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Serbia: Background and U.S. Relations

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Summary

Following the conflicts in the 1990s in the countries of the former Yugoslavia, the prospect of membership in the Euro-Atlantic community and the active presence of the United States and European Union (EU) in the Western Balkans provided a level of stability that allowed most of the countries of the region to adopt economic and political reforms. During this time, Slovenia and Croatia joined the EU. These countries, along with Albania and Montenegro, also joined NATO. Other countries of the Balkans are pursuing EU and NATO membership.

However, many observers in Europe and the United States have expressed concern that political stability in the Western Balkans, sometimes referred to as Europe's "inner courtyard," remains tenuous. Several of these countries have experienced political crises, sometimes involving third-party interference, as well as stagnating economies, high unemployment, and high rates of emigration. These crises have raised concerns that any decrease in EU or U.S. presence could create a regional vacuum in which transnational crime, radicalization, or terrorism could flourish. Furthermore, some observers are concerned with the growing economic and political role of Russia, China, and other states whose agendas in the Western Balkans might conflict with U.S. and EU interests in the region.

Some observers see Serbia as relatively stable, despite its historically difficult relations with its neighbors, its ongoing dispute with Kosovo, recent concerns over its commitment to democratic rule, and its desire to balance its orientation toward the West with its historical ties to Russia. At the same time, others view Serbia as an important piece in the geopolitical competition in the Balkans between the West and Russia.

U.S. relations with Serbia have been rocky at times, due to past U.S. interventions in the conflicts in Bosnia and Kosovo and U.S. recognition of Kosovo's independence. Nevertheless, relations between Washington and Belgrade seem to have improved recently. Between 2001 and 2017, the United States provided close to $800 million in aid to Serbia to help stimulate economic growth, strengthen the justice system, and promote good governance. The United States continues to support Serbia's efforts to join the EU. At the same time, the United States has sought to strengthen its own relationship with Serbia through deepening cooperation based on mutual interests and respect. Many observers believe the EU, despite its stated commitment to expansion in the Western Balkans, has been preoccupied by internal issues such as the migration crisis, recovery from the eurozone crisis, and the exit of the United Kingdom from the union. These observers, in both Washington and the Balkans, believe the United States should reinvigorate its strategy of active engagement with the Western Balkans, and in particular its relations with Serbia.

This report provides an overview of Serbia and U.S. relations with Belgrade.

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Overview[1]

For almost a century Serbia was part of two South Slavic states, including the interwar Kingdom of Serbs, Croats, and Slovenes (renamed the Kingdom of Yugoslavia in 1929) and the Socialist Federal Republic of Yugoslavia from 1945 to 1992.[2] Belgrade was the capital of both Yugoslav states, and Serbia was widely regarded as the dominant force in political, economic, and military affairs.

Serbia: Basic Facts

Area: Land area approximately 77,400 sq. mi.; slightly smaller than South Carolina

Capital: Belgrade

Population: Approximately 7 million (2018 est.)

Ethnicity: 83% Serb; 3.5% Hungarian; 2.1% Romani; 2% Bosniak.

Languages: Serbian is the official language of 88% of the population. Hungarian is spoken by 3.5%.

Religion: 84% Orthodox; 5% Catholic; 3% Muslim

Gross Domestic Product: $41 billion; per capita GDP is $5,900 (2018 est.)

Political Leaders: President: Aleksandar Vučić; Prime Minister: Ana Brnabić

Sources: CIA, *The World Factbook*; Economist Intelligence Unit (EIU).

Serbia was at the center of the Balkan conflicts during the 1990s,[3] when Croatia, Slovenia, and Macedonia declared their independence from Yugoslavia in 1991, followed by Bosnia and Herzegovina in 1992. Between 1998 and 1999, ethnic Albanians in the southern province of Kosovo fought a war to separate from Serbia. The conflict ended short of full independence for Kosovo after the intervention of NATO, which included the bombing of Serbian forces in Kosovo and resulted in a cease-fire and Serbia's withdrawal from the province. The United Nations Security Council in 1999 adopted a resolution authorizing the establishment of a U.N. mission in Kosovo (UNMIK) to promote peace and stability and a NATO-led force (KFOR) to provide security in Kosovo.

The remnants of Yugoslavia were reorganized as the State Union of Serbia and Montenegro in 2003. In 2006, an independence referendum passed in Montenegro and Serbia became the Republic of Serbia. In 2008, Kosovo's leaders formally declared independence, igniting new tensions with Serbia. Although over 110 countries, including the United States, have recognized Kosovo's independence, Serbia, Russia, China, and several European countries have not. Tensions persist between Belgrade and Pristina (Kosovo's capital) even as the two negotiate a resolution of their differences.

Political Developments

Since the end of the regime of nationalist strongman and indicted war criminal Slobodan Milosevic in 2000, Serbia has developed into what has been described as a functioning if somewhat flawed democratic political system. The Economist Intelligence Unit ranked Serbia

[1] CIA, *World FactBook: Serbia*, August 2017.

[2] Throughout this report, *Serbia* refers to the Federal Republic of Yugoslavia (1992-2003), the State Union of Serbia and Montenegro (2003-2006), and the Republic of Serbia (since 2006).

[3] Definitions of the region known as the Balkans vary. For purposes of this report, the *Balkans* refers to the entire geographic region between the Adriatic Sea and the Black Sea; it includes the countries of the former Yugoslavia, Albania, Romania, Bulgaria, Greece, and a part of Turkey. The *Western Balkans* usually refers to Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, Serbia, Slovenia, and Albania.

66th out of 167 countries and territories in its 2017 Democracy Index, putting it ahead of other Western Balkan states that have not yet joined the EU.[4]

Domestic tensions persist between those who favor an orientation of Serbia toward the West, including membership in the EU, and nationalist forces led by the ultranationalist Serbian Radical Party (SRS), which oppose a Western orientation and express a desire to remain close to Russia. Many nationalists have not forgiven the West, particularly the United States, for supporting states that seceded from Yugoslavia in the 1990s, intervening in the Bosnia conflict, conducting airstrikes against Serbia in 1999, and supporting Kosovo's independence in 2008. Successive Serbian governments during this time have had to balance favorable domestic views of relations with Russia with aspirations for better relations with the EU, the United States, and NATO.[5]

From 2000 to 2012, most of Serbia's presidents and governing parties had roots in the liberal Slobodan Milošević-era opposition. However, since 2012, parties that ruled during the Milošević era but subsequently reformed their platforms have dominated Serbia's political landscape The Socialist Party of Serbia (SPS), led by Milošević throughout the 1990s, was reformed in the 2000s, when party leader Ivica Dačić brought in young moderates and embraced a pro-EU position. The Serbian Progressive Party (SNS) was formed in 2008, when Tomislav Nikolić, Aleksandar Vučić, and others split from the ultranationalist Serbian Radical Party (SRS), which had been aligned to Milošević for much of the 1990s. Like the SPS, the SNS adopted a pro-EU platform.

