

Time to Conclude Western Balkan Lingered Conflicts

Introduction

Stability in the Western Balkans remains fragile. Ethnically driven strife in Bosnia and Herzegovina and the status dispute between Kosovo and Serbia are the two major sources of this instability. The US and the EU have increased their engagement in the region in light of the Russian aggression in Ukraine, but their efforts so far have not produced substantial breakthroughs. Bosnia and Herzegovina cannot move forward without overhauling its outdated institutional architecture and implementing substantive reforms. Serbia and Kosovo are not likely to improve their economic and EU accession prospects without finding a solution to their two-decade long dispute.

To address these two major sources of potential conflict, the Council for Inclusive Governance (CIG) brought together a group of former and current US and EU senior diplomats, who serve or were involved in Western Balkan affairs, to contribute to developing a more effective trans-Atlantic initiative to resolve the region's disputes. The recommendations are based either on consensus or broad agreement. They do not necessarily reflect the views of individual participants and the organizations they represent, CIG, or the Rockefeller Brothers Fund (RBF), which supports the initiative. The roundtable was held on October 12-13, 2022 at RBF's Pocantico Center in Tarrytown, New York. A few participants took part via teleconference. CIG prepared the report and takes the responsibility for its content.

The discussions revolved around six recommendations: 1) the EU should offer the Western Balkan countries a credible accession process that leads to full membership within a reasonable timeframe; 2) the Western Balkan countries should resolve the outstanding disputes and undertake fundamental reforms; 3) the US and the EU should use their authority to encourage Bosnia and Herzegovina to overhaul its outdated institutional infrastructure; 4) the US should become a stakeholder, either formally or informally, in the Kosovo-Serbia negotiations; 5) the EU and the US should design a clear framework for negotiations between Kosovo and Serbia with strict conditions and timelines; and 6) the international community should continue its support for the civil society so that it plays an effective role in the region's democratization.

Recommendations

1. The EU should offer the Western Balkan countries a credible membership path with a reasonable timeframe. In the short term, the EU should consider offering candidate status to Bosnia and Herzegovina and Kosovo. Though the EU should continue to insist that the countries meet the reform criteria and value standards, it should take a more active role in

helping them navigate the membership process. “More navigation, less conditioning.” Specifically, the EU should include the Western Balkans in its strategic planning, such as energy security. Though it has lost some appeal, membership remains the strongest incentive the EU has to offer and the best thing the Western Balkans can acquire. The EU should focus more on the citizens’ needs in the aspiring countries and improve its communication strategy on enlargement at home and in the region. An accession process in stages could be considered for the Western Balkan countries that could lead to the first membership in eight to ten years.

2. The Western Balkan countries need to recognize that the EU membership is a two-way street. While the EU can do its part more effectively, the region should enact and enforce fundamental reforms at a faster pace. The countries should urgently reverse democratic backsliding, prioritizing rule of law, accountability, freedom of press, commitment to pluralism, and respect for counterarguments. Policies should reflect peoples’ aspirations for economic prosperity and EU accession. Western Balkans leaders continue to disappoint by resisting an integration process that worked for other countries in previous enlargements. Even though the EU and the US cannot get the region’s leaders to do what they do not want to do, they should try harder.
3. The EU and the US should become more active in Bosnia and Herzegovina. The country needs to overhaul its institutional architecture and implement reforms at a faster pace. The EU should draft a clear list of EU-related competencies the country has to do at central and entity levels if it wants to join the EU. Stronger sanctions against spoilers should also be devised. Since it is easier for the US than the consensus-based EU to apply sanctions, the US should lead the way. EU influential members states, such as Germany, can also apply sanctions unilaterally when an EU consensus is not possible.
4. The US should get more engaged in the Kosovo-Serbia negotiations and put its weight behind the negotiating process. The Brussels dialogue mandated by the United Nations in 2010 has resolved a long list of issues but has not been able to address the status dispute. Though the US has always been part of the process, it should get more involved in some aspects of the negotiations, especially in applying sticks and carrots. Pristina and Belgrade both want more active US engagement. The US has less leverage than the EU on Serbia, but it has a lot of potential to moderate Kosovo’s position and encourage Kosovars to take the steps necessary for an agreement. The Kosovo public has full trust on the US and less on the EU, primarily because the EU as a collective does not recognize Kosovo.
5. Pristina, Belgrade, the EU, and the US should agree on a new framework for negotiations that allows for a win-win solution. The EU and the US should upgrade their roles from facilitators to mediators. The EU and the US should agree on a list of incentives and disincentives and commit to apply them generously, rewarding cooperators and penalizing spoilers. Though not yet public, the EU and the US have acknowledged the existence of an EU initiative or proposal, coined by the media as French-German initiative, that allegedly offers a comprehensive solution that provides benefits for both parties. The EU and the US should create the necessary preconditions to make sure that an eventual initiative succeeds. Though there is now little political will in Kosovo and Serbia, the EU and the US could help build political will and public support for a solution.
6. The international community should help strengthen the civil society so that it can become an effective check on institutions in the region. This is especially important in countries where democratic checks and balances are weak. A stronger civil society may not be able to reverse the autocratic trends in the region, but it could make it more difficult for autocratic leaders to strengthen their rule unchallenged.

