

Kosovo and Serbia: Toward a Normal Relationship

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Summary

The international effort to resolve the question of Kosovo's status, which started in 2005 under the leadership of former Finnish president Martti Ahtisaari, ended with Kosovo's 2008 declaration of independence—falling short of the hoped-for comprehensive solution. Since then, Serbia has been resisting the integration of Kosovo into regional and international institutions. Belgrade also continues to support “parallel structures” in northern Kosovo—where the Serbs are in the majority—that keep this area out of the control of the authorities in Pristina. In the summer and fall of 2011, tensions in the North flared up, threatening a wider crisis.

Serbia has been trying to keep its policy on Kosovo separate from its ambitions to join the European Union (EU). However, the EU has now made clear that Serbia's progress toward accession depends on Belgrade improving its relations with Kosovo. Serbia should be able to join the EU around 2020, but only if it has developed by that time essentially normal relations with its southern neighbor.

Through the strong use of incentives and conditionality, the EU recently helped to solve some of the acute problems in the North and to open the door to Kosovo's participation in regional cooperation. The overall situation, however, remains unsatisfactory and potentially unstable. Building on its recent success, the EU should therefore launch a more ambitious dialogue that involves Belgrade and Pristina as well as representatives from northern Kosovo. The aim of this dialogue should be achieving significant progress toward normal relations, which could be based on the following elements:

- Overcoming the separation between the North and the rest of Kosovo through arrangements for regional autonomy for the North
- Providing international guarantees for Serb Orthodox monasteries

- Establishing a comprehensive framework for cooperation, including contractual agreements and diplomatic representation, that preserves the parties' differing legal positions on status and is modeled on the German-German agreement of 1972
- Ending Serbia's opposition to Kosovo's membership in international organizations and to further recognitions

The EU should start the process by appointing a high-level envoy to conduct talks with the parties involved. No doubt the process will be challenging for all concerned. However, both Belgrade's and Pristina's strong interest in progressing toward the EU should give Brussels sufficient leverage to move this process forward.

Introduction

The past months have brought very mixed news from Kosovo and Serbia. In July 2011 the Pristina government sent special police to the border crossings with Serbia in the North in order to enforce a trade boycott of Serb goods. Kosovo Serbs in the North reacted violently, engaged the international soldiers and police in a series of skirmishes, and established a system of roadblocks to prevent free movement between North and South. The cat and mouse game between the Kosovo Serbs and the international security forces, which tried to remove the roadblocks while avoiding civilian casualties, continued inconclusively for weeks. Belgrade's appeals to the local Serbs to reestablish freedom of movement were ignored. International mediation efforts initially went nowhere. The frustration in the rest of Kosovo was rising, and an escalation of the crisis seemed entirely possible.

However, against this background of confrontation the EU eventually succeeded in relaunching a technical dialogue between Belgrade and Pristina. Through the use of strong leverage on both sides, the EU negotiators obtained agreements on customs stamps and on the integrated management of the border crossings that should—if correctly implemented—help to normalize the situation.

A third agreement, concluded after difficult negotiations in February 2012, concerned the representation of Kosovo in regional cooperation. While it had nothing to do with the crisis at hand, it was nevertheless probably the most important result of the dialogue so far. Previously, Kosovo was represented at regional meetings by the United Nations Mission in Kosovo (UNMIK), which had been established by UN Security Council Resolution 1244 following the war of 1999. While this had become unacceptable to the government in Pristina

following its 2008 declaration of independence, Belgrade continued to insist on UNMIK's presence, thus blocking Kosovo's participation in regional structures.

The new arrangement, which has considerable practical and economic value, will allow for Kosovo to sign new regional agreements for itself and to participate in all regional organizations and meetings. In practice, that means the Kosovo delegation will be sitting behind a nameplate with the word "Kosovo" accompanied by an asterisk. The footnote will read: "This designation is without prejudice to status, and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo Declaration of Independence."

Achieving this breakthrough required significant concessions from both sides. Belgrade for the first time agreed to allow Kosovo to speak and behave as an independent actor. By consenting to a rather peculiar nameplate, Pristina for its part acknowledged that it was not quite yet a normal state.