The SNS and SPS have governed together since 2012. Ivica Dačić (SPS) was prime minister from 2012 to 2014. In March 2014 parliamentary elections, the SNS-led coalition won a sizable victory in the Serbian parliament, receiving 48.4% of the vote and 158 of 250 seats, the strongest performance by any electoral coalition since the transition in 2000. The SNS victory was aided by the former government's increasing unpopularity as a result of corruption scandals and poor economic performance. The SNS's Aleksandar Vučić was appointed prime minister. The Socialist Party won 44 seats in the parliament and governed as the SNS's coalition partner; Dačić was appointed Minister of Foreign Affairs.

The Vučić government was criticized for economic stagnation, weaknesses in the rule of law, tightening control over the media, and democratic backsliding more broadly. In April 2016, amid concerns that these challenges could continue to erode support for the SNS, Prime Minister Vučić called early parliamentary elections, well ahead of the regularly scheduled 2018 elections. He claimed that early elections—and an SNS victory—would secure a stable basis for enacting reforms necessary for EU membership.[6]

Although the SNS-led coalition once again won the largest number of votes in 2016, its share of seats in parliament declined from 148 to 131. Aleksandar Vučić was appointed prime minister for the second time. However, the SNS's slightly eroded popularity created an opening for the SRS, which came in third after the SPS and received 22 seats, making it the largest opposition party in parliament.[7] The SRS is led by Vojislav Šešelj, who was tried for war crimes in the International

[4] "Democracy Index 2017: Free Speech under Attack," Economist Intelligence Unit, 2018. Kosovo is not included in the rankings.

[5] Serbia cooperates with NATO but does not seek membership.

[6] "Serbia: Elections in 2014," Inter-Parliamentary Union, at http://archive.ipu.org/parline-e/reports/arc/2355_14.htm.

[7] Vojislav Šešelj, an ethnic Serb from Bosnia, is the leader of the Serbian Radical Party. He voluntarily surrendered to The Hague in 2003, and his war crimes trial lasted for years. He was released in 2014 to receive cancer treatment in Belgrade; upon his return to Serbia, he returned to political life. In 2016, he was acquitted. However, his first-instance verdict was partly reversed on appeal in 2018. He was found guilty of crimes against humanity and sentenced to 10

Criminal Tribunal for the former Yugoslavia (ICTY) and subscribes to an anti-West and Greater Serbia agenda. The far-right Dveri party earned 13 seats. The liberal opposition was split into several groupings, the most successful of which was the "Enough is Enough" party, which garnered nearly 7% of votes and received 16 seats.

By the time the 2017 presidential election period began, the popularity of President Tomislav Nikolić (SNS) and the Vučić government was stagnating once again. Despite Vučić's domestic problems, many saw him as the only politician in Serbia who could move the country forward.[8] This assessment contributed to Vučić's decision to run for president, effectively preventing Nikolic, his fellow SNS member, from running for reelection. On April 2, 2017, Vučić won an overwhelming victory, capturing 55% of the vote in the first round amid allegations that his campaign abused state resources.[9] However, thousands of demonstrators gathered in Belgrade and other cities to protest against what they viewed as Serbia's descent into autocracy.

In June 2017, President Vučić appointed Ana Brnabić as prime minister. At the time, Brnabić was serving as minister of public administration and local government. Brnabić is Serbia's first female head of government. Her appointment reportedly caused tension within the SNS, as she was not a party member and her strongly pro-EU views were not universally shared within the SNS. Brnabić generated controversy shortly after her appointment when she reportedly stated that Serbia, if forced to choose between Russia and membership in the EU, would opt for the EU.[10] Since her appointment, Brnabić reportedly has gained the party's confidence and seems to enjoy the support of President Vučić. However, many observers believe Vučić will be the real power in Serbia, despite the fact that the presidency has relatively limited formal powers.[11]

Serbian civil society and the EU criticized Vučić when he was prime minister for Serbia's increasingly hostile media environment. An analysis by a prominent Serbian NGO found that media coverage of the 2017 presidential election was disproportionately focused on Vučić and overwhelmingly positive.[12] In August 2017, the Adria Media Group complained that increasingly critical reporting in its publications had resulted in harassment from the Tax Administration and a smear campaign in progovernment media.[13] An independent news magazine from southern Serbia, *Vranjske,* also reportedly came under pressure due to its critical coverage.[14] The democracy watchdog organization Freedom House reports that smear campaigns, high competition for limited advertisement revenue, and intimidation tactics have increased self-censorship among journalists and editors.[15] In September 2017, roughly 150 Serbian media publications and civil society organizations launched a blackout campaign on their websites to protest against the media climate in Serbia.[16]

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years in prison, a term he had served already in the custody of the International Criminal Tribunal for the former Yugoslavia.

[8] "Vucic Reaps Benefits from Guantanamo 'Favor,'" *BalkanInsight,* July 19, 2016.

[9] Vanja Djuric, "Anti-Government Protests Continue in Belgrade, Novi Sad," *BalkanInsight,* April 5, 2017.

[10] Comments by Prime Minister Ana Brnabić, EurAktiv.rs, July 7, 2017.

[11] Dejan Anastasijevic, "Hard Days Ahead for Serbia's Gay PM," EUObserver, June 19, 2017.

[12] Center for Research, Transparency, and Accountability, *Study c.f. Miloš Damnjanović*; Freedom House, *Nations in Transit 2017: Serbia Country Report.*

[13] "Serbian Media Group Files 150 Suits Claiming 'Repression,'" *Balkan Media Watch,* August 8, 2017.

[14] Julija Simic, "Serbian Media Under Political Pressure," *Euractiv,* September 21, 2017.

[15] Freedom House, "A Cry for Help from Serbia's Independent Media," October 5, 2017.

[16] Ibid.

Although some have compared Vučić to other strongmen in European politics and, as noted above, accused him of being an autocrat, many believe he has successfully taken over the center ground of Serbian politics. He has built a reputation for technocratic efficiency, ideological flexibility, and political pragmatism while retaining a base of center-right and right-wing electoral support.[17] EU officials and many member state leaders have praised him as a reliable partner in the region.[18] Twelve of the 35 negotiating chapters required for EU membership were opened between 2015 and 2017, when Vučić helmed the government or presidency. Others believe Vučić's nationalist credentials and authority make him uniquely prepared to bring the country to terms with a compromise agreement with Kosovo and limit nationalist backlash.

