



Managing the Risks of Instability in the Western Balkans

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Principal Findings

What's new? Twenty-plus years after the wars that followed Yugoslavia's collapse, Western state-building efforts and the prospect of EU membership have failed to deliver hoped-for reforms in Western Balkan states or to resolve the region's lingering disputes. Russia's war in Ukraine has energised accession proponents, but EU enlargement remains a long-term project.

Why does it matter? A secessionist movement threatens to break Bosnia and Herzegovina apart, while Kosovo and Serbia remain at loggerheads over the former's status. Until these disputes are addressed, they will threaten regional stability. While the possibility of EU membership remains an important motivator for regional actors, it alone cannot solve these problems.

What should be done? With Washington's support, Brussels should proceed on multiple tracks, putting crisis mitigation first. The EU and U.S. should work to defuse the Bosnian crisis and improve Serbia-Kosovo relations while promoting Kosovo's international ties. The EU should consider ways to further encourage greater European integration before full membership is possible.

Executive Summary

As Russia's assault on Ukraine wreaks fresh havoc in Europe's east, war wounds that the Western Balkans suffered more than two decades ago continue to fester. The Dayton peace accord that has held Bosnia and Herzegovina together is unravelling. Efforts to resolve Kosovo's dispute with Serbia over its independence are frozen. Montenegro has seen violent unrest. North Macedonia is a bright spot, but it has yet to begin accession negotiations with the European Union. Neither has Albania. Bad governance, sluggish economies, corruption and European ambivalence have stalled the EU process. The war in Ukraine has spurred talk of jumpstarting enlargement efforts, but major acceleration seems unlikely for now. To promote regional stability and integration, Brussels should proceed on multiple tracks. With U.S. support, it should work to address tensions through diplomacy that does not rely on the prospect of EU accession as the primary incentive. Separately, Brussels and member states should explore ways to offer Western Balkan candidates nearer-term prospects for closer political and economic integration.

Yugoslavia fell apart violently at the end of the Cold War, spawning brutal wars in Croatia and Bosnia and Herzegovina (1991-1995), an Albanian insurgency and a Serbian ethnic cleansing campaign in Kosovo (1998-1999), and a brief Albanian uprising in North Macedonia (2001). Since then, the region's fortunes have been mixed. Two Yugoslav successor states, Slovenia and Croatia, have since joined the EU; two others, Montenegro and North Macedonia, have become part of NATO, along with neighbouring Albania. Bosnia struggles under an unwieldy constitution imposed by the Dayton agreement in 1995. Kosovo declared independence from Serbia in 2008 but its statehood is far from universally recognised and it is not a member of the UN. The region's states that remain outside the EU all aspire to membership, and EU and U.S. efforts to stabilise the region have to date focused on accession as the overarching motivation.

But that strategy has its limits. The Western Balkan states are not developing into plausible candidates for EU membership in the near term. Part of the problem is that the EU and influential member states remain ambivalent about taking in new members or other steps toward greater integration; indeed, Brussels has reneged on or delayed some of its promises to Balkan states. Three years after Kosovo completed the EU's wish list for visa-free travel, it remains the only Balkan country without that privilege. North Macedonia changed its own name to satisfy Greek demands, but that has not cleared the way for it in Brussels, as fresh Bulgarian objections now stand between it and membership. The war in Ukraine has generated warmer feelings in European capitals toward that country's closer association with the EU, with some backing its desire for swift accession. The war also catalysed Moldova's efforts to gain EU candidate status. Both achieved this status in June, but that is unlikely to lead to a quick membership process for any other country, particularly for the more troubled Western Balkan states.

The main causes of Balkan stalling on the EU road lie within the candidate countries themselves. There are economic issues: at their current pace, it will take them

decades to be ready to sustain the competitive pressures of the common market. None of them has a functioning market economy and the region's standard of living is far below the EU average. Still bigger impediments relate to governance. Respect for the rule of law is wearing away in some states, as are democratic norms. In Serbia, the region's largest and most influential country, democratic institutions have suffered systemic erosion. Government power is concentrated in a small circle around the president and separation of powers is a fiction. The state enjoys a near monopoly over the mass media and intervenes in the economy to reward loyalists and punish critics. There is extensive overlap among government, business and the criminal underworld. Montenegro and North Macedonia were until recently on similar trajectories and could easily find themselves drawn back in that direction.

The Balkans are also home to knotty disputes that the EU may not wish to import. Bosnia and Herzegovina is disintegrating in slow motion. Its Serb-majority entity, Republika Srpska, is gradually separating itself from the central government's oversight. The aim could be independence, or far greater autonomy, but either way the manoeuvring is a source of instability. Ethnic Serb leaders have announced a range of steps they intend to take short of formal secession, including separation from the joint armed forces, border police, judiciary and internal revenue system, though they walked back some of these under Western pressure. They have paused these efforts while the conflict in Ukraine unfolds, but there is little to suggest their goals have changed. Meanwhile, the Bosniak majority is internally divided and at odds with the country's third main ethnic group, the Croats, over electoral reform. Absent a deal, Croats threaten to block government functions after the October national elections, which would deepen the crisis.

Kosovo and Serbia have put their long-running dispute over Kosovo's independence in a deep freeze, though politicians on both sides bring it up when seeking to raise the nationalist temperature. Promising steps toward a comprehensive agreement fell through in summer 2020. Belgrade and Pristina are far apart and appear content to let their disagreements persist for years if need be, notwithstanding the costs of the dispute. These costs – the barrier the standoff creates to EU accession for both, Kosovo's exclusion from the UN and many other international organisations, tensions over the governance of Serb-majority areas in Kosovo and the sustainment of an open wound in the heart of the region – are likely to persist.

The situation calls for a two-track approach that separates out urgent crisis and conflict management tasks from long-term planning for EU accession. Stabilising Bosnia and Herzegovina is the most pressing need. There, the U.S. and EU should work quickly to broker a rapprochement between Bosniaks and Croats in order to save the October vote, and follow up by supporting efforts to develop a sustainable and shared vision of the country's future. While exploring ways to advance recognition of Kosovo's statehood, including by Serbia, they should help it further integrate into international institutions. Recognising that the Belgrade-Pristina relationship may stay frosty for years, Brussels and Washington should press both to treat their respective minorities with greater respect and promote economic and cultural ties.

As for the goal of EU accession, Brussels should be blunt: even with the new momentum for greater unity created by Russia's invasion of Ukraine, full membership does not lie around the corner. All governments in the region need to show much

greater capacity and conformity to EU norms before accession becomes a realistic possibility. That may take decades, a period during which the EU should consider other ways to deepen its ties and strengthen political and economic cooperation with the Balkans through means short of full membership.

Brussels, 7 July 2022

Managing the Risks of Instability in the Western Balkans

I. Introduction

The Western Balkans are not where their inhabitants or outside peacemakers hoped they would be twenty-plus years after the guns there went largely quiet. Two of the states that emerged from the former Yugoslavia's ashes have joined the European Union: Slovenia in 2004 and Croatia in 2013. Since then, the remaining five – Serbia, Bosnia and Herzegovina, Kosovo, Montenegro and North Macedonia, plus Albania (which is in the Western Balkans but was not part of Yugoslavia) – have been stuck in an enlargement process that seems on life support, if not already dead. EU and U.S. influence in the region has, to some degree, waned as the hopes of EU accession have dwindled and peacekeeping troops have mostly withdrawn. Conflicts elsewhere in the world have understandably drawn attention away from the Balkans.

Although the region is mostly at peace, the disputes that led to war in the 1990s have not been fully resolved. Calm has been maintained in part through EU and U.S. carrots (promises of integration and investment) and sticks (both actual and threatened sanctions and the presence of peacekeeping troops). Yet these tools' capacity to maintain order has demonstrated limits. The hopeful vision of hard work leading to EU membership within a matter of years has faded. Croatia spent six years in accession negotiations before joining in 2013. By contrast, Montenegro and Serbia began talks in 2012 and 2014, respectively, and are arguably years away from closing out all 35 accession topics, known as chapters. Serbia has opened 22 so far and closed just two.¹ Albania and North Macedonia are official candidates but have yet to begin negotiations, while Bosnia and Kosovo remain only "potential candidates" for membership. While Russia's invasion led Brussels to grant EU candidate status to Ukraine and Moldova, a dramatic dilution of standards or acceleration of accession timelines for the Western Balkan states seems unlikely.²

Meanwhile, in place of the vision of joining a peaceful, prosperous Europe, there is a growing sense of stagnation in which each country's historical grievances and unfinished business fester as perennial features of election campaigns and potential conflict triggers. Leaders fan the flames with divisive rhetoric, trying to divert attention from sluggish economies, low living standards, corruption and nepotism. Some manipulate the wartime record for political advantage; others play on the issues that sparked the conflict and linger still. The whole region lags far behind most of its Western neighbours in terms of good governance and economic prosperity. The risk

¹ "Thirteenth meeting of the accession conference with Serbia at ministerial level", press release, EU DG NEAR, 14 December 2021.

² Crisis Group telephone interviews, EU and EU member state officials, May 2022. Also comments at Balkan Dialogues event, Paris, 9 May 2022.

of breakdown, whether into state failure, violence (though unlikely to reach the proportions of the 1990s hostilities) or some other undesirable outcome, will remain until the region's underlying problems are resolved.

This report focuses on what the past several years reveal about the cross-cutting challenges that have impeded the EU accession efforts of Western Balkan states; the deepest crises facing the region; and what it will likely take to help mitigate the risks those crises present. It also suggests a new approach to Western policy in the region that better accounts for the all-too-clear limits of a strategy that has long counted on the promise of EU enlargement to bring greater stability. It is based on remote and in-person interviews conducted in 2020-2022 with senior current and former officials, diplomats, policymakers, experts and activists in the region, as well as in Russia, the EU and the U.S. It builds on earlier Crisis Group reports on the situation in Bosnia and Herzegovina and the Kosovo-Serbia dispute.³

³ See Crisis Group Europe Reports N°262, *Relaunching the Kosovo-Serbia Dialogue*, 25 January 2021 and N°232, *Bosnia's Future*, 10 July 2014.

II. A Long and Winding Road

A. A Receding Destination

The Western Balkans' destination used to be clear: its states would join the European Union and most of them also NATO as the best way of cementing long-term peace and prosperity. In 2003, the European Council promised that “the future of the Balkans is within the European Union”.⁴

But near- or medium-term prospects for reaching this destination have long seemed questionable. Already in 2005, a high-level panel of former world leaders warned that “the region is as close to failure as it is to success”. Though the wars were over, it said, “the smell of violence still hangs heavy in the air”.⁵ Nonetheless, the panel thought that EU accession for the whole region was possible by 2014 or 2015. Moreover, over the years, NATO admitted Slovenia, Croatia, Albania, Montenegro and North Macedonia, in line with its view that the region is an integral part of its “common goal of a Europe whole and free”.⁶ Slovenia and Croatia also joined the EU. But the 2021 EU-Western Balkans summit showed just how fanciful were the hopes of other countries joining anytime soon. It ended with the pledge of a generous investment plan for the region, but only one mention of enlargement and all accession timelines dropped from the summit conclusions.⁷

Over the years, the gravitational pull once exerted by the prospect of EU membership over Balkan politics has faded along with the realisation that membership will take much longer and require much greater effort than people once expected.⁸ Accession is “beyond the political lifespan” of leaders, a former minister from the region observed in explaining why politicians in candidate countries are reluctant to pour personal capital into difficult reforms.⁹ Annual surveys across the region from 2015 to 2021 show that between 20 and 28 per cent of respondents believe their country will “never” join the EU.¹⁰ As a result, the EU's investments in the region and recent achievements – adopting a new enlargement methodology; opening a new cluster of accession chapters with Serbia; and consolidating member states' agreement to advance talks with Albania and North Macedonia – have not had the political impact that Brussels hoped for.¹¹

As full accession has receded as a near-term possibility, other prospects for bringing greater unity to the region have emerged and shown varying degrees of progress. For example, the Open Balkan Initiative launched by Albania, North Macedonia and

⁴ Declaration, EU-Western Balkans summit, Thessaloniki, 21 June 2003.

⁵ “The Balkans in Europe's Future”, International Commission on the Balkans, April 2005, p. 7.

⁶ NATO Bucharest summit declaration, 3 April 2008. Slovenia joined in 2004, Albania and Croatia in 2009, Montenegro in 2017 and North Macedonia in 2020.

⁷ “EU-Western Balkans Summit, Brod pri Kranju, Slovenia”, Council of Europe, 6 October 2021.

⁸ In 2015, 51 per cent of Albanians and 37 per cent of Kosovars expected their countries to join the EU by 2020; in 2021, expectation of membership by 2025 had slipped to 39 and 30 per cent, respectively. A majority in all countries in the region expects membership by 2030. Regional Cooperation Council, Balkan Barometer database.

⁹ Comment at Balkan Dialogues event, Paris, 9 May 2022.

¹⁰ Annual surveys across the region from 2015 to 2021 show that between 20 and 28 per cent of respondents believe their country will “never” join the EU. Balkan Barometer, op. cit.