Also particularly significant was the way the deal was finally struck. Without major incentives from the EU, both sides would have doubtlessly stuck to their positions of principle. However, the EU had identified an agreement on regional cooperation as one of the conditions that Serbia would have to meet to become a candidate for EU accession—a key objective for the pro-European government in Belgrade ahead of crucial parliamentary elections in May 2012. Pristina's reluctance to agree to the nameplate was finally overcome by the EU's readiness to initiate a feasibility study on a Stabilization and Association Agreement. Long stuck at the end of the queue of Western Balkan countries, Kosovo would now be given a chance of moving to the first rung on the long ladder leading to eventual EU membership.

If one considers the currently prevailing skepticism regarding further EU enlargement, it is remarkable that the prospect of a future in the EU is still sufficiently attractive to motivate governments in the Western Balkans to make quite painful concessions. It also confirms the idea that the remaining political and security issues in the Western Balkans can be best resolved if the EU engages actively and if it plays the enlargement card well.

The situation in northern Kosovo remains tense, and the mistrust between Belgrade and Pristina continues to be high. Therefore, no further time should be lost. Building on the success of the agreements reached in February 2012, the EU should move quickly to start a more comprehensive and ambitious dialogue, which also tackles the key issue of the predominantly Serb North. The process presents both obstacles and the opportunities, but it should bring Belgrade and Pristina a good deal closer to what must be the common objective—a normal and neighborly relationship.

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Unfinished Business— The Legacy of the Status Process

The Kosovo Status process was undertaken by the international community in fall 2005 under the leadership of former Finnish president Martti Ahtisaari. Its explicit objective was to achieve an agreement between Belgrade and Pristina on the future status of Kosovo. However, such an agreement, which certainly would have been by far the best way to settle the status debate, was never in the cards. From beginning to end, the views of the two sides remained diametrically opposite. In view of the tragic events of the 1990s and the de facto full separation from the Serbian state achieved as a result of the 1999 war, Pristina could not accept anything but independence for Kosovo, whereas Belgrade for historical and constitutional reasons of its own could imagine all sorts of outcomes—as long as it was not independence.

The second-best solution, which was the working assumption of most of the international participants in the process, would have been a comprehensive settlement plan backed up by a UN Security Council resolution. Such a comprehensive proposal was in fact elaborated by Ahtisaari after several months of discussions with the parties. It focused in particular on securing the rights of the Serb population of Kosovo through extensive local self-government and constitutional safeguards and the protection of religious and cultural heritage. It also dealt with economic and security issues and provided for significant changes in the international presence in Kosovo. However, when it came to having this proposal endorsed by the UN Security Council in the spring of 2007, relations between Moscow and the West had deteriorated significantly and Russia (with China's support) blocked the relevant draft resolution.

As further delaying the solution of Kosovo's status would have unleashed a dangerous dynamic on the ground, only a third, relatively unsatisfactory option remained: a declaration of independence by Pristina. This declaration would be backed by broad but incomplete international support.

With its independence declaration of February 17, 2008, Kosovo finally realized its dream of statehood. Pristina also committed to implementing all parts of the comprehensive proposal. Yet, independence came with some heavy handicaps. As the initial wave of recognitions diminished to a trickle, it became clear that Kosovo's integration into regional and international structures would be a long uphill struggle.

Today, more than four years later, Kosovo has been recognized by close to half of the UN member states. It has won membership in international financial institutions but due to the resistance of Russia and Serbia remains barred from most international organizations and even from international sporting events.

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The nonrecognition by five EU members (Spain, Cyprus, Greece, Romania, and Slovakia) is a particularly heavy burden, as it prevents the EU from engaging with Kosovo at the same level as it does with other Western Balkan states.

Pristina also has been unable to establish its authority over the North of its territory, where approximately 40,000 Serbs form the majority. While the greater part of the Kosovo Serb population living in enclaves in the South has adjusted to Kosovo's statehood, the region north of the Ibar River remains in the hands of "parallel structures": Belgrade-sponsored institutions, which reject any cooperation with the Pristina authorities. This special situation dates back to the postwar period of 1999 when UNMIK failed to integrate the area effectively into the rest of Kosovo. In the absence of effective rule of law structures, smuggling and other criminal activities flourish in the area.