Serbia's relations with its neighbors have been particularly tense due to allegations of war crimes committed by Serbs during the dissolution of Yugoslavia in the 1990s. During this period, it is estimated that some 130,000 people died in a series of conflicts in Croatia, Bosnia, Serbia, and Kosovo. In 1993, the International Criminal Tribunal for the Former Yugoslavia (ICTY) was established in The Hague. The ICTY, which closed its doors in late 2017, investigated and prosecuted cases against persons from numerous ethnic backgrounds, including Croats, Bosnian Muslims, and Kosovo Albanians, for alleged war crimes against other ethnic groups. However, the majority of cases were brought against Serbs. The arrests and trials fueled resentment of the West by many Serbians. One example of Serbian attitudes on this issue was highlighted in early October 2017, when Serbian Minister of Defense Aleksandar Vulin said in a speech to former army personnel that "Serbia will no longer be ashamed of those who defended [the former Yugoslavia], and that time has come to be 'quietly proud' instead."[19] Serbian attitudes were reinforced by Russia's solidarity and position that the U.N. war crimes tribunal should have been shut down long ago because it was biased against Serbs.

Serbs also have been confronted by courts in Kosovo. In January 2016, Kosovo's Basic Court of Mitrovica, which is composed of a panel of international judges under the auspices of the EU's rule-of-law mission in the country, found the former head of a Serb paramilitary group guilty of committing war crimes against ethnic Albanian civilians and sentenced him to nine years in prison.

Belgrade has complained that war crimes cases against Kosovo Albanians have not been prosecuted as often or as vigorously as cases against ethnic Serbs. In response, Kosovo's government introduced a controversial court to prosecute cases against former members of the Kosovo Liberation Army (KLA) identified in the EU Special Investigative Task Force report.[20] The specialist chambers is affiliated with the judicial system of Kosovo but located in The Hague and staffed by international jurists. However, several legislators and former KLA fighters in Kosovo have tried to eliminate the law that created the special court, a move that had negative consequences for Serbia's relations with Pristina. At the same time, the Belgrade-based Humanitarian Law Centre recently accused Serbia of stalling on its prosecution of war criminals, stating that Serbia has made little progress in implementing its own war-crimes prosecution strategy.[21]

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[17] Economist Intelligence Unit, *Country Report on Serbia*, August 2018.

[18] Aleks Eror, "How Aleksandar Vucic Became Europe's Favorite Autocrat," *Foreign Policy*, March 9, 2018.

[19] "Serbian Minister Reaffirms Praise for Freed War Criminals," *BalkanInsight*, October 12, 2017.

[20] Law Library of Congress, "Netherlands: Special Tribunal for Alleged War Crimes," *Global Legal Monitor*, January 2016.

[21] Statement of the Humanitarian Law Center, HLC, March 2018.

The legacy of the wars of Yugoslav dissolution has strained Serbia's relationship with Croatia, particularly around the anniversaries of major wartime events and over the issue of war crimes. Croatian courts have tried Serbs for war crimes. Most recently, in October 2018, a trial began in abstentia for nearly 30 Serbs accused of murdering 47 Croats in the Croatian region of Slavonia in 1991, when Serbian paramilitaries and breakaway forces controlled much of the territory.[22] On two separate occasions in 2016, Croatia blocked ongoing EU accession talks with Serbia, citing objections due to historical grievances. In both cases, Croatia lifted its objections under pressure from EU leaders. Both Croatia and Serbia expressed disappointment with the International Court of Justice's rejection in February 2015 of long-standing claims of genocide by Croatia and Serbia against one another. Finally, the two countries have not yet resolved their dispute over territory along a stretch of the Danube River.

Serbia's relationship with Bosnia also has been strained at times. The two countries dispute border demarcation at four locations along the Drina River; Serbia's preferred demarcation would shift local infrastructure and a hydroelectric power plant onto Serbian territory. A Bosnian commission has begun to investigate Serbia's claims. In addition, Serbia's relationship with the Bosnian entity of Republika Srpska also led to tensions between Belgrade and Sarajevo. Former Republika Srpska president (and current member of Bosnia's collective presidency) Milorad Dodik made frequent threats to hold an independence referendum and seek union with Serbia. However, the Vučić government repeatedly has stated that it respects Bosnia's territorial integrity and has no intention of incorporating the territory of the Republica Srpska into Serbia proper.

Migration

Serbia is located along a historical trade route between the Middle East and Western Europe. The so-called Balkan Route continues to be a corridor for trafficking weapons, narcotics, and people. During the early stages of Europe's recent migration and refugee crisis, Serbia became part of a land route for refugees and migrants from the Middle East and Africa bound for the European Union. Analysts estimate that roughly 1 million migrants and refugees may have passed through Serbia in 2015 and 2016.[23] Although the Balkan Route has been effectively shut down since March 2016, thousands of migrants and refugees became stranded in Serbia. The U.N. Refugee Agency estimated that in 2017 some 3,000-4,000 migrants and refugees remain in Serbia. The government of Serbia, however, has not processed many applications for asylum and has rejected most of the cases heard thus far.[24] In mid-2018, some reports suggested that migrant flows across the Balkans were increasing again, albeit not to the levels seen in 2015 and 2016.

The migration and refugee crisis revealed deficiencies in Serbia's border security regime. Since then, Serbia has taken steps to strengthen screening and security measures along its borders and improve information-sharing practices with its neighbors.[25] In 2016, Serbia established a Migrant Smuggling Task Force that drew together representatives from relevant government departments. The U.S. Department of State's Export Control and Related Border Security program donated equipment and provided training for Serbia's Customs and Border Police.[26]

[22] Milos Stanic, "27 Years On, Croatia Tries Serbs for Vocin Massacre," *BalkanInsight,* October 15, 2018.

[23] European Union Civil Protection and Humanitarian Aid Operations, "Serbia Factsheet," July 20, 2018.

[24] United Nations High Commissioner for Refugees, "Serbia Update," September 2017.

[25] U.S. Department of State, *2016 Country Reports on Terrorism*.

[26] Ibid.

