
KULINE – barracks, ŠIBENIK	Town Šibenik, Decision of Govn't Committee	Decision of the Government Committee, write off the debt of the state to the value of the property
JALKOVEČKE ŽRTVE – barracks, VARAŽDIN	Town Varaždin, contract of donation	Decision of the Croatian Government, Assets Management Committee, commitment of the town to do construction work on the barracks «Ivan V. Drašković» in Varaždin according to the specifications and bill of cost of the MOD
JALKOVEC – training range and drilling ground, VARAŽDIN	Town Varaždin, Decision of Govn't Committee	Town Varaždin, Decision of Govn't Committee ensure sites for construction of 1000 apartments for MOD employees.
RIBNJAK – drilling ground, VARAŽDIN	Town Varaždin, contract of donation	Decision of Government Assets Management Committee, ensure sites for construction of 1000 apartments for MOD employees.
ČEŠKA VILA – warehouse, VIS	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of the Croatian Government, Assets Management Committee, for free
CAF HALL – VIS, island of VIS	Town Vis, Decision of Govn't Committee	Decision of the Croatian Government Assets Management Committee, write off the debt of the State towards the town
RUKAVAC, land, VIS	Croatian Privatization Fond, based on the Decision of Govn't Committee	Decision of the Croatian Government, Assets Management Committee, for free
SAMOGOR (MARIJAN BILIĆ) – barracks, VIS	Town Vis, Decision of Govn't Committee	Decision of the Croatian Government Assets Management Committee, write off the debt of the State towards the town
ANTE BANINA (STANOVI, NOVI LOGOR, VIŠNJIK) – part of barracks, ZADAR	Town Zadar, Decision of Govn't Committee	Decision of the Croatian Government Assets Management Committee, part of the barracks given to the town which will ensure the construction work on the Air Force Hall in Zadar
PUT MURVICE, ex. KONJUŠNICE – warehouse, ZADAR	Tvornica elektroničkih proizvoda d.d. Zagreb, Contract on exchange of property	Decision and Contract on Exchange of Property
VUKOVARSKI BRANITELJI (KUMROVEC) – barracks, ZAGREB	Ministry of Justice, local administration and local government, Decisions of Croatian Government	Decision of the Croatian Government Assets Management Committee, for free



**Figure 10: Decisions for transfer of military real estate by Assets Committee of the Croatian government in 2003**

Location	User	Descriptor, comment
BILJE SAVOJSKI – woods, BILJE	Municipality Bilje Contract of donation	Decision of the Government Assets Management Committee, for free
GLAVICA – barracks, MILNA, island of BRAČ	Municipality Milna Decisions of Croatian Government	Decision of the Government Assets Management Committee, for free
U PRIGORJU II – warehouse, BRDOVEC	Municipality Brdovec Contract of donation	Government Committee decision, for free
KUPARI – resort and motor-camp, DUBROVNIK	Croatian Privatization Fond, Decision of Croatian Govn't Committee	Government decision, for free
SALI, blockhouse, island DUGI OTOK	Ministry of Interior Decision of Croatian Govn't Committee	Decision of the Government Assets Management Committee, paying the utility costs
PEROVEC (PREČEC) – warehouse, DUGO SELO	Ministry of Interior Decisions of Croatian Govn't	Decision of the Government Assets Management Committee, for free
MAGARČEVAC MS 400 (PETROVA GORA) – Special purpose facility, KARLOVAC	Hrvatske šume d.o.o. Zagreb Decision of Croatian Government Committee	Decision of the Government Assets Management Committee, Hrvatske šume are paying the utility costs
FRANKOPAN (I.L.RIBAR) – barracks, KARLOVAC	Veleučilište u Karlovcu (college) Contract of donation	Decision of the Government Assets Management Committee, for free
MATE BLAŽINA – barracks, KLANA	Municipality Klana Contract of donation	Decision of the Government Assets Management Committee, municipality Klana will write off the debt of the State to the value of the property
STARA STRAŽA – fuel depot, KNIN	Croatian Privatization Fond, Decisions of Croatian Govn't	Decision of the Government Assets Management Committee, for free
BIŠEVO, underground and battery site, island BIŠEVO	Croatian Privatization Fond, Decisions of Croatian Govn't	Decision of the Government Assets Management Committee, for free
PODHUMLJE – barracks, KOMIŽA, VIS – part of barracks	Town Komiža, Decisions of Croatian Govn't	Exchange for land necessary for construction of radar-site.
SUBOTICA I – warehouse, KOPRIVNICA	Croatian Privatization Fond, Decision of Croatian Govn't Committee	Based on the Decision of Croatian Government, State Property Management Committee, for free

Location	User	Descriptor, comment
SUBOTICA II – land, KOP-RIVNICA	Croatian Privatization Fond, Decision of Croatian Govn't Committee	Decision of Croatian Government, State Property Management Committee, for free
WATER TANK, UBLI, island LASTOVO	Croatian Privatization Fond, Decisions of Croatian Govn't	Decision of Croatian Government State Property Management Committee, for free
KAŠTEL – Special purpose facility, island LASTOVO	Croatian Privatization Fond, Decisions of Croatian Govn't	Decision of Croatian Government State Property Management Committee, for free
MARŠAL TITO ex. – barracks, LASTOVO	Croatian Privatization Fond, Decisions of Croatian Govn't	Decision of Croatian Government State Property Management Committee, for free
NIŽNO POLJE – warehouse, LASTOVO	Croatian Privatization Fond, Decisions of Croatian Govn't	Decision of Croatian Government State Property Management Committee, for free
PRODAVAONICA, Ubli, island LASTOVO	Croatian Privatization Fond, Decisions of Croatian Govn't	Decision of Croatian Government State Property Management Committee, for free
RUTVENJAK MALL, island - land, LASTOVO	Croatian Privatization Fond, Decision of Croatian Govn't Committee	Decision of Croatian Government, State Property Management Committee, for free
LAND – land register no. 6929/8, island LASTOVO	Croatian Privatization Fond, Decisions of Croatian Govn't	Decision of Croatian Government State Property Management Committee, for free
ANĐELI BB – Special purpose facility – underground, MATULJI	Croatian Privatization Fond, Decisions of Croatian Govn't	Decision of Croatian Government State Property Management Committee, for free
CONCRETE PILLBOX, NAŠICE	Croatian Privatization Fond, Decision of Croatian Govn't Committee	Decision of the Government, State Property Management Committee, for free
CONCRETE PILLBOX, NAŠICE	Croatian Privatization Fond, Decision of Croatian Govn't Committee	Decision of the Government, State Property Management Committee, for free
CONCRETE PILLBOX, NAŠICE	Croatian Privatization Fond, Decision of Croatian Govn't Committee	Decision of the Government, State Property Management Committee, for free
DUGOUTS, NAŠICE	Croatian Privatization Fond, Decision of Croatian Govn't Committee	Decision of the Government, State Property Management Committee, for free
DUGOUTS, NAŠICE	Croatian Privatization Fond, Decision of Croatian Govn't Committee	Decision of the Government, State Property Management Committee, for free
DUGOUTS, NAŠICE	Croatian Privatization Fond, Decision of Croatian Govn't Committee	Decision of the Government, State Property Management Committee, for free
LAND – Novo Naselje, NAŠICE	Croatian Privatization Fond, Decision of Croatian Govn't Committee	Decision of the Government, State Property Management Committee, for free

Location	User	Descriptor, comment
LAND – Ulica Kralja Petra Krešimira, NAŠICE	Croatian Privatization Fond, Decision of Croatian Govn't Committee	Decision of the Government, State Property Management Committee, for free
IVA GORICE – drilling ground NOVA GRADIŠKA	Croatian Privatization Fond, Decisions of Croatian Govn't	Decision of the Government State Property Management Committee, for free
KAPELA – fuel depot, LIČKE JASENICE, OGULIN	Croatian Privatization Fond, Decisions of Croatian Govn't	Decision of the Government State Property Management Committee, for free
CAF HALL – OTOČAC, devastated	Croatian Privatization Fond, Decisions of Croatian Govn't	Decision of the Government State Property Management Committee, for free
VOLINJA – ammunition depot, KOSTAJNICA, PETRINJA	Croatian Privatization Fond, Decisions of Croatian Govn't	Decision of the Government Committee, for free
CROATIAN NAVY HALL, PLOČE, Zmijanac	Town Ploče, Decision of Croatian Govn't Committee	Decision of the Government State Property Management Committee, for free
CAF HALL, POŽEGA	Town Požega, Požega College Decision of Croatian Govn't Committee	Decision of the Government State Property Management Committee, for free
MEDVIJAK – warehouse, island PREMUDA	Croatian Privatization Fond, Decision of Croatian Govn't Committee	Decision of the Croatian Government, State Property Management Committee, for free
NOZDRA – land, island PREMUDA	Croatian Privatization Fond, Decision of Croatian Govn't Property Management Committee	Decision of the State Property Management Committee, for free
MONUMENTI – barracks with island «KATARINA» PULA	Croatian Privatization Fond, Decision of Croatian Govn't Committee	Decision of the State Property Management Committee, for free
VLADIMIR GORTAN – barracks, PULA	Town Pula, Contract of donation	Decision of the Government State Property Management Committee, town Pula will reconstruct the building of the State Administration in Istra County
St. KATARINA (NIKOLA CAR_ČRNI) – barracks, RIJEKA	Ministry of Interior, Decisions of Croatian Govn't	Decision of the Government State Property Management Committee, pay for utility costs
TRSAT (ŠPANJ: DOBROVOLJCI) – barracks, RIJEKA	Town Rijeka Contract of donation	Decision of the Government State Property Management Committee, town Rijeka frees the MOD of paying utility costs for the next 10 yrs.
MARKOVO POLJE – warehouse, burnt down, SESVETE	Croatian Privatization Fond, Decisions of Croatian Govn't	Decision of the Government State Property Management Committee, for free
MARKOVO POLJE- DUBOKI JARAK- land, SESVETE	Croatian Privatization Fond, Decisions of Croatian Govn't	Decision of the Government, for free

