Serbia-Kosovo relations
Confrontation or normalisation?

SUMMARY
After fighting broke out between government forces and separatists, the formerly Serbian province of Kosovo was transferred to United Nations administration in 1999. In 2008, Kosovo declared independence. However, Belgrade continues to view its former province as Serbian territory. Over 100 countries, including 23 EU Member States, have recognised Kosovar independence, but full recognition and membership of most international organisations are still a long way off.

Both Serbia and Kosovo aspire to EU membership – Serbia as a candidate country and Kosovo as a potential candidate. The EU insists that Serbia must normalise its relations with Kosovo before joining. Since 2011, with the help of EU mediation, the two neighbours have resolved some of the technical issues, but disagreements prevent normal day-to-day interaction between them in areas such as trade, energy supplies and cross-border travel.

One of the main stumbling blocks is the situation of Kosovo’s Serb minority. Around one in 12 Kosovars is an ethnic Serb, and nearly half of these are concentrated in the north. Despite efforts to integrate Serb-majority northern Kosovo into the rest of the country, Pristina still struggles to control the region. In 2013 and 2015, it agreed to establish an Association of Serb-majority Municipalities, but progress on this is now deadlocked.

In 2018, the Kosovar and Serbian presidents floated the idea of a ‘border correction’, possibly involving the exchange of northern Kosovo for Albanian-majority Serbian districts. However, the proposal has been criticised by Germany, which fears that any territorial exchange risks sparking instability by calling into question other Western Balkan borders. There is also strong domestic opposition to the move in both Kosovo and Serbia.

Despite growing pressure on both sides to finally reach a deal that could unlock the door to EU membership, relations remain tense and progress towards normalisation is currently at a standstill.

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Timeline

1912-1999: formerly a province of the Ottoman Empire, Kosovo and Metohija (the name by which Belgrade continues to refer to the territory) was incorporated into Serbia in 1912, and subsequently into Yugoslavia. The situation began to deteriorate in the 1980s, with separatist riots by Kosovar Albanians, inter-ethnic tensions and the withdrawal of Kosovo’s autonomy in 1989. After a decade of unrest, open conflict between Serbian government forces and Kosovar separatists broke out in 1998. Over 13,000 were killed and hundreds of thousands were driven from their homes, before NATO airstrikes, the withdrawal of Serbian forces and the arrival of UN and NATO peacekeepers in 1999 ended hostilities.

1999-2008: Kosovo became a provisionally self-governed territory under UN administration. In 2007, a plan for Kosovar independence negotiated by former Finnish President, Martti Ahtisaari, was rejected by Serbia.

2008: Kosovo’s unilateral declaration of independence was recognised by most European countries and the United States.

2010: the International Court of Justice ruled that Kosovo’s declaration of independence is not in conflict with international law.

2011: direct EU-mediated talks between Serbia and Kosovo began for the first time since the latter’s declaration of independence.

2011-2015: as a result of the EU talks, Serbia and Kosovo concluded a number of important agreements, including the Brussels Agreement (April 2013).

Since 2015, little progress has been made on reaching new agreements or on implementing the ones previously concluded. A series of confrontations has brought relations to a new low.

January 2017: a Serbian train decorated with the words ‘Kosovo is Serbia’ in 21 languages headed for the Serb-majority Kosovar town of North Mitrovica, causing outrage in Kosovo.

January 2018: murder of ethnic-Serb politician, Oliver Ivanović, in northern Kosovo.

March 2018: in a move described by Serbia as a criminal act and a provocation, Belgrade representative, Marko Djurić, was accused of illegally entering Kosovo and expelled.

August 2018: Kosovar and Serbian presidents, Hashim Thaçi and Aleksandar Vučić, floated the idea of a ‘border correction’ as a way out of their impasse, but the proposal quickly ran into opposition.

November 2018: Kosovo brought in 10% customs duties on imports from Serbia, subsequently raised to 100%, after Serbia blocked Kosovo’s efforts to join Interpol.

December 2018: Kosovo decided to upgrade its security force into a fully fledged army. Although the Kosovar army will be small with just 5,000 troops, Serbia sees it as a threat and has warned that the move could trigger a military response.

The EU’s role in Serbia-Kosovo relations

Brussels has long been a key player in Kosovo. In 2008, the EU rule of law mission in Kosovo (EULEX, a civilian mission under the EU’s common security and defence policy), took over police, justice and customs functions from the United Nations. Now that Kosovo has developed its own institutions, most of these tasks have since been transferred to the Kosovar authorities, but EULEX continues to monitor the rule of law in Kosovo and will remain in the country at least until June 2020.