The Pristina leadership has long expressed frustration about the unwillingness of NATO's military presence (KFOR) and the EU's rule of law mission (EULEX) to establish Pristina's control over the North. In July 2011, Pristina finally attempted to take matters into its own hands. It sought to establish its control over the border crossings in the North, thus provoking the violent revolt of the local population.

As for Serbia, the loss of Kosovo was obviously deeply traumatic. Remarkably, despite widespread expectations that the nationalists would take power in Belgrade, the country's pro-EU orientation survived, with President Boris Tadic's Democratic Party winning the elections in May 2008 only a few weeks after Pristina's declaration of independence. However, the end of the status process did not provide a sense of closure for Serbia and lead to a refocusing of its priorities. The fact that Kosovo's independence came about with only partial international support encouraged Belgrade to continue the battle on the international level, drawing on its extensive network as a member of the Nonaligned Movement.

Altogether, this strategy was not successful. Belgrade's policy of boycotting international events attended by Kosovo led to its own exclusion from a number of important conferences. An attempt to challenge Kosovo's independence at the International Court of Justice backfired when the court found in July 2010 that the declaration of independence did not constitute a violation of international law. A proposed UN General Assembly resolution calling for a reopening of status talks had to be abandoned in the face of strong EU and U.S. opposition. President Tadic and the EU's High Representative Catherine Ashton finally agreed on an alternative resolution calling for a technical dialogue between Belgrade and Pristina to be facilitated by the EU.

While Belgrade's efforts certainly contributed to slowing down the process of recognition of Kosovo and its integration into international structures, they

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failed to stop the process altogether. More seriously, they distracted the Serb leadership from developing a more realistic and constructive policy toward Kosovo and the Kosovo Serb population.

Belgrade's attitude toward the North of Kosovo has been marked by ambivalence. While it never became official policy, many prominent Serb politicians have long been supportive of the partition of Kosovo along the Ibar River as a realistic way of bringing the painful Kosovo story to an acceptable end. In the face of strong international resistance to this idea, President Tadic seems to have abandoned this project in recent months and instead now advocates autonomy for the North. The Belgrade government continues to finance the "parallel structures" through its Kosovo ministry, even though this constitutes a heavy burden for the struggling Serbian economy. Its political authority over the local political leaders, who for the most part support the nationalist opposition in Belgrade, appears to be diminishing. The local leaders show little understanding for Belgrade's interest in accommodating the EU's demands for improved relations with Kosovo. They defied Tadic's appeal to remove the roadblocks and against Belgrade's wishes held a referendum in February 2012 rejecting cooperation with Kosovo's institutions.

These irritations could well get worse in view of the forthcoming elections in Serbia in May 2012. In the longer term, however, Belgrade continues to hold considerable leverage over the North through its financial assistance and the (unofficial) presence of Serb security personnel.

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Serbia's EU Accession and the Kosovo Issue

Ever since Kosovo's declaration of independence, the leadership in Belgrade has taken the view that its continuing struggle for Kosovo and Serbia's ambitions to join the EU can be pursued in parallel and independently of each other. For its part, the EU—itself divided on the Kosovo issue—has initially played along with this idea. As even pro-European Serb leaders find it necessary to defend Serbia's territorial integrity, insisting from the outset on the acceptance of Kosovo's statehood would have resulted in instant blockage of Serbia's progress toward the EU.

In recent months, however, it has become clear that the two issues are not as separate as Belgrade would like them to be. Most EU countries believe that Serbia's advancement toward Brussels should be accompanied by a step-by-step normalization of relations with Pristina. As decisions on enlargement are based on consensus, promoting this position does not require the agreement of all 27 EU member states. In fact, it is possible for individual member states to impose their own conditions in this regard. Thus, it was the visits of the UK and German foreign ministers to Belgrade that convinced Tadic to abandon

the initiative in the UN General Assembly to reopen status talks, and it was the German chancellor, Angela Merkel, who in August 2011 clearly linked Serbia's candidate status with progress on improving relations with Pristina.