Location	User	Descriptor, comment
SKRAD – part of military medical center, SKRAD	Municipality Skrad Decision of Croatian Govn't Committee	Decision of the Government State Property Management Committee
Bay POLJUD – park, rowing club, SPLIT	On lease Contract of lease	Decision of the Government State Property Management Committee, leased to «Venzor» d.o.o. from Split for a period of 10 yrs.
Sv. KRIŽ, ex. DRAČEVAC – barracks, SPLIT	Town Split Decision of Croatian Govn't Committee	Decision of the Government State Property Management Committee, commitment of the town Split to take over solving the problem of property rights and dividing into lots of the land, as well as prolonging the contract of lease on to 10 yrs. for the building where the state administration is placed.
LUŠA (BRODARICA) – drilling ground, ŠIBENIK	Community College Zagreb, Decision of Croatian Govn't Property Management Committee	Decision of the Government State Property Management Committee, turned over to the Community College for the next 20 yrs. With the requirement of renovation.
VELJI VRH – Special purpose facility, island ŠIPAN	Croatian Privatization Fond, Decision of Croatian Govn't Committee	Decision of Croatian Government, State Property Management Committee, for free
VELA STRAŽA – barracks, ŠOLTA	Association «Zelena akcija» Zagreb, Decision of Croatian Govn't Committee	Decision of Croatian Government, State Property Management Committee, to be used for the next 10 yrs.
SEGET, MEDENA, resort, SPLIT	Croatian Privatization Fond, Decision of Croatian Govn't	By decision of the Government State Property Management Committee, turned over to the motor-camp of the Civil servant's Union in Seget Donji near Trogir.
BOKANJAC – drilling and training ground, ZADAR, part	Town Zadar, Decision of Croatian Govn't Committee	By decision of Croatian Government State Property Management Committee, with commitment of the town to do the construction work on the barracks «Stjepan Radić»
FRANKO LISICA ex. ĐURO ĐAKOVIĆ, ZADAR, part	Town Zadar, Decision of Croatian Govn't Committee	By decision of Croatian Government State Property Management Committee, with commitment of the town to do the construction work on the State Administration Office in Zadar County and the Counter-intelligence Agency in the barracks «S. Radić» to the value of the donated property
PUT DIKLE (MOCIRE) – warehouse, BRODARICA, ZADAR	Town Zadar, Decision of Croatian Govn't Committee	By decision of Croatian Government State Property Management Committee, with commitment of the town to write off the debt of the State to the value of the donated property
BARUNA FILIPOVIĆA – barracks, ZAGREB	Ministry of Justice, local administration and local government, Decisions of Croatian Government	Government Property Management Committee, for free
STUBIČKA SLATINA – barracks, ZABOK, ZAGREB	Ministry of Interior, Decisions of Croatian Govn't	Decision of the Government State Property Management Committee, the user pays for utility costs



**Figure 11: Decisions for transfer of military real estate by Assets Committee of the Croatian Government in 2004**

Location	User	Descriptor, comment
CAF <sup>337</sup> HALL, BREGANA	Town Samobor Contract of donation	By the decision of the Croatian Government Assets Committee, town Samobor writes off the debt, commits to compensating HVIDRA Samobor and transfer to state ownership a 60m <sup>2</sup> apartment in the area of Zagreb
NIKOLA ŠUBIĆ ZRINSKI (27. JULI) – barracks, ČAKOVEC	Ministry of Interior, Central State Administration Agency for State Property Management	By the decision of the Central State Administration Agency for State Property Management, facility No. 11 turned over to use
CAF HALL, B.Pavlića bb – DUGO SELO	Zagreb County, Decision of Croatian Govn't, the Govn't Assets Committee	By the decision of the Croatian Government Assets Committee, 1st floor turned over to Primary School «Dugo Selo» to be used till the new school building is finished
CAF HALL, GOSPIĆ	Town Gospić, Decision of Croatian Govn't Committee	By the decision of the Croatian Government Assets Committee, the town commits to write off the debt of the State to the value of the property
MILAN FRKOVIĆ ČIČOV (KANJIŽA) – barracks and warehouse, GOSPIĆ	Town Gospić, Decision of Croatian Govn't Committee	By the decision of the Croatian Government Assets Committee, the town commits to write off the debt of the State to the value of the property
PAZARIŠKA (V. Čerine) – mixed depot, GOSPIĆ	Town Gospić, Decision of Croatian Govn't Committee	By the decision of the Croatian Government Assets Committee, the town commits to write off the debt of the State to the value of the property
MANOJLOVAC; ammunition depot, KNIN	Public institution National Park «Krka», Contract of donation	By the decision of the Croatian Government Assets Committee, for free under the term that two buildings within the complex be turned over to the Town Museum of Drniš
PERE KRVAVICE br.6 – library, KNIN, (Krešimirova br.6)	Croatian war veteran's Association «Tvrđava Knin», Decision of Croatian Govn't Assets Committee	By the decision of the Croatian Government Assets Committee, turned over to the Association of Croatian War Veterans for temporary use during 5 yrs.
RAŽNJIĆ – barracks KORČULA	Municipality Lumbarda Decision of Croatian Govn't Assets Committee	Based on the decision of the Croatian Government Assets Committee, turned over to Volunteer fire department and utility services for use
SLAVONSKI GRANIČARI (M.KLJAJIĆ) – barracks, part, NOVA GRADIŠKA	County Brodsko-posavska Central State Administration Agency for State Property Management	By the decision of the Croatian Government Assets Committee part of the barracks turned over to Primary School «Mato Lovrak» for use until the school building is renovated.

Location	User	Descriptor, comment
OŠTARIJE II – near the railway station – quartermaster depot, OŠTARIJE, in ruins	Municipality Josipdol Decision of Croatian Govn't Committee	By the decision of the Croatian Government Assets Committee, the town commits to write off the debt to the value of the property and provide for the separated MOD personnel through the SPECTRA Program (employment and self-employment)
VALDEBEK – shooting range, PULA	Ministry of Interior, Contract of lease	Based on the Contract of lease for 1 yr.
DRAGA – warehouse, RIJEKA	Viadukt d.d. Zagreb Decision of Croatian Govn't, Assets Committee of Cro. Govn't	By the decision of Croatian Govn't, Assets Committee, lease of ca. 10000 m <sup>2</sup> and facilities No. 5, 7, 9 ca. 2720m <sup>2</sup> for the period of 2 yrs. Compensation: construction work on a promising barracks.
CAF HALL – PETRIČEVAC, SINJ	Alkar (tilting) Society Sinj Decision of Croatian Govn't Committee	By the decision of the Croatian Government Assets Committee donation of the State to the Alkar Society
DUILOVO – resort, SPLIT	Town Split Decision of Croatian Govn't	Contract on establishing the right of use with financial commitment of the town Split to connect the military complex Duilovo to the new collector.
RAČICE – land, SKRADIN, ŠIBENIK	Town Skradin Decision of Croatian Govn't Committee	By the decision of the Croatian Government Property Management Committee, the town commits to write off the debt to the value of the donated property
BARUTANA, NOVA VES – warehouse, VARAŽDIN	Republic Croatia Decision of Croatian Govn't Committee	By the decision of the Croatian Government Property Management Committee, the property will be sold on public sale, the initial price is determined by the Ministry of finance, Regional Tax Office in Varaždin
O.KERŠOVANIJA – administrative complex, VIROVITICA	Town Virovitica Decision of Croatian Govn't Committee	By the decision of the Croatian Government Property Management Committee, the town commits to write off the debt to the value of the donated property
MAKSIMIRSKA 63 – administrative building, ZAGREB	Central State Administration Office Decision of Croatian Govn't Property Management Committee	By the decision of Croatian Government Property Management Committee, for free
PANTOVČAK br. 258 – administrative building, ZAGREB	Public Procurement Administrative Office and Personal Data Protection Agency Decision of Cro. Govn't	By the decision of the Central State Administration Office for State Property Management, 3rd floor (ca. 136 m <sup>2</sup> ) turned over to the Public Procurement Office, and 2nd floor (ca. 185 m <sup>2</sup> ) turned over to the Personal Data Protection Office

**Figure 12: The total size of the armed forces in Albania, Croatia and Macedonia between the years 1991-2005**

**Sources:**

*The Military Balance (1996-2001 and 2003) The Institute for Strategic Studies (I.S.S). London: Oxford University Press.*  
*The Southeast European Yearbook 1994-1995 by Hellenic Foundation for European and Foreign Policy, 1995, Athens.*  
*World Development Indicators 2004-2005 by the World Bank*  
*World Military Expenditures and Arms Transfers (1991-1994) by US Arms Control and Disarmament Agency*  
*Facts on International Relations and Security Trends Database (FIRST)*

