



# The Serbia-Kosovo Normalization Process

## *A Temporary U.S. Decoupling*

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### THE ISSUE

*Years of engagement by both U.S. and European policymakers have been largely ineffectual in bringing Serbia and Kosovo closer to normalization. Taking into account present-day dynamics in both countries and the problems that have beset negotiation efforts to date, this brief outlines a new U.S. strategy toward Serbia and Kosovo. To break the current stasis, the United States should temporarily decouple the joint normalization process, creating separate bilateral tracks of engagement with Serbia and Kosovo that prioritize internal reforms and economic revitalization.*

### INTRODUCTION

Twenty years after the North Atlantic Treaty Organization's (NATO) military intervention ended the 1999 Kosovo War, and more than a decade since Kosovo's independence in 2008, relations between Kosovo and Serbia remain a source of tension and regional instability in the Western Balkans. Achieving a comprehensive normalization of relations between Kosovo and Serbia is necessary for the region's long-term peace, security, and prosperity.

Although more than 100 countries have recognized Kosovo internationally, Serbia continues to deny and, until most recently, work against Kosovo's independence. Joined by Russia, China, and EU members Spain, Cyprus, Slovakia, Romania, and Greece, this lack of recognition has impeded the path of EU accession for both Serbia and Kosovo and bars Kosovo from membership in international organizations. Crucially, this impasse allows political forces in both countries to leverage nationalist sentiments, which leave Albanian and Serb communities in Kosovo increasingly insecure.

Diplomatic initiatives in the Balkans have succeeded when political parties are able to envision a different future; when the United States takes a proactive diplomatic and

security role in the region, in close cooperation with the European Union; and when outside powers such as Russia pursue constructive, rather than destructive, policy engagement. In the 1990s and early 2000s, these conditions largely existed, as close policy coordination stabilized the region and encouraged progress on democratic reforms and institution-building. The combination of strong U.S. leadership and assistance, vital incentives offered by the European Union (EU *acquis* process and generous economic assistance), and the United States and NATO's willingness to use military intervention and sanctions produced results. However, the United States gradually ceded regional policy to NATO enlargement efforts and the European Union after 2008, leaving, among others, the issue of normalization between Kosovo and Serbia to the Europeans to resolve. Internally, economic and institutional reforms stagnated in both countries and political inertia set in.

Since 2011, the European Union has facilitated a dialogue between Serbia and Kosovo to address outstanding issues from the war and help bring about a normalization of relations that would lead to mutual recognition. But a deal between the two states has defied both U.S. and EU

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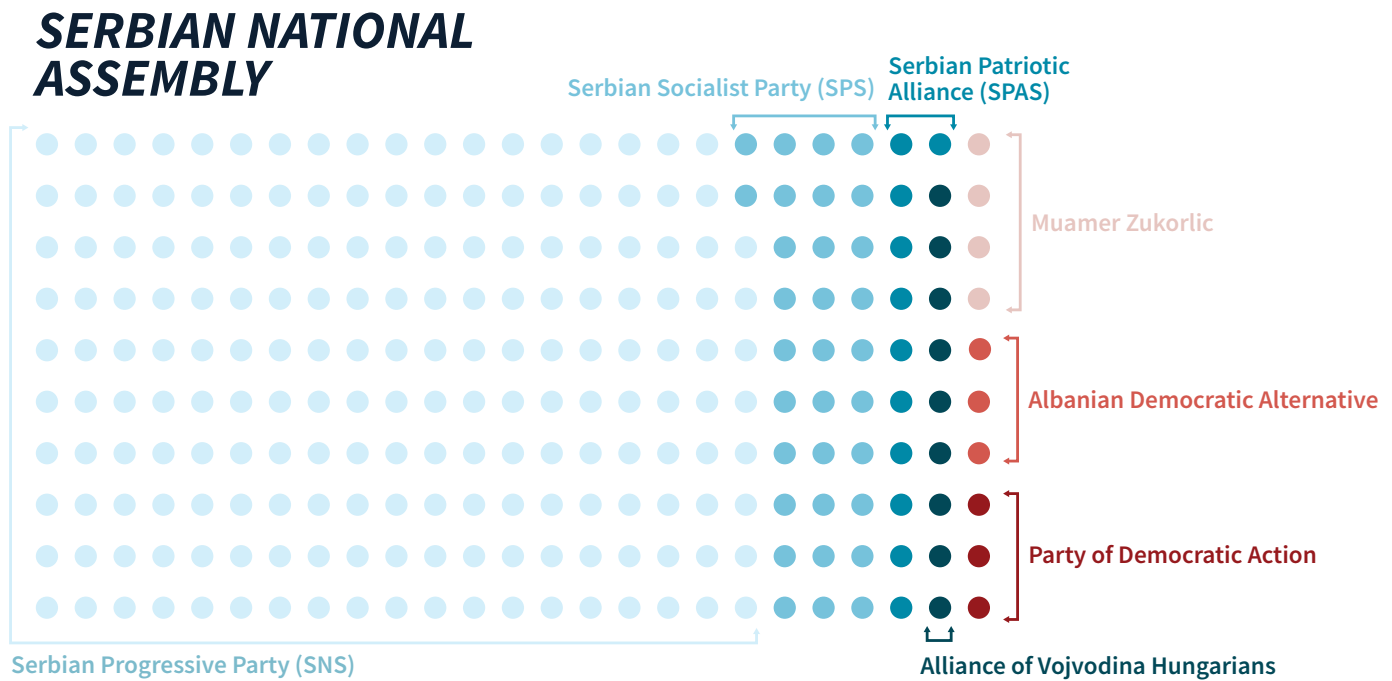
diplomatic efforts due to political intransigence in both capitals. Several previously signed agreements have never been implemented, leading to mutual frustration. To break the impasse, the presidents of Serbia and Kosovo proposed a land-swap arrangement in 2018 which was designed to incentivize Serbia to cease its derecognition campaign and restore a political path toward normalization and recognition. This misguided effort set back the dialogue process several years. Today, the dialogue between Kosovo and Serbia remains deadlocked, with Serbia refusing to accept Kosovo’s independence and Kosovo resolute in its opposition to greater autonomy for its Serbian population.