Expanded discussion

1. The EU enlargement remains the best project available for the Western Balkans. But the project is not progressing in a satisfactory manner because “we have forgotten and neglected the bigger picture.” Though the region has made considerable progress in the past two decades, the pace of reforms is too slow to meet the criteria within a satisfactory period of time. The EU does not always keep its side of the bargain either. Blocking visa liberalization for Kosovo or vetoing North Macedonia accession negotiations are discouraging the region’s pro-reform forces and undermining the Union’s credibility. The EU should keep its part of the bargain. It took years to convince Kosovo’s parliament to ratify a border agreement with Montenegro as a condition for visa liberalization, and when Kosovo ratified it, the EU did not keep its promise. “Conditioning visa liberalization for Kosovo with such an agreement was rather unfair in the first place.” And then not holding the promise was a message that “we don’t care about you.”

The EU and NATO memberships served as the main drivers for reform in 1990s largely because “then the EU delivered more effectively.” The EU should also insist its own members behave more constructively towards the region. Bulgaria and Croatia should not make life more difficult than it is for North Macedonia and Bosnia and Herzegovina. While the EU should keep doors closed to autocrats, it should reward the reformists such as North Macedonia. By slowing down the integration process, the EU plays into the hands of the autocrats who are “more comfortable outside than inside the EU.” New vision, strategy, and tools are needed. One example would be that the High Representative in Bosnia and Herzegovina uses his executive powers more frequently.

The EU and the US should address the region’s external vulnerabilities, such as cyberattacks and energy security. Russia’s goal to prevent EU and NATO expansion towards the Western Balkans has been successful in regards to Serbia and Bosnia and Herzegovina. Though it is not as powerful as before the aggression in Ukraine, Russia’s influence in the region should not be underestimated. Energy is a key area where the EU could help reduce the region’s dependence on Russia. And offer more financial assistance. The EU now is a beneficiary in relations with the Western Balkans. It gives about €9 billion in support to the six countries—Bulgaria alone receives a similar amount—but the EU has an €8.7 billion trade surplus with the region.

The Western Balkans is not ready for full membership now, but it is ready for “accession in stages.” In the first phase, the region would join EU’s single market. The following phases would depend on key reforms whose successful implementation would be rewarded by increased EU funding. In the staged accession, the EU would allocate the accession funds, which countries receive only after becoming full members, in stages to the Balkan countries during the pre-accession process. The funding would be allocated in stages and the more the countries do, the more EU funding they get. “More for more.” In the process, the EU would reward the reformers better than the laggards. Integration into EU’s single market is economically important while rule of law would strengthen democratic institutions, which are fundamental if economic assistance were to succeed. The accession in stages would include differentiating between issues: when one country is stuck on rule of law issues, it could focus on environmental issues, for instance.