¹¹ Comments by EU officials at forum attended by Crisis Group, January 2022.

Serbia in 2019 is meant to create a slimmer, local version of the EU's Schengen zone, in which people and goods move freely among its member states.¹² Speaking to economic ills it seeks to ease, the EU's chief for enlargement, Olivér Várhelyi, said the plan may "change the realities on the ground, which are very bleak".¹³ It is one of very few locally owned proposals in a region that depends too much on international diplomacy to solve its problems, although it has its critics. Some commentators argue the scheme is meant to spread Belgrade's influence across the region while neglecting or ignoring EU standards; Bosnia, Kosovo and Montenegro have declined to join because they see it as too Serb-driven, though Montenegro is reconsidering.¹⁴ Belgrade has yet to spell out how it would treat Kosovo were it to join the initiative, given its non-recognition.

As for the broader project of European integration, several leaders in the Union have proposed alternative ways of strengthening their bonds with states outside the EU. President Emmanuel Macron, representing the Presidency of the EU Council in the first half of 2022, tapped into effervescence around Ukraine's aspirations when he suggested that Europe be more creative about fostering unity outside membership. In a 9 May speech calling for a new "European political community", he posited that: "The EU, given its level of integration and ambition, cannot in the short term be the only way to structure the European continent".¹⁵ Thus far, however, the details of what the new "community" might look like are scant.

Against this backdrop, it remains difficult to say with confidence that the surge in integrationist sentiment following Russia's invasion of Ukraine is poised to create new near-term accession possibilities for the Western Balkans. While there is broad agreement that Europe must secure the Western Balkans against Russian destabilisation and that the prospect of membership is a key instrument for that purpose – indeed, the one that regional authorities care about the most by far – most member states reject the idea of watering down accession requirements, and there simply is not sufficient support among the members for admitting new ones in the near term.¹⁶ The EU's reliance on consensus-based decision-making contributes to member states' scepticism about enlargement, as does backsliding on rule of law in some member states.

The bigger problem, though, may be how few steps the Balkan EU candidates have so far taken toward the reforms required, beyond (largely symbolic and recent) alignment with the EU against Russia.¹⁷ It is an open secret among officials in the region,

¹² Dušan Ristić, "Open Balkan Initiative: Less history, More Business," European Policy Centre (blog), 13 September 2021.

¹³ "Olivér Várhelyi for 'Open Balkan': The EU supports it. Other states participate, changing the grim reality on the ground," *Politiko* (Tirana), 21 December 2021.

¹⁴ Kurt Bassuener, "U.S. focus on 'Open Balkan' economic project risks open season," *Just Security*, 11 November 2021.

¹⁵ Speech by Emmanuel Macron at the end of the Conference on the Future of Europe, Strasbourg, 9 May 2022.

¹⁶ Crisis Group interviews, European diplomats, May 2022.

¹⁷ Albania, Kosovo, Montenegro and North Macedonia aligned fully, matching EU sanctions; Bosnia and Herzegovina aligned only partially, along with Serbia. G7 foreign ministers' communique, 14 May 2022. The non-EU Balkan states have made little progress themselves in meeting the core "Copenhagen criteria" for EU membership. These are summarised by the European Council as:

some of whom share the perspective offered by one attendee at a regional dialogue: “We are in a vicious circle where we are not integrating because, objectively, we don’t meet the requirements, and we’re not reforming because the EU doesn’t give us a clear membership perspective”.¹⁸ The impediment to accession for the region’s governments is not just a failure to meet the technical criteria of membership (though that is certainly a problem) but more basic economic and governance shortfalls. The region’s inhabitants suffer as a result. Many are voting with their feet, moving elsewhere.¹⁹ At least some states, notably Bosnia, arguably appear closer to collapse than being viable candidates for EU membership.

B. *Lagging Behind Economically*

As long as the Balkan economies continue sputtering, their EU accession prospects will as well. In the words of EU enlargement commissioner Várhelyi, the key to “long-term peace and stability” is closing the “enormous gap in terms of economic development” between Balkan states and EU members.²⁰

None of the region’s six states that have yet to accede to the EU, dubbed the WB6 in Brussels, has what the European Commission would consider a “functioning market economy” strong enough to allow for bloc membership.²¹ There are no definitive criteria, but one good indicator is prosperity as measured by per capita GDP in purchasing power parity terms. Bulgaria, the poorest country ever to join, had a per capita GDP of only 41 per cent of the EU average when it acceded in 2007. That may be too little today.²² Croatia, the last to join in 2013, had 60 per cent.²³ The WB6 range from 26 to 46 per cent of the EU average and have made only halting progress, gaining between 1.8 and 6.6 per cent over the past decade. At that rate, no Balkan state – not even Serbia and Montenegro, which have passed Bulgaria’s 2007 level – will reach 60 per cent for decades.²⁴

“democracy, the rule of law, human rights and respect for and protection of minorities, the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union”. Conclusions of the Presidency, European Council, 21-22 June 1993, p. 12.

¹⁸ Comment by senior official from Western Balkans at Balkan Dialogues event, Paris, 9 May 2022.

¹⁹ “The long decline: Mass migration batters Balkans”, France 24, 2 January 2022.

²⁰ Olivér Várhelyi, “The future of enlargement from a European perspective”, speech to Forum on Western Balkans (Konrad Adenauer Stiftung), 7 September 2020.

²¹ Türkiye, by contrast, does have such an economy “despite serious concerns in this regard”. “2020 Communication on EU Enlargement Policy”, European Commission, 6 October 2020, p. 14.

²² Bulgaria (with Romania) was subject to an extraordinary cooperation and verification mechanism after accession, especially to monitor their achievements in the rule of law, transparency and against corruption. “Cooperation and Verification Mission for Bulgaria and Romania”, European Commission, n.d.

²³ All figures in this paragraph are based on World Bank data for per capita GDP in purchasing power parity terms using the current international dollar.

²⁴ International Monetary Fund estimates are a little more optimistic but still show no Balkan state reaching 60 per cent of the EU average before the late 2030s. Crisis Group calculations are based on IMF projections (through 2026) using per capita GDP in purchasing power parity terms in current international dollars, with the rate of convergence with the EU average from the period 2016-2026 extrapolated forward in time.

Most of the WB6 are also falling farther behind the EU's poorest members.²⁵ The bloc's vaunted cohesion spending in its newest, poorest states helps keep them ahead of their Balkan peers. High-value investment tends to lodge in those states or deeper in the European heartland.²⁶ The Balkans lose out, albeit in a relative sense, in that investment elsewhere makes it harder for them to meet the accession requirements of being able to sustain EU market pressures, which grow along with the EU economy.²⁷ The WB6 are not racing toward a fixed finish line: they are trying to catch the runners ahead of them.

Western Balkan countries suffer many economic ills, from infrastructure gaps to shoddy regulation and labour market shortcomings.²⁸ The region, for instances, has unusually low rates of meritocratic leadership, with the WB6 on average ranking 119th among 141 countries on "reliance on professional management" (as opposed to the work of relatives or friends).²⁹ The widely held perception that "connections rather than hard work guarantee success" represents a structural defect that illustrates one of the many ways in which Balkan state economies are not delivering for their populations.³⁰ Unemployment is high, yet labour force participation is low, meaning that few people are looking for work and that of those who are looking, few are finding jobs.³¹

²⁵ The IMF projects that only Serbia will – barely – gain on Bulgaria by 2026; Albania and Serbia are also projected to gain slightly on Croatia by the same year (which is the last available IMF projection). Bosnia, Kosovo, Montenegro and North Macedonia are all projected to fall farther behind both Bulgaria and Croatia over the same period.

²⁶ Crisis Group telephone interview, Serbian political analyst, 15 September 2021.

²⁷ The EU's pledge of "up to" €9 billion in investment for these countries over the period 2021-2027 looks different in this light. EU funding for Bulgaria alone under the regional development and cohesion funds is over €10 billion. For Croatia – also a member state, with a population less than one quarter that of the WB6, and already much richer than any of them – it is almost as high. The region's annual trade deficit with the EU in 2020 was €7.9 billion, not much less than the promised seven-year aid package. "2021-2027 Cohesion Policy EU Budget Allocations", European Commission, July 2021. "Western Balkans-EU international trade in goods statistics", Eurostat, April 2021.

²⁸ In the European Commission diagnosis, the region suffers from "high unemployment rates, in particular among the youth, large skill mismatches, persistent informal economy, brain drain, low female labour market participation and low levels of innovation ... [as well as] weak rule of law, lack of adequate enforcement of State aid rules, an entrenched grey economy, poor access to finance for businesses and low levels of regional integration and connectivity". "2020 Communication on EU Enlargement Policy", op. cit., p. 14.

²⁹ Population-weighted average of scores. Meritocracy – assigning leadership positions to those most qualified, rather than on some other basis – is arguably associated with a wide range of positive social outcomes. Adrian Wooldridge, "Meritocracy, not democracy, is the golden ticket to growth", Bloomberg, 16 May 2021; and *The Aristocracy of Talent: How Meritocracy Made the Modern World* (New York, 2021). World Economic Forum, Global Competitiveness Report 2019. The question was "in your country, who holds senior management position?" and respondents answered on a seven-point scale with 1 meaning "usually relatives or friends without regard to merit" and 7 "mostly professional managers chosen for merit and qualifications". Kosovo was not surveyed. Similarly, the WB6 as a group rank 104th of 141 on whether "government officials show favouritism to well-connected firms and individuals when deciding on policies and contracts". World Economic Forum, Global Competitiveness Report 2017-18. This question did not appear in the 2019 or later reports.

³⁰ Balkan Barometer, op. cit., p. 125.

³¹ By comparison, in Eastern and Central Europe unemployment is low and labour force participation higher. Part of the difference is due to gender: many fewer women work for pay in the Balkans

The Balkan economies are among the least competitive in Europe and comparable to those of developing countries facing much worse historical legacies and contemporary difficulties.³² Local business leaders know the problems, and therefore invest very little at home. For at least two decades, private domestic investment has been exceptionally low throughout the region, with Serbia lowest among all comparable (“transition”) economies. That lack of confidence deters foreign investors: if those who know the situation best choose to take their money elsewhere, why should outsiders risk putting money into the Balkans?³³ Leaders who want a steady diet of good economic news (jobs, projects, factories) are forced to lure investors with expensive packages of tax breaks and subsidies, as with the Italian-U.S. automotive giant Fiat Chrysler (now part of Stellantis) plant in Serbia, or by lobbying friendly governments (and accepting questionable loans), as with the Chinese-built highway in Montenegro.

C. Governance Challenges

Two leaders in the region flirt with increasingly authoritarian forms of government, albeit within the trappings of democracy.³⁴ Montenegro’s Milo Djukanović and Serbia’s Aleksandar Vučić continue to show such illiberal tendencies. Both exert what amounts to editorial authority over much of the media. Both have close family members who have been repeatedly linked to corruption or crime.³⁵ Until April, Vučić presided over a parliament virtually without opposition: due to an opposition boycott, all delegates (except a handful of ethnic minority representatives) belong to parties in the governing coalition.³⁶

The democratic deficit in the region at once magnifies qualms about EU enlargement and raises doubts about its effectiveness as an instrument for promoting good

(in Kosovo, only one in ten do). High levels of remittances from relatives working abroad probably contribute, too. Hermine Vidovic, “Why Western Balkan Labour Markets are Different”, Vienna Institute for International Economic Studies, Autumn 2018.

³² For example, in the World Economic Forum’s Global Competitiveness rankings, Serbia tops the Balkan region at 72nd place (of 141), just behind Jordan, while Bosnia trails at 92nd place just ahead of Egypt. Albania is an outlier in these surveys. It performed much better than its Balkan peers. By contrast, EU member Croatia did badly. On average, the five former Yugoslav states for which data is available ranked 127th and 112th of 141 countries on the professional management and favouritism questions noted above. As a group, the post-Soviet states and Bulgaria rank far above the former Yugoslav republics, 85th and 96th respectively. World Economic Forum, *Global Competitiveness Report 2019*, p. xiii. Belarus and Kosovo were not ranked.

³³ Crisis Group telephone interview, economist familiar with the Balkans, 30 September 2021.

³⁴ Steven Levitsky and Lucan A. Way, *Competitive Authoritarianism: Hybrid Regimes after the Cold War* (Cambridge, 2010).

³⁵ On occasion in Serbia, armed individuals apparently linked to the government (for example, arriving in identical cars commonly used by officials immediately after police left the scene) have dispersed protesters. Gordana Petković, “Huligani koji su tukli narod u Šapcu došli u ‘Škodama’ SNS službenika [The hooligans who beat the people in Šabac arrived in Škodas of SNS officials]”, *Nova*, 28 November 2021; “Srbija i protesti: Blokade autoputeva i mostova zbog usvojenih zakona, incidenti u Šapcu, Beogradu i Novom Sadu [Serbia and the protests: Highways and bridges blockaded because the laws passed, incidents in Šabac, Belgrade and Novi Sad]”, BBC Serbian, 27 November 2021.