Economic Conditions

According to the Economist Intelligence Unit, in the period following the 2008 global financial crisis, Serbia was "one of the region's worst-performing economies, owing to institutional and regulatory deficiencies, poor infrastructure, an oversized state, insufficient openness of the economy, low levels of innovation, and demographic weaknesses."[27] Between 2013 and 2017, average real GDP growth was just 1.2%, one of the region's lowest rates.[28]

Nevertheless, for the first half of 2018, real GDP growth was reported to be 4.9% year on year, a significant increase from the 1.4% during the same period in 2017.[29] Serbia's recent growth is attributed in part to increased consumption and investment.[30] Furthermore, Serbia's unemployment level has decreased slightly to 12.5%, although it varies by region and is higher in southern and southeastern Serbia. However, Serbia's high youth unemployment rate, estimated to be 33% in 2017, remains a policy challenge.[31] Serbia was ranked 48th in the World Bank's *Doing Business 2019* report, an improvement from previous years and a stronger rating than most of the country's neighbors, including those already in the EU.[32]

Serbia's main exports include machinery, manufactured goods, agricultural products, and chemicals. Belgrade has bilateral trade agreements with countries such as Russia, Belarus, Kazakhstan, and Turkey, as well as with the EU and the European Free Trade Association. Serbia also is a signatory to the Central European Free Trade Agreement. The United States and Japan designate Serbia as a Generalized System of Preferences beneficiary.

Under President Recep Tayyip Erdogan, Turkey has funded loans and investment projects in the Western Balkans. During a high-profile visit to Serbia in 2017, Erdogan signed numerous agreements to expand economic ties between the countries.[33] Turkish businesspeople traveling with Erdogan reportedly were interested in economic projects involving an extension of the TurkStream gas pipeline to Serbia, as well as Serbia's textile and tourist industries and infrastructure construction, including several highway projects.[34] Turkey's exports to the Western Balkans surged in 2018 thanks in part to the weakening of the Turkish lira.[35]

China is also investing in Serbia as a corridor to Europe as part of its "one belt, one road" global strategy. China reportedly has invested more than $6 billion in Serbia thus far. At a June 2018 meeting with Balkan leaders, Beijing pledged nearly $9.5 billion for the Western Balkans, including Serbia.[36] These investments have targeted transportation and infrastructure projects, as well as aging industrial complexes. For example, Chinese investments and loans are being used to improve rail and highway links between Serbia and neighbors such as Montenegro and Hungary. China's He Steel Group purchased Serbia's Smederevo steel mill in 2016, and the Zijin Mining

[27] Economist Intelligence Unit, *Country Report*: Serbia, October, 2018.

[28] Economist Intelligence Unit, "Government Signs New Agreement with the IMF," August 3, 2018.

[29] Ibid.

[30] World Bank, "Western Balkans Regular Economic Report: Higher but Fragile Growth," No. 14, Fall 2018.

[31] International Labour Organization, 2017.

[32] World Bank, *Doing Business 2019*, 2018.

[33] "Turkey's President Erdogan to Visit Serbia," *BalkanInsight,* August 9, 2017.

[34] Ibid.

[35] Hamdi Firat Buyuk, "Turkish Exports to Balkan Countries Rise Rapidly," *BalkanInsight,* June 21, 2018.

[36] Economist Intelligence Unit, "China's Expanding Role in the Western Balkans," October 19, 2018.

Group recently won the tender to invest in RTB Bor, Serbia's main copper mining company.[37] In September 2018, Serbia's finance minister visited Beijing and signed numerous agreements, including several for Chinese companies to invest in a Belgrade bus manufacturer, to help construct an industrial park, and to build a bypass highway around Belgrade.

Although Chinese and Turkish investments in Serbia have expanded in recent years, the EU is still Serbia's most important economic partner by a wide margin in terms of trade and foreign direct investment. In 2017, trade with the EU comprised nearly three-quarters of Serbia's total trade, whereas trade with China was just 5%.[38] The total value of Serbia's exports to EU countries increased more than threefold between 2009 and 2017, from 3.2 billion euros to 9.9 billion euros.[39] Similarly, for the period 2010-2017, more than 70% of foreign direct investment in Serbia, amounting to 11 billion euros, came from EU member states.[40]

Finally, Serbia has received support from international financial institutions. In 2015, the International Monetary Fund (IMF) and Serbia reached agreement on a $1.2 billion standby loan. The loan's terms required slashing the size of Serbia's public sector and fighting corruption. The Serbian government hesitated to take some unpopular measures, such as selling off or closing heavily subsidized state-owned utility and mining companies, which it claims would increase unemployment. However, the IMF issued a generally positive assessment of Serbia's progress in complying with the loan's terms, and in February 2018 Serbia successfully completed the three-year IMF program. However, the IMF has emphasized that Serbia needs to continue to pursue structural and institutional reforms to support long-term growth.[41] To this end, a Policy Coordination Instrument was approved in July 2018. The instrument aims to facilitate fiscal consolidation and improved public finances.

Relations with Kosovo

One of Serbia's most difficult domestic political and foreign policy challenges in recent years has been its relations with Kosovo. Serbians regard Kosovo as the cradle of their nation and their Orthodox Christian faith. Many key Serbian Orthodox religious sites, including medieval churches and monasteries, are located in Kosovo.

Belgrade strongly opposed Kosovo's declaration of independence in February 2008 and has refused to recognize Kosovo's independence. The preamble of Serbia's constitution includes wording that Kosovo is part of Serbia. To emphasize its position that Kosovo is part of Serbian territory, Belgrade is paying nearly $1 billion to the Paris Club, the London Club, and the European Bank for Reconstruction and Development for Kosovo foreign debt incurred before Yugoslavia's collapse.[42]

Serbia won an important initial diplomatic victory when the U.N. General Assembly voted in October 2008 to refer the question of the legality of Kosovo's declaration of independence to the International Court of Justice. However, Serbia's diplomatic strategy suffered a setback when the

[37] Stevan Veljovic, "New Smederevo Steel Mill Owner Promises Investments and Jobs – For Now," *BalkanInsight,* May 2, 2016; Aleksandar Vasovic, "China's Zijin Mining to Take Stake in Serbian Copper Complex," Reuters, August 31, 2018.

[38] Economist Intelligence Unit, "China's Expanding Role in the Western Balkans," October 19, 2018.

[39] European Union Delegation to Serbia, "Benefits from Serbia-EU Trade."

[40] European Union Delegation to Serbia, "FDI to Serbia."

[41] "Serbia Completes Successful IMF Program," IMF Country Focus, February 22, 2018.

[42] "Serbia Pays Off Kosovo's Billion Euro Debt," *BalkanInsight,* July 12, 2017.

court ruled in 2010 that Kosovo's declaration of independence did not contravene international law.

Since 2008, Belgrade has drawn on Russian support to block Kosovo's attempts to gain membership in organizations such as the U.N., Interpol, and UNESCO. At the same time, Serbia continues to support the de facto autonomy of the four Serb-majority municipalities in northern Kosovo, including part of the divided town of Mitrovica.