Solving this stalemate requires a new U.S. strategy toward Serbia and Kosovo. This strategy must be grounded in the political and economic realities in both countries and honest in evaluating the successes and failures of the EU-facilitated dialogue and recent U.S. unilateral diplomatic efforts. Based on this understanding, separate but parallel bilateral tracks of diplomatic and economic engagement with Serbia and Kosovo should be created that prioritize internal reforms and regional economic revitalization, shifting focus temporarily away from mutual recognition.

## POLITICAL DYNAMICS

### POLITICAL DYNAMICS IN SERBIA

Since Aleksandar Vucic’s formal arrival on the Serbian political stage as deputy prime minister in 2012, Serbia has experienced a period of democratic decline. Like many long-serving leaders across the Western Balkans, Vucic speaks the language of a pro-Western reformer to his Western audiences and to the Serbian people—his key talking points include revitalizing Serbia’s economy, fighting corruption, and bringing Serbia into the European Union. Yet over the past nine years, President Vucic and his Serbian Progressive Party (SNS) have presided over a steady erosion of democratic standards, declining media freedom, ensconced patronage networks, and the capture of state institutions by the ruling party. In 2019, the



Source: National Democratic Institute, *Serbia’s June 2020 Elections* (Washington, DC: National Democratic Institute, December 16, 2020), <https://www.ndi.org/sites/default/files/Serbia%E2%80%99s%20June%202020%20Elections%20Public%20Report.pdf>.



international democratic watchdog organization Freedom House demoted Serbia from the status of a democracy to a hybrid-regime, [citing](#) the “deterioration in the conduct of elections, continued attempts by the government and allied media outlets to undermine independent journalists through legal harassment and smear campaigns, and President Aleksandar Vučić’s de facto accumulation of executive powers that conflict with his constitutional role.”

Parliamentary elections in 2020 further solidified SNS’s control over political and economic life: with 231 out of 250 seats in the National Assembly, the ruling coalition has gained a supermajority, making Serbia in essence a one-party state. Although there is significant polarization and opposition to the SNS within Serbian society, the opposition is deeply fractured ideologically. Furthermore, SNS’s stranglehold over the political scene—particularly over the media and civil society organizations—is so strong that mounting a credible challenge to the SNS has proved impossible.

To reinforce his domestic reputation as a strong leader, Vucic has fostered an image of himself as uniquely capable of protecting Serbia’s interests and succeeding within a dynamic of strategic competition, as he balances relationships with the United States, the European Union, Russia, China, Turkey, and the United Arab Emirates. While he may at times speak the language of the West, Vucic presents himself simultaneously as a pro-Russian nationalist to Moscow and as a trusted partner to Beijing. Despite the erosion of democratic standards and the stagnating pace of reforms, Vucic’s public commitment to join the European Union, coupled with his ability to say the things Brussels wants to hear, has largely spared him from EU reproach.

The Covid-19 pandemic, which led President Vucic to excoriate the European Union over the “[fairy tale](#)” of European solidarity and lean on China and Russia for vaccines, has proven the utility of Vucic’s balancing act for his domestic audience. Attitudes toward the European Union are a case in point: as the government has increased ties with China and progress toward EU accession has faltered, [public support](#) for EU membership has dropped to its lowest point in a decade. However, public opinion toward the European Union or China is also closely correlated with coverage by pro-government media (the main source of news for most citizens), which reflects the views of Vucic and the SNS.

Despite the control the SNS exerts over Serbia’s political life, the issue of Kosovo puts Vucic’s balancing skills to the

test. In affirming Serbia’s desire to join the European Union even as Serbia actively undermines Kosovo’s independence, the Serbian government has perfected the art of saying one thing and doing another. Vucic has continuously stated his readiness to engage in the EU-facilitated dialogue with Kosovo. In 2017, he even called for a national internal dialogue on relations with Kosovo and revising the Serbian constitution, [writing](#) in a national op-ed, “It’s time for us to as a nation stop burying our heads in the sand and try to be realistic, not to allow ourselves to lose or give to someone what we have, but also not to wait for what we have long lost to arrive in our hands.” But the internal dialogue that [emerged](#) was opaque and ineffective. Instead, Serbia continues to deny Kosovo’s independence by relying on Russia and China to veto recognition at the UN Security Council. And from 2017 to 2020, Serbia carried out a derecognition campaign against Kosovo to gain leverage over Kosovo in negotiations.

Serbian political elites rely heavily on nationalist narratives to sustain popular support, and chief among them is the narrative that Kosovo is an indelible part of Serbia. Government officials and pro-government media outlets create a never-ending news cycle wherein Kosovo’s independence, while an important source of Serbian cultural and religious heritage, is also a threat to Serbia’s security, an assertion that is [echoed](#) in Serbia’s national security strategies. Pro-government media outlets stoke these fears through false stories that [claim](#) conflict is imminent. And while this nationalist fervor strengthens support for the SNS base, it also perpetuates a political cycle wherein far-right opposition parties attack Vucic on the basis of insufficient nationalism. For example, the far-right, pro-Russian Dveri party frequently [attacks](#) the SNS for betraying Serbian interests in Kosovo and claims Vucic will recognize Kosovo. In turn, Vucic points to this opposition as justification that it is domestically impossible for Serbia to recognize Kosovo.

