

Transatlantic Relations and the Western Balkans

Introduction

The Trump administration's rather unconventional foreign policy approach has led to a number of diplomatic confrontations with the EU and some of its members. These confrontations have also been reflected in the Western Balkans, where the US and the EU are leading separate negotiations between Kosovo and Serbia. Few had expected the Trump administration's interest in the tiny Western Balkans, but that is where the US and the EU diplomatic clashes have been visible. Trump's envoy for Kosovo and Serbia Richard Grenell is leading the charge. While the US was open to consider a 'land for peace' deal, Germany strongly opposed it. Grenell is merciless with his opponents. While Serbian president Aleksandar Vucic managed to follow a balanced approach keeping both Grenell and his European counterparts happy, former Kosovo Prime Minister Albin Kurti was less successful. Kurti saw eye to eye with the Europeans but not with Grenell. Encouraged by Grenell, Kurti's governing partner in cooperation with President Hashim Thaci brought down Kurti's government that had been in power for less than two months. Kosovo politicians learned that saying no to Grenell has painful consequences. Subsequently, Grenell got the new Kosovo leaders and Serbia's Vucic to sign some letters of commitment, portrayed as agreements by the US administration, that include elements ranging from uncovering the fate of missing persons to moving or establishing embassies to Jerusalem to designating Hezbollah a terrorist organization.

The US and its envoy Grenell have full control over Kosovo's leadership, but less influence on Serbia's Vucic, who is a close partner of Russia. Vucic has found a balanced strategy that so far seems to please the US and not disturb Russia. Vucic has also managed to restore the international community's sympathy and support for Serbia, considered the main culprit of the Yugoslav wars. Kosovo, on the hand, is no longer the West's undisputed favorite. Unlike the negotiations in Rambouillet in 1999 and Vienna in 2007 when the international community openly sided with Kosovo, the new country now is increasingly on its own.

After a two-year suspension of the dialogue, Belgrade and Pristina returned to the negotiation table but with little willingness to find a compromise on the status. Serbian officials refuse to consider Kosovo's recognition without getting 'something in return,' alluding to Kosovo's Serb-majority north, about 12 percent of Kosovo's territory. A land swap solution was popular in some quarters of Europe, but Germany, which many believe killed the deal single-handedly, seems determined to preserve the existing borders in the Western Balkans. Kosovo rejects the 'land for peace' solution, but it is also reluctant to offer anything in return for recognition. It even opposes the formation of an already agreed Association of the Serb-majority Municipalities.

Aware of these irreconcilable goals of Serbia and Kosovo, both the US and the EU are addressing more peripheral issues—infrastructure projects, recognition of diplomas, missing persons—while putting the status in cold storage for the time being. Though the processes are not as clear-cut, Grenell claims to be dealing with economic issues, while the EU with political. Grenell has backtracked recently, reversing his previous position of ‘going alone,’ promising the US will cooperate with the EU. Mathew Palmer, the US State Department’s envoy for the Balkans, has been seen in meetings with the EU officials in Brussels.

The Council for Inclusive Governance (CIG) and the Rockefeller Brothers Fund (RBF) organized on September 16, 2020 the first teleconference for a number of US and EU former senior diplomats to discuss the US-EU parallel efforts on the Kosovo-Serbia dispute and offer their recommendations for a unified initiative and vision to conclude the conflict. This CIG project is supported by RBF. RBF and CIG plan to continue the discussion in 2020 and in 2021.

This report is based on the discussions held under the Chatham House Rule. The participants took part in the discussions in their personal capacities. CIG has tried to be accurate and balanced in summarizing the discussions, and asks for the understanding of participants whose remarks may have not been fully captured in this brief report. The report does not necessarily reflect the views of CIG and RBF.