³⁶ Vučić handily won re-election as president in the 3 April general election, but his party lost ground and will need to form a coalition to retain control of government.

governance. In some places – notably, as discussed below, North Macedonia – the lure of accession has clearly helped. But in Serbia, the desire of EU (and U.S.) officials to deal with a strong leader who could deliver difficult concessions in negotiations with Kosovo, can arguably undercut that goal. Serbia’s Vučić retains Western support despite his democratic backsliding and half-hearted response to Russia’s invasion of Ukraine.³⁷ Moreover, rule of law challenges in states that have crossed the accession threshold – notably, Hungary and Poland, against which the Commission has started infringement proceedings – make clear the difficulty of policing adherence to the EU’s values once states become members.³⁸

The region’s statesmen are experienced at playing external powers off one another, as well as at balancing their own domestic priorities with the outsiders’ demands. Djukanović and Vučić have leveraged their willingness to cooperate with the U.S. and EU on high-priority matters to gain space to consolidate power. Djukanović pioneered this tactic by siding with the West against then-Serbian President Slobodan Milošević in the late 1990s and using Western support to deflect attention from his reported links to organised crime and smuggling.³⁹

Vučić came into office after his reformist predecessor Boris Tadić was swept out following public humiliation at the hands of German Chancellor Angela Merkel.⁴⁰ In one of his first acts as president, Vučić consented to EU demands to dissolve many Serbian institutions in Kosovo and pressure the Serbs to vote in Kosovo elections.⁴¹ Thanks to those concessions, he enjoyed public support from a range of European leaders, including Merkel, even as he tightened his grip on power at home.

In Montenegro, Djukanović presided uninterrupted for almost 30 years over a government with authoritarian traits. He is head of the Democratic Party of Socialists, which he has led since 1998. In that time, he has served as prime minister (1991-1998, 2003-2006, 2008-2010, 2012-2016) and president (1998-2002, 2018-present). The lack of political renewal did not stop Montenegro from being a front runner for EU accession, with the region’s highest standard of living, or from joining NATO in 2017.

Elections in August 2020 brought in a coalition to replace Djukanović’s party. He is still in office as president, a position with little power; yet the transition has been anything but smooth. The winning coalition is a disparate group of Serb nationalists, progressives and ethnic minorities. Its majority is razor-thin and internal disagree-

³⁷ “US diplomat welcomes Serbia’s progress on path to Europe”, N1, 9 March 2022; Andrew Higgins, “Bound by sense of victimhood, Serbia sticks with Russia”, *The New York Times*, 30 March 2022.

³⁸ See, for example, “EU founding values: Commission starts legal action against Hungary and Poland for violation of fundamental rights of LGBTIQ people”, press release, European Commission, 15 July 2021.

³⁹ Bojana Barlovac, “Book: Djukanović used immunity in cigarette smuggling”, *Balkan Insight*, 11 January 2010; Ian Traynor, “Mafia chief links Balkan leader to tobacco scam”, *The Guardian*, 27 September 2003.

⁴⁰ In her first visit to Serbia after its government had arrested General Ratko Mladić and extradited him to the International Criminal Tribunal for the former Yugoslavia, a long-time EU demand, Merkel dismissed Belgrade’s proposals on Kosovo and demanded major concessions. See “Kosovo tensions visible as Merkel visits Belgrade”, *Deutsche Welle*, 23 August 2011. See also Crisis Group Europe Report N°215, *Kosovo and Serbia: A Little Goodwill Could Go a Long Way*, 2 February 2012; and Crisis Group interviews, former Serbian officials and civil society leaders, Belgrade, September 2021.

⁴¹ See Crisis Group Report, *Relaunching the Kosovo-Serbia Dialogue*, op. cit.

ments threaten its ability to survive a full term. Meanwhile, the president is clinging to as many of his former prerogatives as he can. Many Djukanović appointees and allies remain in place. Much of the financial sector and many media outlets are still aligned with Djukanović.⁴² By contrast, the judiciary has started to reform, with the ouster of long-time chief prosecutor Milivoje Katnić on 17 February and the arrest of former Supreme Court Justice Vesna Medenica on 18 April.⁴³

The president's efforts to claw back his authority contributed to violent protests on 5 September 2021 during the enthronement of Serbian Orthodox Metropolitan Joanikije II in the Cetinje monastery. Most Montenegrins are members of the Serbian Orthodox Church, but a minority backs a breakaway Montenegrin Church. Some nationalist Montenegrins see the larger church as an instrument of Serbian hegemony.⁴⁴ Djukanović reportedly urged his supporters to disrupt the inauguration.⁴⁵ Between 400 and 800 violent demonstrators blocked the route to the monastery, and the incoming metropolitan and Patriarch Porfirije were flown in by army helicopter and escorted inside behind bulletproof shields.⁴⁶ Djukanović's security adviser and former police chief Veselin Veljović was arrested after calling on police to "switch sides" and then trying to break through their lines with demonstrators in tow.⁴⁷

D. *The North Macedonia Success Story*

Still, there is at least one success story in the West Balkans. North Macedonia was blocked for several years from moving toward EU and NATO membership by a seemingly insoluble dispute with neighbouring Greece over its name and identity.⁴⁸ All that changed as a new government took office in May 2017 and swiftly reached agreement with Greece the next summer.⁴⁹ It is a rare bright spot in the region.

The transformation began in May 2015, with a massive, ethnically mixed demonstration against the government of Prime Minister Nikola Gruevski and his VMRO-DPMNE party, which had been rocked by revelations of staggering corruption and lawlessness.⁵⁰ The protest movement, together with EU mediation, persuaded Gruevski to step down and consent to new elections. The opposition Social Democrats won in a campaign featuring outreach to the country's minority Albanian population and formed a new government with substantial Albanian and other minority support.

⁴² Crisis Group telephone interviews, former international official, 8 September 2021; Montenegrin journalist, 30 September 2021.

⁴³ "Report: Montenegro ex-judge jailed, tied to drug trade" AP, 18 April 2022; Samir Kajosevic, "Special prosecutor in Montenegro 'coup' case criticizes his dismissal", *Balkan Insight*, 17 February 2022.

⁴⁴ Djukanović's party sought to capitalise on this sentiment by expropriating Church property in 2019, leading to massive demonstrations that eventually forced it to back down and may have cost it the next year's elections. See Marijana Camović, "The law that rocked Montenegro", *Kosovo 2.0*, 18 April 2020.

⁴⁵ "Montenegro clashes as Serb Orthodox Church leader installed", BBC, 5 September 2021.

⁴⁶ Crisis Group interview, Belgrade University professor, 21 September 2021.

⁴⁷ Crisis Group telephone interview, former international official, 8 September 2021.

⁴⁸ Crisis Group Europe Briefing N°75, *Macedonia: Defusing the Bombs*, 9 July 2015.

⁴⁹ The Prespa agreement, which settled the dispute, was signed on 17 June 2018, ratified by both parties, and came into effect on 12 February 2019.

⁵⁰ Crisis Group Briefing, *Macedonia: Defusing the Bombs*, op. cit.

Once installed as prime minister, Zoran Zaev made reaching an accord with Greece a high priority, taking advantage of his rapport with his Greek counterpart Alexis Tsipras, like him a young leftist leader. The two were able to conclude a deal by which Skopje agreed that its country would be called “North Macedonia” in all instances, while Athens accepted that “Macedonian” could be used to describe its language and people. Though they had quiet international support (notably from long-time UN envoy Matthew Nimetz), by all accounts Zaev and Tsipras – and not pressure from New York, Washington or Brussels – drove the negotiations forward.⁵¹

North Macedonia’s political transition has also been bumpy at times. Though many civil servants affiliated with the VMRO-DPMNE stayed on, several hardliners resigned from their posts. It took time for the old guard in the bureaucracy to make their peace with the new government, which they did not fully trust, and the government often circumvented formal channels to carry out policy, relying on its own trusted political appointees.⁵² Charged with corruption, Gruevski fled to Hungary, which granted him asylum; he was convicted and sentenced to prison in absentia.⁵³

Still, North Macedonia is more notable for its successes than the setbacks it has faced. Even during the worst of the Gruevski years, relations between the state’s Macedonian majority and Albanian minority were arguably a model for the rest of the Balkans. Minority officials served in positions of real authority in government.⁵⁴ The main Albanian party at times played kingmaker between its two majority rivals without arousing much resentment. Tensions persisted at lower levels and occasionally, most recently in 2015, blew up into violence.⁵⁵ Yet relations have generally been smooth and have improved further since 2015.

While NATO rewarded North Macedonia with membership in 2020, the EU did not start accession talks and the path ahead appears long. Even with the name dispute behind it, the start of accession talks was blocked first by France (over general objections to the enlargement policy) and then by Bulgaria. Beyond general concerns about the impact that a broader EU accession would have on internal funds allocations, Sofia insists, based on an opaque claim, that North Macedonia must accept

⁵¹ Crisis Group telephone interviews, foreign policy adviser to North Macedonia’s prime minister, 4 November 2021; Zoran Nechev, head of EU integration office, Institute of Democracy, Skopje, 24 November 2021. Greece won the concession that Skopje would use North Macedonia as its name in all circumstances (*erga omnes*), while North Macedonia won Greek agreement to use “Macedonian” to refer to ethno-linguistic identity in all circumstances.

⁵² Crisis Group telephone interview, Macedonian civil society leader, 24 November 2021

⁵³ He was convicted on corruption charges after organising a protest that prevented opposition leaders from blocking a controversial €600 million construction plan. “North Macedonia’s ex-PM Gruevski sentenced to prison”, RFE/RL, 29 September 2020; Shaun Walker, “Anti-asylum Orbán makes exception for a friend in need”, *The Guardian*, 20 November 2018. In a further twist, the special prosecutor chosen by cross-party consensus to investigate high-level government corruption was herself later convicted of abuse of office for letting a wealthy businessman escape justice. Sinisa Jakov Marusic, “North Macedonia jails ex-special prosecutor over ‘extortion’ case”, *Balkan Insight*, 18 June 2020. That drained much of the energy from the prosecution and was a setback for those who hoped for progress against impunity for high-level corruption. Crisis Group telephone interview, Zoran Nechev, head of EU integration office, Institute of Democracy, Skopje, 24 November 2021.

⁵⁴ Crisis Group interviews, senior North Macedonian officials and civil society figures, Skopje, 2013-2015, 2021.

⁵⁵ Crisis Group Briefing, *Defusing the Bombs*, op. cit.

that its people have Bulgarian roots. A U.S. official described the latter move as harmful and “really unacceptable”.⁵⁶ The stoppage of accession talks contributed to the Social Democrats’ poor showing in municipal elections in October 2021 and then to Prime Minister Zaev’s resignation on 31 October.⁵⁷ A new prime minister, Dimitar Kovačevski, took office on 17 January 2022. The Ukraine crisis pushed some states to re-evaluate, however, and Paris is determined to see membership talks start by 30 June.

⁵⁶ Crisis Group interview, U.S. official, Washington, 16 July 2021.

⁵⁷ “North Macedonia PM Zaev resigns after poor poll showing”, France 24, 1 November 2021.

III. Great-Power Competition

Russia, China and the Western powers (referring here to the U.S. and EU) have all vied in recent years for influence in the Western Balkans, with the West fretting that it might be losing ground. Even before Russia's invasion of Ukraine, U.S. and European politicians increasingly spoke in terms of geostrategic competition when debating policy in the Balkans. As the 1990s interventions receded and their engagement waned, many in Brussels and Washington worried that a vacuum was emerging for Russia, China and others to fill. They watched with concern as Serb leaders in Belgrade and Banja Luka won meetings with Russian President Vladimir Putin, Chinese firms made sweeping investments and Turkish President Recep Tayyip Erdoğan toured the region. Russia's war in Ukraine has upped the ante, with EU heavyweights worried that the region is vulnerable to Russian disinformation and destabilisation efforts.⁵⁸ A German minister warned in April that the war could set off a "chain reaction" in the Western Balkans.⁵⁹

Russia's actions in Ukraine are reshaping its relations with Balkan states, though how extensively will depend in part on the West's own policies toward the region. Russia's foothold has been based on its positioning as an alternative to the West for regional politicians dissatisfied with U.S. and EU policy preferences. This strategy was particularly successful in Serbia. During the conflicts of the 1990s, Moscow criticised and tried to prevent NATO's bombing of Serb targets in Croatia and Bosnia (1994-1995), and later in Kosovo, Montenegro and Serbia (1999). Moscow offers Belgrade solid support on Kosovo, which Serbia still considers a renegade breakaway, with a promise to veto any Security Council resolution that impinges upon what Belgrade sees as its interests. Tabloid media close to the government have been overwhelmingly pro-Russian at least since 2013. But although accounts suggest that support among many Serbs has not wavered, elsewhere in the region the war has dealt a blow to Russia's reputation, the appeal of its weapons industry, and its trustworthiness as a security partner and energy supplier.⁶⁰

The scope and speed of Western sanctions on Russia seem to have driven home to Balkan leaders the vehemence of Western antipathy toward Russia's actions. Some actors who had been sparring with the EU and U.S., such as the Bosnian Serbs (as discussed below), have backed off for the time being.