There is logic in the notion that Serbia's EU aspirations and its policies on Kosovo need to be seen together. The development of positive relations with neighbors has always been an important aspect of EU enlargement, and in view of the EU's massive investment in Kosovo, it is evident that any anti-Kosovo policies from Belgrade are harmful to EU interests. EU member states also obviously have no interest in importing further unresolved territorial disputes and frozen conflicts into the EU. Moreover, the EU perspective extends to the Western Balkans as a whole. It would be counterproductive in terms of the EU's policies toward the region if Serbia were to become a new member state and block Kosovo's further progress toward the EU.

A specific Kosovo-related conditionality for Serbia's progress toward the EU therefore makes sense, but it has to be calibrated in the right way. Asking too much of Belgrade too soon would just lead to blockage; asking too little would lead to a piling up of problems later on. Progress toward more normal relations with Kosovo should be required each step of the way, in parallel with Serbia's advancement toward the EU. As Belgrade had to make significant concessions to obtain candidate status, another substantive step should be expected ahead of the beginning of accession talks and still further progress should be expected in parallel to the negotiations.

Where will this process end? It is unlikely that the EU will accept Serbia as a member if it does not have normal, neighborly relations with Kosovo. The two countries ought to be able to have treaty relations with each other. They need the ability to work together within EU institutions, and their political relations should have a quality that does not turn into an ongoing headache for the EU. Whether this will require a formal act of recognition of Kosovo or not is an open question. After all, international law has a surprising flexibility to accommodate specific concerns. What will likely be most important is the functionality rather than any formal aspects of the relationship. Of course, this is a long-term consideration. Even optimistically, and taking into account the duration of the accession talks with Croatia, Serbia will get close to membership only toward the end of this decade. If good progress toward a more normal relationship is made early on, the final steps need not be traumatic.

Just as there is a Kosovo dimension to Serbia's EU perspective, there will be a Serbia-related angle of Kosovo's progress toward the EU. The implementation of the Ahtisaari plan and the overall situation of the Serb minority will obviously be important criteria for assessing Kosovo's fulfillment of the political requirements for accession. Pristina will also have to overcome its deep-seated reluctance to engage its northern neighbor in dialogue and cooperation. With interlocutors

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from Kosovo, one can sometimes sense nostalgia for the time of Slobodan Milosevic, when the West was supportive of Pristina and nobody expected Kosovars to sit down with the Serbs. Such an attitude is clearly incompatible with the common future of both countries in the EU. Just as the best way for Pristina to convince Belgrade to adopt a more constructive approach goes through Brussels, improving relations with Belgrade will be an important way for Kosovo to make progress toward the EU.

The Belgrade-Pristina Technical Dialogue

The technical dialogue launched in March 2011 constituted the first test of Pristina's and Belgrade's willingness to solve problems together. Facilitated by Catherine Ashton's counselor, Robert Cooper, the dialogue proved fairly productive. Understandings have so far been reached on the return of civil registries and cadastre records, on the freedom of movement of persons and cars, on the mutual recognition of diplomas, on customs stamps as well as—most significantly—on the integrated management of the border crossings and on Kosovo's regional representation.

Despite its name, the dialogue was not technical but highly political in character, as each of the issues discussed had its status-sensitive aspects. And EU "facilitation" was not facilitation at all but rather heavy-duty mediation, including setting the agenda, elaborating solutions, and using massive carrots and sticks to bring the parties on board.

While successful overall, the process had its limitations. Every meeting was accompanied by hostile rhetoric between the parties, high drama in the media, and accusations of treason coming from the opposition. Little mutual confidence has been built so far, and as the crisis of summer and autumn 2011 showed, the contribution to stability has been limited. Indeed, the Kosovar prime minister's decision to send special police to the northern border crossings was triggered by frustration over Belgrade's delay of an expected agreement in the dialogue on customs stamps. Moreover, the implementation of the agreements reached was marked by considerable deficits and delays. In other words, the technical dialogue is still very far from the normal efforts of neighbors to solve problems of common concern.

In spite of these shortcomings, the technical dialogue should certainly be continued in the near term. There are a number of issues on the agenda, such as telecommunications, energy, or air traffic, whose resolution would bring important economic benefits and improve the quality of life of the populations in Serbia and Kosovo. But as it is set up at present, this dialogue is unlikely to allow Belgrade and Pristina to reach a qualitatively different stage in their

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relationship. If this is the objective, a more ambitious and comprehensive approach appears necessary, an approach that also tackles the thorniest issue: the situation in North Kosovo.