	ALBANIA	CROATIA	MACEDONIA
1991	48.000	N/A	N/A
1992	65.000	103.000	10.000
1993	65.000	103.000	10.000
1994	41.300 (22.800 conscripts)	105.000 (65.000 conscripts)	10.400 (8000 conscripts)
1995	87.000	150.000	10.000
1996	54.000 ( 22.050 conscripts)	64.700 (41.400 conscripts)	10.400 (8000 conscripts)
1997	34000	58.000 (33.500 conscripts)	15.400 (8000 conscripts)
1998	22000	56.180 (33.500 conscripts)	20.000 (8000 conscripts)
1999	27000	61.000 (21.000 conscripts)	20.000 (8000 conscripts)
2000	47.000 (not exact number)	61.000 (21.320 conscripts)	16.000 (8000 conscripts)
2001	27.000 ( construction period)	58.300 (18-20.000 conscripts)	16.000 (8000 conscripts)
2002	13.000	34.000	N/A
2003	22.000 ( construction period)	20.800 (7.000 conscripts)- subject to an arms limitation regime under Dayton peace control	12.850 (5.200 conscripts)
2004			
2005			

# Endnotes

- <sup>1</sup> These organizations include DCAF and BICC, but also private military companies like MPRI, SAIC and BA&H.
- <sup>2</sup> The armed forces of all Western Balkan countries are faced with oversized territorially-bound forces, drastically lacking resources, and with a decreasing living standard. See Jazbec, Milan. 2005. *Defense Reform in the Western Balkans: The Way Ahead*. Geneva: DCAF.
- <sup>3</sup> In 2003 and 2005, two studies analyzed conversion issues in Bosnia and Herzegovina and Serbia and Montenegro. See Heinemann-Grüder, Andreas and Tobias Pietz. 2003. *Turning Soldiers into a Workforce. Demobilization and Reintegration in Post-Dayton Bosnia and Herzegovina*. Brief 27. Bonn: BICC. See also Pietz, Tobias and Marc Remillard. 2005. *Demobilizing and Retraining for the Future. The Armed Forces in Serbia and Montenegro*. Brief 31. Bonn: BICC.
- <sup>4</sup> See description of the Working Table III of the SP at [www.stabilitypact.org](http://www.stabilitypact.org).
- <sup>5</sup> Refer to BICC publications.
- <sup>6</sup> See Pietz, Tobias and Marc Remillard. 2005. *Demobilizing and Retraining for the Future. The Armed Forces in Serbia and Montenegro*. Brief 31. Bonn: BICC.
- <sup>7</sup> See e.g. the annual updates in the *BICC Conversion Surveys*.
- <sup>8</sup> See Brömmelhörster, Jörn, ed. 2000. *Demystifying the Peace Dividend*. Baden-Baden: Nomos Verlagsgesellschaft.
- <sup>9</sup> Katsirdakis, George, 2002. "Defence Reform and NATO." In Gyarmati, Istvan and Theodor Winkler, eds. 2002. *Post-Cold War Defense Reform: Lessons Learned in Europe and the United States*. Washington: Brassey's Inc., pp. 189–204.
- <sup>10</sup> Ibid.
- <sup>11</sup> Ibid.
- <sup>12</sup> See [www.nato.int](http://www.nato.int) for more information on the PfP.
- <sup>13</sup> 9th Workshop of the PfP Consortium Study Group "Regional Stability in South East Europe". Sofia, 21–24 October 2004, [http://www.bmlv.gv.at/pdf\\_pool/publikationen/10\\_wg9\\_taf\\_10.pdf](http://www.bmlv.gv.at/pdf_pool/publikationen/10_wg9_taf_10.pdf).
- <sup>14</sup> The following two chapters on Albania and Macedonia are based on information compiled by Igor Grebenshikov during two field trips in 2005.
- <sup>15</sup> Katsirdakis, George, 2002. "Defence Reform and NATO." In Gyarmati, Istvan and Theodor Winkler, eds. 2002. *Post-Cold War Defense Reform: Lessons Learned in Europe and the United States*. Washington: Brassey's Inc., pp. 189–204.
- <sup>16</sup> So-called "White Book" of National Defense Policy.
- <sup>17</sup> Caparini, Marina. 2004. "Security sector reform in the Western Balkans." In *SIPRI Yearbook 2004: Armaments, Disarmament and International Security*, Oxford: Oxford University Press, pp. 251–282.
- <sup>18</sup> There is no real opposition to Euro-Atlantic integration even among some critics of the current government's approach to defense transformation. Interview with Arben Gjata. Tirana, 3 March 2005.
- <sup>19</sup> Government of the Republic of Albania. 2002. *Military Strategy of the Republic of Albania*. Tirana.
- <sup>20</sup> Institute of International and Strategic Studies. *The Military Balance 2004–2005*. IISS, London.
- <sup>21</sup> Simon, Jeffrey. 2001. *Roadmap to NATO Accession: Preparing for Membership*. INSS Special Report.
- <sup>22</sup> Institute of International and Strategic Studies. *The Military Balance 2004–2005*. IISS, London.
- <sup>23</sup> Ibid.
- <sup>24</sup> Government of the Republic of Albania. 2002. *Military Strategy of the Republic of Albania*. Tirana.
- <sup>25</sup> Government of the Republic of Albania. 2004. *Military Strategy of the Republic of Albania. A Strategy for NATO Integration*. Tirana.
- <sup>26</sup> Interview with Arben Gjata, Former Security Advisor to the Prime Minister. Tirana, 3 March 2005.
- <sup>27</sup> Interview with representatives from NATO's Defense Policy and Planning Division, Brussels, 9 December 2005.
- <sup>28</sup> All NATO armies' General Staff is structured in 9 departments.
- <sup>29</sup> Interview with representatives from NATO's Defense Policy and Planning Division, Brussels, 9 December 2005.
- <sup>30</sup> The Defense Academy is responsible for the NCO's military qualification.
- <sup>31</sup> Interview with Elez Shiqerukaj, American Embassy officer, Tirana, 2 March 2005.
- <sup>32</sup> Bumçi, Aldo. 2003. "Security Sector Reform in Albania." In Jan A. Trapans and Philipp H. Fluri, eds. *Defence and Security Sector Governance and Reform in South East Europe: Insights and Perspectives. Albania. A Self-Assessment Study*. Geneva: DCAF, p. 6.
- <sup>33</sup> The Albanian army participates in the peacekeeping missions in Bosnia, Afghanistan and Iraq.
- <sup>34</sup> Government of the Republic of Albania. 2004. *The Membership Action Plan for the 2004-2005 Cycle. The Annual National Program of the Republic of Albania*. Tirana.
- <sup>35</sup> Government of the Republic of Albania. 2004. *The Membership Action Plan for the 2004-2005 Cycle. The Annual National Program of the Republic of Albania*. Tirana.