The response of Serbia's leaders to Russia's invasion of Ukraine, however, remains something of a wild card. While Belgrade has joined in all three UN General Assembly votes criticising the invasion – including the most recent and closest vote relieving Moscow of its seat on the Human Rights Council – it faced little cost for doing so, and Serbia (with Bosnia) has refrained from taking the more consequential step of imposing sanctions on Russia. In a televised interview on 15 May, Vučić rejected joining EU sanctions – disappointing many EU circles engaged in policy toward the

⁵⁸ Comments at Balkan Dialogues event, Paris, 9 May 2022.

⁵⁹ Oliver Noyan, "Germany warns of spillover effect of Ukraine war in Western Balkans", Euractiv, 7 April 2022.

⁶⁰ Higgins, "Bound by a sense of victimhood, Serbia sticks with Russia", *op. cit.*

region.⁶¹ On 29 May, even as EU leaders were meeting to try to agree on ratcheting up energy-related sanctions with an embargo on Russian oil shipments, Vučić clinched a new three-year gas supply contract in a telephone call with Putin.⁶²

Serbia's hedging strategy is driven by several considerations. Economic and security concerns factor in: like other states that have held out on joining Western sanctions on Russia, Serbia is wary of the blow to its significant ties with Moscow, which it looks to for weapons purchases and gas.⁶³ Moscow has used previous crises, such as the COVID-19 pandemic – when it made early vaccine shipments to Belgrade – to sweeten the appeal of these political and economic links.⁶⁴ The Kremlin agreed in November 2021 to supply Serbia with gas at below-market rates in exchange for concessions, including the sale to Russia of a majority stake in a Serbian petrochemical firm.⁶⁵ Affinity for Moscow among the public and many opinion-makers is also strong, with some looking east for inspiration; if the Kremlin succeeds in redrawing Ukraine's borders by force and wins partial or full global acceptance, it could encourage Serbian expansionists who might wish to follow Moscow's lead.⁶⁶

As for China, the other great-power patron active in the Western Balkans, it has approached the region more cautiously, seeking to advance its interests by investing heavily throughout the area.⁶⁷ Evident goals of Beijing's regional policy, which appears to be roughly the same for all sixteen of the Eastern European states that it covers, include a long-term effort at strengthening ties with states that are already,

⁶¹ "Vučić: G7 su mi otvorile oči [Vučić: the G7 opened my eyes]", *Kossev*, 15 May 2022. A senior EU member state official said: "The EU sees alignment [with its policy toward Russia] as of major importance". Comment (echoed by others) at the Balkan Dialogues event, Paris, 9 May 2022.

⁶² Ivana Sekularac, "Serbia's Vucic says he agreed a three-year gas supply contract with Putin", *Reuters*, 29 May 2022.

⁶³ Gazprom, the Russian energy company, owns a majority stake in Serbia's main oil and gas firm. Vuk Vuksanović and Marija Ignatijević, "What's behind the arms buildup in the Balkans", *War on the Rocks*, 28 December 2021.

⁶⁴ Vaccine shipments from Russia and China let Serbia immunise its population before other countries in the region could. It was even able to offer shots to tourists. Serbia is also home to the first European manufacturer licenced to produce the Sputnik vaccine. Such assistance has helped the Vučić administration resist EU pressure for political reform in the past.

⁶⁵ Vuk Vuksanović, "Russia's gas gift to Serbia comes with strings attached", *Euronews*, 4 December 2021; "Preuzeta Petrohemija [Petrohemija taken over]", *B92*, 24 December 2021.

⁶⁶ The idea that Serbia might seek in some way to unite with Serbian populations in neighbouring states is, at present, far-fetched. But it is something that at least some senior Serbians appear to entertain. Some Serbian intellectuals and officials, notably internal affairs minister, Aleksandar Vulin, talk about the *Srpski svet* (Serbian world), a concept reminiscent of the vision for a Greater Serbia that Milošević and others nurtured in the 1990s, and which also has echoes of the *Ruskiy mir* (Russian world) concept promoted under Putin and evoked when Russia annexed Crimea in 2014. See "Vulin: Vučić treba da stvara Srpski svet, on je predsednik svih Srba [Vulin: Vučić should create the Serbian world, he is president of all Serbs]", *Danas*, 26 September 2020. The concept appears to be intentionally vague and meant to appeal to nationalist-minded voters in Serbia, especially those who might otherwise suspect the government of being too accommodating to Western pressure. It is not official state policy. See "Vučić: Srbija ne ruši nezavisnost Crne Gore [Vučić: Serbia is not attacking the independence of Montenegro]", *Radio Free Europe*, 8 September 2021.

⁶⁷ Crisis Group online interview, international financial institution representative, September 2021. See also Vuk Vuksanović, "The Dragon lands in Belgrade: The drivers of Sino-Serbian partnership", *National Interest*, 19 March 2022.

or may in the future be, represented on the European Council, which is the EU's main political body. It also appears to be focused on diversifying transport options for export to the EU market. Unlike Russia, China has shown little interest or involvement in Western Balkan countries' political affairs, with certain exceptions. It has strongly supported Serbia's position with respect to Kosovo's independence, largely due to its own posture with respect to Taiwan's status. Serbia's ruling party also has ties with the Chinese Communist Party and its officials have offered effusive praise of Beijing's policies in Xinjiang.⁶⁸

Yet while both Russia and China are players in the Balkans, the EU and the U.S. still have a leg up on their rivals, particularly if the war in Ukraine spurs them to engage more deeply and add to already substantial funding in the region. Majorities in every Western Balkan state support EU membership.⁶⁹ The European bloc accounts for most of the region's trade and investment. Two states use the euro and a third, Bosnia, maintains a currency board peg to it; the other three are nominally independent, but in practice closely track the euro, too. Balkan people working abroad overwhelmingly find jobs in Europe. In the words of an EU official, "The main driver in the region is the EU perspective. People still want and believe it. They regret that it is not moving forward, and they are beginning to doubt that it is going to happen, but it remains the objective".⁷⁰ The U.S. economic footprint is smaller, but Balkan leaders still fear and respect Washington.

⁶⁸ "Interview: On Xinjiang and terrorism, U.S. double standards on display", Xinhua, 18 December 2019.

⁶⁹ Balkan Barometer, *op. cit.*

⁷⁰ Comments by EU officials at forum attended by Crisis Group, January 2022.

IV. Bosnia, Kosovo and Serbia: Unfinished Business

The Western Balkan states where EU policy is likely to be most critical in the coming years are Bosnia and Herzegovina and Kosovo – both states over which major wars were fought in the 1990s. Serbia, the neighbourhood's largest and most influential state, will also play an outsized role in the resolution of the region's unfinished business.

A. Bosnia and Herzegovina

The Dayton peace accord that has held Bosnia and Herzegovina together since the 1991-1995 war is unravelling. For more than 25 years, the accord has united two self-governing entities – one dominated by ethnic Serbs and the other by Bosniaks (Bosnian Muslims) – in a single state. But now Serb leader Milorad Dodik is threatening to withdraw from state institutions that are shared among the country's three main ethnic groups, Bosniaks, Serbs and Croats, in a bid for greater autonomy that at times has looked like it might feed into a drawn-out process of secession. His challenge to the Bosnian state is the most serious since Dayton ended the Bosnian war that left about 100,000 dead and the country in ruins. It comes at a moment of intense polarisation. Trust among rival political factions has almost entirely broken down, with a long-running dispute between Bosniak and Croat leaders over the country's election law having produced a tactical alliance between Croats and Serbs, who already share a dislike of central authorities in Sarajevo.

1. Background

Under the Dayton accord, Bosnia and Herzegovina is structured around two highly autonomous entities and three constituent peoples (Bosniaks, Croats and Serbs). The entities comprise the larger Federation of Bosnia and Herzegovina and the smaller Republika Srpska (RS). The small Brčko District technically belongs to both but is self-governing; it joins the two halves of RS into a contiguous whole.

The constitution created a weak central state, giving the entities and the peoples extensive powers. One of these is the entity veto. Two thirds of either entity's representatives can veto any legislation without recourse. Another is the vital national interest veto. A majority of any constituent people's representatives can veto a law, though the Constitutional Court can override their veto. The state is headed by a three-person presidency comprising a Bosniak, a Croat and a Serb, each of whom enjoys independent veto power. The Bosnian state's powers were also limited to a short list of essentials; its first governments had only two ministers (foreign affairs and foreign trade), plus a chair. All other portfolios, including justice, most policing, taxation, education, health care, defence and security, were entity responsibilities.

Such a minimal state was probably too weak to survive for long.⁷¹ It was impossible for the leadership, which was still drawn from wartime factions, to agree on much. In response, in 1998, a group of outside actors that were helping manage the peace process endowed the High Representative, the official responsible for implementing

⁷¹ See Crisis Group Europe Report N°5, *Bosnia Policy Framework*, 30 April 1996, for contemporary views of Bosnia's limited prospects of survival.

the civilian parts of the Dayton accord, with broad governing powers.⁷² Over the next several years, successive High Representatives used their powers with increasing effect and transformed the country. Much of the time, they catalysed Bosnian leaders to act on their own. On some occasions, High Representatives acted themselves – to remove and appoint leaders, amend both entity constitutions and enact important laws, including the creation of a state court.⁷³

Bosnia's Constitutional Court reinforced these changes. The court has two members from each constituent people and three members selected by the European Court of Human Rights who cannot be from either Bosnia or a neighbouring state. In practice, the court's composition means that the Bosniak judges can band together with the foreigners to outvote the four Serbs and Croats at key moments. In 2000, for example, the court struck down large parts of both entity constitutions, paving the way for the High Representative to amend them with provisions that altered the balance of power in favour of the central state.⁷⁴

These state-building measures were divisive. In general, Sarajevo welcomed them and wanted them to continue, but Croats and Serbs tended to be at best ambivalent, at worst angry and hostile. Moreover, the vesting of so much power in an unelected High Representative became increasingly controversial over time, and not just inside Bosnia. In 2005, the Council of Europe's Venice Commission issued a damning report saying the High Representative's powers were "fundamentally incompatible with the democratic character of the state and the sovereignty of [Bosnia and Herzegovina]" and warning of "a strong risk of perverse effects: local politicians have no incentive to accept painful but necessary political compromises since they know that, if no agreement is reached, in the end the High Representative can impose the legislation".⁷⁵

Decisions by High Representatives aroused increasing opposition even as, after 2005, they came less frequently. Two decisions in 2011 provoked a crisis in which the RS made a credible threat to hold an illegal referendum challenging laws imposed by High Representatives.⁷⁶ High-level diplomacy led by then-EU foreign policy chief, Catherine Ashton, averted disaster by creating a "structured dialogue" on judicial reform. This forum allowed Serb leaders to claim their complaints concerning laws imposed by the High Representative on the state judiciary (which had prompted the referendum threat) would be addressed. That face-saving move, coupled with the

⁷² The Peace Implementation Council, an ad hoc group of 55 countries formed to support the peace process in Bosnia, authorised the High Representative to appoint and remove officials; impose government decisions and legislation; and order government bodies to meet.

⁷³ Dayton provided for a Constitutional Court but no other state-level judiciary, with the result that no court was competent to adjudicate violations of state law. In 2000, the High Representative created a Court of Bosnia and Herzegovina to fill that gap. There is still no supreme court that can address inconsistent rulings by entity courts.

⁷⁴ Constitutional Court of Bosnia and Herzegovina, Partial Decision, U-5/98, 1 July 2000.

⁷⁵ European Commission for Democracy through Law (Venice Commission), Opinion on the constitutional situation in Bosnia and Herzegovina and the powers of the High Representative, 11 March 2005, p. 22.

⁷⁶ High Representatives had imposed two measures that were particularly controversial, one suspending an RS law claiming title to extensive state property and the other overturning a decision of the Central Electoral Commission that had been favourable to Croat parties. See Crisis Group Europe Briefing N°62, *Bosnia: State Institutions Under Attack*, 6 May 2011.

High Representative's threat of further action, persuaded Banja Luka to cancel its referendum.⁷⁷ Yet RS officials had shown they were willing to go to the brink to resist laws imposed by the High Representatives, and from 2012 until July 2021, successive occupants of that office did not use this power.

During that period, Bosnia rested in an uneasy equilibrium between equally matched factions – the predominantly Bosniak Sarajevo-based parties that want to strengthen the national government arrayed against the Croat and Serb parties that seek autonomy, if not complete independence from it.⁷⁸ The Serbs and Croats have different grievances and different goals but support each other in most cases. In the face of this stalemate, Bosnians have made little progress toward reaching a common agenda. One of the few exceptions, an EU-mediated solution to a decade-long stand-off between Croats and Bosniaks, which had prevented the holding of municipal elections in Mostar, was bitterly resented by many Sarajevo-based parties.⁷⁹

2. The Serbs eye the door

This uneasy status quo ended on 23 July 2021, when outgoing High Representative Valentin Inzko imposed a law setting criminal penalties for denying genocide established by Bosnian or international courts; giving awards or naming public objects after persons convicted of genocide; and inciting hatred or violence against groups.⁸⁰ This law was mainly about the 1995 Srebrenica massacre of 8,000 Muslim men and boys by Bosnian Serb forces, which the International Criminal Tribunal for the former Yugoslavia in The Hague repeatedly characterised as genocide. Many Serbs acknowledge that Srebrenica was a terrible crime that left an indelible stain but reject the idea that it amounted to genocide.⁸¹ A vocal minority celebrates the killings and lionises the perpetrators.