The EU is Kosovo’s largest aid donor, with nearly €650 million of funding from the Instrument for Pre-accession Assistance. A large share (€237 million) has been earmarked to support rule of law and other reforms to prepare Kosovo for possible EU membership.

Since 2011, the EU has also played a crucial role in mediating direct talks between Serbia and Kosovo (the ‘EU-facilitated dialogue’), aimed at normalising relations between the two sides. During the first year of the dialogue, talks were held at technical level, but from October 2012 they were upgraded...
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to political level, with meetings between the Serbian and Kosovar prime ministers. The dialogue initially scored a series of successes: **33 agreements**, mostly on technical issues but also including the ambitious but vague Brussels Agreement of April 2013 and, in August 2015, a text on the thorny issue of Serb-majority northern Kosovo.

Since 2016, dialogue has stalled, with several meetings delayed or cancelled and little progress on implementing previous commitments or on concluding new agreements. The tone of the meetings has become increasingly acrimonious, with repeated threats by both sides to pull out of dialogue. At the meeting scheduled in Brussels for September 2018, President Vučić refused to meet President Thaçi; the two leaders eventually met two months later, but shortly afterwards Vučić announced that there would be no further dialogue until Kosovo lifted its 100 % duties on Serbian imports.

Both Serbia and Kosovo aspire to join the EU, and Serbia has been a candidate since 2012. The main incentive which the EU can offer the two sides to keep talking is the prospect of eventual EU membership – for Serbia, perhaps as early as in 2025. The EU has made Serbian membership conditional on resolving the Kosovo issue. The January 2014 **negotiating framework** for Serbia states explicitly that the two sides must sign a legally binding agreement enabling 'comprehensive normalisation of relations' by the end of the accession process. The same document also specifies that the EU can decide not to open new negotiating chapters if Serbia fails to implement its agreements with Pristina in good faith. Conversely, the EU can reward both countries for progress towards normalisation, as it did in 2015, by signing a **stabilisation and association agreement** (SAA) with Kosovo and opening accession negotiations with Serbia.

The fact that progress has **stalled** despite such incentives suggests that domestic political pressures outweigh the still distant prospect of future EU membership. In 2018, just 29 % of Serbians declared themselves in favour of EU membership, less than in any other Western Balkan country. At the same time, 81 % of Serbs are against recognising Kosovo’s independence, even in exchange for faster EU membership; 63 % see a frozen conflict as the best possible outcome; and just 21 % support an agreement with Pristina. With Vučić under pressure from opposition protests accusing him of authoritarian tendencies and the possibility of early elections being called in 2019, he is unlikely to make unpopular concessions on Kosovo.

Kosovo’s minority government is even less likely to go against public opinion. Polls from 2018 suggest that Kosovars are highly supportive of EU membership (84 %), but also that there is much less enthusiasm for dialogue with Serbia; 52 % and 77 % respectively of Kosovar Albanians and Serbs are skeptical that dialogue with Serbia could benefit their lives, and 52 % of the country's population are in favour of suspending talks with Belgrade, regardless of the international consequences.

**Serbia-Kosovo agreements on technical issues**

Given the impasse resulting from Serbia’s refusal to recognise Kosovo, negotiations in the early stages of the EU-facilitated dialogue focused on mostly technical arrangements for day-to-day relations between the two sides. In numerical terms, considerable progress was made, with 33 agreements in total concluded. However, implementation of many of these has been slow and incomplete, creating practical problems in a wide range of areas.

**Trade:** since 2007, both Serbia and Kosovo have been committed to duty-free bilateral trade, as part of the **central European free-trade area**. A trade **embargo** between the two sides ended in 2011,
when Serbia agreed to accept goods stamped 'Kosovo customs', with no national coat of arms or flag. In 2017, Serbia accounted for 12% of Kosovo's foreign trade. However, in November 2018 economic relations ran into another obstacle: two weeks after imposing 10% tariffs on imports from Serbia for the latter's campaign against international recognition of Kosovo, Pristina raised tariffs to 100%, after Serbia allegedly blocked its bid to join Interpol. The measure is estimated to cost Serbia around €40 million a month in lost exports. Resisting strong EU and US pressure to drop the tariffs, Kosovo has pledged to keep them in place until it is recognised by Serbia; (it has since slightly softened its stance, demanding instead 'an international guarantee' of talks leading to mutual recognition).