The Tadic initiative

In the fall of 2011, President Tadic launched a “4 Point Plan” for the future of Kosovo, which represents an interesting revision of Belgrade’s position. What is known about the initiative remains sketchy. It confirms Belgrade’s policy of nonrecognition of Pristina’s declaration of independence but advocates a solution within the existing boundaries of Kosovo. The proposed settlement would be based on establishing:

1. a high level of self-government for Serbs throughout Kosovo based on decentralization,
2. a region in North Kosovo with special rights,
3. a special status for the Serb Orthodox monasteries, and
4. a process for the settlement of property claims.

Belgrade proposes early negotiations on an agreement along such lines in parallel to the existing Belgrade-Pristina dialogue.

The most interesting part of the initiative—and the reason why Western officials mostly responded positively—was the fact that it explicitly abandoned the notion of partition. In view of the many statements to the contrary from leading Serb politicians, this pronouncement from the highest level could in fact represent a major new departure.

At the heart of the proposal is the idea of creating a region in North Kosovo. This is certainly controversial. Throughout the Ahtisaari process, Pristina insisted that there should be just two levels of government—the government in Pristina and those in the municipalities—and that decentralization should apply equally in all parts of the country regardless of whether the respective municipalities had Albanian or Serb majorities. This position was founded on the fear of the emergence of another Republika Srpska that could block the central government and provide a channel for continued Serb dominance over Kosovo.

In explaining Tadic’s proposal, Serb interlocutors deny that the intention was to create another Republika Srpska. They say that they are not interested in giving the representatives of the new region leeway to interfere in the business of Pristina. The real objective would be to minimize the interference of Pristina in the business of the North.

The rest of the proposal appears unspectacular. Regarding the overall decentralization (point one), which would apply to all Serbs, including those in the South, the provisions of the Ahtisaari package offer extensive possibilities for self-government and function reasonably well in practice. It is unlikely that Belgrade would propose radical innovations in this area. Similarly, the Serb Orthodox monasteries (point three) already enjoy a high standard of protection under the Ahtisaari regime. Church representatives have frequently expressed an interest in stronger international guarantees for these rights, which could be a suitable topic for a dialogue. Finally, the settlement of property claims (point four) is a long and painful process in any postconflict situation. An improvement of the procedures is certainly a legitimate topic for discussion.

What Tadic's initiative leaves out altogether is, of course, the crucial question of why Pristina should be interested in engaging in such a negotiation. Recognition by Belgrade is explicitly ruled out and no other incentive is mentioned. Under these conditions it is not surprising that Pristina's response to the initiative was quite negative.

Pristina's Views of the North

Asked about how to find a solution for the North, most interlocutors in Pristina will refer, mantra-like, to the full implementation of the comprehensive Ahtisaari proposal. In some circles in Kosovo there has been sympathy for the idea of partition as long as it involves swaps of territory, which would also include parts of the Presevo Valley in Serbia where Albanians are in the majority. However, given the strong and consistent opposition of the international community to such ideas, no responsible politician advocates them openly.

Implementation of the Ahtisaari plan in the North would require setting up a new municipality in the Serb-populated northern part of the divided city of Mitrovica and holding new elections in the three already-existing municipalities. It would require the dismantling of the parallel judicial structures and the establishment of the relevant institutions under Kosovo law as well as the deployment of Kosovo police and customs officials at the border crossings. The informal presence of Serbian security personnel would have to be ended and funding from Serbia would have to be brought in line with the transparency provisions of the Ahtisaari package. Most of these changes presuppose a high level of cooperation from the local population.

Similar to Tadic's lack of incentives for Pristina, the Kosovo leadership is at somewhat of a loss to explain how the Kosovo Serbs in the North and Belgrade might be persuaded to agree to all this. They speak vaguely about initiating a dialogue with the political representatives of the North, including the mayors

of the respective municipalities, and of explaining to them the virtues of the Ahtisaari plan. While there is a broadly held view that no additional concessions beyond the Ahtisaari arrangement should be made, some political actors indicate that some additional safeguards could be provided.