Serbs reacted furiously to Inzko's law, with the main Serb-majority parties denouncing it and boycotting Bosnian state institutions.⁸² On 30 July 2021, a week after Inzko's decision, the Republika Srpska National Assembly passed laws of its own rejecting the imposed law, prohibiting RS officials from cooperating in its implementation and making various expressions deemed to be contemptuous of RS

⁷⁷ For background on the 2011 crisis, see Crisis Group Europe Report N°214, *What Does Republika Srpska Really Want?*, 6 October 2011.

⁷⁸ The main Sarajevo parties are the predominantly Bosniak SDA, NIP and SBB, and the civic SDP, DF and NS. Together with smaller parties, in the 2018 general election they received 51 per cent of the vote, while their candidates for the presidency received 49 per cent. Their rivals include the Serb SNSD, SDS, DNS, and SP and the Croat HDZ. Together with smaller parties, in the 2018 general election the Serb parties received 38 per cent of the vote and 40 per cent of the vote for the presidency, while the Croat parties scored about 11 per cent in both contests.

⁷⁹ In 2010, the Constitutional Court struck down a part of the Mostar city charter dealing with election of the city council, and the main Bosniak and Croat parties were unable to agree on new provisions. The 2012 and 2016 municipal elections could not be held in Mostar and the council elected in 2008 continued in office. Crisis Group interviews, senior EU officials, Sarajevo, July 2021.

⁸⁰ HR's Decision on Enacting the Law on Amendment to the Criminal Code of Bosnia and Herzegovina, 23 July 2021.

⁸¹ Crisis Group online interview, RS representative, 12 January 2022.

⁸² Republika Srpska National Assembly Conclusions 02/1-021-587/21, 30 July 2021, endorsing a cross-party agreement of 26 July 2021.

– including alleging that it was a “genocidal creation” – punishable by imprisonment.⁸³ Under the Dayton system, RS has no powers to reject High Representative decisions. Their actions were the start of a new campaign to reject, or redefine, that system.

Inzko’s replacement as High Representative, Christian Schmidt, took office on 1 August 2021 without approval by the UN Security Council.⁸⁴ Moscow and Beijing, backing RS, refused to endorse the appointment, setting the stage for RS to characterise Schmidt as illegitimate.⁸⁵ That places his executive powers on shaky ground. If Schmidt were to use his powers to annul RS laws or remove officials from office, Banja Luka could count on Chinese and Russian support for its rejection of his acts. In practice, they have shown a willingness simply to ignore the High Representative: when Schmidt used his powers to suspend an RS law taking ownership of state property, on 12 April 2022, Dodik replied by saying the property remained in RS hands and Schmidt “should buy a one-way ticket to Germany”.⁸⁶

Inzko’s law triggered an RS campaign to cut ties with the state.⁸⁷ After heated debate on 10 December 2021, culminating in an opposition walkout, the RS National Assembly passed resolutions revoking consent for the transfer of powers to the state in three areas: indirect taxation, justice and defence. It tasked the government with drafting laws re-establishing entity authority in those areas, with a six-month deadline. It also adopted a Declaration on Constitutional Principles, which asserts that all laws imposed by High Representatives are unconstitutional and ordering the RS government to draft a new entity constitution.⁸⁸

The war in Ukraine has put the RS secessionist campaign in abeyance. On 6 June, the RS assembly paused rollout of its separatist measures for six months due to “geopolitical circumstances”.⁸⁹ Banja Luka needs Russian support and Western inaction for its breakaway gambit to succeed – and neither condition seems reliably met with Moscow distracted by the war and the West more active in the region than it has been in decades. Speaking to the European Parliament on 15 March, separatist leader Dodik

⁸³ Press release, RS National Assembly, 30 July 2021.

⁸⁴ While not responsible for High Representative appointments, the UN Security Council has traditionally affirmed or welcomed them and has approved use of the office’s powers on numerous occasions. China and Russia offered a Security Council resolution affirming Schmidt’s appointment but calling for his executive powers to cease and for his office to close in one year. When that resolution failed, Moscow and Beijing indicated they would not otherwise agree to the appointment. See “Bosnia and Herzegovina: Vote on a draft resolution”, *Security Council Report*, 21 July 2021.

⁸⁵ “Dodik: Schmidt falsely represents himself as a High Representative and shows some optimism”, *Sarajevo Times*, 1 August 2021.

⁸⁶ Office of the High Representative, “Order suspending the application of the law on immoveable property used for functioning of public authority”, 12 April 2022; “Dodik: Imovina RS pripada RS [Dodik: RS property belongs to RS]”, N1, 12 April 2022.

⁸⁷ “Dodik: Povlačimo saglasnost na OS BiH, zabrana rada SIPA-e i OSA-e u RS [Dodik: We are withdrawing consent to the Armed Forces of BiH, banning activity of SIPA and OSA in RS]”, *Vijesti*, 7 October 2021.

⁸⁸ “Okončana 24. Posebna sjednica: Usvojena deklaracija o ustavnim principima i četiri informacija o prenosu nadležnosti sa zaključcima [24th special session finished: Declaration on Constitutional principles and four reports on transfer of competencies with conclusions adopted]”, press release, RS National Assembly, 10 December 2021.

⁸⁹ Republika Srpska National Assembly, Conclusions, 6 June 2022.

repeatedly denied that RS sought formal independence; he also supported Ukraine's territorial integrity and condemned the use of force there "no matter where it comes from".⁹⁰ Dodik reportedly declined a Russian invitation to attend its 9 May parade commemorating victory in World War II.⁹¹ Yet while Dodik may have altered his timeline and is distancing himself from Moscow, there is no sign that he is reconsidering his overall strategy.

3. The Croats want more

While the Serbs were launching what could be seen as a slow-motion breakaway attempt, a long-simmering dispute between Bosniaks and Croats over the national election law escalated. There are two intertwined issues, whose resolution requires amending the constitution.

The first issue involves the constitutional provision requiring that only Bosniaks, Croats and Serbs can be elected to the state presidency and House of Peoples (one of two federal legislative chambers). A string of European Court of Human Rights cases dating back to 2009 found that those provisions violate the European Convention on Human Rights, because minorities outside these three groups are ineligible for these high offices. Nevertheless, the provisions remain on the books.

Bosnia's Croat leaders insist that these court judgments be addressed in tandem with a second issue: the Croat minority's demands for "legitimate representation". This term refers to the idea that Bosnia's Croats should be allowed to elect their own representatives to state office. Unlike Bosniaks and Serbs, Croats do not form a majority in any entity and thus lack entity-based protections; that is why the House of Peoples and the federal presidency are vital for them. On three occasions, Željko Komšić, an ethnic Croat whose support comes mostly from the Bosniak majority, won election to the three-person presidency – nominally to represent the Croats – but with minimal support from Croat voters.

The election dispute poisons relations at the national level as well as in the Federation, but more immediately, it undercuts any hope that the Croats and Bosniaks might present a united front against Serb separatism. Indeed, it has had exactly the inverse effect, drawing the Croat leaders and Dodik together in mutual opposition to Sarajevo. Moreover, Croatia – which has considerable weight with Bosnian Serbs – is unlikely to use its leverage to tamp down Banja Luka's seeming secessionist drift, while they and the Bosnian Croats are aligned. To the contrary, Croatia (along with Slovenia and Hungary) have made clear that they will block EU sanctions against Dodik. A compromise proposal on the election dispute won approval in late March from the main Croat party and two of the three Bosniak-majority parties participating in talks, but one Bosniak party (the Party for Democratic Action) held out.⁹² Rival-

⁹⁰ Video recording, European Parliament, Committee on Foreign Affairs, 15 March 2022. He repeated that secession was off the agenda for the time being at press conferences on 21 and 22 March.

⁹¹ "Dodik dobio poziv Moskve za prisustvo parade 9 maja: Izvinio se i odbio [Dodik invited by Moscow to 9 May parade: Sent regrets and declined]", *Klix*, 4 May 2022.

⁹² Crisis Group telephone interview, European official with knowledge of the talks, 30 March 2022. The two mainly Bosniak parties that participated are People and Justice (NiP) and League for a Better Future (SBB). The other predominantly Bosniak parties participated only in technical talks on election integrity. The HDZ rejected a last-minute EU proposal to reduce the powers of the Federation House of Peoples as a sweetener for the SDA.

ry among the parties competing for the Bosniak vote may account for the failure, as some leaders remain wary of the optics of compromise with the election campaign looming.

While this dispute plays out, Bosnia's Croat leaders are taking out their frustrations by obstructing government in the Federation when they can. The Croatian Democratic Union party (HDZ) and Bosniak-majority parties failed to agree on a coalition government after the October 2018 elections; the previous government remains in office as caretaker. The standoff has blocked appointments to the entity's constitutional court, which is down to five (of a full complement of nine) judges and thus cannot fulfil its mandate.⁹³ The risk is that the HDZ and its allies will use whatever seats they win in October to continue or escalate their obstruction.⁹⁴

4. What is the risk of violence?

The spectre of a revived Bosnian Serb army has alarmed many observers but does not seem to be an immediate likelihood.⁹⁵ Indeed, responding to international pressure, Dodik has walked back an earlier threat to re-establish the army and now instead proposes reducing the size of the federal armed forces.⁹⁶ Against this backdrop, the most likely scenario for violence would entail clashes between the federal and RS police forces, which are both large and well-armed, triggered by disputes over jurisdiction. In that event, the Bosnian armed forces would almost certainly break down along ethnic lines, while informal paramilitary groups could form, as they did during the war of 1992-1995.⁹⁷

Serb leaders, however, are at pains to emphasise their peaceful intent, with Dodik promising RS would not use force even if attacked, instead defending itself with "political means".⁹⁸ Consistent with this posture, he did nothing to oppose the UN Security Council's November 2021 decision to renew the mandate for the EU's peacekeeping mission (EUFOR), which deploys 1,100 troops (upped from 600 after the Russian invasion of Ukraine), for another year.⁹⁹ Dodik also floated the idea of keeping Serb soldiers within a reduced Bosnian "parade" army, instead of withdrawing them.¹⁰⁰ So far, nothing suggests unusual or unexplained rearmament, or other indications that anyone is planning to use force on a large scale.¹⁰¹

⁹³ One of the court's key responsibilities is adjudicating claims that legislation violates the "vital national interest" of one of the constituent peoples, but doing so requires a quorum of at least seven judges.

⁹⁴ Crisis Group interviews, Bosnian and international officials, Sarajevo, June 2022.

⁹⁵ "How Dodik intends not to withdraw from the Armed Forces of BiH, without it looking like a defeat", *Sarajevo Times*, 9 December 2021.

⁹⁶ Crisis Group telephone interview, RS official, January 2022.

⁹⁷ Separation of the armed forces is not difficult to carry out. Only the officer corps are multi-ethnic; almost all the enlisted serve in largely homogenous units because military salaries are not attractive enough to persuade many to leave their home areas. Crisis Group interview, EU security official, Sarajevo, 19 July 2021.

⁹⁸ RTRS broadcast of RS National Assembly session, 10 December 2021.

⁹⁹ Crisis Group telephone interview, European official, Sarajevo, 21 October 2021.

¹⁰⁰ "Dodik: Povlačimo sav novac koji daje RS, vojska će biti paradna organizacija [Dodik: We are withdrawing all the money RS gives, the army will be a parade organisation]", N1, 13 December 2021.

¹⁰¹ Crisis Group interview, EU security official, Sarajevo, 19 July 2021.

Russia's invasion of Ukraine may complicate or prevent the Security Council's renewal of the EUFOR mandate in November 2022.¹⁰² The European mission will not stay without an extension. If Moscow vetoes the extension and tensions in Bosnia mount, NATO (which has an office in Sarajevo for training and coordination purposes but no forces on the ground) may have to consider deploying a peacekeeping force roughly the size of the current EUFOR mission. Absent Security Council approval, the alliance could rely on the Dayton accord, which assigned it a security role.¹⁰³

If the crisis deepens and violence does break out, it will almost certainly be on a scale much smaller than the country saw during the early 1990s. Much has changed since 1992. Young people have no military training; there are very few heavy weapons; and few areas are claimed by one party but held by another. Neither Serbia nor Croatia shows any interest in military intervention of the type that fuelled the conflict before. Said a EU diplomat, "There is no risk of a civil war or anything remotely resembling what happened in the 1990s". But the same diplomat was hardly sanguine about the risks the country is facing, noting that, "We have to keep in mind that even relatively minor violent incidents will set back the country for decades".¹⁰⁴

B. *Kosovo-Serbia Dispute*

Prospects for resolution of the Kosovo-Serbia dispute over the former's status appear remote. The two governments view one another with suspicion and cold hostility. There is no communication to speak of, and neither side is proposing a serious initiative that could yield a compromise. The dispute is set to continue, complicating both parties' domestic politics and international aspirations for years to come.