Nearly all discussions of Kosovo in the Serbian public sphere are influenced by the country’s largest religious institution, the Serbian Orthodox Church (SOC). The majority of Serbians who belong to the SOC view Kosovo as the cradle of their nation and religion, and the church amplifies Serbian nationalism and mythology on the issue of Kosovo’s independence. Although Serbs make up a small portion ([approximately](#) 5.5 percent) of Kosovo’s present-day population, many medieval Orthodox monasteries are located in Kosovo, which Serbians view as sacred. Protecting these sites is a source of great tension between Kosovo and Serbia, particularly after a spate of violence in 2004

**damaged** many Orthodox churches. The SOC has been a vocal and aggressive opponent of any potential agreement that could lead to Kosovo's recognition, either de facto or de jure. In 2018, suggestions of a deal with Kosovo predicated on territorial exchange caused the Holy Bishops Council of the SOC to **state**, "Kosovo and Metohija . . . is not a question of national ideology or mythology nor, moreover, only territory, but represents the very essence of our church and national being." Leaders of the SOC alternated between harshly criticizing Vucic as a traitor for considering a deal with Pristina or **praising** him as a stalwart protector of Serbia and its faith.

Shared Orthodox faith is also a key pillar for Russia's influence in Serbia, in addition to the shared resentment of the West borne out of the 1999 NATO bombing of Serbia during the Kosovo War. A tense military standoff between Russian and NATO troops at Pristina airport at the end of the war resuscitated the Kremlin's narrative that Russia is the only true defender of Slavic and Orthodox people and a protector of Serbs.

Serbia and Russia have strengthened military and economic ties since the 1990s, particularly in the energy sector, but it is Russia's appeal as a defender of a "Serbian world" that is the root of its soft power in the region. Although somewhat overshadowed recently by President Vucic's embrace of Chinese leader Xi Jinping, Russian president Vladimir Putin is by far the most popular foreign leader in Serbia (a **2018 poll** found 80 percent of Serbian citizens view Putin favorably). When Putin visited Belgrade in 2019, more than 100,000 people lined the streets to greet him outside of the Saint Sava cathedral, Serbia's largest Orthodox church.

Because the issue of Kosovo gives Russia enormous leverage over Serbia and disrupts the region's Euro-Atlantic integration, Russia has no interest in seeing the issue of Kosovo resolved. Moreover, if Moscow were to denounce

a deal reached by Belgrade and Pristina, the domestic **consequences** for Vucic could be disastrous.

### **POLITICAL DYNAMICS IN KOSOVO**

Kosovo in 2021 is experiencing a dramatic political shift with the sweep of Albin Kurti's Vetëvendosje ("Self-Determination") party to victory in a snap election in February.

With the exception of Vetëvendosje, the parties and political leaders that have dominated Kosovo's politics since independence are closely associated with the war of the 1990s. For years, these parties rotated in and out of power, establishing informal systems of power and state capture. Parties led by former members of the Kosovo Liberation Army (KLA), such as Hashim Thaci's Democratic Party of Kosovo (PDK) and Ramush Haradinaj's Alliance for the Future of Kosovo (AAK), derived legitimacy from their association with the fight for Kosovo's independence. Other established parties, such as the Democratic League of Kosovo (LDK), which was formed from the peaceful resistance movement of Ibrahim Rugova, are longtime political rivals of the PDK. The political rivalry and factionalism between these parties have made Kosovo



*Leader of Vetëvendosje (Self-Determination) movement Albin Kurti (C) and Kosovo's president Vjosa Osmani (R) greet their supporters during a campaign rally in the town of Gjakova on February 7, 2021, a week ahead of the country's early parliamentary elections.*