- <sup>36</sup> Selimaj, Erlis. "Albania Receives Financial Assistance From the United States", *Southeast European Times*, Tirana, 3 August 2005, [http://www.setimes.com/cocoon/setimes/xhtml/en\\_GB/features/setimes/features/2005/08/03/feature-01](http://www.setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/features/2005/08/03/feature-01).
- <sup>37</sup> Interview with representatives from NATO's Defense Policy and Planning Division, Brussels, 9 December 2005.
- <sup>38</sup> Individual Partnership for Peace program between Albania and NATO for 2004–2005.
- <sup>39</sup> Central Intelligence Agency. 2005. *The World Fact Book*. <http://www.cia.gov/cia/publications/factbook/geos/al.html>.
- <sup>40</sup> Interview with representatives from NATO's Defense Policy and Planning Division, Brussels, 9 December 2005.
- <sup>41</sup> According to an interview with representatives from NATO's Defense Policy and Planning Division on 9 December 2005, NATO does not agree that there is a fixed NATO model that potential new members have to adhere to. NATO consults according to situational needs and analysis of the particular country.
- <sup>42</sup> Interview with representatives from NATO's Defense Policy and Planning Division, Brussels, 9 December 2005.
- <sup>43</sup> Interview with Bardhyl Rredhi, Tirana, 1 March 2005.
- <sup>44</sup> Interview with an AAF-officer, Tirana, 28 February 2005.
- <sup>45</sup> Interview with Thimi Hudhra, Tirana, 1 March 2005.
- <sup>46</sup> Interview with representatives from NATO's Defense Policy and Planning Division, Brussels, 9 December 2005.
- <sup>47</sup> SAIC is postured as a premier provider of training at the entry and intermediate level as well as training and education for senior officers. See [www.saic.com](http://www.saic.com).
- <sup>48</sup> *NATO Handbook*. Available at <http://www.nato.int/docu/handbook/2001/>.
- <sup>49</sup> Government of the Republic of Albania. 2004. *The Membership Action Plan for the 2004-2005 Cycle. The Annual National Program of the Republic of Albania*. Tirana.
- <sup>50</sup> *NATO Handbook*. Available at <http://www.nato.int/docu/handbook/2001/>.
- <sup>51</sup> A regime for the democratic control of armed forces exists in the OSCE area through a "Code of Conduct on Politico-Military Aspects of Security" (1994). It commits the OSCE member states to a regular exchange of information on the status of the democratic control of their armed forces, as well as on such issues as the fight against terrorism and the stationing of troops on foreign soil. [http://www.osce.org/documents/sg/1994/12/702\\_en.pdf](http://www.osce.org/documents/sg/1994/12/702_en.pdf).
- <sup>52</sup> Applying strict NATO classification of documents is considered as unnecessary by high-ranking officials of the General Staff in Tirana, and makes the process less transparent. Nevertheless, the GS adheres to that policy.
- <sup>53</sup> NATO. 1995. "Study on NATO Enlargement". <http://www.nato.int/docu/basicxt/enl-9501.htm>.
- <sup>54</sup> Caparini, Marina. 2004. "Security sector reform in the Western Balkans." In *SIPRI Yearbook 2004: Armaments, Disarmament and International Security*, Oxford: Oxford University Press, pp. 251–282.
- <sup>55</sup> European Commission. *EU-Albania Relations*. [http://europa.eu.int/comm/enlargement/albania/eu\\_albania\\_relations.htm](http://europa.eu.int/comm/enlargement/albania/eu_albania_relations.htm).
- <sup>56</sup> Abazi, Enika. 2003. "An Institutional Perspective on Security Issues." In Jan A. Trapans and Philipp H. Fluri, eds. *Defence and Security Sector Governance and Reform in South East Europe: Insights and Perspectives, Volume 1; Albania; Bulgaria; Croatia; A Self-Assessment Study*. Geneva: DCAF, pp. 133–148.
- <sup>57</sup> "Stability Pact for South Eastern Europe", <http://www.stabilitypact.org/about/default.asp>.
- <sup>58</sup> With regard to the "Political Rights or Civil Liberties" the country remains only partly free, <http://www.freedomhouse.org/research/freeworld/2005/table2005.pdf>. In the Freedom House statistics, Albania ranks 107 among the countries of the world, <http://freedomhouse.org/research/pressurvey/comparison0405.pdf>. For "Economic Freedom" the rank is 67. Albania belongs to the category "mostly free". <http://www.answers.com/topic/index-of-economic-freedom>. In the UNDP Human Development Index, Albania's rank is 65, which means that Albania is not among the 50 most developed countries in the world, [http://hdr.undp.org/statistics/data/country\\_fact\\_sheets/cty\\_fs\\_ALB.html](http://hdr.undp.org/statistics/data/country_fact_sheets/cty_fs_ALB.html). According to Transparency International, Albania holds place No.126 out of 159 countries ranked in the corruption perception index. Albania is surrounded by Uganda and Niger, <http://www.transparency.org/pressreleases/2005/2005.10.20.cpi.en.html>. The Bertelsmann Transformation Index sees the country as deficient in terms of a market-based democracy ranking Albania as 37 out of 119 countries, [http://www.bertelsmann-transformation-index.de/fileadmin/pdf/BTI\\_2006\\_Ranking\\_GB.pdf](http://www.bertelsmann-transformation-index.de/fileadmin/pdf/BTI_2006_Ranking_GB.pdf).
- <sup>59</sup> "The Adriatic Charter", <http://www.adriaticcharter.gov.mk/adriatictreaty.htm>.
- <sup>60</sup> Bumçi, Aldo. 2003. "Security Sector Reform in Albania." In Jan A. Trapans and Philipp H. Fluri, eds. *Defence and Security Sector Governance*

- and Reform in South East Europe: Insights and Perspectives. Albania. A Self-Assessment Study.* Geneva: DCAF, p. 12.
- <sup>61</sup> Gumi, Viktor. 2003. "The Parliament and the Security Sector." In Jan A. Trapans and Philipp H. Fluri, eds. *Defence and Security Sector Governance and Reform in South East Europe: Insights and Perspectives. Albania. A Self-Assessment Study.* Geneva: DCAF, pp. 45-57.
- <sup>62</sup> The NSC is composed of the President, Prime Minister, Minister of Foreign Affairs, Minister of Defense, Minister of Public Order, Minister of Transportation and Minister of Health, Chief of GS and Chief of the National Intelligence. Other actors are also invited to participate depending on the issues that are being addressed. See Government of the Republic of Albania. 1998. *Constitution of the Republic of Albania.* Tirana.
- <sup>63</sup> For instance the meeting of the NSC in Winter 2005 was devoted to the civil emergency situation resulting from heavy snow falls. Interview with Arben Gjata, Tirana, 3 March 2005.
- <sup>64</sup> Ibid.
- <sup>65</sup> Interview with Arben Gjata, Tirana, 3 March 2005.
- <sup>66</sup> The General Staff (GS) and the Ministry of Defense (MoD) reside in the same building.
- <sup>67</sup> Government of the Republic of Albania. 2000. *Law on the powers and command authority and strategic management of the armed forces.*
- <sup>68</sup> Interview with Arben Gjata, Tirana, 5 March 2005.
- <sup>69</sup> Interview with Engjell Begalla, Tirana, 4 March 2005.
- <sup>70</sup> Interview with Arben Gjata, Tirana, 5 March 2005.
- <sup>71</sup> Interview with representatives from NATO's Defense Policy and Planning Division, Brussels, 9 December 2005.
- <sup>72</sup> Bumci, Aldo. 2003. "Security Sector Reform in Albania." In Jan A. Trapans and Philipp H. Fluri, eds. *Defence and Security Sector Governance and Reform in South East Europe: Insights and Perspectives. Albania. A Self-Assessment Study.* Geneva: DCAF, p. 25.
- <sup>73</sup> Bumci, Aldo. 2003. "Security Sector Reform in Albania." In Jan A. Trapans and Philipp H. Fluri, eds. *Defence and Security Sector Governance and Reform in South East Europe: Insights and Perspectives. Albania. A Self-Assessment Study.* Geneva: DCAF, p. 6.
- <sup>74</sup> Interview with Arben Gjata, Tirana, 5 March 2005.
- <sup>75</sup> Ibid.
- <sup>76</sup> Ibid.
- <sup>77</sup> Questionnaire to MoD, Tirana, March 2005.
- <sup>78</sup> Interview with Ilirjan Agolli, Tirana, 2 March 2005.
- <sup>79</sup> Interview with an AAF- officer, Tirana, 3 March 2005.
- <sup>80</sup> Interview with Mihallaq Spirollari. Lt. Col.(R), UNDP, National Project Officer. Tirana, 1 March 2005.
- <sup>81</sup> Interview with Ilirjan Agolli. Journalist, Voice of America. Tirana, 2 March 2005.
- <sup>82</sup> Albanian Atlantic Association. *Draft Resettlement Program.* Tirana, December 2003.
- <sup>83</sup> Early retired military personnel is treated according to the "Law on extra social insurance of the Armed Forces personnel of the Republic of Albania." Interviews with MoD representatives, Tirana, 28 February and 1 March 2005.
- <sup>84</sup> 6th Meeting of the DCAF-Demobilization and Reintegration Working Group. RACVIAC, 1-2 June 2005.
- <sup>85</sup> 65 years of age for men and 60 for women, see <http://www.ssa.gov/policy/docs/progdesc/ssptw/2004-2005/europe/albania.html>.
- <sup>86</sup> An individual is entitled to early pension after at least 15 years of military service. To be entitled to full military pension benefits, a Captain, for instance, can leave the army after having been in service for 17 years, a Major after 20, Lt. Col. after 27, Col. after 40 years. The average military pension amounts 46 000 LEK (US\$ 200) for a Captain and US\$ 750 for Lt. Col., Interview with Ermir Bega, Tirana, 28 January 2005.
- <sup>87</sup> Interview with Thimi Hudhra, Tirana, 1 March 2005.
- <sup>88</sup> Ibid.
- <sup>89</sup> Interview with MoD representatives, RACVIAC, 1 June 2005.
- <sup>90</sup> Interviews with MoD representatives, Tirana, 28 January, 1 March 2005.
- <sup>91</sup> DCAF-Workshop. "Retraining and Reintegration of retired military personal". Tirana, 5 November 2004.
- <sup>92</sup> Draft Resettlement Program. Albanian Atlantic Association, Tirana, December 2003.
- <sup>93</sup> Interview with MoD representative, Tirana, 3 March 2005.
- <sup>94</sup> Interview with Arijan Starova, Tirana, 3 March 2005.
- <sup>95</sup> A more optimistic perspective for the Resettlement Program was expected by the AAA-president Arijan Starova after parliamentary elections in July of 2005. The election removed the Socialist Party and brought victory to the Democratic Party.