1. The fundamental disputes

The primary dispute between Belgrade and Pristina is over whether, and on what terms, Belgrade will recognise Kosovo's independence, which Pristina declared, with U.S. backing and over Belgrade's objection, in 2008.¹⁰⁵ The failure to resolve the dispute has kept Kosovo from joining the UN, as well as many other multilateral bodies, and is an impediment to both states acceding to the EU. While about 100 states recognise Kosovo's independence, many do not, including Russia and China, which hold the keys to its admission to the UN. Five EU states (Cyprus, Greece, Romania, Slovakia and Spain) and four NATO members (the EU five, minus Cyprus) count themselves as non-recognisers.¹⁰⁶

¹⁰² Russia claimed that EUFOR "has gone from being a source of stability to an element of intimidation and political confrontation, which is completely unacceptable and dangerous". UN Security Council session, S/PV.9029, 11 May 2022.

¹⁰³ Crisis Group telephone interview, EU official, March 2022.

¹⁰⁴ Comment during Crisis Group online event, January 2022.

¹⁰⁵ For additional background on the facts and figures presented below, please see Crisis Group Report, *Relaunching the Kosovo-Serbia Dialogue*, op. cit., from which this section draws.

¹⁰⁶ Following Serbia's lead, Russia and China would almost surely stand in the way of Kosovo joining the UN. Likewise, the five non-recognising EU member states and four NATO members have frozen it out of membership in those organisations, which is consensus-based. While its status remains in limbo, Pristina's interactions with non-recognising institutions must go through the vestigial UN Interim Administration Mission in Kosovo, created under Resolution 1244, whose officials

The possible solutions for the dispute have not changed significantly in the past decade. The main ones discussed have long been that Serbia would agree to recognise the sovereignty of its majority-Albanian neighbour in return for expedited EU membership; or for an expanded degree of autonomy for Kosovo's minority Serbs; or (more controversially) for an exchange of territories.¹⁰⁷ Pristina categorically rejects the latter two options, which call upon it to give up something in return for recognition, which it considers its due. Meanwhile, the EU is not interested in the first (softening entry requirements as a sweetener for a Belgrade-Pristina deal) and certain member states strongly object to the third (understandably sensitive to the implications of redrawing borders according to ethnicity). Brussels' difficulties with members' democratic backsliding may also make it cautious about Serbia in particular joining. Hopes for a deal flowered briefly in 2018-2019 but are now drooping because of the leadership transition in Pristina.

Another major area of friction concerns the intertwined issues of Belgrade's influence over areas of Kosovo where Serbs predominate and the question of how to integrate Serbian leaders into Kosovo's political life. Between 60,000 and 70,000 of the roughly 145,000 Serbs living in Kosovo are clustered in four heavily Serb-majority municipalities in the north, on the border with Serbia.¹⁰⁸ Another 50,000 to 60,000 live in six southern Serb-majority municipalities and the rest in villages in Albanian-majority areas. Serbia's Albanians are the majority in two municipalities in the Preševo valley (Preševo and Bujanovac) and a minority in a third (Medvedja).

Belgrade exerts influence in Kosovo through the costly and complicated network of institutions it maintains there and through Serb politicians acting within Kosovo's own institutions. From 2008 to about 2014, Serbia employed plainclothes police and operated municipal governments and courts in Serb-majority areas; it has since mostly closed them down. Belgrade still runs virtually all the schools, including a university, as well as health services used by Serbs in Kosovo; employs tens of thousands in various jobs; and pays welfare and other social benefits to thousands more. It also set up a party, the Serbian List (Srpska Lista), which enjoys a near monopoly on Serb votes, remains openly loyal to Belgrade, and benefits from the constitutional requirement that Serbs hold at least one ministerial post and ten (of 120) assembly seats.

Within this cluster of issues, a major sticking point relates to the implementation of a 2013 EU-brokered agreement on the "normalisation" of bilateral relations.¹⁰⁹ The

serve as chaperones for Kosovo diplomats. Kosovo's Stabilisation and Association Agreement with the EU stands out in that it contains no reference to eventual candidate status or membership. As for Serbia, the EU has made clear that settling its relations with Kosovo is a necessary (though not sufficient) condition for its membership.

¹⁰⁷ See Crisis Group Europe Report N°206, *Kosovo and Serbia After the ICJ Opinion*, 26 August 2010; and Crisis Group Report, *Relaunching the Kosovo-Serbia Dialogue*, op. cit.

¹⁰⁸ The town of Mitrovica is a sore point. Once a single entity, it was divided mostly along the Ibar River in 1999 and Serbs withdrew (or were expelled) northward after the war. Today, it comprises two municipalities, both inside territorial Kosovo: South Mitrovica (loyal to Pristina) and North Mitrovica (loyal to Belgrade). The latter is the only true urban area populated by Kosovo Serbs and is home to a large university and medical complex. Tensions between the two persist, notably along the main bridge joining the two sides, periodically blockaded by Serbs and guarded by NATO.

¹⁰⁹ See "Serb Integration in Kosovo after the Brussels Agreement", Balkans Policy Research Group, 19 March 2015.

agreement did not address Kosovo's status at all. Instead, its centrepiece was an arrangement intended to facilitate integration of Serb-majority areas of Kosovo and to enhance their autonomy by creating a new grouping of Serb-majority municipalities. But differences between the two sides were sufficiently great that they had to give this grouping a dual name: "Community" for Serbs, "Association" for Kosovars. Belgrade cast this two-named entity as autonomous, much like Bosnia's Republika Srpska. Kosovo more realistically viewed it as little more than a repackaging of its existing arrangements for local self-government but has still resisted acting on it.

The problems caused by incomplete implementation have compounded with time and remain at the forefront of negotiations between Belgrade and Pristina. Notwithstanding a 2015 decision by Kosovo's Constitutional Court ordering that the Association/Community be created and providing guidance for how to do so in compliance with the constitution, it has yet to come into being.¹¹⁰ Autonomy for Serb areas has long been anathema in Kosovo and there is little to no prospect the Association/Community will be hatched in the near future. Its absence gives Belgrade a perennial talking point for illustrating what it says are Pristina's bad faith and the pointlessness of dialogue.

But problems go much deeper. Despite a decade of EU mediation, many other issues, large and small, still separate Kosovo and Serbia. Tension has been growing since September 2021 when Pristina began asserting its authority in the northern municipalities. Then, a dispute over licence plates broke out on 20 September when Kosovo began "applying reciprocity" – its term for treating Serbia as it sees Belgrade treating it – by requiring all Serbia-registered vehicles to buy temporary Republic of Kosovo plates at the border. The quarrel ended a 2016 agreement allowing Serbian-registered vehicles to travel on its territory, including those with plates indicating residence in Serb-inhabited parts of Kosovo.¹¹¹ Tensions built on both sides of the border until the EU mediated an appealingly simple temporary compromise: both sides will put stickers over the offending state symbols on their license plates.¹¹² Yet this workaround expired on 21 April with no further agreement in sight.¹¹³ The agreement could be extended, but Pristina's preference is to let it lapse.

The Kosovo government also reversed its long-established practice of allowing the Organization for Security and Co-operation in Europe to organise polling stations for Serbian elections on its territory. Almost all Kosovo Serbs also hold Serbian citizenship, a legacy of the time when Kosovo was part of Serbia. Serbia does not allow absentee voting by mail, so voters from Kosovo will have to cross the border to vote

¹¹⁰ Case KO 130/15, Judgment, 23 December 2015.

¹¹¹ Serbia's licence plates include a two-letter code for geographic region and some of these (such as KM for Kosovska Mitrovica) stand for territory in Kosovo. Some Kosovo Serbs still drive on UN-issued "KS" plates, while many have taken new Kosovo plates marked "Republic of Kosovo" (RKS), with the flag of independent Kosovo. All cars with RKS plates had to swap them for temporary Serbian plates on crossing the border into Serbia; KM and KS plates are exempt.

¹¹² Perparim Isufi and Milica Stojanović, "Kosovo, Serbia agree to end border blockade without solution to license plate dispute", *Balkan Insight*, 30 September 2021.

¹¹³ Crisis Group telephone interview, Kosovo civil society leader, 25 March 2022.

in specially designated facilities inside Serbia.¹¹⁴ Pristina resisted intense outside pressure to return to the previous system and incurred a public rejoinder from a group of Western governments, which in a joint statement noted that: “Such an attitude of the Kosovo government is not in line with our values and principles and will undermine their European aspirations”.¹¹⁵

Pristina is also cracking down on Serbs within its own institutions when it suspects them of excessive deference to Belgrade. In December 2021, Kosovo police arrested (on charges of corruption) a Serb member of the Kosovo Assembly who had recently been appointed to head one of Serbia’s “temporary organs”, bodies that serve as parallel municipal governments.¹¹⁶ The judicial review body suspended the presiding judge of the Mitrovica court on 24 March 2022 after she appeared together with other Kosovo Serbs at a meeting with Vučić.¹¹⁷ Several senior police officials were at the same meeting and may face suspension, too.¹¹⁸ On a more conciliatory note, Prime Minister Albin Kurti took the unusual step of addressing Kosovo Serbs in Serbian on 25 March, acknowledging their concerns and seeking to assuage them.¹¹⁹

2. What are the risks?

The September 2021 licence plate confrontation offered a glimpse of how cross-border tensions could boil over when it briefly escalated. Serbia sent its armed forces toward the border and flew fighter planes nearby, as its government-controlled tabloids boasted of “five brigades ready to defend” the Serb people in Kosovo.¹²⁰ (The Kumanovo Agreement, which ended hostilities between NATO and Serbia in 1999, prohibits Serbia from moving its forces into or even near Kosovo territory without NATO’s permission.¹²¹) For its part, Pristina sent large detachments of special police in armoured vehicles to respond to the protesters who gathered in response, blocking the two northern border crossings.

At the same time, September’s events also suggest that the risks of a serious armed clash are still manageable. With NATO’s Kosovo peacekeeping force (KFOR) stationed

¹¹⁴ “Ponovo kao za referendum: Birači sa KiM glasaće u Kuršumliji, Tutinu, Bujanovcu i Raškoj [Again like in the referendum: Voters from Kosovo and Metohija will vote in Kuršumlija, Tutin, Bujanovac and Raška]”, *Kossev*, 24 March 2022.

¹¹⁵ “Serb voting within Kosovo in Serbia’s elections: Joint Statement” of France, Germany, Italy, the UK and the U.S., press release, 23 March 2022.

¹¹⁶ Labinot Leposhtica, “Kosovo Ex-Mayor suspected of taking over €1 million in bribes”, *Balkan Insight*, 22 December 2021; “Kadrovske promene u privremenim organima opština sa KiM [Personnel changes in temporary municipal organs in Kosovo and Metohija]”, *Kossev*, 5 March 2020. Such “double-hatting”, in which Serb officials hold positions in both the Kosovo and Serbian administrations, is common. See Crisis Group Europe Briefing N°56, *Štrpce: A Model Serb Enclave*, 15 October 2009.

¹¹⁷ Perparim Isufi, “Kosovo Serb judge suspended for attending Vucic meeting”, *Balkan Insight*, 24 March 2022.

¹¹⁸ Crisis Group telephone interview, Kosovo civil society leader, 25 March 2022.

¹¹⁹ “Kurti se obratio Srbima na srpskom jeziku [Kurti addressed Serbs in the Serbian language]”, *Euronews Serbia*, 25 March 2022.

¹²⁰ “Pet brigade spremno da odbrani Srbe na Kosmetu: Paravojska lažne države suviše slaba za naše snage [Five brigades ready to defend Serbs in Kosovo and Metohija: the false state’s paramilitary is too weak for our forces]”, *Objektiv*, 23 September 2021.

¹²¹ Military Technical Agreement (Kumanovo agreement), 9 June 1999.

at the border and in daily contact with the Serbian military, the risk of actual conflict was never significant. International officials in Belgrade uniformly interpreted Belgrade's move as a dramatic performance and not a real threat, though some worried that any movement of armed men posed some risk of accidental violence.¹²² The Kosovo government appears to have seen the licence plate issue as an opportunity for political benefit, creating a border crisis just one month before municipal elections on 17 October. Confronting Serbia and the Kosovo Serbs is popular with the Kosovar electorate, probably outweighing the costs of international criticism.¹²³

Eager as both may be for the occasional skirmish, neither Belgrade nor Pristina wants a serious confrontation. The presence of around 4,000 KFOR troops means that options for mischief are limited. KFOR has not always managed to keep the peace, but even a small force should be enough to keep Serbia from sending its troops across the border.¹²⁴ Serbia's Vučić, especially, is keen to maintain good relations with Western governments, largely for economic reasons, and understands how costly adventures on Kosovo territory would be.¹²⁵ As for Kosovo's prime minister, Kurti, he built his career in part on defiance of Western capitals but appears more focused on domestic issues. He shows no sign of a strategy toward Serbia beyond further applications of "reciprocity".