Photo by ARMEND NIMANI/AFP via Getty Images

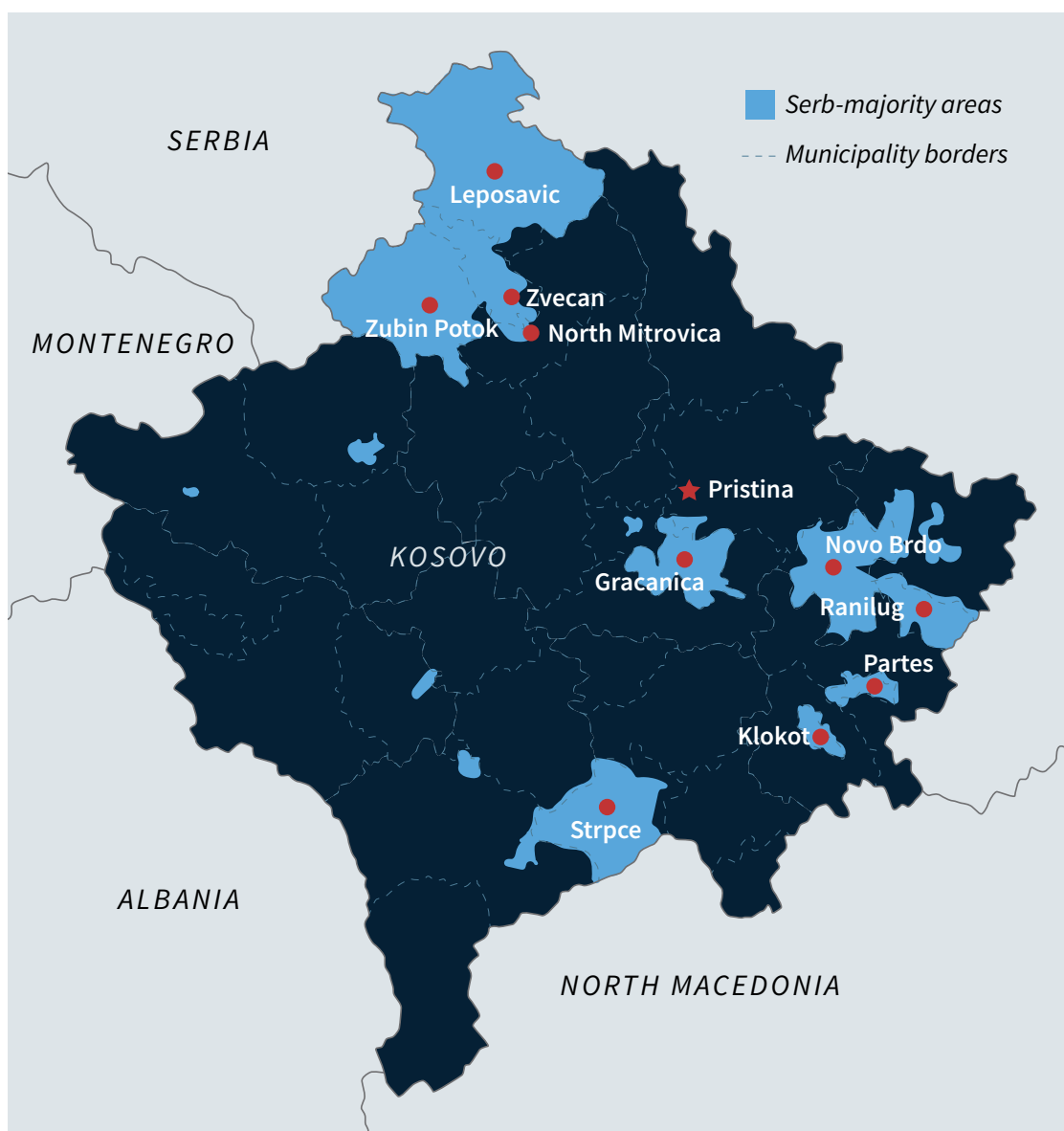
politically unstable: since independence it has gone to the polls six times, all in early elections. However, allegations of high-level corruption, clientelism, and connections with organized crime have eroded the popularity of these groups over time.

Citizen dissatisfaction with endemic corruption and patronage networks made the messages of Albin Kurti's anti-corruption and reform campaign particularly resonant in 2021. Prime Minister Kurti, alongside President Vjosa Osmani, campaigned on a "jobs and justice" platform of anti-corruption policies, social justice, and job creation. Vetëvendosje's commanding victory (50 percent of the vote) has transformed Kosovo's political landscape, as all three establishment parties experienced the worst results in their history. The leader of the LDK, Isa Mustafa, resigned following the 2021 election. Coupled with the indictments last year of former president Hashim Thaci and PDK party leader Kadri Vesseli for war crimes, which decimated PDK leadership, many familiar political faces are now gone. Kurti **views** his popular mandate as one of dismantling systems of state capture put in place by the old ruling parties. With this domestic focus, he has stated that the dialogue with Serbia will **not** be a priority for his government.

The integration of Kosovo's Serbian minority is a domestic matter that is central to the normalization process. Kosovo's 2008 constitution enshrines the rights of minorities to representation in governing structures; establishes the competencies of municipal-level self-governance (granting partial autonomy to municipalities); establishes protective zones for cultural heritage; and establishes

Serbian as an official language. However, implementation of these rights remains uneven and episodic.

The vast majority of Kosovo's Serbian population lives within 10 minority-majority municipalities across Kosovo.<sup>1</sup> Approximately 60 percent of the Serb population is concentrated in six municipalities south of the Ibar River which are largely integrated into the Kosovo state. The remaining 40 percent live in four municipalities in North Kosovo that are contiguous with Serbia. They refuse to accept the authority of the Kosovo state; a system of **parallel structures** funded by Serbia in sectors such as energy, healthcare, education, and municipal services in these four municipalities prevent Kosovo from exercising



Source: Marta Szpala, "Serbia-Kosovo Negotiations: Playing for Time under Pressure from the West," Center for Eastern Studies, August 21, 2021, <https://www.osw.waw.pl/en/publikacje/osw-commentary/2018-08-21/serbia-kosovo-negotiations-playing-time-under-pressure-west-0>.



full sovereignty over its territory and lends Belgrade enormous influence over the Serbs of north Kosovo.

Belgrade's backing of the dominant Serbian political party in Kosovo, the Srpska Lista, offers it another form of leverage over Pristina. The party is **closely tied** to the SNS, currently holds all 10 seats reserved for the Serbian minority in the Kosovo parliament and all 10 mayorships in Serb-majority municipalities in Kosovo, and dominates institutions in these areas. Srpska Lista maintains its near-monopoly on political representation for Serbs through the **intimidation** of voters as well as opposition candidates and their families. Public sector employees, particularly those employed in Serbian parallel institutions, **fear** losing their jobs if they do not vote for the party. Kosovo Serb politicians who do not align themselves with the Srpska Lista are labeled as ethnic traitors. In 2019, the Srpska Lista vice president Milan Radoicic was among those indicted for the murder of Kosovo Serb opposition politician Oliver Ivanovic, who sought to bridge differences between the Serb and Kosovar communities (the case is **ongoing**). Other Kosovo Serb politicians who criticize Belgrade and the Srpska Lista have warned that they may risk a similar fate.