Telecommunications has been one of the more positive areas: an agreement reached in 2016 gives Kosovo its own international dialling code, while allowing a subsidiary of Serbia's state-owned Telekom Srbija to continue operating in Kosovo.

Regional representation and cooperation: initially, Kosovo was represented in (mostly EU-led) regional fora by the UN's Mission in Kosovo. In 2012, Serbia agreed that Kosovo could act on its own behalf, provided that it designates itself as Kosovo* with the accompanying footnote: 'This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence'.

Border/boundary crossings: to improve border security and reduce waiting times, in 2012 the two sides agreed to upgrade the six existing border (or as Serbia has it, boundary) crossings between them, following the integrated border management approach used by the EU for its external borders. The new crossings will be neutral in appearance, displaying no state symbols. However, construction has only progressed at two of the six.

Freedom of movement: a 2011 agreement allows Kosovars to travel into Serbia with identity documents issued by Pristina, and vice-versa, and a further agreement in 2015 establishes mutual recognition of car insurance. However, the two sides do not recognise one another's car number plates and require cross-border drivers to purchase temporary plates. The problem was supposed to have been solved by a 2016 agreement, under which Kosovar drivers can paste stickers over the offending parts of their number plates (on similar lines to the approach taken by Greece for cars from the former Yugoslav Republic of Macedonia, prior to the Prespa Agreement), but this has yet to be implemented. Although Belgrade and Pristina are just 300 km apart, there are no direct flights or trains between them.

Energy: European grid operators are obliged to help neighbouring countries cover their needs in the event of a shortfall. Despite signing an energy agreement with Kosovo in 2015, Serbia refused to meet its supply obligations to Pristina in March 2018, disrupting the grid not only in Kosovo but also throughout Europe. Serbia also does not pay Kosovo for the use of its interconnection lines; Pristina claims this has cost it €52 million in lost revenue since 2008.

Situation of the Kosovar Serb minority

Kosovo remains split between ethnic Albanians and Serbs

Some 87% of Kosovars are ethnic Albanians; an estimated 150,000 Serbs comprise just under 8% of the total population. In the four northern municipalities centred on the town of Mitrovica, where nearly half of the minority lives, Serbs make up over 80% of the population. A further six municipalities, scattered across southern Kosovo, are also Serb majority.

The situation in Serb-majority northern Kosovo, which continues to resist Pristina's rule, is particularly difficult. Symbolic of the barriers dividing the region from the rest of the country is the Mitrovica Bridge. In an endeavour to unite Albanian and Serb communities living on opposite sides of the Ibar River, it was agreed in 2015 to re-open the town's main bridge and renovate it with EU funding. However, Serbs on the northern side of the river barricaded their end of the structure. Since
then, the barricades have been dismantled and rebuilt several times, and the bridge remains closed to vehicular traffic.

### Slow progress on integrating government bodies

For many years, Belgrade operated ‘parallel structures’, such as police and courts, in northern Kosovo, undermining Pristina’s efforts to assert control over the region. In line with the 2013 Brussels Agreement, most of these structures are finally disappearing, and their staff have been incorporated into Kosovar state institutions. Despite this progress, the region has yet to be fully integrated into the rest of the country, with many Kosovar Serbs looking to Belgrade rather than Pristina for protection.

Since 2014, northern Kosovo has been policed by a **Regional Police Directorate**, whose ranks have been joined by nearly 300 officers formerly answering to the Serbian Interior Ministry. Nevertheless, the police struggle to maintain order in the region; there has been a wave of murders and arson attacks, some targeting (or even involving) the police themselves.

In February 2018, Kosovar Serbs were already under-represented in the country’s **security force** (6% of personnel). Since then, Belgrade has reportedly pressured them to quit due to Kosovo’s plans to upgrade the force into an army, and as many as one-third may have actually left.

In 2017, northern Kosovo’s previously separate **prosecution service** and **courts** were also integrated, with 40 Serb judges and 13 prosecutors joining the national judicial system. Although this is a positive development from the point of view of incorporating northern Kosovo into the rest of the country, unfortunately it has not helped the courts to operate more effectively in the region; there is a backlog of thousands of cases, partly because the authorities have not managed to recruit enough translators to assist non-Albanian speaking Serbs.

Large numbers of ethnic Serbs do not even have Kosovar citizenship, in part due to the Kosovar authorities’ reported reluctance to accept Serbian-language documents such as birth certificates issued since 1999. This in turn creates problems with **car registration**; many cars in northern Kosovo have either Serbian plates or none.