Against this backdrop, the biggest risk in failing to resolve Kosovo's status and put to rest its decades-long quarrel with Serbia is not so much that it will erupt in major violence, but that it will continue to fester. Should that occur, Moscow could exploit the issue to drive a wedge between Serbia and the West – corroding regional stability, leaving minorities on both sides of the border vulnerable, stunting Kosovo's economic development and hurting its diplomatic relations.

¹²² Crisis Group interviews, European, U.S. and other diplomats and officials, Belgrade, September 2021.

¹²³ Crisis Group telephone interview, Kosovo civil society leader, 25 March 2022.

¹²⁴ Perhaps most significantly, KFOR failed to prevent the March 2004 riots that broke out in Kosovo following erroneous reports that Serbs were responsible for the deaths by drowning of three Albanian Kosovar children.

¹²⁵ Crisis Group interviews, Western diplomats and figures close to the Serbian president, Belgrade, 28-30 September 2021.

V. Finding a New Way Forward

EU and U.S. policy toward the Balkans has long been built around the conviction that the prospect of EU membership held enough sway not only to motivate painful reforms but also to ease longstanding disputes between and within prospective members. That was always a tall order for a decades-long process structured around challenging governance goals and economic benchmarks, and one that requires scrutiny going forward.

Russia's invasion of Ukraine has generated creative new thinking about possible modes of integration and even led some in the EU to entertain a more generous eventual redrawing of the bloc's borders, but notwithstanding the extension of EU candidate status to Ukraine and Moldova in June, accession remains far off for either, let alone other hopefuls. Officials are understandably shy about discussing timeframes, but it is hard to imagine even states with the most advanced candidacies joining within a decade; those whose applications are the most troubled are probably several decades away from membership. The EU already has its share of problems with current members, and the Balkans confront Europe with a set of difficulties it has not faced in previous enlargements – countries with complicated federal systems like Bosnia, not to speak of secessionist trends, or partly unrecognised applicants like Kosovo.

The enlargement framework has undoubtedly played a major role over the years. It is one reason that Croatia and Serbia agreed to hand over war criminals to the International Criminal Tribunal for the former Yugoslavia even though many people considered them national heroes. It helped persuade Serbia to dismantle many of its institutions on Kosovo territory and pressure the Kosovo Serbs to accept Pristina's authority. It also played a role in the resolution of North Macedonia's name dispute with Greece, clearing Athens' opposition to its neighbour's EU aspirations – although, as noted, Skopje's path to accession negotiations is now blocked by a fresh veto, this time from Bulgaria.

But the promise of enlargement was not by itself enough to deliver the above successes. EU officials and member state leaders sometimes had to strike deals with local strongmen, legitimising the very politicians who were contributing to a democratic deficit and potential instability in the region. The EU gained Serbia's compliance with its Kosovo policy in part by turning a blind eye to Belgrade's slide toward autocratic government. Balkan states have on occasion managed to reverse EU conditionality at the expense of its credibility – for example, the EU has had to walk back several governance conditions it imposed on Bosnia and Herzegovina after the country's efforts to comply drove it into a crisis.¹²⁶ “We see EU accession as mainly about ‘pleasing our neighbours’, who are already in the EU, and imposing conditions on us, and less about substantive reforms”, a senior government official from the region said.¹²⁷

¹²⁶ In 2004-2005, the EU required Bosnia to transfer responsibility for policing from entity to state level. RS intransigence prevented this and in 2007 Brussels relented. In 2009, the EU said Bosnia could not apply for membership until the High Representative's office was deemed by outside actors to be no longer necessary and had closed; by 2016 that condition had been dropped.

¹²⁷ Comment at Balkan Dialogues event, Paris, 9 May 2022.

The pull exerted by enlargement has also suffered from the occasional failure to deliver on promises. For example, the bloc has not afforded Kosovo visa liberalisation three years after Pristina fulfilled all conditions. In that case, domestic politics in several member states – driven by worries about migration, for example – stymied efforts to approve visa-free travel for Kosovars.

While it would be a mistake to abandon enlargement as an inducement altogether, it does seem appropriate to recognise that – even taking the surge of interest that the Ukraine crisis has engendered – this process will be longer, more difficult and less certain than it once seemed. The power of the “European perspective”, while still influential, has weakened, and the problems whose solution it is expected to catalyse are growing harder to solve. Against this backdrop, the relationship between EU accession and efforts to resolve the region’s knottiest geopolitical problems requires some recalibration.

A rebalanced approach might see the regional states’ partners in Brussels, other EU capitals and Washington treating the two workstreams of crisis management and enlargement as more or less separate, if complementary. In this scenario, the parties would design diplomatic initiatives squarely focused on addressing emerging crises without relying on promises of enlargement – or even on fresher, nearer-term enticements of closer integration, political and trade ties – as an incentive for tough compromises on some of the region’s most intractable disputes. At the same time, work on integration and enlargement in the service of a more secure and stable European order could proceed in parallel.

A. *Keeping Bosnia and Herzegovina Together*

The most urgent crisis management priority in the region concerns Bosnia’s potential disintegration. Here, the key task is to prevent Dodik’s manoeuvring from doing irreparable damage to the country by moving RS further down the road to a formal break from the Federation.

Meeting this challenge will require first repairing the breach between the Bosniaks and Croats, at least provisionally. Sarajevo cannot mount a robust response to the Serb threat while Bosniaks are feuding with Croats in their own entity. The immediate priority in this repair effort should be ensuring that the October elections take place freely and fairly throughout the country. The failure of international efforts to broker a compromise in March raised the stakes and the chances of a post-election stalemate. A new international push for constitutional and election reform – described below – could help reduce the risk of post-election obstruction.

Outside engagement may not be enough to bring the parties together around a resolution, but it presents the best hope. Patching together a political ceasefire between Croats and Bosniaks and a common position toward Banja Luka is an urgent task for which the U.S. is uniquely qualified given its unparalleled credibility in Sarajevo, a legacy of its armed intervention during the war and sponsorship of the Dayton talks. Higher-level pressure and assurances of continuing U.S. support for Bosnia may be needed. Croat leaders can help sweeten the deal by signalling they will cease their obstruction of Federation governance and cooperate in reining in the RS once the election issue is satisfactorily resolved. If necessary, and as a last resort, the October elections could be delayed for the parties to hammer out a deal.

The EU should continue to work with the U.S. in supporting the parties' efforts to reach compromise solutions to the election and other disputes, while both should respond to any escalation of the dispute with isolation. One area to watch is Banja Luka's compliance with decisions of the Constitutional Court. Such compliance is essential if Bosnia is to remain a cohesive state and defiance should be a clear red line. RS may well be tempted to cross this line if and when the court strikes down whatever laws the entity's assembly passes unilaterally taking back powers from the state.¹²⁸ Dodik has been itching for a confrontation with the court, which he portrays as under foreign influence, and which has a record of rulings unfavourable to Banja Luka.¹²⁹ But Western governments should make clear that if RS violates the Dayton accord through judicial defiance, they will break off high-level contacts with the entity's leaders.¹³⁰ In that scenario, interaction should be limited to talks on bringing the entity into compliance with the court's decisions.

For the time being, tensions have ebbed somewhat, in part thanks to the EU's de-escalation and reconciliation efforts. In mid-June, the members of the Bosnian presidency and leaders of predominantly Bosniak and Serb political parties met and signed on to an agreement proposed by European Council President Charles Michel and EU foreign policy chief Josep Borrell. The parties stated their commitment to preserving the Bosnian state in line with the Dayton accord, to cooperate during and after the October elections, to strengthen the judiciary and the rule of law, and to relaunch their accession dialogue with the EU, promoting all required reforms to make progress along the country's accession path.¹³¹ These are positive commitments, but the agreement is short on specifics and it remains to be seen how rigorously the parties will adhere to it. Moreover, the sole Croat party leader invited to the June gathering declined to attend and later requested several amendments to the agreement.¹³²

If external efforts at de-escalation and deterrence are successful at holding Bosnia together through the October elections, the country – with support from its European and U.S. partners – needs to start seeking answers to its deeper questions. It has been clear for some time that the Dayton accord framework requires a fresh look. Crisis Group argued in 2014 that outside powers should encourage and assist an attempt to frame a new constitution.¹³³ That task is only more pressing now. In fact, keeping the promise of an eventual path out of Dayton on the agenda to be further explored out after the election may lend weight to efforts to rein in Banja Luka's separatism in the interim.

¹²⁸ The constitution has no provision for an entity retaking powers it has transferred to the state and "unilateral withdrawals are unlikely to be allowed". Christian Steiner, Nedim Ademović et al, *Constitution of Bosnia and Herzegovina: A Commentary*, 2010, p. 604.

¹²⁹ These include a September 2021 judgment striking down RS's claim to jurisdiction over forests and other lucrative natural assets on its territory and a November 2015 ruling banning the RS national holiday. See Kurt Bassuener and Toby Vogel, "EU-US plan for Bosnia risks undermining new sanctions and bolstering Putin", *Just Security*, 21 January 2022.

¹³⁰ Article VI.4: "Decisions of the Constitutional Court shall be final and binding."

¹³¹ "Political agreement on principles for ensuring a functional Bosnia and Herzegovina that advances on the European path", Brussels, 12 June 2022.

¹³² Zoran Kresic, "HDZ prihvaca sporazum iz EU-a uz legitimno politicko predstavljanje [HDZ accepts the EU agreement with legitimate political representation]", *Vecernji*, 14 June 2022.

¹³³ Crisis Group Report, *Bosnia's Future*, op. cit.

At the same time, openness to reform should not be cast or seen as a concession to Dodik. The Bosnian constitution, a relic of the peace process that ended the war, has been generating increasingly serious crises for at least ten years. A return to the status quo before the Serb boycott, while affording a welcome respite from the sense of growing crisis, would merely restore Bosnia to a deeply unsatisfactory condition. A European official described Bosnia as “a rocking horse – it moves back and forth but not forward”.¹³⁴ While past efforts at constitutional reform failed, the country may be running out of other options and the present scare – if that is what it turns out to be – may finally focus minds.

Framing a new constitution will require compromises and a sustained deliberative effort to obtain broad buy-in; a quick push to get selected leaders to accept a document drafted elsewhere should be avoided and in any event is unlikely to work. Under Bosnian law, constitutional amendments require a supermajority of both houses of parliament.¹³⁵ It is hard to imagine a proposal strongly opposed by a majority of any of the three largest ethnic communities clearing that bar. Even if it could, a framework adopted in the face of such opposition would likely be too divisive to stabilise the country for long.

As for the big topics a reform effort would likely need to tackle, three stand out. The first will be to strike a balance between those who want a stronger centre and those who want more autonomy for the regions. The central government is at once too weak (in that it is easily paralysed by the multiple levels of veto power described above and lacks key ministries) and too built-up (in that many of its agencies are ineffective and replicate capacity better exercised at a lower level). A second major challenge will be to develop a more workable concept for addressing ethnicity in the country’s framework for governance. The concept of three “constituent peoples” no longer serves the purpose of protecting minority rights in a multi-ethnic polity and is at the root of Bosnia’s losses at the European Court of Human Rights. Thirdly, the new framework will need to recalibrate the veto rights that have been the source of paralysed governance, without leaving minorities vulnerable to exploitation or neglect. While these are hurdles, there are precedents for overcoming them. Political will, U.S. and EU backing, and technical support will be important.

B. *The Kosovo-Serbia Dispute*

As with Bosnia, a multi-pronged approach to dispute resolution is required to address the situation between Kosovo and Serbia.

First, given the possibility that the parties remain too far apart to bridge their current positions, the immediate priority is helping Pristina and Belgrade to coexist peacefully and thrive separately, while their relations are strained and Kosovo’s status unresolved. In following this approach, Brussels and other influential outside actors should press both sides to refrain from aggravating the tense situation in north-

¹³⁴ Crisis Group interview, EU official, Sarajevo, 15 July 2021.

¹³⁵ Amendments require a two-thirds majority of those present and voting in the house of representatives, which can be blocked by ten or more of the fourteen RS representatives, and a concurrent majority of all three caucuses in the house of peoples. Steiner and Ademović, *Constitution*, op. cit., pp. 975-979.

ern Kosovo. Pristina should pause its efforts to extend its authority further there. Belgrade should urge the northern Kosovo Serbs to cooperate fully with local government. Unavoidable, yet potentially provocative, actions should be telegraphed in advance and accompanied by outreach measures, such as Prime Minister Kurti's Serbian-language statement explaining the suspension of a senior Serb judge.