- <sup>96</sup> Government of the Republic of Albania, Ministry of Defense. *Draft Program on the training and integration of the military into civilian life*. Tirana, April 2005.
- <sup>97</sup> 5th Meeting of the DCAF-Demobilization and Reintegration Working Group. Skopje, 23–24 March 2005.
- <sup>98</sup> Interview with Cesk Millj, RACVIAC, 1 June 2005.
- <sup>99</sup> 6th Meeting of the DCAF-Demobilization and Reintegration Working Group. RACVIAC, 31 May–2 June 2005.
- <sup>100</sup> The associations of ex-military men (like many NGOs in Albania) are organizations which mostly work for the acquisition of funds. They have the status of non-profit organizations so that they don't have to pay taxes. Most try to attract external donors for small projects of international interest.
- <sup>101</sup> NDC-Presentation, Tirana 3 March 2005.
- <sup>102</sup> In Albania, associations are sometimes also classified as NGOs or Non Profitable Organizations.
- <sup>103</sup> Interview with Zyhdi Kroj, Tirana, 5 March 2005.
- <sup>104</sup> Lleshi, Sander and Aldo Bumci. 2003. "Good Governance in Civil-Military Relations." In Jan A. Trapans and Philipp H. Fluri, eds. *Defence and Security Sector Governance and Reform in South East Europe: Insights and Perspectives. Albania. A Self-Assessment Study*. Geneva: DCAF, p. 90
- <sup>105</sup> Interview with Ermir Bega, Tirana, 3 March 2005.
- <sup>106</sup> DCAF-Workshop. "Retraining and Reintegration of retired military personnel". Tirana, 5 November 2004.
- <sup>107</sup> Interview with MoD representative, Tirana, 1 March 2005.
- <sup>108</sup> Interview with MoD representative, Tirana, 28 January 2005.
- <sup>109</sup> Interviews with MoD representatives, Tirana 28 January, 1 and 3 March 2005.
- <sup>110</sup> Interview with MoD representative, Tirana, 28 January 2005.
- <sup>111</sup> Some bases, like the air base Gjader, are totally closed, empty and only guarded by some soldiers. At least three general-purpose airfields (Sanandra, Skulari and Kukes) are no longer used by the MoD and could be handed over for agricultural purposes. Interview with Arben Gjata, Tirana, 3 March 2005.
- <sup>112</sup> Questionnaire to MoD, Tirana, March 2005.
- <sup>113</sup> Ibid.
- <sup>114</sup> Interview with Arben Gjata, Tirana, 3 March 2005.
- <sup>115</sup> Questionnaire to MoD, Tirana, March 2005.
- <sup>116</sup> Ibid.
- <sup>117</sup> See website of the Albanian Ministry of Defense, <http://www.mod.gov.al/eng/default.asp>.
- <sup>118</sup> Ibid.
- <sup>119</sup> Questionnaire to MoD, Tirana, March 2005.
- <sup>120</sup> There are even proposals to use disposed submarines as museums and restaurants.
- <sup>121</sup> Interview with Baedhyl Kolchaku, Tirana, 3 March 2005.
- <sup>122</sup> See website of the Albanian Ministry of Defense, <http://www.mod.gov.al/eng/industria/privatizimi.asp>
- <sup>123</sup> Interview with Arben Gjata, Tirana, 5 March 2005.
- <sup>124</sup> Interview with Bardhyl Rredhil, Tirana, 1 March 2005.
- <sup>125</sup> Foreign investors have no rights to own property in Albania. The law only allows a 99-year renting. Ibid.
- <sup>126</sup> Interview with MoD representative, Tirana, 28 January 2005.
- <sup>127</sup> Interview with MoD representative, Tirana, 1 March 2005.
- <sup>128</sup> Questionnaire to MoD, Tirana, March 2005.
- <sup>129</sup> See Myrntinen, Henri. 2003. *Base Conversion in Central and Eastern Europe 1989—2003*. Brief 30. Bonn: BICC.
- <sup>130</sup> Blacksmith Institute. *Polluted Places*, [http://www.pollutedplaces.org/region/e\\_europe/albania/portoromano.shtml](http://www.pollutedplaces.org/region/e_europe/albania/portoromano.shtml), See also Michaud, Hélène. 2004. *Albania's environmental nightmare—ecological timebomb near the Adriatic*, Radio Netherlands, 22 November, <http://www2.rnw.nl/rnw/en/features/development/041122albania?view=Standard>.
- <sup>131</sup> Interview with NAMRA representatives, Tirana, 5 March 2005.
- <sup>132</sup> Interview with MoD representatives, Tirana, 1 March 2005.
- <sup>133</sup> Interview with MoD representatives, Tirana, 28 January 2005.
- <sup>134</sup> Interview with representatives from NATO's Defense Policy and Planning Division, Brussels, 9 December 2005.
- <sup>135</sup> NATO insists that the demobilization and resettlement process is part of the MAP and integrated in the Annual National Program (ANP).
- <sup>136</sup> Trapans, Jan A. and Philipp H Fluri. 2003. *Albania. A Self-Assessment Study*, Geneva: DCAF.
- <sup>137</sup> In 1993, the Macedonian Assembly passed the decision to pursue the goal of Euro-Atlantic integration.

- In 1995, Macedonia joined the Partnership for Peace Program of NATO.
- <sup>138</sup> Buckovski, Vlado, 2004. "Macedonia and NATO – From Defense Reforms Towards the Open Euro-Atlantic Gates." in: CehuliC, Lidija, ed. 2004a. *NATO and New International Relations*. Zagreb: Atlantic Council of Croatia and Political Culture, Publishing and Research Institute, pp. 195–204.
- <sup>139</sup> See Caparini, Marina. 2004. "Security sector reform in the Western Balkans." In *SIPRI Yearbook 2004: Armaments, Disarmament and International Security*, Oxford: Oxford University Press, pp. 251–282.
- <sup>140</sup> The issue of force restructuring is dealt with in the Resolution on Defense and Armed Forces Transformation, adopted by the parliament in May 2004. See Jazbec, Milan. 2005. *Defense Reform in the Western Balkans: The Way Ahead*. Geneva: DCAF.
- <sup>141</sup> Simon, Jeffrey. 2001. *Roadmap to NATO Accession: Preparing for Membership*. INSS Special Report, [http://www.ndu.edu/inss/strforum/SR\\_02/SR\\_02.htm](http://www.ndu.edu/inss/strforum/SR_02/SR_02.htm); Government of the Republic of Macedonia, Ministry of Defense. *Army Service Regulation Law*, <http://www.morm.gov.mk/english/armylaw.htm>.
- <sup>142</sup> Caparini, Marina. 2004. "Security sector reform in the Western Balkans." In *SIPRI Yearbook 2004: Armaments, Disarmament and International Security*, Oxford: Oxford University Press, pp. 251–282.
- <sup>143</sup> Ibid.
- <sup>144</sup> See Jazbec, Milan. 2005. *Defense Reform in the Western Balkans: The Way Ahead*. Geneva: DCAF.
- <sup>145</sup> From NATO's point of view any accession date is possible, there might be an invitation for membership in 2006. Interview with representatives from NATO's Defense Policy and Planning Division, Brussels, 9 December 2005.
- <sup>146</sup> Government of the Republic of Macedonia. 2003. *National Security and Defense Concept of the Republic of Macedonia*. Skopje, February.
- <sup>147</sup> Interview with Zoran Ivanovski. Skopje, 22 March 2005.
- <sup>148</sup> Government of the Republic of Macedonia, Ministry of Defense. *Defense Law of the Republic of Macedonia*, <http://www.morm.gov.mk/english/defencelaw.htm>.
- <sup>149</sup> The Center for South East European Studies. 2004. *Macedonia—Armed Forces*, [http://www.csees.net/?page=country\\_section&country\\_id=5&sec=8](http://www.csees.net/?page=country_section&country_id=5&sec=8).
- <sup>150</sup> Questionnaire to Macedonian MoD, Skopje, March 2005.
- <sup>151</sup> Interview with MoD representative, RACVIAC, 30 May 2005.
- <sup>152</sup> In the chart of NATO's Economic Directorate the current strength of ARM defined as: officers—1556, NCOs—2120, professional soldiers (defined as short-term volunteers)—2679, and Civilians (without MoD)—1365. See: NATO Unclassified, PASP(DECO)(2005)0303, NATO Expert Team, October 2005.
- <sup>153</sup> The Military Academy is named after General Mihailo Apostolski who was a commander of the General Staff of Macedonia during the Peoples' Liberation War 1941–1945.
- <sup>154</sup> The degree granted by the Military Academy after 4 years of study is not recognized by the Macedonian civil education establishment, nor is it valued by the commercial sector.
- <sup>155</sup> BA&H is the second private military company having assisted the Macedonian ARM since independence. The first one was Military Professional Resources Inc. (MPRI), which implemented the "equip and train" program with the Macedonian ARM under a US military aid program. MPRI also advised and equipped the NLA (UCK), which is responsible for the terrorist assaults in Macedonia in 2001.
- <sup>156</sup> Questionnaire to Macedonian MoD, Skopje, May 2005.
- <sup>157</sup> *Programa za ostvaruvan'e soodvetna i pervichna zastapenost na pripandnize od zaednizite so visoko obrazovanie; Programa za ostvaruvan'e soodvetna i pervichna zastapenost na pripandnize od zaednizite so sredno obrazovanie*. Skopje, March 2005.
- <sup>158</sup> Interviews on 22 and 25 March and on 1 April 2005 in Skopje.
- <sup>159</sup> *Strategic Defense Review*. 2004.
- <sup>160</sup> Government of the Republic of Macedonia. 2004. *Annual National Program for Membership of the Republic of Macedonia in NATO 2004/2005*. Tirana.
- <sup>161</sup> Interview with representatives from NATO's Defense Policy and Planning Division, Brussels, 9 December 2005.
- <sup>162</sup> Government of the Republic of Macedonia. 2004. *Annual National Program for Membership of the Republic of Macedonia in NATO 2004/2005*. Tirana.
- <sup>163</sup> A total of €14 million is to be spent on modernization in 2004 and some €16 million in 2005. See: Caparini, Marina. 2004. "Security sector reform in the Western Balkans." In *SIPRI Yearbook 2004: Armaments, Disarmament and International Security*, Oxford: Oxford University Press, pp. 251–282.
- <sup>164</sup> [www.nhqs.nato.int/nat/nat.htm](http://www.nhqs.nato.int/nat/nat.htm)
- <sup>165</sup> Interview with BA&H representative, Skopje, 24 March 2005.