Despite its nonrecognition of Kosovo, Belgrade entered into EU-brokered talks with Pristina in 2011. These early negotiations resulted in technical agreements on mobility, customs stamps, mutual recognition of university diplomas, real estate records, civil registries (which record births, deaths, marriages, etc., for legal purposes), integrated border/boundary management, and regional cooperation. The two sides also agreed to exchange liaison personnel (to be located in EU offices in Belgrade and Pristina) to monitor the implementation of these agreements and address any problems that may arise. The implementation record of these early technical agreements is mixed; some were carried out fully, and others were not.[43]

On April 19, 2013, the leaders of Kosovo and Serbia concluded a landmark First Agreement of Principles Governing the Normalization of Relations, also known as the Brussels Agreement. The EU-brokered agreement, which established a basis for normalizing relations, addressed politically sensitive issues concerning Kosovo's judiciary, policing, and the rights of ethnic Serb minorities. Two proposed concessions were particularly notable: Serbia would concede policing in northern Kosovo to Kosovo's police force, effectively dismantling some of the parallel structures in the region, and Kosovo would agree to the creation of an Association of Serbian Municipalities with powers in economic development, education, health, urban and rural planning, and potentially other areas. However, there has been relatively little progress on the steps outlined in the agreement, and both sides claim that the other party is at fault for the delay.[44]

In August 2015, the EU brokered four technical deals on energy, telecommunications, and the proposed Association of Serbian Municipalities. However, as was the case with previous agreements, the implementation of provisions has lagged due to political problems on both sides. For instance, the energy agreement paved the way for a Serbian energy company to develop a supply company in Kosovo. However, the agreement stalled when Kosovo insisted that the company's statute acknowledge that it operates in Kosovo—a requirement that Belgrade claimed was tantamount to indirect recognition of Kosovo's independence.[45]

Furthermore, Belgrade and Pristina continue to disagree over the Association of Serbian Municipalities proposed in the Brussels Agreement. Indeed, the two sides have at times espoused significantly different visions of what the association would entail.[46] Kosovo's political opposition, of which the nationalist Vetëvendosje party is the largest, is opposed to the association. Tensions between Serbia and Kosovo rose during summer 2018, as the August 4 deadline for drafting a statute for the Association of Serb Municipalities passed without success.

The on-again, off-again dialogue between Belgrade and Pristina has helped to ease some of the lingering tensions that exist between Serbia and Kosovo over any number of other issues.

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[43] Donika Emini and Isidora Stakic, "Belgrade and Pristina: Lost in Normalisation?" European Union Institute for Security Studies Brief No. 5, 2018.

[44] Michael Rossi, "Brussels Agreement Remains Kosovo's and Serbia's Best Hope," *BalkanInsight,* April 19, 2018.

[45] "Serbia Must Implement Energy Deal, Kosovo Negotiator Says," *BalkanInsight,* July 27, 2018.

[46] Igor Jovanovic, "Serbia and Kosovo Reach Four Key Agreements," *BalkanInsight,* August 26, 2018.

However, negotiations often are complicated by unanticipated events that lead to flare-ups in nationalist rhetoric, as the following recent examples demonstrate:

- Scheduled talks between Serbian and Kosovo officials were halted in January 2018, when unknown assailants murdered controversial Kosovo Serb politician Oliver Ivanović outside of his office in the divided city of Mitrovica. His supporters viewed him as a moderate pragmatist willing to compromise with Kosovo leaders, but hard-liners on both sides viewed him as a political foe.[47]
- In March 2018, Kosovo police arrested Marko Đurić, the Serbian government official who heads the Office for Kosovo, for illegal entry. Serbian media criticized Kosovo police for using excessive force in the arrest, which reportedly included the use of tear gas and stun grenades to dispel Kosovo Serbs who tried to prevent the police from detaining Đurić. Pristina countered that Đurić had been banned from Kosovo's territory due to his "inflammatory remarks" and was warned in advance that he would be arrested if he attempted to enter Kosovo. The presidents of Serbia and Kosovo called for calm, although President Vučić condemned the act as a "brutal provocation" and stated that Serbia would not let the incident "go unpunished."[48]
- In July 2018, Kosovo police arrested five ethnic Serbs, alleging they were "involved in activities against the constitutional order and security of the Republic of Kosovo."[49] Belgrade reacted by threatening to halt all talks with Pristina until the men were released.
- In September 2018, President Vučić visited northern Kosovo—including Gazivode Lake, which both sides see as strategically important—for two days of discussions with Kosovo Serbs. Although Pristina approved the visit, some Kosovo citizens tried to block Vučić's intended travel route. The Serbian president was criticized for giving a speech in Kosovo in which he praised Slobodan Milošević as a "great Serbian leader." Partly as a result of the fallout from these events, talks scheduled to be held that month between Vučić and Thaçi instead were held separately with EU High Representative Federica Mogherini.
- In October 2018, as Serbia and Kosovo's presidents floated the idea of adjusting borders to normalize relations (see "Border Adjustments," below), Kosovo's parliament passed a law to transform the Kosovo Security Force into a national army over the objections of Kosovo Serb members of parliament. In the past, NATO indicated it would not support a Kosovo army if Kosovo Serbs were not part of the dialogue in its creation. Belgrade sharply opposed this measure.
- In November 2018, on the eve of scheduled talks between presidents Vučić and Thaçi, Kosovo imposed a 10% customs tariff on imports from Serbia in response to Serbia's alleged efforts to block further recognition of Kosovo. Although the

[47] Gordana Knezevic, "Kosovo Assassination Leaves Fear, Silence in its Wake," *RFE/RL,* January 22, 2018.

[48] "Kosovo: Serbia President Aleksandar Vucic Condemns Arrest of Marko Djuric," *DeutscheWelle,* March 27, 2018; "Andrew MacDowall, "Kosovo Detains Serbian Politician after 'Illegal Entry' into Region," *Guardian,* March 26, 2018; "Kosovo Deports Senior Serbian Official for Illegal Entry," *RFE/RL,* March 26, 2018.