The EU and other influential actors should also encourage both sides to avail themselves of opportunities to build good-will at little cost by supporting the minorities present in their territories. Belgrade should increase its outreach to the Albanian minority in its southern Preševo valley, adjacent to Kosovo, for example, by improving Albanian-language education. Kurti needs to show that Kosovo welcomes its minority Serbs, some of whom face growing pressure to leave. He could make modest gestures that signal commitment to integration, such as visiting Serb villages, delivering the occasional speech in Serbian and appointing Serbs to responsible government positions – all things that Kosovo politicians have been reluctant to do.

A second priority – this one for the EU and U.S., as well as other external partners – should be to help mitigate the impact of Kosovo's unresolved status. With entry to the UN and EU barred for the foreseeable future, Pristina should seek membership in organisations where a prospective veto or consensus requirement will not stand in the way. These might include organisations that admit new members through majority vote.

For example, Kosovo has applied for membership in the Council of Europe and it could enquire as well with the International Court of Justice.¹³⁶ Joining the Council of Europe (which requires a two-thirds vote of the current membership) would extend the jurisdiction of the European Court of Human Rights to Kosovo. This would have reputational benefits for Pristina, signalling a commitment to the rule of law while coming at little practical cost to Belgrade.¹³⁷ The overwhelming majority of the court's docket consists of cases brought by individuals and admitting Kosovo would not change Serbia's exposure in these. Moreover, membership would benefit Kosovo Serbs insofar, as it would permit them to bring claims, if merited, against Pristina. Arguably, review in this court should improve the quality of justice for all Kosovars over time.¹³⁸

Serbia could signal its willingness to admit Kosovo to its Open Balkan Initiative on an equal basis. Thus far, Belgrade has argued the Initiative is open to all comers but has been coy about how it would treat Kosovo were it to join. A credible offer would have to include acceptance of documents (such as customs stamps, ID cards, licence plates and diplomas) issued by Kosovo without qualification and hosting Kosovo officials on equal terms with their peers. Serbian officials have hinted in private forums that they see Open Balkan as a form of "de facto recognition" of Kosovo.¹³⁹ If Belgrade provides greater clarity, including a commitment to treat Kosovo as an equal, Pristina should overcome the reluctance it has shown thus far and accept the

¹³⁶ Crisis Group Europe Report N°223, *Serbia and Kosovo: The Path to Normalisation*, 19 February 2013; Sandra Cvetkovic and Doruntina Baliu, "Kosovo applies for Council of Europe in move sure to anger Serbia", Radio Free Europe, 12 May 2022.

¹³⁷ Crisis Group correspondence, Council of Europe official, March 2022.

¹³⁸ See Crisis Group Report, *Relaunching the Kosovo-Serbia Dialogue*, op. cit.

¹³⁹ Crisis Group interviews, May 2022.

offer. Montenegro and Bosnia and Herzegovina, the remaining holdouts, would benefit from membership and should take the plunge too.

Kosovo's statehood needs to be shored up, not only for its own stability, but to level the playing field with its larger neighbour. Further practical ideas for strengthening Pristina's international ties are laid out in a recent paper co-written by authors from Kosovo, Serbia and the five EU states that do not recognise Kosovar statehood.¹⁴⁰ The most promising cover formal and informal steps that the five non-recognisers can start taking immediately, with more ambitious ones to follow if all goes well. For example, non-recognisers Spain and Slovakia could contribute to KFOR as both did before Kosovo's independence declaration. Spain could follow the example of its non-recognising EU peers and set up liaison offices in Pristina and Madrid; it could also accept Kosovar travel documents. Informal contacts with Kosovo's political leadership can also help. Greece set a positive example by hosting Kosovo's Prime Minister Kurti in Athens; the other four should boost similar informal meetings with Kosovo officials. Down the line, membership in NATO's Partnership for Peace program is an option that bears consideration.

Finally, all five non-recognisers should make it clear that they will lift their objections if Serbia and Kosovo resolve their dispute amicably by concluding a "comprehensive normalisation" agreement, as called for by the EU.

Taking the longer view, the U.S. and EU should quietly encourage the Kurti team to reflect on its negotiating strategy when it comes to recognition. Prime Minister Kurti flatly rules out all the concessions Belgrade has in the past hinted might suffice for its recognition of Kosovo's independence. Yet he has never publicly articulated what his administration is prepared to offer. Clarity on what both sides want, and are prepared to give, is an essential precondition for a comprehensive agreement.

C. *An Updated European Perspective*

The European Commission adopted a revised enlargement methodology in February 2020 meant to make the process more credible to current and aspiring members. The new approach groups the 35 negotiation chapters into six "clusters" to be opened and closed together. The rule of law cluster has pride of place and is to be opened first and closed last. The new methodology emphasises prospects for more top-level dialogue between leaders from across the EU and accession candidates to strengthen their buy-in through negotiations, as well as greater access to EU funding to those countries that would better align with EU policies before they move through the accession stages. The Commission promised to provide greater clarity about what it expected from prospective members at each stage.¹⁴¹

The new methodology is only a start, however, and more work is needed to strengthen the credibility and viability of the process, and communicate expectations to prospective members – many of which continue to languish in a state of limbo. (As noted above, formal accession negotiations with Albania and North Macedonia

¹⁴⁰ Edward P. Joseph, Branislav Radeljić, Lulzim Peci et al., "From Crisis to Convergence: A Strategy to Tackle Instability in the Balkans at Its Source", Wilson Center, 18 January 2022.

¹⁴¹ "A more credible, dynamic, predictable and political EU accession process – Commission lays out its proposals", press release, European Commission, 5 February 2020.

have yet to launch, though these countries are official candidates.) “We need to continue working on the accession process. It’s not dead, but we cannot just continue by ploughing through the various chapters and clusters. We also need some new ideas”, said a EU diplomat. “We have to get away from the picture where you say, ‘OK, we negotiate for twenty years because it’s a very long and complicated process and at the end of the twenty years, you go from zero to 100 [and] suddenly, you’re a full member”¹⁴²

But while acknowledging the need for improving the accession process, there is a great deal that the EU can do to improve the integration of the Western Balkan states into Europe’s economic and political life that is short of full membership. In the near term, EU justice and home affairs agencies (such as the European Public Prosecutor’s Office, Eurojust and Europol) could conclude operational agreements with individual Balkan states to help safeguard EU aid from corruption, reinforce national prosecutors and promote the rule of law – and provide appropriate funding to help candidate states advance in this area.¹⁴³ The EU could boost high-level policy coordination with the WB6 and perhaps Ukraine, Moldova and Georgia, for example, by hosting them for summit meetings after European Council sessions.¹⁴⁴ Early membership in the single market (along the models for continental integration in the European Economic Area) could be transformative for the Balkan economies and is possible without EU membership, although it would require robust economic progress.¹⁴⁵

Some ideas for new forms of association with candidate countries are still largely aspirational but could have implications for the Western Balkans (as well as Ukraine, Georgia and Moldova) and may be gaining traction in light of the Ukraine crisis. These include ideas for formalising an “outer ring” of partner countries with strong political and trade ties to one another and to the EU. This group might take the form of a European “confederation” or “political community”, which could include candidate countries and have the EU at its core. Another configuration might be a “continental partnership” that would also include the UK and former EU candidates. Other proposals would involve breaking the accession process into stages with increasing rights and funding at each; some would establish new “junior member” status as candidate

¹⁴² Comment at Crisis Group online event, January 2022.

¹⁴³ Crisis Group telephone interview, European diplomat, 24 November 2021. See also Ivan Damjanovski and Zoran Nechev, “External differentiated integration in justice and home affairs: Participation of the Western Balkan Countries in EU agencies”, EU Idea policy paper, February 2022.

¹⁴⁴ See “Un nuovo ordine europeo: Il manifesto di Enrico Letta”, *Il Foglio*, 11 April 2022; and “A European confederation: A common political platform for peace”, *Progressive Post*, 25 April 2022. Jean Pisani-Ferry, Norbert Rottgen et al., “Europe after Brexit: A proposal for a continental partnership”, Harvard University, Mossavar-Rahmani Center for Business and Government, 2016. See also André Sapir, “How should the EU respond to Georgia, Moldova and Ukraine’s membership aspirations?”, Bruegel, 14 March 2022.

¹⁴⁵ “Slovenia, Serbia and an EU-Balkan Breakthrough in 2021”, European Stability Initiative, 9 March 2021. Iceland, Norway, Liechtenstein and Switzerland enjoy this access under the European Free Trade Association, a bloc set up in 1960 to promote free trade. See Crisis Group Report, *Relaunching the Kosovo-Serbia Dialogue*, op. cit.

states advance through the stages of accession negotiations, with increasing development aid approaching cohesion funding levels.¹⁴⁶

But while these ideas are being sorted out, it will continue to be important to focus on practical steps to build ties, identity and cooperation through other means as well. The EU should continue to offer other tangible incentives to its Western Balkans partners as a mean of stabilising the region and strengthening their capacity to eventually become full EU members.

¹⁴⁶ For background on these and other ideas, see the sources listed in fn 144, as well as Barbara Lippert, “Ukraine’s Membership Bid Puts Pressure on the European Union”, *Stiftung Wissenschaft und Politik*, 21 March 2022; and Michael Emerson, Milena Lazarević, Steven Blockmans and Strahinja Subotić, “A Template for Staged Accession to the EU”, *Centre for European Policy Studies*, 1 October 2021. On the issue of funding parity with cohesion funds (EU grants given to states and regions whose standard of living is below the Union’s average) see Matteo Bonomi, Ardian Hackaj and Dušan Reljić, “Avoiding the Trap of Another Paper Exercise: Why the Western Balkans Need a Human Development-centred EU Enlargement Model”, *Istituto Affari Internazionali*, January 2020. Crisis Group telephone interview, Dušan Reljić, 15 September 2021.

VI. Conclusion

Three decades since the wars that followed the collapse of Yugoslavia, it is time to take stock of the limits of EU and U.S. state-building efforts since the interventions of the 1990s. Kosovo's quest for full recognition is stalled and elements of the Dayton agreement remain a source of destabilising disputes. The region's politicians still reflexively seek to stay in power through a mix of nationalist rhetoric and lip service to European integration. While the EU and U.S. have sent envoys to help mediate the most serious crises in Bosnia and Kosovo, their engagement has waxed and waned in line with the urgency of their concerns about the influence of rival powers. The EU's pledges have increasingly rung hollow as the goalposts for accession move.

Amid the turmoil brought by Russia's war in Ukraine, the exigency of questions, like how to align the Western Balkans firmly with the EU and head off other security crises, will no doubt lead to greater diplomatic engagement in the region. That is as it should be. But calls to reinvigorate the accession process and efforts to encourage greater integration short of membership – while important and worthwhile – are unlikely by themselves to deliver qualitatively different results in addressing the region's deepest troubles. Concerted, long-term diplomatic initiatives are needed to deal with long-deferred unfinished business – and in particular to address the residual disputes of the 1990s wars. These dispute resolution efforts should be viewed, not as a distraction from European reforms, but as an asset and as part of the foundation for them.

Finally, the region's governments should start looking beyond accession benchmarks and instead focus on the objective that lies before them. They should make a serious effort to establish themselves as the kind of states the EU would welcome – ones where institutions work reliably, leaders govern cleanly, and sovereign neighbours treat one another with generosity and respect. If the region's states are to consolidate the gains of two post-war decades and move toward a more peaceful and prosperous future, they must settle for nothing less.

Brussels, 7 July 2022

Appendix A: About the International Crisis Group

The International Crisis Group (Crisis Group) is an independent, non-profit, non-governmental organisation, with some 120 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

Crisis Group's approach is grounded in field research. Teams of political analysts are located within or close by countries or regions at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, it produces analytical reports containing practical recommendations targeted at key international, regional and national decision-takers. Crisis Group also publishes *CrisisWatch*, a monthly early-warning bulletin, providing a succinct regular update on the state of play in up to 80 situations of conflict or potential conflict around the world.

Crisis Group's reports are distributed widely by email and made available simultaneously on its website, www.crisisgroup.org. Crisis Group works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

The Crisis Group Board of Trustees – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring the reports and recommendations to the attention of senior policymakers around the world. Crisis Group is co-chaired by President & CEO of the Fiore Group and Founder of the Radcliffe Foundation, Frank Giustra, as well as by former Foreign Minister of Argentina and Chef de Cabinet to the United Nations Secretary-General, Susana Malcorra.

Comfort Ero was appointed Crisis Group's President & CEO in December 2021. She first joined Crisis Group as West Africa Project Director in 2001 and later rose to become Africa Program Director in 2011 and then Interim Vice President. In between her two tenures at Crisis Group, she worked for the International Centre for Transitional Justice and the Special Representative of the UN Secretary-General in Liberia.

Crisis Group's international headquarters is in Brussels, and the organisation has offices in seven other locations: Bogotá, Dakar, Istanbul, Nairobi, London, New York, and Washington, DC. It has presences in the following locations: Abuja, Addis Ababa, Bahrain, Baku, Bangkok, Beirut, Caracas, Gaza City, Guatemala City, Jerusalem, Johannesburg, Juba, Kabul, Kiev, Manila, Mexico City, Moscow, Seoul, Tbilisi, Toronto, Tripoli, Tunis, and Yangon.

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