AN ANALYSIS OF THE RECENT DEVELOPMENTS IN THE KOSOVO SERBIA DIALOGUE: A perspective from Brussels

April 2019
Group for Legal and Political Studies

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April 2019

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Introduction
When the new European Commission published the new EU Enlargement Policy in February 2018, it seemed to set the stage for renewed integration aspirations of the Western Balkans. Both Kosovo and Serbia are included in the new enlargement policy, yet quite disparately: Serbia is put forth as a frontrunner candidate and offered a concrete 2025 timeline for accession, whereas Kosovo is offered an ambiguous path as potential candidate marred by its limited recognition. The shared perquisite is the mutually beneficial conclusion of the Dialogue on the normalization of relations between Serbia and Kosovo – the Dialogue left 2018 and entered in 2019 with mixed results, several suspensions and recent strains.

This report takes a deep look at the path the dialogue is following, firstly from the developments in both state actors, Kosovo and Serbia, in order to from there analyze how European partners are responding to the recent developments and how they are preconditioning the continuation of the talks on normalized relations.

The last months have bared significant, albeit not positive, developments to the dialogue on the normalization of relations between Serbia and Kosovo. The so-called Brussels agreement was concluded on 19 April 2013, in which both countries agreed to undertake mutual efforts to normalize relations under the auspices of the EU. In late 2018, from stalled political talks and mentions of reaching the final phase of the agreement, the dialogue became inflamed after debates on three main topics of contention: the ‘border correction’, the imposition of tariffs and the formation of a Kosovar army. The international response and participation has mainly been one of attempts to de-escalate tensions and the stalemate direction the dialogue seems to be following.

The controversial ‘border correction’ idea
As the Dialogue lingers on, the impatience of governments grows in wanting to see the normalization of relations finally resolved, ideally concluded with a legally-binding implementation on both sides. This expectation is especially true for Kosovo, whose EU aspirations are in a preliminary limbo and very much dependent on progress with Serbia who, in turn, is already undergoing accession talks. However, while eagerness to have it resolved grows, willingness to compromise further with an uncooperative side fall.

The idea of ‘border correction or adjustment’ was first raised by Kosovar President Hashim Thaci. It proposes a territory exchange between Kosovo and Serbia in which a part of southern Serbia largely populated by ethnic Albanian would be exchanged by a part of disputed northern Kosovo where Serbs are the majority). President Thaçi stated that “Kosovo is determined to reach a binding legal agreement with Serbia. The time to do this is now”¹. Serbian President Aleksandar Vucic joined in discussing the potentiality of this idea, in a broader effort to reach a final agreement and speed accession.

It is a controversial idea, unsupported by the population at large and deemed perilous given that splitting borders among ethnic lines could easily spark tensions in the Balkan region. Florian Bieber, Austrian scholar on the topic of the Western Balkans, argues that "I don't think they [Thaçi and Vucic] are particularly concerned by the larger political implications. (...) I think they are both

very much motivated by personal, political survival and power”\textsuperscript{2}. It is geopolitics at its best (or worst) and the international reaction was noticeable. Academics and leaders discouraged the possible precedent of redrawing national borders along ethnic lines, especially underlined the example of Bosnia and Herzegovina but also cited the cases of ethnically-diverse Macedonia and Montenegro – there is concern that “talks between Serbia and Kosovo will not solve existing problems but create new ones if they continue in their current direction”\textsuperscript{3}, stressed the European Council on Foreign Relations.