An unfinished business

Two decades after the last war in the Balkans, the region remains an “unfinished business.” Serbia does not recognize Kosovo, Republika Srpska in Bosnia and Herzegovina aspires to secede, EU membership is becoming a distant reality, and the nascent democracies are backsliding. Supporting the region with implementation of democratic reforms is just as relevant as helping it to resolve interstate disputes. Transatlantic diplomatic cooperation and coordination of “sticks and carrots” is essential to concluding the outstanding disputes and preparing the region for the EU integration.

The US and the EU have a similar vision for resolving the Kosovo-Serbia status dispute: mutual recognition and EU membership for Serbia and Kosovo. Yet, the Kosovo-Serbia dialogue has become an issue of transatlantic discord, with the US and the EU leading separate, uncoordinated, and often conflicting initiatives. The divergence seems to be caused by personal ambitions of the White House officials. The White House envoy for the Kosovo-Serbia dispute Richard Grenell, who has a strong penchant for conflict, is leading a rather independent and confusing initiative. Even State Department officials seem to be out of the loop. Some participants reported that the US-EU cooperation below the White House is decent but “not as influential.” Many participants explained the US and the EU have a solid historic record and a strong base of competence of working together. Though they did disagree in private also in the past, they did not use to point fingers in public.

Despite the divergences between the US and the EU, the problems are not in Washington or Brussels, but in Pristina and Belgrade. The continuation of the status quo will affect Serbia and Kosovo rather than the EU or the US. Belgrade seems interested in a compromise that offers Serbia fast EU membership, but without tackling the rule of law and freedom of the press issues. President Vucic wants to join the EU as an autocrat, not as a democrat. The transatlantic message

to Vucic should be that he has to do both: resolve the Kosovo dispute and implement democratic reforms necessary for EU membership. The EU should welcome Serbia into the union but only after Belgrade meets the criteria. “The EU should be explicit on these conditions.”

Some speakers argued that EU’s agenda on the Western Balkans is not ambitious enough. EU’s decade-long Kosovo-Serbia dialogue addressed conflict’s peripheral issues—diplomas, documents—but neglected the essence of the conflict, the status. US’s initiative also promotes economic cooperation and encourages solving some practical problems within a “long timeframe” settlement, also neglecting the status. It seems that Belgrade and Pristina favor this ‘long timeframe approach’ with a focus on practical problems. While the Serbian leadership is even stronger after a landslide election victory, it is not yet ready for a grand compromise with Kosovo. The Kosovo government, on the other hand, is weak and not able to make and implement comprehensive agreements that include compromises on its “territorial or institutional integrity.”

Belgrade seems more capable but not necessarily more prepared than Pristina to make a compromise. Whether Serbia can be compensated for a compromise with Kosovo is not clear. If Belgrade does not value EU support for democratic reforms and economic development, then it is not clear what else can the EU do. Cash is another option. A payoff in the form of debt forgiveness or a big project in addition to EU accession should not be excluded. Money, however, is unlikely to erode the resentment of the Serb population, which strongly rejects Kosovo’s statehood. So an agreement that includes both money and genuine elements of normalization of relations between the two societies is essential for long-term peace between Serbs and Albanians.

A finished business is “a democratic and European Western Balkans” and this should be the ultimate transatlantic goal.

No normalization without recognition

Stability should be a common US and EU goal. The Kosovo-Serbia status dispute is a key source of instability. The status quo is untenable and the existing stability fragile. “It takes one guy with a gun to unravel the progress of the past decade.” But resolving the status seems so intractable that all dialogue initiatives—the Brussels process, Grenell’s initiative—tend to avoid it. Both the current US and EU dialogues aim at normalization, not mutual recognition. A normalization agreement without mutual recognition could be just another, updated status quo. Ultimate peace between Kosovo and Serbia could only come with a mutual recognition agreement.