Fundamentally, however, from the perspective of Pristina it would be the duty of the international community and in particular of KFOR and EULEX to promote, and if necessary enforce, the integration of the North into Kosovo's state structures. The EU should force Belgrade to acquiesce to this process by using tough conditionality in the enlargement process.

Both approaches—dialogue with Kosovo Serbs from the North and enforcement by the international community—appear quite unrealistic. The political leaders in the North are much more nationalistic and hard-line than their colleagues in Belgrade. They probably calculate that a new government in Serbia after the elections might revert to the partition concept, which remains their real objective.

In terms of self-government, there is nothing in the Ahtisaari package that the Serbs of North Kosovo do not already possess, but many elements provide roles for the Pristina authorities, which the Serbs regard with the utmost suspicion. And after twelve years of UNMIK and KFOR and three years of EULEX nobody should have any remaining illusions that the international community has the political will and the capacity to impose a new system of governance on a population that is determined to resist.

Toward a New Political Dialogue

The situation is thus marked by a growing understanding by Belgrade and Pristina that their unresolved relationship and in particular the frozen conflict in the North of Kosovo represent a great handicap for their future. Particularly after Tadic's recent adjustment of Belgrade's position and his abandonment of the idea of partition there appears to be no insurmountable obstacle to coming to a new understanding on a significant step toward normalizing the situation. However, both sides are still reluctant to genuinely engage each other. Positions are therefore primarily addressed to the international community and not to the potential negotiating partner. This lack of consideration of the other perspective explains the absence of elements that would make the position actually interesting to the other side.

This gap has to be filled, whether through public or—probably more effectively—through private communication. President Tadic would have to make clear what Pristina would gain by granting greater autonomy to the Serbs

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in the North. If outright recognition of Kosovo by Belgrade is not on offer, perhaps Belgrade could agree to end its obstruction of Kosovo's membership in international organizations and its opposition to additional recognitions. One could also consider a fresh Security Council resolution endorsing a new understanding between Belgrade and Pristina, which would finally free Kosovo from the constraints of Security Council Resolution 1244 and provide the impetus for the reluctant countries to finally recognize Kosovo's statehood.

Pristina for its part should understand that simply applying the Ahtisaari plan to the North is not a realistic proposition. While the substance of the self-government provisions of the Ahtisaari plan can go a long way toward accommodating the needs of the Serb population to preserve their own way of life, in the eyes of the Serbs, the plan has been tainted by its association with the declaration of independence. To find greater acceptance, arrangements for self-government in the North need to be presented in a different context and with a different label.

Pristina should be persuaded to offer a number of additional safeguards and arrangements that take into account the specific situation in the North. Special autonomy structures for the North, including for instance a regional assembly, should not be a taboo subject. Ensuring autonomy for the university and the hospital in North Mitrovica, which provide important services for all Kosovo Serbs, should not present major problems. Much more difficult will be the questions of the local judiciary and police. The challenge would be to give additional assurances to the Serb majority in the North while guaranteeing the functioning and the identity of the Kosovo state. During a transitional period, continued involvement of the international community could help to build confidence and ensure the smooth functioning of the new institutions.

While confirming that the status and the territorial integrity of Kosovo are not up for discussion, Pristina should signal to the Kosovo Serbs in the North as well as to Belgrade its readiness to engage in a dialogue on enhanced arrangements for self-government. It should also indicate its readiness to address additional concerns of the Serb Orthodox Church and issues related to property claims.

In the context of such a dialogue it would also be worthwhile to return to an idea originally suggested by the German diplomat Wolfgang Ischinger, who headed the U.S.-EU-Russia Troika discussions on Kosovo's status in 2007. Ischinger proposed that Belgrade and Pristina could enter into an arrangement modeled on the German-German treaty of 1972, which allowed Bonn to move toward constructive engagement with the German Democratic Republic without abandoning its position of principle on German unity. According to such an arrangement, both sides would reserve their legal position on Kosovo while

committing to a comprehensive framework of cooperation, which would for instance also include the exchange of diplomatic missions.

When first proposed in 2007 the idea had no chance of acceptance, but time might now be ripe to give it another look. Clearly, the Serbia-Kosovo relationship is quite different from the German-German situation. Reunification definitely is not an option in this case. However, the notion of far-reaching normalization including contractual and (special) diplomatic relations but without formal recognition is an interesting one. Certainly, if accepted it would constitute a major step forward.