- <sup>166</sup> Interview with representatives from NATO's Defense Policy and Planning Division, Brussels, 9 December 2005.
- <sup>167</sup> Government of the Republic of Macedonia. 2004. *Annual National Program for Membership of the Republic of Macedonia in NATO 2004/2005*. Tirana.
- <sup>168</sup> ARM units in the German contingent take part in the International Security Assistance Force in Afghanistan. In June 2003, ethnically mixed members of the special units Scorpions and Wolves departed for Iraq. See The Center for South East European Studies. 2004. *Macedonia—Armed Forces*, [http://www.csees.net/?page=country\\_section&country\\_id=5&sec=8](http://www.csees.net/?page=country_section&country_id=5&sec=8).
- <sup>169</sup> Public distress reached its peak during the 1999 NATO military intervention in neighboring Yugoslavia in 1999.
- <sup>170</sup> Institute for Democracy, Solidarity and Civil Society at [www.idsco.org.mk](http://www.idsco.org.mk).
- <sup>171</sup> EurActiv.com. EU-Western Balkans relations. <http://www.euractiv.com/Article?tcaturi=tcm:29-129607-16&type=LinksDossier>.
- <sup>172</sup> Despite Macedonia's progress over the last four years, the EU has not set a date for negotiations to begin. See: Waterfield, Bruno. 2005. "Macedonia Gets EU Entry Status—But No Dates." *REALITY Macedonia*, 16 December. [http://www.realitymacedonia.org.mk/web/news\\_page.asp?nid=4359](http://www.realitymacedonia.org.mk/web/news_page.asp?nid=4359).
- <sup>173</sup> European Union. 2004. *EU Action Programme for the Former Yugoslav Republic of Macedonia*.
- <sup>174</sup> The following year, the EC will bring in a new funding mechanism called the Instrument for Pre-Accession (IPA), which will apply to Macedonia regardless of whether it is already a candidate. IPA funding will still draw a distinction between the two categories in terms of the kind of funding made available, but in either case, learning to work under the new system will pose an additional challenge for Macedonian institutions. See Angelovska, Nevena. 2005. "Balkan Crisis Report – EU Funds for Macedonia in the Balance." Institute for War and Peace Reporting, 1 November, [http://www.iwpr.net/?p=bcr&s=f&o=257734&apc\\_state=henpbcr](http://www.iwpr.net/?p=bcr&s=f&o=257734&apc_state=henpbcr).
- <sup>175</sup> Nikolovski, Zoran. 2005. "Macedonia Poised to Become Success Story for Western Balkans." Southeast European Times, 18 April, <http://www.focus-fen.net/index.php?focus=analys&a=2&aid=7315&cat=3>.
- <sup>176</sup> See Caparini, Marina. 2004. "Security sector reform in the Western Balkans." In *SIPRI Yearbook 2004: Armaments, Disarmament and International Security*, Oxford: Oxford University Press, pp. 251-282.
- <sup>177</sup> Concerning Political Rights or Civil Liberties the country remains only partly free, <http://www.freedomhouse.org/research/freeworld/2005/table2005.pdf>. The rank 107 with a partly free status relates to Freedom of Press, <http://freedomhouse.org/research/pressurvey/comparison0405.pdf>. With respect to Economic Freedom the place 69 makes Macedonia "mostly free", <http://www.answers.com/topic/index-of-economic-freedom>. Human Development Index for Macedonia is 60. It means that Macedonia is not among the top developed 50 countries, [http://hdr.undp.org/statistics/data/country\\_fact\\_sheets/cty\\_fs\\_MKD.html](http://hdr.undp.org/statistics/data/country_fact_sheets/cty_fs_MKD.html) Moreover, according to Transparency International, Macedonia is "enjoying" place 104 out of 159 countries ranking for the corruption perception index. Macedonia is surrounded by Gambia and Swaziland, <http://www1.transparency.org/cpi/2005/2005.10.18.cpi.en.html#cpi>. The Bertelsmann Transformation Index sees the country as having good prospects for consolidation of a market-based democracy ranking Macedonia as 29 out of 119 countries, [http://www.bertelsmann-transformation-index.de/fileadmin/pdf/BTI\\_2006\\_Ranking\\_GB.pdf](http://www.bertelsmann-transformation-index.de/fileadmin/pdf/BTI_2006_Ranking_GB.pdf).
- <sup>178</sup> National Security and Defense Strategy, Defense Plan, Policy Framework, SDR, etc.
- <sup>179</sup> Albanian paramilitary units, formally dissolved, could be re-established overnight following a signal of the Albanian political leadership. Interview with Macedonian officer, Skopje, 22 March 2005.
- <sup>180</sup> Interview with Talat Xhaferi, Skopje, 25 March 2005.
- <sup>181</sup> <http://www.adriaticcharter.gov.mk/adriatictreaty.htm>.
- <sup>182</sup> 2004. "Rumsfeld Issued Orders to Prepare Krivolak for NATO Training Center." *REALITY Macedonia*, 16 October, [http://www.realitymacedonia.org.mk/web/news\\_page.asp?nid=3766](http://www.realitymacedonia.org.mk/web/news_page.asp?nid=3766).
- <sup>183</sup> Government of the Republic of Macedonia. 2001. *Defence Law of the Republic of Macedonia*. Tirana. (amended in 2003).
- <sup>184</sup> Since early 2004 the Defense and Security committee has had expert support from two staff advisors, funded externally by DCAF, through a regional South East European parliamentary capacity-building program.
- <sup>185</sup> Goreski, Vladimir and Blagoj Handziski. 2001. *Democratic Civil Control of the Armed Forces in the Republic of Macedonia*. Geneva: DCAF.
- <sup>186</sup> Vankovska, Biljana. 2003. "Democratic Control over Defence and Security: Between Principles and Reality." In Jan A.



- Trapans and Philipp H. Fluri, eds. *Defence and Security Sector Governance and Reform in South East Europe: Insights and Perspectives. Macedonia, A Self Assessment Study*. Geneva: DCAF, p. 28.
- <sup>187</sup> Communication with Biljana Vankovska on 5 April 2006.
- <sup>188</sup> Communication with Vilma Temelkova on 5 April 2006.
- <sup>189</sup> The members of the NCS are the President of the Parliament, the Prime Minister, and the Ministers of Defense, Interior and Foreign Affairs plus three other members named by the President. See: Government of the Republic of Macedonia. 1991. *Constitution of the Republic of Macedonia*. Skopje.
- <sup>190</sup> Vankovska, Biljana. 2003. "Democratic Control over Defence and Security: Between Principles and Reality." In Jan A. Trapans and Philipp H. Fluri, eds. *Defence and Security Sector Governance and Reform in South East Europe: Insights and Perspectives. Macedonia, A Self Assessment Study*. Geneva: DCAF, p. 36.
- <sup>191</sup> Vankovska, Biljana. 2006. *Problems and Prospects of Security Sector Reform: Conflict Prevention and/or Post-conflict reconstruction in Macedonia*. [http://www.boell.de/downloads/konflikt/vankovska\\_pt4.pdf](http://www.boell.de/downloads/konflikt/vankovska_pt4.pdf).
- <sup>192</sup> Government of the Republic of Macedonia. 2001. *Defence Law of the Republic of Macedonia*. Tirana, Article 27.
- <sup>193</sup> Vankovska, Biljana. 2003. "Democratic Control over Defence and Security: Between Principles and Reality." In Jan A. Trapans and Philipp H. Fluri, eds. *Defence and Security Sector Governance and Reform in South East Europe: Insights and Perspectives. Macedonia, A Self Assessment Study*. Geneva: DCAF, pp. 38-39.
- <sup>194</sup> Interview with representatives from NATO's Defense Policy and Planning Division, Brussels, 9 December 2005.
- <sup>195</sup> Interview with Slobodan Kuzmanovsky, Skopje, 25 March 2005.
- <sup>196</sup> At present, the Albanian Democratic Union for Integration (DUI) is a coalition partner of the Macedonian Social Democratic Union of Macedonia (SDUM).
- <sup>197</sup> 5th Meeting of DCAF-Demobilization and Reintegration working Group. Skopje, 23-24 March 2005.
- <sup>198</sup> The newspaper *Армиска Збор* (*Word of the Army*) and an illustrated monthly magazine *Одбрана* (*Defense*).
- <sup>199</sup> The local papers "Dnevnik" and "Utrinski vestnik", for example, reported on corruption in the privatization of military property or criticized the government for the decision to destroy Soviet armaments (like the tank T-55 and the jet SU-25) in order to fulfil NATO requirements. Interview with Stojan Kuzev, Skopje, 22 March 2005.
- <sup>200</sup> Ibid.
- <sup>201</sup> Interview with Sasko Dimevski. Utrinski Vestnik. Skopje, 26 March 2005.
- <sup>202</sup> Some experts see the process as rightsizing. See Jazbec, Milan. 2005. *Defense Reform in the Western Balkans: The Way Ahead*. Geneva: DCAF.
- <sup>203</sup> Questionnaire to MoD, Skopje, March 2005.
- <sup>204</sup> Questionnaire to MoD, Skopje, March 2005.
- <sup>205</sup> Ibid.
- <sup>206</sup> By the end of 2005, an additional 385 military men planned to be retrained for these purposes. Ibid.
- <sup>207</sup> The pension benefits for all categories of pensioners are regulated by the "Law on Retirement and Disability Insurance". See: *Law on retirement and disability insurance*, 1993.
- <sup>208</sup> The average pension for ex-military men amounts to around €250. Interview with Vilma Temelkova, Skopje, 24 March 2005.
- <sup>209</sup> Pension and disability insurance fund of Macedonia, Skopje, July 2003, <http://www.piom.com.mk/share/Prezentacija%20angliska.pdf>.
- <sup>210</sup> Questionnaire to MoD, Skopje, March 2005.
- <sup>211</sup> 5th Meeting of DCAF-Demobilization and Reintegration Working Group. Skopje, 23-24 March 2005.
- <sup>212</sup> Vankovska, Biljana. 2006. *Current perspectives on Macedonia*, Heinrich-Böll-Foundation, p. 5.
- <sup>213</sup> Interview with Talat Xhaferi, Skopje, 25 March 2005.
- <sup>214</sup> Interview with Aleksandar Nikoloski, Skopje, 26 March 2005.
- <sup>215</sup> It means that 400,000 of the total population are unemployed. 16,000 of them hold university degrees.
- <sup>216</sup> Similar to the Croatian SPECTRA - Separated Personnel Care and Transition Program. See: next chapter.
- <sup>217</sup> Norwegian Embassy to Macedonia. 2006. "Norwegian Project to Re-Qualify Surplus Army Officers Opened", 13 February, <http://www.norway.org.mk/projects/Project+cooperation/lepeza.htm>.
- <sup>218</sup> Norwegian Embassy to Macedonia. 2006. "Norwegian Project to Re-Qualify Surplus Army Officers Opened", 13 February, <http://www.norway.org.mk/projects/Project+cooperation/lepeza.htm>.