[49] Adelina Ahmeti, "Kosovo Releases Arrested Serbs under Pressure from Belgrade," *BalkanInsight,* July 10, 2018.

two leaders still met, Vučić stated that talks with Kosovo would continue only when the "illegal" tariffs were removed.[50]

Since the launch of the dialogue in 2011, the tone taken by officials in both countries has ranged from cooperative to combative at times. Some analysts note that Serbian and Kosovo officials tend to take a more conciliatory, cooperative tone before external—primarily American and EU—audiences. However, the same officials may adopt zero-sum rhetoric and hard-line positions before domestic audiences, particularly during election campaigns, when they appeal to nationalist voters.[51] However, some observers believe these setbacks—whether intentional or not—jeopardize a fragile peace. Furthermore, they may undermine each side's trust in the other as a reliable negotiating party, complicating future negotiations.[52] Finally, the difficulty in reaching and implementing agreements to normalize relations also reflects the considerable political cost that leaders in both countries likely would pay for making concessions or compromising.[53]

Border Adjustments

In summer and early fall 2018, leaders from Serbia and Kosovo made statements alluding to border adjustment as an approach to normalizing relations. The idea of partition or border adjustment had been floated occasionally by officials in the past, but usually it was quickly rejected by the West or by domestic political factions. Although the particular details of the "adjustment" have not been hammered out, some observers believe one possible scenario would be Kosovo ceding four majority-Serb municipalities in the north in exchange for diplomatic recognition and/or territory in Serbia's Albanian-majority Preševo Valley. Both sides have rejected this idea in the past, as have many Western states, which opposed the principle of redrawing borders on an ethnic basis in the Balkans.

As in the past, both leaders faced immediate opposition from powerful factions following these statements. Nationalist parties in Kosovo and Serbia expressed opposition to any border adjustment, as did a number of NGOs.[54] Vučić faces further opposition from the Serbian Orthodox Church, and Kosovo's leader faces firm opposition from the prime minister and parliament. Although some E.U. officials, as well as officials from the United States, Austria, and other key countries, have indicated they are willing to listen to a proposal based on border adjustment, Germany has remained firmly opposed. It remains to be seen whether Serbia and Kosovo's leaders can reach agreement on a concrete border adjustment proposal and, if so, whether that proposal would be subjected to a referendum or parliamentary ratification in each country.

Relations with the EU

Since 2000, membership in the EU has been one of Serbia's key foreign policy goals. Although the EU welcomes Serbia's desire to join the union, it has emphasized that Serbia's membership is contingent upon its normalization of relations with Kosovo. Most EU member states have

[50] "Vucic, Thaci Exchange Angry Statements After Brussels Meeting," *BalkanInsight* November 8, 2018.

[51] Emini and Stakic, op cit.

[52] Ibid.

[53] Marta Szpala, "Serbia-Kosovo Negotiations—Playing for Time under Pressure from the West," Centre for Eastern Studies Commentary, August 21, 2018.

[54] "EU Urged to Speak Up Against Kosovo Partition," *BalkanInsight,* August 7, 2018.

recognized Kosovo as an independent country, but five EU countries have not for various reasons.[55]

In 2012, the EU officially recognized Serbia as a candidate for EU membership, and in September 2013 a Stabilization and Association Agreement between the EU and Serbia entered into force. In January 2014, Serbia was formally invited to begin EU membership negotiations. However, Serbian public support for EU membership, while mostly positive, has waned slightly in recent years amid signs of enlargement fatigue within the EU, as well as the EU's insistence that Serbia normalize relations with Kosovo before joining.

As part of the negotiations process, Serbia must harmonize its legislation with the EU's body of laws, the *acquis communautaire*. As of November 2018, Serbia has opened 14 chapters of the *acquis* and provisionally closed two chapters. In October 2017, Serbian Prime Minister Ana Brnabić made her first official visit to Brussels with a message of reassurance that Serbia was committed to joining the EU. After previously sending mixed messages on the prospects of European enlargement into the Western Balkans, in 2018 European Commission President Jean-Claude Juncker stated that Montenegro and Serbia could become members as early as 2025. Some analysts, however, believe ongoing disagreements over Kosovo's status could slow Belgrade's timetable.

EU financial assistance to Serbia is primarily provided through the Instrument for Pre-Accession Assistance (IPA). According to the European Commission, the IPA funding allocation for Serbia for the period 2014-2020 will amount to approximately €1.5 billion. This figure excludes loans from the European Investment Bank and bilateral aid from EU member states. At present, there are roughly 600 EU-funded projects in partnership with the Serbian government, businesses, and civil society organizations.[56] Since 2009, Serbian citizens have been able to travel without a visa to Schengen countries.[57]

Although Serbia has insisted that it be free to balance its relations between the EU and Russia, some EU officials have criticized Serbia for not joining EU sanctions against Russia in response to Russia's actions in Ukraine. However, the EU has not made implementing the sanctions a condition for progress toward Serbia's membership at this stage. Nevertheless, some believe EU attitudes toward Serbia reinforce the view of many in Belgrade that Serbia has not been fully embraced by Brussels and that it would be premature for Serbia to greatly distance itself from Moscow until it receives a stronger commitment from Brussels.

The 2015 European migration crisis, in which hundreds of thousands of migrants and refugees entered the EU via the Balkan route, was a reminder of the region's strategic importance. The EU is also worried about potential political instability and the influence of third powers, such as Russia, China, and Turkey, in the Western Balkans. Proponents of EU enlargement see it as the main tool to assure peace, stability, prosperity, and the rule of law in the region. Some observers speculate that the EU also feels the need for a new mission and purpose, such as integrating the Western Balkans, in the post-Brexit era.[58]

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[55] Cyprus, Spain, Greece, Romania, and Slovakia do not recognize Kosovo's independence for various reasons, including ethnic disputes in several countries.

[56] Delegation of the European Union to the Republic of Serbia, "EU and Serbia at Work."

[57] European Commission, "European Commission Enlargement Policy: Serbia."

[58] Op. cit. EIU.

Relations with Russia

Russia has long considered the Balkan region, and Serbia in particular, to be in its sphere of influence due their Slavic language and Orthodox Christian religious connections, as well as what Russia touts as its historical role as "protector" of Christian Slavs in the Ottoman Empire.[59] However, relations between the former Yugoslavia and Soviet Union were often rocky after Yugoslav leader Josip Broz Tito broke with Stalin in 1948. Russia's relationship with Serbia strengthened in the 1990s, when Moscow advocated at times on behalf of Slobodan Milošević during the wars of Yugoslav dissolution. The relationship has improved since Kosovo's 2008 declaration of independence. Russia supports Serbia's nonrecognition stance and uses its permanent seat on the U.N. Security Council to block Kosovo's admission.

Russia's current influence in Serbia is partly rooted in its popular support. For instance, public opinion polls suggest that most Serbians identify Russia as Serbia's closest friend and Vladimir Putin as their favorite foreign leader (Germany's Angela Merkel placed second).[60] A study conducted by Belgrade's Center for Euro-Atlantic Studies in 2016 tallied more than 110 registered NGOs, associations, and media outlets in Serbia with Russian connections, a sharp increase from about 12 in 2015.[61] Russia also channels its influence through its media and energy linkages with Serbia. Kremlin-linked media outlets such as Sputnik and RT operate in the Balkans and amplify anti-Western narratives.