A Challenge for the EU

For such a new dialogue to be productive it has to be set up in the right way. The year 2012 will be politically fraught for Serbia with parliamentary and local elections in May and presidential elections before the end of the year. Just when Serbia might return to a more stable situation, Kosovo will enter a similar full electoral cycle in 2013. While this is a difficult context for negotiations on sensitive political issues, neither Kosovo nor Serbia can afford to delay addressing these issues for another two years. It just means that one will need a strong and proactive mediator with considerable leverage over both sides to keep the process moving forward. The EU is the obvious choice for this role.

Following the granting of candidate status, Belgrade will be looking toward obtaining an early date for the beginning of accession talks—another crucial stage on its way to EU membership. Pristina too will be more oriented toward Brussels than before. The period of supervised sovereignty established under the Ahtisaari package will probably be concluded by the end of 2012, and the International Civilian Office, which was established to help ensure Kosovo's implementation of the comprehensive settlement proposal, will be closed; that will give the EU presence in Kosovo a more prominent role. The process toward EU visa liberalization is under way, which will require hard work and close cooperation with Brussels. The European Commission's feasibility study on a Stabilization and Association Agreement offers another opportunity for Kosovo to develop its relations with the EU. This is thus a period when Brussels can exert considerable influence over both sides and is well positioned for a strong mediation role.

While the EU should take the lead, the active engagement of the United States will be essential. Washington is still perceived by the Kosovars as their principal international backer, and its support for the EU's efforts will be crucial for the success of the negotiations. As the EU and the United States worked well

together during the technical dialogue, there is a good basis for tackling this challenge together.

High Representative Catherine Ashton should therefore appoint a high-level envoy to conduct these talks. As the issues are complex, it would make sense to begin the process with an exploratory stage during which the parameters of an eventual package could be identified. Finding the right formula for the negotiations might not be straightforward. Apart from the main parties, Belgrade and Pristina, a suitable way will have to be found to also involve the representatives of the local population in the North. Probably the most efficient way of initiating the process would be for the EU envoy to engage in shuttle diplomacy between Belgrade, Pristina, and the North.

In terms of timing, the goal must be to move forward fairly expeditiously. Ideally, an agreement would be concluded at a time when accession talks with Serbia and negotiations on a Stability and Association Agreement with Kosovo can be opened. This would conform to the same logic as the February 2012 agreement on the regional representation of Kosovo. As both countries make an important step toward the EU, they should also move significantly closer to a normal relationship with each other.

All this can of course only succeed if the EU's promise of accepting the Western Balkan countries as its members is kept. Despite the successful conclusion of the Croatian accession treaty, there can be no doubt that the process is in considerable trouble. The financial and debt crisis that has preoccupied the EU for the past two years has eroded political support for enlargement in the member states and has also weakened the credibility of the EU's offer in the region itself. If enlargement fatigue in the EU spills over into reform fatigue in the region there will be a risk that the prospect of membership might either get blocked outright or degenerate into a rhetorical exercise, a kind of double bluff, in which the EU just pretends to keep its door open and the Western Balkan states merely pretend to reform.

And yet, in spite of this difficult situation, the fact remains that the step-by-step inclusion of the Western Balkans into European integration remains the only plausible strategy. The Western Balkan states are already closely linked to the EU economically, and they are surrounded on all sides by EU member states. These countries have hardly anywhere else to turn. The EU's continued active engagement remains necessary to address the region's persistent structural problems, such as low economic and social development, weakness of the rule of law, and shortfalls in institutional capacity. Despite the hurdles, the transformative force of enlargement has been proven once again in the case of Croatia, which had many of the same structural problems as the other countries

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of the former Yugoslavia. If the EU remains engaged and committed, there is every reason to believe that the same methodology will eventually bear fruit in the other countries of the region as well.

Resolving the remaining political and security problems of the region and supporting the Western Balkan countries on their way to the EU are processes that are mutually reinforcing and must be pursued together. If Kosovars and Serbs lose faith in a better future in the EU they are much more likely to return to confrontation. If they are confident that they will eventually join the European mainstream, they have a good chance of settling their differences. After all, reconciling former enemies is what the EU does best.

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