2. The main question is whether the Western Balkan leaderships are indeed interested to join the European Union as liberal democracies. They may agree to join as autocracies but “the EU is not keen to have more Viktor Orbans.” Some progress has been made though. North Macedonia stands out for the progress it has made on the reforms and has the potential to become the region’s frontrunner. “The current leadership has sufficient political will to deliver and could be the region’s role model.” Albania and Serbia are lagging on democratic reforms. Serbia’s relations with Russia could become a major impediment for its EU membership aspirations. Though Montenegro has opened all the chapters with the EU, the country’s political establishment is showing lack of maturity. Kosovo made some progress in election management but reform on the rule of law remains slow.

Leaders in the region do not seem to prioritize the fight against corruption and rule of law. “The leaders may feel at risk if the institutions become stronger than them.” The EU and US approach may have reached the best it can already. “We can’t take these leaders where they don’t want to go.” The region could easily adopt EU standards and values, but leaders prevent “transformative change from taking root.” A new approach cannot rely just on their will but it should also include “some dragging.” Even if some leaders do not want to join the EU, “the US and the EU can encourage more effectively, especially in light of the Ukraine war.” Sanctions should become one of the main tools of an eventual new approach.

Fewer and fewer citizens in the region believe in EU prospects, but not because they do not like what the EU represents, but because they do not believe their leaders are willing or capable to bring their countries into the Union. It is difficult to solve disputes in Bosnia and Herzegovina or between Kosovo and Serbia without first addressing internal governance problems. The EU and the US can help them change the dynamics of institutional effectiveness. North Macedonia is a good example. In 2016 the country was a captured state and the US and the EU helped the country have a democratic election and democratic forces came to power. “We have to recognize the assumption that US and EU policies and approaches are part of the problem.”

3. Bosnia and Herzegovina is the most complicated problem in the region. The EU and the US seem to have divergent views on how to address problems in the country. Unlike on Kosovo, it seems the US and EU are not as united on Bosnia and Herzegovina. “We need to re-think the EU and US cooperation there.” The US supports an internationalist approach, fully backing the High Representative in employing his powers when there is no local agreement. The US and the EU should use all the available tools and design new ones. Some suggested giving the country candidate status, but others wondered whether granting candidate status without meeting at least some basic conditions is a good thing. “We have already lowered the bar significantly.” Perhaps stronger sanctions against spoilers are more effective. And it is easier for the US than the EU to apply sanctions. Germany has also already withheld some funds for the country.
4. The US and the EU have good cooperation and policy coordination on the Kosovo-Serbia dialogue. Though they do not always agree, they share information, explain their positions and

differences to each other, and support each other's initiatives. US Secretary of State Anthony Blinken speaks frequently with Serbia's President Aleksandar Vucic and Kosovo's Prime Minister Albin Kurti and pushes a solution. The US and the EU work together also on a list of incentives, such as help with energy, financial support, and on issue of strategic level including reducing the region's dependency on Russia. "We may not be able to change region's will, but we can embolden ours." The US gives advice and supports the dialogue, but the EU owns the process. But the EU has a big problem: it is not united on Kosovo's independence. Some said this disunity is or may become a factor in the effectiveness of the EU as the main facilitator. The question is whether a "disunited EU can resolve this conflict alone."

There are many unknowns about the new EU initiative: how engaged are members states such Germany and France in building the EU's collective support for a deal? What tools do they have available to get the parties do things they do not want to do? Though the five non-recognizers have not impeded the Brussels dialogue, they remain Serbia's strongest negotiating leverage: why would Belgrade make a compromise as long as the five non-recognizers do not change their position? Kosovo does not perceive the EU facilitation very positively because of the five non-recognizers. This is why the US should become an equal partner with the EU in the dialogue, which had been the idea before the UN mandated the EU to lead it, largely to appease Russia. Russia was successful in undercutting the transatlantic goals in this case. Kosovo now believes the war in Ukraine has changed the dynamics in its favor and will likely insist on mutual recognition. Therefore, Kosovo might not play along without an active role of the US in the process.