From the side of the United States, a major ally to Kosovo, the government stated it wouldn’t reject a deal, should it be mutually-satisfactory and agreed by the two parties. “The US policy is that if the two parties can work it out between themselves and reach agreement, we don’t exclude territorial adjustments. It’s really not for us to say”\textsuperscript{4}, announced National Security Advisor John Bolton. Diplomatic relations between the US and Kosovo have been strong, with the American position long being supportive of Kosovo’s state-building process and wider recognition by the international community. With regards to a final solution or agreement to the normalization talks, they are prepared to accept any deal that is “comprehensive and durable, and has widespread public support in both countries”\textsuperscript{5}. From the side of Brussels, both Federica Mogherini and Johannes Hahn expressed support for the continuation of bilateral talks yet urged the direction followed does not destabilize the region. Nonetheless, playing the diplomatic card to not demoralize constructive efforts to move forward in this geopolitical peace game, Mogherini said the EU would recognize a mutually-agreed deal, should it be “in line with international and with EU acquis”\textsuperscript{6}. This position was quite controversial and much more flexible than that of key EU Member States. Germany is a prime example. The country was the most vocal EU Member State opposing the idea, with German Chancellor Angela Merkel stating that “The territorial integrity of the states of the Western Balkans has been established and is inviolable. This has to be said again and again because again and again there are attempts to perhaps talk about borders and we can't do that”\textsuperscript{7}. Additionally, German Foreign Minister Helko Maas also reiterated that “We don’t believe discussions about an exchange of territories between Kosovo and Serbia would be productive. We believe that would tear open too many old wounds among the population. That’s why we are very skeptical about that”\textsuperscript{8}. Also, British politicians alerted that “Normalizing relations between Serbia and Kosovo is crucial for the security, stability and prosperity of both countries and the wider region. (…) This should be on the basis of recognition of independent sovereign states within their current borders”\textsuperscript{9}. The chance of inflaming territorial disputes in other countries within the region is why most leaders consider the idea raised by the two Presidents one-sidedly as risky, and not even close to being meticulous with regards to immediate international repercussions.

Not only is the EU contesting the idea, but the same idea also led to an uproar of internal politics in Kosovo. Prime Minister Ramush Haradinaj openly opposed the land swap proposal,
claiming that re-opening the past topic of borders would mean reopening also the past topic of “war” in the Balkan Peninsula. Moreover, mass protests were organized in Pristina against a possible border correction deal conceivable to propel further destabilization in the region.

The imposition of tariffs on Serbia
Just when this controversial attempt to end the negotiations impasse of the Dialogue, another hot topic arose. This time not of a geopolitical or territorial nature, but of a taxation nature.

Since its independence in 2008 and following limited state recognition, the Republic of Kosovo has dramatically struggled with integration into the international community. The most recent failed attempt at membership to an international organization was to Interpol, the international police organization, in November 2018. Kosovo did not receive the needed two-thirds majority of votes, mainly due to strong Serbian and Russian lobbying against its third bid. Adding to the bitter sentiment, Serbian Interior Minister Nebojsa Stefanovic tweeted a photo with the Serbian word ‘Victory’ from the General Assembly hall where voting was held. The Kosovar government’s reaction was fast: it increased the initial 10% customs tariffs on Serbian imports to 100% as a response against Serbia’s “continuing aggressive campaign against Kosovo in the international stage.” With a sense of nothing else to lose, the imposition of tariffs was largely supported by Kosovar citizens following the Interpol result.

Nonetheless, such reactions do not fall in the spirit of normalizing relations. Federica Mogherini quickly came out to ask the Kosovar government to revoke the decision – it is “a clear violation of the Central European Free Trade Agreement (CEFTA) and of the spirit of the Stabilisation and Association Agreement between the European Union and Kosovo.” The EU reiterated this call to rescind the tax in January 2019 and most recently in early March 2019 by the Chair of the Foreign Affairs Committee of the European Parliament, David McAllister. It must however be noted that, albeit fair to deem that these tariffs clash with the Dialogue, so do the successive lobby campaigns led by Serbia clash with the reconciliation spirit, as well. In line with this, it must be noted that that no such pressure from EU officials has been registered thus far toward the Serbian government with regarding Serbia’s diplomatic campaign against Kosovo.

The unprecedented move by Kosovo created an even more intense stalemate all the while changing the status quo of talks between the two governments. Suddenly the bets were higher: Kosovo insists on, despite EU opposition, keeping the tariffs until negotiations with Serbia are entered on real “principles of mutual recognition,” and Serbia insists on not entering talks until

10 Ibid.
13 Ibid.
15 Ibid.
the tariffs are revoked\textsuperscript{19}. There is a new bargaining chip on the table, one which the international community condemned for hurting any chance of constructive talks. Besides the EU, the United States is the other main international player with influence and soft power over Kosovo. President Trump urged both governments, in a memo posted to President Thaci’s official social media account, to cooperate instead of indulging a tax war, for “failure to capitalize on this unique opportunity would be a tragic setback”\textsuperscript{20}. The memo also alerted that “the United States has invested heavily in the success of Kosovo as an independent, sovereign state” but that “support for Kosovo is not unconditional”\textsuperscript{21}. Months later, in January 2019, the American Embassy in Kosovo added to the warning in stating that “We caution against assuming that Kosovo or any other friend of the United States can take actions that run counter to our strategic interests without facing consequences to our bilateral relationship”\textsuperscript{22}. The international pressure mounted on reiterating the Dialogue not be harmed but rather used and encouraged in a beneficial manner - in this being so long in the making, international actors have started to expect concrete results and less deadlocks caused by political animosity.