**Education** is another problem area. Although Serbia and Kosovo agreed to accept one another’s qualifications in 2011, the agreement did not cover Serbian-language institutions in northern Kosovo, such as the Serbia-accredited University of North Mitrovica, which Pristina does not recognise as part of its education system. With the help of the **European Centre for Minority Issues Kosovo** (a partially EU-funded NGO), the Kosovar Education Ministry has developed **verification procedures** enabling Kosovar Serbs to get their qualifications recognised for employment, but these do not yet cover all courses from all institutions.

Serbia’s influence over Kosovar Serb politics remains strong, through the Serb List party, which is closely allied with the ruling SNS party in Belgrade. In the most recent (2017) polls, the party scored an overwhelming majority of votes in all ten Serb-majority municipalities; it holds nine of the ten parliamentary seats (out of 120) guaranteed to the Serb community by Kosovo’s **Constitution**, and three ministerial portfolios in the current government. In its 2018 Kosovo **Report**, the European
Commission voiced concern that Kosovar Serbs were being intimidated into voting for the Serb List. Reflecting the toxicity of Kosovar Serb politics, in January 2018 Oliver Ivanović, seen as one of the more moderate voices in northern Kosovo and a challenger to the Serb List’s dominance, was murdered. Three ethnic Serbs from Mitrovica including two police officers have since been arrested.

Political obstacles to normalisation

Autonomy for northern Kosovo

Pristina has long resisted Kosovar Serb demands for autonomy. However, with the 2013 Brussels Agreement, a solution to this thorny issue appeared to be finally within reach: under the agreement, Kosovo agreed to establish an Association of Serb Municipalities (ASM) including Serb-majority areas from both northern and southern Kosovo, in exchange for Belgrade dismantling its parallel structures in the north. A second agreement in August 2015 provided more detail, giving the ASM significant powers over areas such as education, healthcare and welfare.

This promising start was soon followed by a setback, with the Kosovo Constitutional Court’s December 2015 ruling that the envisaged association was unconstitutional. There was also vigorous political resistance, with the nationalist Vetëvendosje party warning that Serb autonomy would risk the ‘Bosniafication’ of Kosovo and threaten national unity.

With progress stalled, in April 2018 Kosovar Serb leaders threatened to set up the ASM unilaterally. Under EU pressure, that threat was withdrawn, and the Kosovar government started work on a statute for the new entity. However, the two sides remain deadlock. Pristina insists that the statute must be in the spirit of the Constitution, and not confer any executive powers on the ASM, whereas Kosovar Serbs and their Serbian allies are calling for Kosovo to amend its legislation to enable implementation of the 2013 and 2015 agreements.

The recognition issue

Achieving Serbian recognition of Kosovo is even more of a conundrum than Kosovar Serb autonomy. Serbia’s 2006 Constitution not only states that Kosovo is an integral part of Serbia but it also requires the country’s institutions and president to uphold Serbian sovereignty in Kosovo. Serbian leaders have repeatedly and categorically insisted that Kosovo remain part of Serbia, a position overwhelmingly backed by public opinion in the country. In July 2017, President Vučić launched an ‘internal dialogue’ aimed at finding solutions based on public debate, but this has not enabled Serbian public opinion or government policy on Kosovo to move forward.

Not only does Serbia refuse to recognise Kosovo but it has actively lobbied against Kosovo’s recognition by other countries. In 2018, the Serbian Foreign Ministry claimed that it had convinced 12 countries to withdraw their recognition, although this claim has been disputed by Kosovo. Serbia also succeeded in blocking Kosovo’s bids to join Unesco and Interpol. The World Bank, the IMF, FIFA and the International Olympic Committee are among the few international organisations that Kosovo has succeeded in joining. UN membership remains a distant goal; with around 110 recognising countries, Kosovo still falls far short of the two-thirds UN General Assembly majority required for acceptance. To join the UN, Kosovo would also need approval from the UN Security Council, where both Russia and China have a veto (see box above).
Normalisation of relations with Kosovo is a condition for Serbia to join the EU, but Brussels does not explicitly demand recognition; the Belgrade government’s position is that the two issues should be kept separate. Theoretically, the two countries could indeed agree on an arrangement that would unblock Kosovo’s recognition by other countries and its EU membership, without requiring full formal recognition by Serbia – perhaps something on the lines of the 1972 Basic Treaty between the two halves of Germany. However, given that Kosovo also hopes to join the EU, it is difficult to imagine that the two countries could co-exist as Member States without mutual recognition.