Political and economic ties between Moscow and Belgrade strengthened after the breakup of Yugoslavia, particularly during the 1999 NATO campaign against Serbia's actions in Kosovo, which Moscow opposed. Russia supplies Serbia with all of its natural gas, which in 2016 amounted to around 2 billion cubic meters (bcm). In December 2017, a new gas agreement between the two countries pledged an increase in Russian gas deliveries to Serbia to 5 bcm through 2021. Russia also has invested heavily in Serbia's oil and natural gas industry, and Russia's Gazprom has majority shares in Serbia's NIS energy enterprise.

The extent of Russian influence over Serbia's political structures is difficult to assess. Moscow reportedly provides financial and political support to several Serbian political parties. In 2016, the Democratic Party of Serbia, the Dveri Movement, and the Serbian People's Party signed a declaration with Russia's ruling United Russia party expressing support for a neutral military area in the Balkans.[62]

Some observers believe Russia uses its position in Serbia as a base to carry out operations in the Balkan region. According to a report published in 2017 by the Organized Crime and Corruption Reporting Project, NOVA TV, and the Crime and Corruption Reporting Network, agents from the Russian Foreign Intelligence Service have planned and carried out regional intelligence operations from a station in Belgrade.[63] Ahead of the 2017 parliamentary elections in Montenegro, several ultranationalist Serbs, reportedly acting on instructions of Russian intelligence officers in Belgrade, were arrested in relation to an alleged assassination plot against Montenegro's prime minister in an attempt to derail Montenegro's accession to NATO.

[59] Marcus Tonner, "Russia Never Went Away From the Balkans," BIRN, February 8, 2017.

[60] Vuk Vuksanovic, "Serbs Are Not 'Little Russians,'" *The American Interest,* July 26, 2018.

[61] Center for Euro-Atlantic Studies, *Eyes Wide Shut,* May 2016.

[62] "Serbia Parties Sign Declaration with United Russia Party," B92, June 2016.

[63] "Russian Meddling in Balkans A Matter of Supply and Demand," *BalkanInsight***,** June 12, 2017.

U.S. and EU officials have expressed concern at a Russian facility in the Serbian city of Niš. The Kremlin claims the center provides emergency humanitarian response training for Serbian first responders. However, the center is relatively close to the NATO peacekeeping forces in neighboring Kosovo, and the United States and the EU have expressed concern that Russia is using the center for military and intelligence operations. Former U.S. Deputy Assistant Secretary of State for European and Eurasian Affairs Hoyt Yee expressed this concern during a June 2017 hearing of the Senate Foreign Relations Committee's Subcommittee on Europe and Regional Security Cooperation.[64] Russia also has requested that Serbia extend the diplomatic status that NATO officials enjoy in Serbia to the Russian staff at the Niš center. The Serbian government has denied that it is permitting a Russian military base to operate at Niš.[65]

In early 2017, Russian President Putin and then-Serbian Prime Minister Vučić agreed to the transfer of 6 used MiG-29 fighter jets, 30 tanks, and 30 armored vehicles to Serbia. Serbia will bear the cost of upgrading and modernizing this equipment. In addition, media reports suggested Serbia was interested in acquiring a Russian air defense system and establishing a facility to repair Russian MIL helicopters, which some analysts likened to "opening a Russian military base on [Serbian] territory."[66] Serbia's arms purchases have the potential to exacerbate tensions with neighbors such as Kosovo and Croatia.[67]

However, some observers believe the extent of Russian influence in Serbia is often exaggerated.[68] These observers contend that most Serbians are also committed to Euro-Atlantic integration.[69] For instance, although Serbia's joint military exercises with Russia and observer status in the Russian-launched Collective Security Treaty Organization are widely reported, Serbia participates in a greater number of exercises with NATO and the United States than with Russia. In 2017, Serbian forces participated in 2 joint exercises with Russia and Belarus but held 13 exercises with NATO members and 7 with U.S. units.[70] Serbia joined NATO's Partnership for Peace program in 2006 and in 2015 signed an individual Partnership Action Plan, an agreement with a more extensive level of cooperation designed for countries that do not aspire to join NATO. Nevertheless, some analysts believe Belgrade is subjected to pressure from Russia, which hopes to thwart further NATO expansion into the Western Balkans.

Serbia's relationship with Russia experiences occasional tensions. For example, relations with Moscow received a blow in 2014 when Belgrade was reportedly caught off guard by President Putin's decision to cancel the South Stream gas pipeline project, which would have run through Serbia and provided it with gas and transit fee revenue. It is unclear whether Russia's replacement for the project, the TurkStream pipeline, will come to fruition and, if so, what role Serbia would play in the transmission of gas into Europe. Additionally, Belgrade's relations with Moscow soured somewhat after Belgrade publicly called for respecting Ukraine's sovereignty and territorial integrity after Moscow annexed Crimea and aided separatists in eastern Ukraine.

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[64] Testimony of Deputy Assistance Secretary of State Hoyt Yee before the Senate Subcommittee on Europe and Regional Security, June 14, 2017.

[65] "Serbia Denies Plans to Open Russian Military Base," *InSerbia.info*, December 2014.

[66] Dusan Stojanovic, "Putin to Approve Weapons Delivery to Balkans, says Serbian Defense Minister," *Associated Press*, March 28, 2017.

[67] "Serbia: Putin Agrees to Large Weapons Delivery to Balkans," VOA, March 29, 2017.

[68] Vuk Vuksanovic, op. cit.

[69] Ibid.

[70] According to the 2017 International Institute for Security Studies' *Military Balance* report, Serbia's armed forces number approximately 28,000 active personnel and approximately 50,000 reserves. The Serbian army is the largest branch, with approximately 13,000 personnel. The Air Force consists of some 60 combat-capable aircraft.

Serbia, however, did not join the EU and the United States in imposing political or economic sanctions on Russia for its actions in Ukraine, as noted above.

Relations with the United States

In 1999, the United States broke off relations with Belgrade when Serbia conducted an ethnic cleansing and deportation campaign against its ethnic Albanian minority population, primarily in the province of Kosovo. In response, NATO carried out a bombing campaign against Serbia that lasted for 78 days and ended with the creation of UNMIK and KFOR to stabilize the region and enable the return of displaced persons.

Since Serbia's 2000 transition, the United States has viewed a stable, democratic Serbia as essential to stability in the Balkan region. U.S.-Serbian ties were strained when the United States recognized Kosovo's independence in 2008 and remained one of Kosovo's strongest external supporters. Although the United States has offered to "agree to disagree" with Serbia over Kosovo, the issue may continue to affect relations, particularly as the United States generally remains Kosovo's most influential international supporter.