Domestically, the 100% tax is a move which is dividing the Kosovar government among those who support it and will not budge until Serbia recognized the country as an independent state, and those who want it suspended after appeals from the EU and US sides\textsuperscript{23}. The main motivation of the latter group is to protect the partnership Kosovo enjoys with the United States and has led to grave tension among the coalition parties, with the looming fear of snap elections being called still present. The impasse on normalization talks with Serbia is felt as much in Kosovo’s government as it is in Brussels’ main offices. The taxation move further unsettled major global allies on the direction the Dialogue is going into. However, putting the move into hard regional context, Kosovo’s 100% tax on Serbian imported goods did not objectively obstruct the Dialogue as is, for the Dialogue itself had for a long time lacked real momentum or progressive, as well as a constructive nature with view of mutual recognition. It is possible to be assessed that, should Kosovo’s taxation decision be qualified by Serbia as an impediment to a fertile Dialogue, then also Serbia’s own diplomatic campaign against Kosovar sovereignty should be qualified in the same manner. Regardless of this pin-pointed reality, from the international and wider EU point of view, it generated another setback to the already-fragile talks between the two states, Kosovo and Serbia.

**Kosovo approves the creation of a national army**

The messy territory swap and the infamous tariffs were quickly followed by yet another major development which sparked international responses. On 14 December 2018, the Assembly of Kosovo overwhelmingly voted to approve the creation of a strongly-armed Kosovo Security Force (KSF)\textsuperscript{24}. In light of the especially tense period the Dialogue is going through, this move was hesitantly watched over by some, despite it actually not harboring...
significant repercussions - the Law on amendments on status and mandate of the KSF precludes a careful transition into an army, which may take up to 7-10 years and shall be done in cooperation with Kosovar allies such as the United States. Nevertheless, with tense bilateral relations and stalled negotiations as backdrop, the vote was dubbed as unhelpful to recovering any sort of momentum to reach a final agreement between Kosovo and Serbia.

Albeit a sovereign decision made in consonance with the US as ally and noting a tight legal framework of limited military capabilities, NATO Secretary General Jens Stoltenberg came out to criticize the decision as “ill-timed, goes against the advice of many NATO Allies, and can have negative repercussions on Kosovo’s prospects for Euro-Atlantic integration” 25 – a collective position which was to be expected given several NATO allies do not recognize Kosovar sovereignty to begin with. At the United Nations headquarters, the head of Peacekeeping Operations noted with concern during his briefing to the Security Council, that relations between Kosovo and Serbia had deteriorated and urged parties to reengage in the EU-facilitated Dialogue 26. Such international actors denounced the decision in light of the country’s onward path being so interwoven with the spirit of good neighborly relations. However, Prime Minister Haradinaj recalled that “The narrative that Kosovo would use its military forces against Kosovo Serbs and its neighbors is an unfounded narrative. It’s a modern, multiethnic army that has grown up together with NATO and KFOR, their soldiers and officers in our country” 27.

The United States has been the global actor most supportive of the amendment on the law on amendments on status and mandate of the KSF. The American Embassy in Kosovo announced it is “committed to working with the KSF to promote its professional development and organizational evolution” 28. The final aim and hope of the international community and all global partners remains: a legally binding agreement of mutual recognition, which would cap off the perilous neighborly conflict. The headache now is that no one seems to know how to effectively snap out of the current deadlock.

The treacherous path the Dialogue is following

Calls to de-escalate the tensions have been global, ranging from the NATO SG to UN chiefs and EU leaders. The need for an inclusive and transparent Dialogue is more present than ever. Another EU institution, besides the Commission, which has openly supported the Dialogue is the Council of the EU. For instance, Austria, the previous incumbent of the 6-month rotating presidency, supported the controversial territory swap idea despite strong opposition from many EU members, most notably key player Germany as seen above. Its main aim was to have lasting peace between the two countries, if a border correction should be needed then so be it 29. Another key player, the United Kingdom, also recently stated during a United Nations Security Council meeting on the normalization of relations between Kosovo and Serbia that “we continue to urge Kosovo to act responsibly, to act transparently and in consultation with NATO allies and to uphold Kosovo’s