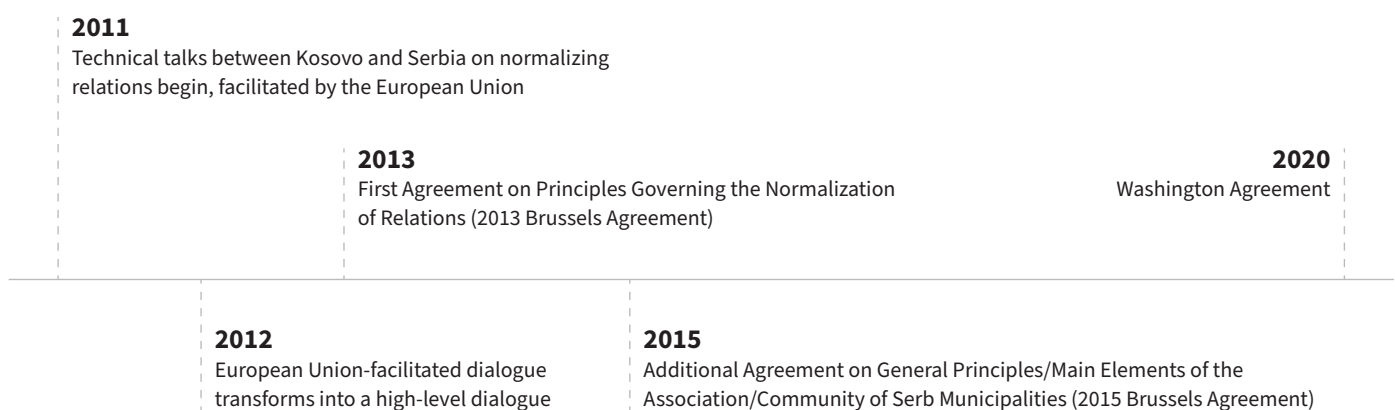
Kosovo is simultaneously wrestling with its violent past and fighting for its future. The Serbian government

continues to **resist** investigating and prosecuting those responsible for committing war crimes, impeding accountability and justice. Since the end of the war, five mass graves containing the remains of more than 900 Kosovo Albanians have been discovered in Serbia. Even as the Serbian government has committed to resolving the issue of missing persons, **little action** is being taken to find the remains of more than 1,600 people who are still missing. In September 2020, Serbian speaker of the parliament Ivica Dacic appeared on a pro-government media TV channel and **asked**, "What will we do with Serbs . . . who reveal where the bodies of Albanians are buried all over Serbia?" The fifth mass grave was **discovered** just two months later in southern Serbia—an event which did not elicit a response from the Serbian government.

Kurti, who was a political prisoner under Slobodan Milosevic, will take an uncompromising stance against Serbia in any dialogue going forward. For Kosovo's citizens, the only acceptable outcome of dialogue is mutual recognition. Any compromise they could view as a concession to Belgrade would be deeply unpopular, particularly in light of Serbian officials' unrepentant rhetoric and intransigence. But the price of compromise grows higher over time: calls for a national apology from

## Milestones in the Kosovo–Serbia Dialogue

*In addition to agreements on the status of the Serbian community in Kosovo, from 2011 to 2015 a slew of technical agreements were signed between Serbia and Kosovo concerning issues like freedom of movement, energy, telecommunications, mutual recognition of diplomas and certifications, cadastral records, and customs stamps. However, enduring disagreements have made implementation a significant hurdle, with many agreements remaining partially or totally unimplemented.*



Source: Donika Emini and Isidora Stakić, "Belgrade and Pristina: Lost in Normalisation?" European Union Institute for Security Studies, April 20, 2018, <https://www.iss.europa.eu/content/belgrade-and-pristina-lost-normalisation>.

Serbia, or even reparations, have gained **traction** among Kosovars, which in turn makes compromise politically unacceptable for Belgrade. In other words, even the benefit of mutual recognition may not be enough to address Kosovo's grievances.

## EVOLUTION OF THE NORMALIZATION PROCESS

Hoping to shift greater regional responsibilities to the European Union, the United States began to slowly disengage from the Western Balkans in the early 2010s. Eager to demonstrate the impact of its newly formed European External Action Service, the European Union sought a greater diplomatic role in the region, in particular by facilitating normalization talks between Kosovo and Serbia.

The Belgrade-Pristina Dialogue began in 2011 as a technical dialogue before transforming into a high-level dialogue between leaders in 2012. The technical phase **produced** agreements on practical issues such as freedom of movement, customs stamps, cadastral records, border management, and mutual recognition of diplomas. However, most of these agreements—purposefully designed to be ambiguous—were never fully implemented because negotiators assumed critical details could be agreed upon at a later date, when there was a greater foundation of trust between the two sides. Unfortunately, neither trust nor details materialized. Continued disagreement meant that many topics, such as energy and telecommunications, became subject to many rounds of negotiations over the years, while others, such as the mutual recognition of diplomas, remain only partially implemented more than a decade later.

The high-level dialogue that followed produced two major agreements which largely dealt with the status of the Serbian community in Kosovo. The **2013 Brussels Agreement** allowed for the creation of an Association of Serb Municipalities (ASM) in Kosovo, an intermediary government level above that of the municipalities which would afford Serbian-majority municipalities greater autonomy in education, urban and rural planning, economic development, and health. The agreement also integrated Serbian parallel police and judiciary structures in northern Kosovo. Conceptually, the ASM addresses the concerns of Serbian citizens who are isolated from and mistrustful of Kosovo institutions. However, Kosovars see the ASM as a capitulation to Serbia that will impede the functioning of Kosovo. In 2015, an additional four

agreements were signed, the most important of which further **defined** the competencies of the ASM.