- <sup>219</sup> It was a concept of 'Total Defense' foreseeing the decentralization and dispersal of small military sites all over the country, where every city had to be a center of resistance and every human a soldier.
- <sup>220</sup> 5th Meeting of DCAF-Demobilization and Reintegration working Group. Skopje, 23–24 March 2005.
- <sup>221</sup> Questionnaire to MoD, Skopje, March 2005.
- <sup>222</sup> Ibid.
- <sup>223</sup> 5th Meeting of DCAF-Demobilization and Reintegration working Group. Skopje, 23–24 March 2005.
- <sup>224</sup> Ibid.
- <sup>225</sup> Food production units of the ARM.
- <sup>226</sup> BA&H is developing the project, planning to equip the shooting range with simulators for tactical, combat, and peace operations training. It is planned to renew existing and to build new structures to house personnel as well as buildings for administration. [http://www.realitymacedonia.org.mk/web/news\\_page.asp?id=3766](http://www.realitymacedonia.org.mk/web/news_page.asp?id=3766).
- <sup>227</sup> Questionnaire to MoD, Skopje, March 2005.
- <sup>228</sup> Interview with Talat Xhafeti, Skopje, 25 March 2005.
- <sup>229</sup> Strategic Defense Review, Skopje, 2004.
- <sup>230</sup> Income for a successful sale would go into the budget of the MoD.
- <sup>231</sup> Interview with Aleksandar Nikoloski, Skopje, 26 March 2005.
- <sup>232</sup> Strategic Defense Review, Skopje, 2004.
- <sup>233</sup> Questionnaire to MoD, March 2005.
- <sup>234</sup> Questionnaire to MoD, March 2005.
- <sup>235</sup> Ibid.
- <sup>236</sup> Interview with Verica Malinkova, RACVIAC, 1 June 2005.
- <sup>237</sup> See various publications by Prof. Dr. Biljana Vankovska.
- <sup>238</sup> Edmunds, Timothy. 2003. *Defense Reform in Croatia and Serbia and Montenegro*. Adelphi Paper 360, London: Oxford University Press for the International Institute for Strategic Studies, pp. 37–38.
- <sup>239</sup> Stanicic, Mladen. 2004. "Croatia: Defense Reform, Civil-Military Relations and Euro-Atlantic Integration." In Gyarmati, Vesel. 2004. *Security Sector Governance in the Western Balkans*, Baden-Baden: IISS/SIPRI, p. 157.
- <sup>240</sup> Interview with Tomislav Bradic, Zagreb, 13 April 2005.
- <sup>241</sup> Vujcic, Zeljka. 2005. "Army under Scrutiny." *Transitions Online* (28/01/2005).
- <sup>242</sup> Edmunds, Timothy. 2003. *Defense Reform in Croatia and Serbia and Montenegro*. Adelphi Paper 360, London: Oxford University Press for the International Institute for Strategic Studies, p. 55.
- <sup>243</sup> Interview with Vlatko Crvtila, Zagreb, 13 April 2005.
- <sup>244</sup> Interview with Zvonimir Mahecic, Zagreb, 13 April 2005.
- <sup>245</sup> At the end of the third cycle, Croatia hopes to establish full membership in NATO.
- <sup>246</sup> Interview with representatives from NATO's Defense Policy and Planning Division, Brussels, 9 December 2005.
- <sup>247</sup> *SDR Final Document*, English Version, 2005, p. 4.
- <sup>248</sup> Interview with representatives from NATO's Defense Policy and Planning Division, Brussels, 9 December 2005.
- <sup>249</sup> Ibid., p. 9–10.
- <sup>250</sup> Such as sticking to a Croatian Airforce or keeping huge reserve forces.
- <sup>251</sup> Ibid.
- <sup>252</sup> *Gotovina* means 'cash' in Croatian.
- <sup>253</sup> Watkins, Amadeo. 2005. *Croatia at a Crossroads: The EU-ICTY Debate*. Balkans Series (05/15). London: Conflict Studies Research Center, p. 3.
- <sup>254</sup> "Strategic Defence Review", March 2005, p. 11–12.
- <sup>255</sup> Such events cover different areas of cooperation, from Military Training and Doctrine or Defense Policy and Planning to English Language Training.
- <sup>256</sup> See Croatian Mission to NATO at <http://nato.mfa.hr>.
- <sup>257</sup> Mladen Stanicic even speaks of authorization of the resettlement program through NATO: "NATO's Economic Council, as a very important step in the process of accession, authorizes the [SPECTRA] program". See Stanicic, Mladen. 2004. "Croatia: Defense Reform, Civil-Military Relations and Euro-Atlantic Integration." In Vesel Gyarmati. 2004. *Security Sector Governance in the Western Balkans*, Baden-Baden: IISS/SIPRI, p. 162.
- <sup>258</sup> In 2002, NATO adopted a series of measures in Prague aimed at ensuring that NATO is equipped for the full spectrum of modern military missions. The new capabilities initiative, the Prague Capabilities Commitment, differs from its predecessor, the Defense Capabilities Initiative, in that individual allies have now made firm political commitments to improve capabilities in more than 400 specific areas.

- <sup>259</sup> Watkins, Amadeo. 2005. *Croatia at a Crossroads: The EU-ICTY Debate*. Balkans Series (05/15). London: Conflict Studies Research Center, p. 3.
- <sup>260</sup> Watkins, Amadeo. 2004. *PfP Integration: Croatia and Serbia and Montenegro*. London: Conflict Studies Research Center, p. 6.
- <sup>261</sup> For detailed information, see Zuncic, Ozren. 2003. "Democratic Oversight and Control over Intelligence and Security Agencies." In Jan A. Trapans and Philipp H. Fluri, eds. *Defence and Security Sector Governance and Reform in South East Europe: Insights and Perspectives. Croatia. A Self Assessment Study*. Geneva: DCAF, pp. 66–92.
- <sup>262</sup> Stanicic, Mladen. 2004. "Croatia: Defense Reform, Civil-Military Relations and Euro-Atlantic Integration." In Gyarmati, Vesel. 2004. *Security Sector Governance in the Western Balkans*, Baden-Baden: IISS/SIPRI, pp. 157–158.
- <sup>263</sup> Ibid.
- <sup>264</sup> Ibid.
- <sup>265</sup> Watkins, Amadeo. 2004. *PfP Integration: Croatia and Serbia and Montenegro*. London: Conflict Studies Research Center, pp. 10–11.
- <sup>266</sup> Vujcic, Zeljka. 2005. "Army under Scrutiny." *Transitions Online* (28/01/2005).
- <sup>267</sup> Watkins, Amadeo. 2005. *Croatia at a Crossroads: The EU-ICTY Debate*. Balkans Series (05/15). London: Conflict Studies Research Center, pp. 3–4.
- <sup>268</sup> Ibid, p. 6.
- <sup>269</sup> Ibid.
- <sup>270</sup> Stanicic, Mladen. 2004. "Croatia: Defense Reform, Civil-Military Relations and Euro-Atlantic Integration." In Vesel Gyarmati. 2004. *Security Sector Governance in the Western Balkans*, Baden-Baden: IISS/SIPRI, p. 159.
- <sup>271</sup> See BTI 206 at <http://www.bertelsmann-transformation-index.de>. While Croatia is ranked 7th, Albania being 37th and Macedonia 29th are still way behind.
- <sup>272</sup> Stanicic, Mladen. 2004. "Croatia: Defense Reform, Civil-Military Relations and Euro-Atlantic Integration." In Vesel Gyarmati. 2004. *Security Sector Governance in the Western Balkans*, Baden-Baden: IISS/SIPRI, pp. 161–163.
- <sup>273</sup> Ibid.
- <sup>274</sup> Interview with Zvonko Popovic, 10 March 2005.
- <sup>275</sup> SPECTRA Project Document, Zagreb, October 2002, p. 7.
- <sup>276</sup> Interview with Zvonko Popovic and Vjekoslav Golubovic, Zagreb, 12 April 2005.
- <sup>277</sup> 11,770 military and 2,862 civilian employees.
- <sup>278</sup> Ibid.
- <sup>279</sup> Interview with representatives from NATO's Defense Policy and Planning Division, Brussels, 9 December 2005.
- <sup>280</sup> Interview with Zvonimir Mahecic, 13 April 2005.
- <sup>281</sup> Interview with Zeljka Bilandzija, 13 April 2005.
- <sup>282</sup> Besides the MoD, this includes the Ministry of Homeland War Veterans, the Ministry of Small and Medium Enterprises, the Ministry of Finance, Ministry of Education, Ministry of Economy, as well as the Croatian Employment Service.
- <sup>283</sup> SPECTRA Project Document, Zagreb, October 2002, pp. 18–19.
- <sup>284</sup> Ibid., p. 20.
- <sup>285</sup> The Association of Volunteers in the Croatian Homeland War (UHBDDR).
- <sup>286</sup> Interview with Zvonko Popovic and Vjekoslav Golubovic, 12 April 2005.
- <sup>287</sup> Ibid.
- <sup>288</sup> See Heinemann-Grüder, Andreas and Tobias Pietz. 2003. *Turning Soldiers into a Workforce. Demobilization and Reintegration in Post-Dayton Bosnia and Herzegovina*. Brief 27. Bonn: BICC.
- <sup>289</sup> Interview with Ivan Ceko and Sunčanica Skupnjak-Kapic, 12 April 2005.
- <sup>290</sup> Research of the Labor Market in Areas of Special State Care, 2004.
- <sup>291</sup> Interview with Zvonko Popovic and Vjekoslav Golubovic, 12 April 2005.
- <sup>292</sup> Ibid.
- <sup>293</sup> SPECTRA Program Information, November 2004.
- <sup>294</sup> Interview with SPECTRA and IOM representatives in Osijek, 14 April 2005.
- <sup>295</sup> IOM RASDP Summary Leaflet, March 2005.
- <sup>296</sup> Ibid.
- <sup>297</sup> Interview with Ivan Ceko and Sunčanica Skupnjak-Kapic, 12 April 2005.
- <sup>298</sup> SPECTRA Project Document, Zagreb, October 2002, p. 6.
- <sup>299</sup> "Socio-Economic Analysis of Separated Ministry of Defense Personnel", September 2004.
- <sup>300</sup> Ibid., p. 8-9.
- <sup>301</sup> SPECTRA Project Document, Zagreb, October 2002, p. 23.
- <sup>302</sup> Interview with Zvonko Popovic and Vjekoslav Golubovic, 12 April 2005.