5. The EU and the US should help Belgrade and Pristina design and agree on a new negotiation framework. The new EU initiative could serve as such joint framework. A solution is now more urgent in light of the Russian aggression. It is clear that Serbia and Kosovo cannot reach an agreement on their own. Mutual recognition should remain the end goal of any framework but there is a "long distance between normalization and recognition." A history lesson from the 2007 Vienna talks is that the mediators, understanding they cannot get Serbia's recognition, prepared a framework that offered Kosovo independence and allowed Serbia to safe face. The informality of how the framework ideas came together is important. The mediators in Vienna figured "recognition is a bridge too far" and focused instead on "everything short of recognition," not allowing "the best become the enemy of the good." Another history lesson from the Vienna talks is that the process had clear principles and a framework for both the process and content of the eventual proposal.

The EU and the US can help Serbia and Kosovo "to do what they need to do." The new geopolitical situation in light of the Russian aggression, which has discredited ethnic-based options or regaining old territories, is conducive for negotiations. The EU and the US need to offer a more robust mediation. "Facilitation was the original sin of the Brussels dialogue." The existence of the German-French initiative acknowledges that the dialogue needs some strategic thinking. The EU and the US should engage in more active public diplomacy to explain why the parties need to reach a compromise and why this is also important for the EU and the US. The problem with the existing Brussels approach is that it devotes too many resources to resolve little issues, such as car plates, not because they are important issues but because of their capacity to provoke conflict. The focus of a new approach should move from reducing

tensions to reaching a comprehensive agreement. However, given the position of the five non-recognizers, the EU cannot go beyond facilitation. “That is why the US is needed.” In the meantime, the US and some EU members, such as Germany, should figure out what the five non-recognizers would want to become cooperative. Spain seems to be the most difficult. The US and the EU did not think in the 2007 Vienna negotiations that the five were as problematic as they are now. And many thought they will come around once the dust settles. “Many expected EU’s collective recognition, but somehow it failed.”

A new approach should have a list of conditions and rewards. One condition in EU’s portfolio should be that there would be “no EU membership without recognition.” The EU should spell this condition “clearly and strongly.” This “negative leverage” could be coupled with “positive leverage, and the EU has plenty of it,” though more towards Serbia than Kosovo. Then the EU and the US can sanction political leaders that spoil the process. As former US Secretary of State George Shultz said “diplomacy not backed by strength will always be ineffectual at best, dangerous at worst.” Rewards for Kosovo would include international legitimacy through membership in various organizations and for Serbia financial support. “And it won’t be cheap.” Even a *de facto* recognition is a big step for Serbia. “We are asking Serbia’s president to violate his country’s constitution.” The US and the EU should be willing “to buy peace if necessary.”

These are some elements for a new framework proposed by various participants: a) move from facilitation to power mediation; b) set clear goals and a road-map for the process; c) develop a strong menu of incentives and disincentives; d) make the *status quo* costly for the parties; e) help the sides keep their dignity through the process and the agreement; f) maintain a back channel during the process; g) develop trust-building activities during and make progress visible during the process; h) back up the process with sound public diplomacy; i) develop a communication strategy that includes rules of communication and joint statements from the parties during the process; j) actively engage with the five non-recognizers; k) develop rigorous monitoring mechanism with sanctions for lack of implementation.

6. The Western Balkan democracies lack a clear separation of powers and have weak checks and balances. ‘Telephone justice’ is quite common as the judiciary is not strong enough to withstand political interference. The values of democracy are also not rooted deep enough, best reflected in the level of democracy within political parties where dissent is rarely tolerated, policy discussions are discouraged, and appointments of party and government officials are made largely by party leaders. That is why the democratic mobilization is important, if not to reverse the trends, at least to make it more difficult for autocrats to strengthen their rule unchallenged. This is extremely important at a time when autocrats globally are taking bolder steps to consolidate their powers, such as controlling the media and using misinformation and fuel polarization to largely demonize their opponents. A stronger civil society could counter these autocratic trends. It could contribute to building and shaping political will, inform the public, push policymakers as much as they can, and remind the governments that they are failing their citizens. This is especially important in regions such as the Western Balkans where those in power monopolize decision-making. The West should help strengthen the civil society, support and engage it, talk to the civil society as much as it talks to the government.

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