The negotiation tactic of “constructive ambiguity” proved a problem once again. Immediately, different narratives **emerged** from the Serbian and Kosovar sides regarding the ASM, particularly over how much power it would have and how much of its funding should come from Serbia. A timeline or mechanisms for implementation were never established. In 2015, Kosovo's Constitutional Court **ruled** against granting the ASM executive powers but allowed that an association could be established. However, with no progress made in Kosovo toward creating the ASM, the dialogue soon stalled.

As a means of re-enlivening the process, Serbian president Vucic and former Kosovo president Thaci proposed the idea of a land swap in 2018. Although the concept was tacitly supported by the European Union and United States (contingent upon Belgrade and Pristina reaching a deal), tensions between Kosovo and Serbia continued to escalate. In response to both the land-swap deal and Serbia blocking Kosovo's accession to Interpol, Kosovo imposed a 100 percent tariff on goods from Serbia. With Serbian authorities refusing to engage in any dialogue with Pristina until all tariffs were lifted, the bilateral dialogue came to a halt.

The Trump administration reengaged in the region in 2019 with the appointment of U.S. ambassador to Germany Richard Grenell as U.S. special presidential envoy for Serbia and Kosovo. For the first time, the United States did not coordinate its dialogue or negotiating positions with the European Union, creating a separate, Washington-led dialogue and sowing widespread confusion in negotiations as the European Union attempted to restart its own dialogue (it appointed its own special representative for Serbia and Kosovo, former Slovak foreign minister Miroslav Lajcak, in March 2020).

Faced with Belgrade's refusal to negotiate with Pristina, the Trump administration's aspiration for a diplomatic breakthrough risked being thwarted unless it could place enough pressure on Kosovo to lift the tariffs and resume the dialogue. To do so, the United States took an aggressive and nearly adversarial role toward the Kurti-led government, freezing \$50 million in aid to Kosovo and suggesting U.S. forces would be withdrawn from NATO mission KFOR, pressure that **helped** bring down a democratically elected government and ushered in a new government that was willing to lift the tariffs and negotiate.<sup>2</sup>



*U.S. president Donald Trump applauds after Kosovar prime minister Avdullah Hoti (R) and Serbian president Aleksandar Vucic (L) signed an agreement on opening economic relations in the Oval Office of the White House in Washington, D.C., on September 4, 2020.*

Photo by BRENDAN SMIALOWSKI/AFP via Getty Images

The Trump administration's rush to demonstrate diplomatic success ahead of the U.S. presidential election culminated in a signing ceremony at the White House in September 2020, where Kosovo and Serbia *individually signed* a number of commitments. While some aspects were new, such as the U.S. International Development Finance Corporation opening an office in Belgrade and agreeing, with the U.S. Export-Import Bank, to finance part of a new highway between Serbia and Kosovo, others simply reiterated previous commitments, without updated plans or timelines for implementation (e.g., mutual recognition of diplomas, operationalizing border crossing points). Other aspects had little to do with relations between Kosovo and Serbia at all, such as opening embassies in Jerusalem, declaring Hezbollah a terrorist organization, or removing untrusted vendors from 5G networks.

Although the EU-facilitated Belgrade Pristina dialogue is ongoing, progress is unlikely. Kosovo leaders have recently called for a “**reset**” of the dialogue.

#### **WHY HAS THE NORMALIZATION DIALOGUE FAILED?**

Years of engagement by both U.S. and European policymakers have been largely ineffectual in bringing Serbia and Kosovo closer to normalization. Crafting a new U.S. diplomatic approach first requires an honest diagnosis of the problems that have beleaguered the process.

**We the People . . . Don't Understand.** The lack of public transparency throughout the dialogue process has undermined citizens' understanding of the negotiations. A decade after normalization talks began, the groundwork for domestic acceptance of a comprehensive normalization of relations has not been laid in either Kosovo or Serbia. In both countries, citizens are frustrated with leaders who reveal little about what is being negotiated on their behalf. While a **majority** in both countries generally support the dialogue (68 percent in Kosovo and 51

percent in Serbia), most do not feel as if the dialogue has had any positive impact on their lives (81 percent in Kosovo and 91.6 percent in Serbia).

Crucially, communities in both countries continue to have sharply diverging views of the process's goals and what they consider to be acceptable solutions. The European Union's use of “constructive ambiguity,” while understandable as a negotiating tool, has made it difficult for citizens to discern what has been agreed upon and where implementation stands.

**Economic Dynamics.** Despite the repeated tactical and strategic errors committed during the Trump administration, there was a rationale to concentrate

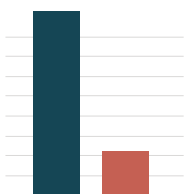
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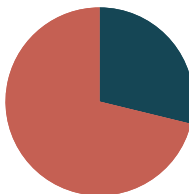
#### GDP PER CAPITA

Serbia \$18,564  
Kosovo \$4,486

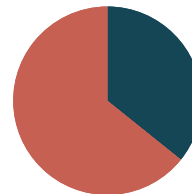


#### UNEMPLOYMENT RATE VS. YOUTH UNEMPLOYMENT RATE

Serbia 10.4%  
Kosovo 26%



Serbia 27.5%  
Kosovo 49.4%



Source: The World Bank, *Western Balkans Regular Economic Report No. 18: An Uncertain Recovery* (Washington, DC: The World Bank, 2020), <https://openknowledge.worldbank.org/bitstream/handle/10986/34644/153774.pdf?sequence=1&isAllowed=y>.