In early 2016, U.S.-Serbian relations were strained when a daily newspaper close to then-Prime Minister Vučić accused the U.S. and U.K. ambassadors of provoking chaos in Serbia in hopes of overthrowing Vučić. This prompted Vučić to cancel a scheduled visit to the United States to commemorate the inaugural Air Serbia flight to New York; he instead met with President Putin in Moscow. Relations were eventually smoothed over when, during a July 2016 visit to Belgrade by the then-U.S. Assistant Secretary of State for European and Eurasian Affairs Victoria Nuland, it was announced that Serbia had agreed to allow two inmates from the Guantánamo Bay detention camp in Cuba to be relocated to Serbia.[71]

Relations between the United States and Serbia continued to improve. In June 2017, President Vučić visited Washington, DC, and met with Vice President Mike Pence. Some Members of Congress expressed concern over the meeting because of Serbia's relations with Russia, but Vice President Pence reportedly raised the issue of Russia and Russia's "humanitarian" center in Niš, Serbia, with Vučić. Relations again hit a slight snag in October 2017, when the U.S. ambassador to Belgrade was accused, mostly by the progovernment press, of interfering in Serbia's internal affairs after he reportedly criticized Defense Minister Aleksandar Vulin's expressions of support for convicted war criminals, suggesting that such comments might undermine efforts to improve Serbia's image in the United States. Similar complaints again erupted in Belgrade after the October 2017 visit of U.S. Deputy Assistant Secretary of State Hoyt Yee, whom Serbia accused of insinuating that Belgrade would soon have to choose between the West and Moscow.

U.S. foreign aid to Serbia has fluctuated for several years, perhaps reflecting overall U.S. budgetary stringency, changing U.S. global priorities, and the expectation that Serbia would receive increased aid as an EU membership candidate. The United States provided $22.9 million in aid to Serbia in FY2014, $14.2 million in FY2015, and $16.8 million in FY2016. For FY2017, the Obama Administration requested approximately $23 million, including $16 million in economic support funding, $1.8 million in Foreign Military Financing (FMF), and $1 million in International Military Education and Training (IMET). The FY2018 budget submission from the Trump Administration requested $12.1 million, including $8 million in Economic Support and Development Assistance and $1.0 million in IMET. The Senate Foreign Operations and Related Agencies appropriations bill for FY2018 included $12.9 million in economic support, along with

[71] Op. cit. *BalkanInsight*, July 19, 2016.

$1 million in IMET and $1.8 million for FMF. The Trump Administration's FY2019 request was for $10.5 million, including $6.4 million in Economic Support and Development.

According to the U.S. Department of State, targeted U.S. assistance focuses on helping Serbia further integrate into the EU as new chapters are opened in the accession process. Assistance focuses on supporting democracy and the rule of law, rooting out corruption, supporting civil society organizations and independent press, supporting economic development, strengthening Serbia's border regime, and building positive bilateral relationships with neighboring countries.

Serbia-U.S. military relations also have improved recently, as U.S. military aid has helped Serbia participate in NATO's Partnership for Peace programs and prepare for international peacekeeping missions. In November 2017, paratroopers from the United States and Serbia held a joint exercise in Serbia.[72] The Ohio National Guard also participates in a partnership program with Serbia's military.

American firms including Philip Morris, Coca-Cola, Ball Packaging, PepsiCo, KKR, Cooper Tire, and Van Drunen Farms have invested in Serbia. In 2013, Microsoft signed a $34 million software contract with the Serbian government. U.S. technology companies likewise have demonstrated interest in investing in Serbia.[73] In 2013, Fiat began shipping cars manufactured in its plant in Serbia to the United States.

According to the U.S. Department of State's 2018 *Trafficking in Persons* report, Serbia is "a source, transit, and destination country for men, women, and children subjected to sex trafficking and forced labor."[74] The Office to Monitor and Combat Trafficking in Persons notes that Serbia's government has undertaken "significant efforts" to address the problem, establishing a law enforcement task force devoted to trafficking, expanding the identification of victims, and establishing guidelines for prosecutors and judges. However, Serbia remains listed as a Tier 2 country because the State Department has determined that, despite these efforts, the Serbian government has not yet fully complied with the minimum standards for eliminating trafficking.[75]

According to the U.S. Department of State's 2016 report on terrorism, Serbian law enforcement and security agencies receive assistance and training from the United States.[76]

Issues for Congress

Congressional interest in Serbia (and Kosovo) dates to the 1991-1999 conflicts in the Western Balkans. Over time, Congress has established Member caucuses on both Kosovo and Serbia and has held several hearings on the Western Balkans. In 2018, the Serbia Caucus in the House noted the 100th anniversary of Woodrow Wilson's "day of prayer" for the people of Serbia. In 2018, the Serbian diaspora and Eastern Orthodox Church sent a letter to Congress regarding the discussions surrounding a possible land swap between Serbia and Kosovo. Many Members of Congress support Kosovo's independence, the efforts at reconciliation between Serbia and Kosovo, and EU membership for both countries, but other Members have expressed skepticism about Serbia's relations with Russia or the future viability of the Serbia-Kosovo coexistence.

[72] "Serb, U.S. paratroopers jump together to boost ties," *New York Times,* November 17, 2017.

[73] United States Embassy in Serbia, "US & Serbia Relations."

[74] U.S. Department of State, *Trafficking in Persons Report,* 2017.

[75] Ibid.

[76] U.S. Department of State, *Country Reports on Terrorism*, 2016.

Over the past several years, Congress has maintained a steady interest in the stability of the Western Balkans and has supported the efforts of those countries to join the EU and NATO. House and Senate committees have held several hearings on the Balkans during the 114th and 115th Congresses. Some Members of Congress also visited countries in the Western Balkans in 2017 and 2018.

The United States has viewed a democratic and prosperous Serbia, at peace with its neighbors and integrated into Euro-Atlantic institutions, as an important part of its key policy goal of a Europe "whole, free, and at peace." Recognizing that Serbia is an important political and economic factor in the overall future of the Western Balkans and that the United States has provided a sizable amount of assistance to Serbia, Congress may focus more specifically on U.S. relations with Serbia; its role in the Western Balkans; Serbia's EU membership negotiations; and Serbia-Russia relations, particularly the operation of the Russian facility in Niš and Russian support for pro-Moscow political parties in Serbia. Congress likely will continue its interest in developments in the Serbia-Kosovo relationship, which could continue to constrain closer U.S. cooperation with Belgrade.

Figure 1. Map of Serbia

Source: Created by CRS using data from IHS and ESRI.

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