- <sup>303</sup> Interview with SPECTRA and IOM representatives in Osijek, 14 April 2005.
- <sup>304</sup> See Table 2 in the Annex.
- <sup>305</sup> As one can see in the different Tables in the Annex which have been provided by the MoD.
- <sup>306</sup> There was no reply to that question in a meeting of the NATO Task Force Defense Conversion with representatives of the Croatian MoD, MFA, Privatization Fund and the SPECTRA program in Zagreb, 7 March 2005.
- <sup>307</sup> See Table 5 in the Annex.
- <sup>308</sup> Ibid.
- <sup>309</sup> National Annual Program (NAP) for the third cycle of the Membership Action Plan, September 2004, p. 91–92.
- <sup>310</sup> Interview with Vlatko Crvtila, Zagreb, 13 April 2005.
- <sup>311</sup> Interview with representatives from NATO's Defense Policy and Planning Division, Brussels, 9 December 2005.
- <sup>312</sup> SDR, Zagreb, March 2005, p. 39–40.
- <sup>313</sup> See Tables 6–8 in the Annex. Again, this number is contradicted by Table 3 indicating that 100 sites have been transferred in the years 2001 to 2005.
- <sup>314</sup> See Table 1 in the Annex. This contradicts the NAP from October 2004 that indicated 256 facilities to be kept. On the other hand, the NAP also cites the number of 1992 (657 sites) to be currently at the disposal—though by 2004 already hundreds of those had been transferred. NAP, p. 91–92.
- <sup>315</sup> According to Croatian sources, the value of potential surplus facilities is estimated at about 3.5 billion Kuna, approximately €473 million, while maintenance of the sites adds up to 4 million Kuna or €540,000.
- <sup>316</sup> “Base Conversion. Official Remarks.” Official reply of the Croatian Ambassador in October 2005 to the NATO Expert Team regarding base conversion in Croatia.
- <sup>317</sup> There was no opposition to it at the meeting of the NATO Task Force Defense Conversion with representatives of the Croatian MoD, MFA, Privatization Fund and the SPECTRA program in Zagreb, 7 March 2005.
- <sup>318</sup> See Tables 6–8 in the Annex.
- <sup>319</sup> Ibid.
- <sup>320</sup> Interview with Ivan Kovacev, Zagreb, 7 March 2005.
- <sup>321</sup> PowerPoint Presentation of the MoD, Zagreb, 7 March 2005, provided in electronic form to the authors.
- <sup>322</sup> See Table 1 in the Annex.
- <sup>323</sup> PowerPoint Presentation of the MoD, Zagreb, 7 March 2005, provided in electronic form to the authors.
- <sup>324</sup> See Table 3 in the Annex.
- <sup>325</sup> Interview with Branko Hrg, Krizevci, 8 March 2005.
- <sup>326</sup> Meeting of the NATO Task Force Defense Conversion with representatives of the Croatian MoD, MFA, Privatization Fund and the SPECTRA program in Zagreb, 7 March 2005.
- <sup>327</sup> See Paes, Wolf-Christian, Tobias Pietz, Hans Risser. 2004. *Small Arms Survey for BiH*. Sarajevo: UNDP.
- <sup>328</sup> “Base Conversion. Official Remarks.” Official reply of the Croatian Ambassador in October 2005 to the NATO Expert Team regarding base conversion in Croatia.
- <sup>329</sup> PowerPoint Presentation of the MoD, Zagreb, 7 March 2005.
- <sup>330</sup> See Tables 6–8 in the Annex.
- <sup>331</sup> Stanicic, Mladen. 2004. “Croatia: Defense Reform, Civil-Military Relations and Euro-Atlantic Integration.” In Vesel Gyarmati. 2004. *Security Sector Governance in the Western Balkans*. Baden-Baden: IISS/SIPRI, p. 161.
- <sup>332</sup> Presentation of SPECTRA at BICC, Bonn, December 2005.
- <sup>333</sup> And the three countries in question share those with other Balkan countries, too, such as Serbia and Montenegro or Bosnia and Herzegovina. See Pietz, Tobias and Marc Remillard. 2005. *Demobilizing and Retraining for the Future. The Armed Forces in Serbia and Montenegro*. Brief 31. Bonn: BICC; See also Heinemann-Grüder, Andreas and Tobias Pietz. 2003. *Turning Soldiers into a Workforce. Demobilization and Reintegration in Post-Dayton Bosnia and Herzegovina*. Brief 27. Bonn: BICC.
- <sup>334</sup> Military Academy
- <sup>335</sup> Others: Croatians, Bulgarians, Kosovars, Greeks and Hungarians are extremely limited in number.
- <sup>336</sup> The number of individuals can change with the change of the Law amending and modifying the Army Service Law, adopted in December 2005. This number does not include the planned amount of officers for accession from the ethnical communities for 2006 and 2007, which is 113. The table will be updated after the selection of individuals who will be retired and will be included in the final version of the project.
- <sup>337</sup> Croatian Armed Forces



# BICC

## at a glance

**B**ICC is an independent, non-profit organization dedicated to promoting peace and development through the efficient and effective transformation of military-related structures, assets, functions and processes. Having expanded its span of activities beyond the classical areas of conversion that focus on the reuse of military resources (such as the reallocation of military expenditures, restructuring of the defense industry, closure of military bases, and demobilization), BICC is now organizing its work around three main topics: *arms, peacebuilding and conflict*. In doing this, BICC recognizes that the narrow concept of national security, embodied above all in the armed forces, has been surpassed by that of global security and, moreover, that global security cannot be achieved without seriously reducing poverty, improving health care and extending good governance throughout the world, in short: without human security in the broader sense.

*Arms:* To this end, BICC is intensifying its previous efforts in the fields of weaponry and disarmament, not only through its very special work on small arms but also by increasing its expertise in further topics of current concern such as the non-proliferation of weapons of mass destruction, arms embargoes and new military technologies.

*Peacebuilding:* BICC is extending its work in the area of peacebuilding. In addition to examining post-conflict demobilization and reintegration of combatants and weapon-collection programs, the Center aims to contribute, among other things, to the development of concepts of security sector reform with an emphasis on civilmilitary cooperation, increased civilian control of the military, and the analysis of failed states.

*Conflict:* BICC is broadening its scope in the field of conflict management and conflict prevention, including tensions caused by disputes over marketable resources and transboundary issues such as water.

These three main areas of analysis are complemented by additional crosscutting aspects, for example, gender, pandemics, or environmental protection.

Along with conducting research, running conferences and publishing their findings, BICC's international staff are also involved in consultancy, providing policy recommendations, training, and practical project work. By making information and advice available to governments, NGOs, and other public or private sector organizations, and especially through exhibitions aimed at the general public, they are working towards raising awareness for BICC's key issues.

While disarmament frees up resources that can be employed in the fight against poverty, conversion maximizes outcomes through the careful management of such transformation of resources. It is in this sense that they together contribute to increasing human security.

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