Some speakers believe Serbia can make a deal. But that requires more forceful EU diplomacy to raise the cost of non-cooperation. The EU should explicitly say, “Kosovo compromise comes first, EU accession second.” The strategy should include “more sticks, fewer carrots.” To increase its influence, the EU should coordinate its efforts with the five EU non-recognizers, to get their commitment for recognition if an agreement, with or without recognition, between Kosovo and Serbia is reached. EU’s collective recognition of Kosovo automatically reduces the value of Serbia’s recognition. Serbia’s recognition is a long way off, and the stakeholders should forget about it now, and Kosovo should stop “begging Serbia for recognition.”

The Serbian and Kosovo leaders have gotten comfortable with the two-decade status quo. Many expect them to resist international efforts that disturb this “unhealthy but stable instability.” The conflict helps the elites to prolong their power. Anyone aiming to disturb this equilibrium does not fare well. This is one of the reasons why Kurti’s government did not last. His aim to break the status quo mobilized both his governing partners and opposition leaders to bring him down. The status quo allows Kosovo and Serbian leaders to consolidate political power and amass wealth at home.

Pristina is part of the solution, but the key to a compromise is in Belgrade. President Vucic likes to act like a courageous and visionary leader, but he is not. “His vision begins and ends with administering and prolonging his power.” The EU should adjust its stick and carrot allocation, offering more of the former and less of the latter. At the same time, the EU and the US should see what they could do to offer Vucic a “face saving solution,” but also make it clear what he can and cannot get. The EU should be clear that it could not offer Vucic any “Kosovo land or water.”

Speakers were not optimistic that a comprehensive normalization agreement would include recognition from Serbia, but could include recognition of the EU non-recognizers and Kosovo’s membership in international organizations. The US and the EU should help Kosovo more. The EU and US are asking Kosovo to act responsibly, but say it cannot become a member of the international club. “Our transatlantic goal should be to include Kosovo in our club.” With some discipline and international support, Kosovo could also become a lively democracy that could have a positive effect on Serbia’s democracy. “Kosovo could be an example of democracy in the Balkans.”

Serbia will have to recognize Kosovo in exchange for EU membership. “EU accession implies recognition, and Serbia knows it.” In the meantime, Serbia is officially going to continue pretending that Kosovo is part of it while negotiating ‘technical problems.’ Though they have in effect ruled out violence as a means of resolving the conflict, neither side is prepared to concede much. Both the US and EU initiatives have in fact decoupled the dialogue items from recognition. Many said that even an agreement without recognition is not likely by the end of the year.

Normalization of relations seems to be a precondition to recognition and EU accession. Therefore the strategy to achieve a final agreement should include three phases: normalization, recognition, and EU accession.

A transatlantic test

Ultimate peace in the Western Balkans remains a key transatlantic test of cooperation. Military interventions in Bosnia and Herzegovina and Kosovo and the subsequent peace negotiations were all joint US and EU endeavors. The Trump Administration’s approach marks a departure from this well-proven transatlantic cooperation, ranging from Iran to environmental issues to the Western Balkans.

The Kosovo-Serbia dispute is tiny and not urgent compared to other global conflicts, but it is a fundamental test of US-EU cooperation to conflict resolution. If Trump is reelected, the US-EU relations would deteriorate further and these tensions would inevitably be reflected in the

Western Balkans, many speakers predicted. Trump's diplomacy approach is to "get rid of people who speak foreign languages and get in people who make deals." With more of the Trump and Grenell diplomacy, the role and influence of the US will decrease. Trump's approach is also unbalanced: it resonated in Belgrade, but not in Pristina. Trump's connection with Russian President Vladimir Putin is also disturbing. He seems obsessed with "getting praise from Putin," and it is no secret that Putin wants chaos and instability in the Balkans. An eventual Joe Biden victory would bring a new momentum and would restore the good transatlantic cooperation. "Biden's victory would be a redefining moment." But the stakeholders should also be prepared for Trump reelection.