explicitly on economic matters as a prerequisite to political normalization: if citizens feel negotiations have a positive impact, leaders may have more political space to negotiate. In economic terms, Serbia and Kosovo are in different leagues. Serbia is the largest economy in the Western Balkans, whereas Kosovo is in a much weaker position economically, partly as a result of the war's damage to its infrastructure and decades of underinvestment when it was part of Yugoslavia. But both face similar challenges, as weak rule of law, endemic corruption, and state capture reduce institutional capacity and hamper their economic transition. And both suffer from high youth unemployment and lack of opportunity, which fuels emigration, particularly of highly skilled workers (Serbia in particular ranks among the **worst in the world** in terms of brain drain). According to **projections**, it will take both countries decades to catch up economically with their neighbors in the European Union.

Like other Balkan leaders, politicians in Serbia and Kosovo recognize the urgency behind economic revitalization and stemming emigration, but making systemic changes to turn this tide would upend their entrenched power. Economic support from the United States and the European Union over the last decade faces the same hurdles—corruption, clientelism, and lack of transparency—that ensnare domestic actors. To attract investment, Serbia has turned increasingly toward China, which has **invested** more than \$9.5 billion in Serbia since 2012. But Chinese economic investment, rather than promoting good governance, typically comes with opaque conditions, strengthens domestic patronage networks, and undermines European integration. (Kosovo does not receive any Chinese investment at all due to China's nonrecognition.)

**In Search of an Honest Broker.** Although the European Union is the lead negotiator for the Belgrade-Pristina Dialogue, its credibility as a facilitator has been weakened. The dialogue and the reforms Serbia and Kosovo have been asked to undertake have always been rooted in the EU accession process. But among EU citizens, there is **less support** for enlargement than for any other policy area. The European Union's new **methodology** for EU accession, as well as its delay in opening accession talks with North Macedonia and Albania, has added to skepticism in the region that accession is a tangible prospect.

Without a clear timeline and the credible promise of EU membership, the European Union no longer has sufficient gravitational pull to bring the two sides to a deal alone. On its own, the pre-accession process has failed to deliver sufficient incentives to encourage the type of good governance and improved living standards many had hoped to see in the region. This is particularly the case for Serbia, where public opinion has shifted away from the European Union and Serbia's geopolitical ties to China and Russia are emphasized, making Belgrade less responsive to EU pressure. For Kosovo, the European Union's legitimacy as a facilitator is undermined by its

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lack of recognition from five EU member states and its failure to grant Kosovo promised visa liberalization.

**Stalemate.** The current iteration of the dialogue is at a stalemate because it was formed as a process predicated on mutual exchanges, and leaders are no longer interested in identifying things to trade. Serbia will not recognize Kosovo's independence without (at the very least) significant incentives, and even with such concessions, Serbia's recognition would be meaningless if Russia and China do not support it. For its part, Kosovo believes it has already granted significant concessions to Serbia and therefore remains firmly against granting greater autonomy to its Serbian population. There is no reason to think either country will move from their position in the near future.

### ***A PARALLEL BILATERAL NORMALIZATION PROCESS: A NEW POLICY AND ASSISTANCE ROADMAP FOR THE UNITED STATES***

On its current path, the European Union (and the United States) seems destined to repeat the pattern of a start-and-stop dialogue without resolution. To break the stasis, the United States should temporarily decouple the joint normalization process, dealing with Serbia and Kosovo on individual bilateral tracks. Unfortunately, the new Biden administration has not heeded Pristina's call to reset the dialogue. In his April 7 congratulatory letter to Prime Minister Kurti, Secretary of State Antony Blinken **noted** that Pristina should, "engage productively and without delay in the U.S. supported EU-facilitated Dialogue with Serbia. Securing a comprehensive normalization agreement with Serbia centered on mutual recognition is essential to Kosovo's ability to reach its full potential and move forward on its EU accession path."

Temporarily decoupling the normalization process would provide the United States with an opportunity to refocus and reenergize the failing reform processes in Kosovo and Serbia, independent of, yet still supportive of, an eventual EU enlargement process. Secretary Blinken recently **noted** that the Biden administration is committed to a foreign policy "centered on the defense of democracy." This is a new cornerstone on which a stronger policy foundation can be built. For the United States to put these words into practice in the context of its diplomatic and economic assistance toward Serbia and Kosovo, it must prioritize and redirect transparent and accountable U.S. assistance to civil society and local actors in both countries, rather than concentrating on institutions and leaders at the federal level. Alongside this, the United States should

also prioritize completing the implementation of existing agreements, such as mutual recognition of certifications and diplomas, border management, and air and rail links, to demonstrate there are tangible economic benefits to normalization.

In Kosovo, U.S. engagement should focus on economic revitalization, a key component of Kurti's "jobs and justice" platform. However, the United States should be clear that assistance only supports Kosovo's prosperity and independence and not a potential union between Kosovo and Albania, which is supported by Kurti and some members of Vetëvendosje. With the support of the United States, the Kurti government will also need to apply the idea of "jobs and justice" to Serbian municipalities in northern Kosovo. Creating the conditions for free and fair elections, and the space for political pluralism, should be a priority, as should improving northern Kosovo's economic integration with the rest of the country.

In Serbia, U.S. assistance should be directed toward civil society organizations and independent media outlets, which are in a weaker position than in Kosovo. This area is ripe for U.S.-EU collaboration to substantially increase funding for free and independent media, particularly for investigative outlets, to ensure a vibrant media landscape.