Border readjustment as a way out of the impasse?

At an August 2018 meeting in Austria, Serbia’s and Kosovo’s presidents were in rare agreement on a tentative suggestion that ‘border correction’ could be a way forward to improved relations. Although the nature of the correction was not specified, it is widely assumed that the two leaders had in mind a handover of Serb-majority northern Kosovo to Belgrade; in exchange, Kosovo could gain Albanian-majority districts in the Preševo Valley adjacent to its southern border.

On the face of it, a land swap arrangement would offer several advantages. It would resolve the status of northern Kosovo, and would also address complaints of discrimination against Serbia’s Albanian minority. Most importantly, such a deal could open the door to a broader agreement normalising relations between the two sides. The United States and Austria have expressed openness to the idea, as has EU High Representative Federica Mogherini.

On the other hand, there are also serious objections. A partition of Kosovo on ethnic lines could call into question borders of other multi-ethnic states, such as Bosnia and Herzegovina, potentially even threatening the region’s fragile peace. Germany and the UK are among the most vocal opponents, as are regional neighbours, such as Albania and Montenegro.

The Serbian Orthodox Church opposes a potential deal, arguing that Serbia, by accepting northern Kosovo, would give up its claims to the rest of the country. Unsurprisingly, given that Pristina stands to lose more than it gains, Kosovar resistance is even stronger: northern Kosovo includes strategic assets such as the Trepca mine as well as the Gazivoda reservoir supplying Pristina with drinking water, whereas the Albanian-majority areas that Kosovo could potentially receive in return are smaller and have little industry. President Thaçi is the only senior Kosovar figure to have expressed support for the idea; government and opposition parties have been against it from the start, and in November 2018 even Thaçi appeared to back-track, denying that any border corrections on ethnic lines were being considered. Not even the country’s Serb minority is fully behind ethnic partition, due to fears that the transfer of northern Kosovo would isolate the remaining half of the Kosovar Serb population living in enclaves scattered across the rest of the country.

Based on: Centre for Eastern Studies, 2018.

*This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.
Outlook: zero-sum or win-win?

In the early stages of the EU-mediated talks between Serbia and Kosovo that began in 2011, negotiators focused on practical problems, in the hope that success in resolving these would build trust and create more conducive conditions for tackling more divisive political subjects such as Kosovar Serb autonomy. For a while, this approach seemed to work, delivering a series of agreements that culminated in the 2013 Brussels Agreement and the subsequent 2015 agreement on an Association of Serb Municipalities.

However, since then the process has ground to a halt. Even on technical issues (such as electricity grids and car registration) the two sides are at loggerheads. A solution to the trickier political challenges seems further away than ever, with neither side willing to make concessions, even in exchange for EU membership. The border adjustment floated in 2018 temporarily raised hopes of a possible way forward, but domestic and international opposition to the idea appears insuperable. Although both Kosovar and Serbian leaders acknowledge that they need to keep talking, there is little sign of openness to compromise. In 2015, both Serbia and Kosovo presented the four agreements concluded during EU-mediated talks as a defeat for the other side; for then-Prime Minister Thaçi, Kosovo had effectively forced Serbia to recognise it as an independent state, while Serbian representative, Marko Djurić, hailed a '5-0 victory' for Belgrade. A similar zero-sum logic prevails in Serbian Interior Minister Nebojsa Stefanovic's tweet welcoming Interpol's 2018 rejection of Kosovo's membership bid as a 'victory', and in the ongoing squabbles over alleged recognition or non-recognition of Kosovo by third countries.

Both Thaçi and the US administration seem confident that 2019 could finally bring a comprehensive agreement. However, so long as confrontational attitudes continue, the compromises needed for this to happen seem unlikely.

EP position: in its resolutions of 29 November 2018 on the European Commission’s Kosovo and Serbia reports, the European Parliament calls for continued efforts to achieve normal relations between Serbia and Kosovo as an essential precondition for both countries’ European integration. For the Parliament, recognition of Kosovo by all EU Member States would help to achieve this. It also expresses concern at the failure to implement previous agreements, such as those on energy and the Association of Serb Municipalities. The Parliament notes the ongoing debates on possible border adjustments, but stresses that ethnic homogeneity is not a desirable objective, and that any agreement is only acceptable if compatible with international law and regional stability.

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