The rather unilateral Grenell initiative on 'promoting economic cooperation' has got the two sides to sign some letters of commitments that include construction of a highway and a railway to connect the two countries to moving their embassies to Jerusalem and designating Hezbollah as a terrorist organization. The White House agreement, as the letters of commitment are referred to, includes also a number of practical issues—such as diploma recognition, issues related to missing persons—that are also on the Brussels dialogue agenda. While the speakers found no issue with the list of topics, they were skeptical about the implementation.

The EU membership and economic and political prospects that come with it should be a strong incentive for leaders driven by national interests, but not for authoritarian leaders. It is not clear if the EU membership is a carrot for Serbia. Serbia's rather authoritarian president Aleksandar Vucic seems to favor a slow EU integration process. However, membership in the EU means also enforcement of rule of law and that could endanger his power. His main aim is not Serbia's EU integration, but that he remains an indispensable player for the US and the EU, which are interested to kick out China and Russia from the Balkans and get Serbia into NATO.

The EU and the US should coordinate their 'sticks and carrots' and improve their "target precision." The sticks should primarily aim to target the interests of leaders and their associates. Now there is no pain for leaders. There has to be pain. It is important that President Vucic knows he cannot walk away without a deal. He needs to understand that he stands to lose personally if he obstructs the agreement. "We are talking about small town autocrats, not giants." They do not need a lot of leverage to change their course. If the leaders' main interest is to maintain their power and wealth, the US and EU should target precisely their power and wealth: freeze their and their associates' assets, do not allow them to move money around, blacklist their associates, stop meetings with Angela Merkel or Emmanuel Macron, declare them non grata, and ultimately isolate them. "If we continue to treat them like George Washington and Thomas Jefferson, we are going to have the same problem." After all, sanctions are a tool of diplomacy that the US and the EU use in other parts of the world. "Let us apply them in the Western Balkans too." Many speakers agreed that the US and the EU have the tools to resolve this conflict.

The US and the EU need to we need to articulate a join goal, defining what is possible in short and long term, and concrete steps on how to get there. To get to a joint strategy, some normalization of relations between the US and the EU and their mobilization of expertise is also necessary.

Participants

- Jennifer Brush**, Former Ambassador, Former Director, Office for South Central Europe, U.S. Department of State; Former Deputy Special Representative of the UN Secretary General in Kosovo
- Steven Burg**, Chairman, Board of Directors, Council for Inclusive Governance; Professor, Brandeis University
- Robert Cooper**, Former Counselor, European External Action Service
- Thomas Countryman**, Member, Board of Directors, Council for Inclusive Governance; former Assistant Secretary, U.S. Department of State
- Greg Delawie**, Former U.S. Ambassador to Kosovo
- Shpetim Gashi**, Vice President, Council for Inclusive Governance
- Stephen Heintz**, President, Rockefeller Brothers Fund
- Tracey Jacobson**, Former U.S. Ambassador to Kosovo
- Jean-Hubert Lebet**, Former Swiss Ambassador to Kosovo
- Pierre Mirel**, Member, Board of Directors, Council for Inclusive Governance; Honorary Director General, European Commission (submitted a paper but could not take part in the discussion)
- Cameron Munter**, Former U.S. Ambassador to Serbia
- Igor Novakovic**, Associate in Serbia, Council for Inclusive Governance
- Alex Roinishvili Grigorev**, President, Council for Inclusive Governance
- Joachim Ruecker**, Former Special Representative of the UN Secretary General in Kosovo
- Kyle Scott**, Former U.S. Ambassador to Serbia
- Christoph Spaeti**, Program Officer, Human Security Division, Swiss Federal Department of Foreign Affairs
- Karsten Voigt**, Former Coordinator of German-North American Relations, German Federal Foreign Office; Former President, NATO Parliamentary Assembly
- Mia Vukojevic**, Program Director, Western Balkans, Rockefeller Brothers Fund
- Hoyt Yee**, Former Deputy Assistant Secretary, U.S. Department of State