Future U.S. economic assistance to both countries must be accompanied by a sophisticated and robust public diplomacy campaign to help Serbian and Kosovar citizens understand: (1) where the aid is coming from, (2) what it is being used for, (3) why it is being directed to new areas and individuals, and (4) why assistance proved successful or not. Investment should be prioritized for localities in Serbia and Kosovo where mayors and local leaders embrace transparency and good governance but struggle in challenging the status quo. In parallel, another cornerstone of the Biden administration's announced foreign policy—a laser-like focus on anti-corruption measures—should be immediately prioritized for Kosovo and Serbia, focusing specifically on institutional strengthening related to the judicial system, the misuse of public finances, and organized crime.

With temporary decoupling focusing on the twin pillars of democracy and anti-corruption efforts and economic revitalization, the United States is in a much stronger position to address the third policy pillar: combating Russian and Chinese malign influence, principally in Serbia. Because Chinese and Russian economic activities thrive on patronage networks and opaque transactions, more active U.S. diplomatic and economic engagement in

Serbia and Kosovo, particularly at the local level, can help civil society demand greater transparency.

Beyond economic tools of influence, other malign forces are at play which the United States must acknowledge and address. The SOC, for example, plays an outsized role and influence across the wider Balkan region, particularly in Montenegro, Bosnia and Herzegovina, and Kosovo. As an important tool of influence for both Belgrade and Moscow, the SOC should not be granted additional autonomy in Kosovo and rather should be regulated as any other religious or civil entity for tax and wealth purposes while ensuring freedom of religion. However, a U.S.-initiated interfaith dialogue could focus on issues related to humanitarian assistance, protection of minority rights, and respect for religious property rather than challenging the status of Kosovo's independence.

Just as faith can fall prey to manipulation and malign influence in the wrong hands, so too can history. Political leaders throughout the region have often weaponized the past for political gain; today this weaponization poses a real danger due to the region's political stagnation, rising ethno-nationalism, and increased state control over media outlets. To help address these tensions, the United States should support a regular convening of regional historians, civil society activists, and journalists to engage in fact-based, historical dialogue and scholarship about the Kosovo War. One possible model for the dialogue is the Polish-Russian Group on Difficult Matters, which offers scholarships and exchanges for young people and scholars and encourages broad dissemination of their analysis.

The United States should return to an emphasis on funding and strengthening people-to-people ties and community-to-community networks (such as sister cities) where partnerships can be formed with reform-minded local officials throughout the region. Connecting people and organizations around common causes, such as environmental issues, could foster important linkages and strengthen activism in the region. And prioritizing exchanges among youth and young professionals could also be a means of promoting regional reconciliation. This could mean devoting more funding to organizations such as the Regional Youth Cooperation Office (RYCO) or sponsoring initiatives such as inter-ethnic youth sports leagues, language programs, and youth exchanges.

Implementing a new U.S. bilateral approach to Serbia and Kosovo and a reconfigured U.S. assistance effort requires very close U.S. policy coordination with the European Union. But the European Union will only be a strong

player in the region if it develops stronger internal policy coherence and consensus on Kosovo and the wider region. It cannot be a credible mediator in the normalization process so long as some of its members deny Kosovo's independence. In the near term, fulfilling its promises by granting Kosovo visa liberalization would act as an important signal of the European Union's commitment to Kosovo's EU integration.

For the time being, the most urgent policy coordination for the United States and European Union should be the development of a credible policy approach to Chinese and Russian economic and political influence in Serbia to reopen political and economic space for both countries' Euro-Atlantic reorientation. Success will require the European Union to develop a consistent policy approach that all 27 member states implement. In addition to working closely with Brussels as greater policy coherence is achieved, the United States should enhance its cooperative engagement both with individual EU member states, such as Germany and France, and non-EU member states, such as the United Kingdom, Japan, and possibly Turkey, to support its tandem bilateral approach.

Lastly, the United States and European Union should be alert to and highly supportive of organic regional efforts—such as the “mini-Schengen” initiative—that would integrate Serbia and Kosovo into broader, regional initiatives. Reducing cross-border trade frictions and increasing participation in the EU value chains should also be encouraged.

## **A NEW DECADE, A NEW POLICY FRAMEWORK**

To achieve normalization between Serbia and Kosovo, the transatlantic political instinct has for too long been to incentivize and pressure the parties to make agreements they are not politically prepared to make or implement. In other words, both parties can make all the rhetorical promises that Europe and the United States would like to hear, but they cannot and will not fulfill them. While some progress has certainly been made, the current path is not likely to yield a breakthrough. Although compromise is unpopular on both sides, the current status quo is not a tenable solution for citizens who bear the brunt of state dysfunction and destructive nationalism.

Rather than doing the same thing again and again and expecting a different outcome, a more realistic and efficient way forward is to take a step back, regroup, and focus on reforms and institution-building from the ground up. Sometimes constructing more durable



structures requires us to return to the foundation and build anew; the hope in decoupling the normalization process is not to preserve the status quo, but to allow for it to be broken. Individual focus in each state should be used as an opportunity to strengthen Serbia and Kosovo democratically and economically while preparing citizens for the compromises that will need to be made down the line to achieve mutual recognition and stability. ■

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## ENDNOTES

- 1 A municipality is a district with certain powers of self-government below the national level.
- 2 Albin Kurti was elected as prime minister of Kosovo for the first time following snap elections in October 2019. His government collapsed as a result of a no-confidence vote brought forth by the LDK, then Vetëvendosje's coalition partner, in March 2020.