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27 Ibid.
existing commitments to arrangements with KFOR”30. Romania currently holds the presidency since January 2019, distinctly one of the five non-recognizers in the EU. On that note, upon taking over the Council of the EU, Bucharest was keen to assert that their position on statehood does not hamper their support of the dialogue - "We would like to stress that we will act as an intermediate, despite our positioning on Kosovo’s independence. Romania supports dialogue and the necessity of striking a deal in line with EU’s core values. Social cohesion and respect of minorities are part of these values. We believe that it’s important for both sides and relevant actors to refrain themselves from anything that makes this agreement impossible”31. In fact, Romanian Foreign Minister Teodor Meleşcanuay reminded that the Dialogue may be actually additionally encouraged by states looking to resolve that lingering non-recognition policy. He said during the informal meeting of EU foreign affairs ministers held in Vienna back in August 2018, that “The best solution is to have a bilateral understanding between Serbia and Kosovo, it will also help us very much — other countries who have not recognized Kosovo — to arrive at a final decision about it”32.

In seeking to convey a message of cooperation, Kosovo recently assembled a new negotiating team to head to Brussels and discuss topics, such as missing persons and war reparations, with Serbian counterparts and Federica Mogherini33, even amid party tensions and coalition divisions. The move was, however, marred by a telling gender gap: the chosen nine-member team for the peace talks consisted of only men34. The inclusion and the representation of women in peace processes is vital in building lasting stability. The formation of the aforementioned state delegation to serve as negotiating team in Brussels was met with internal political turmoil in lacking political consensus, namely by the two biggest opposition parties, LDK and Vetevendosje, which “boycotted the December session and refused invitations to be part of the negotiation team”35. In fact, the main topic of contention remains the leading role President Thaci has, as executive, come to take in the Dialogue. Especially at a time when Thaci himself has raised talks of potential border swaps, most political figures in Kosovo have voiced their disapproval of his role, reiterating the need for the onus of the negotiation process be returned to the Assembly of Kosovo at this final phase of talks.

While internal developments in Kosovo have made headlines, domestic turmoil in Serbia has also been in the spotlight. Since December 2018 and now going on their third month, mass protests have been organized in many major Serbian cities against what is considered an undemocratic rule by President Aleksandar Vucic.36. The mass protests encompass citizens from the entire political spectrum and are calling for his resignation have colloquially been labelled in the media as the “1 in 5 million protests”, alluding to Vucic’s statement that he shall not concede to criticism even if five million people were to object his rule37. Citizens are more vocally demanding change and a shift from the more autocratic regime Vucic and the ruling Progressive Party (SNS)

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34 Ibid.


have brought. The tense political climate in Serbia led to protesters to forcefully enter the public broadcasting television building seeking to directly address the nation on the need of greater media freedom, having been stopped by riot police officers. The SNS has most recently put forth the idea of holding early elections in an attempt to appease the anti-government demonstrations, but a formal decision or clear message from the President has yet to be released. In light of the internal turmoil and troublesome political situation, renowned watchdog organization Freedom House recently downgraded Serbia’s aggregate freedom score from “Free” to “Partly Free”. The score deterioration is explained by the organization as being due to “election irregularities, legal harassment and smear campaigns against independent journalists, and President Aleksandar Vucic’s de facto accumulation of extraconstitutional powers”. Pressure is indeed mounting on Serbia’s sociopolitical stability.

The mass protests in Serbia were already flaring around the time, mid-January, when Russian President Putin visited the ally country. In what seemed to be a show of force, Putin accused NATO of destabilizing the region with membership prospects, seemingly determined to remind Western powers that Russia still has a hand to play in the Balkans. Experts assert that “The West wants to bring all of the countries in the Balkan region under the Euro-Atlantic umbrella, and particularly that of NATO, and so far it looks like they are winning the battle against Russia for influence in the region”, with Montenegro acceding in 2017 and North Macedonia well on its way to 2020. President Putin’s visit to Belgrade very much also showed that the dispute for Kosovo’s recognition and integration, let alone normalized relations with neighboring Serbia, will be anything but easy. Already aware of the weight of power politics, in his last State of the Union address as European Commission President, Jean-Claude Juncker reminded that “We must find unity when it comes to the Western Balkans – once and for all. Should we not, our immediate neighborhood will be shaped by others.”

The domestic situations may not be ideal in both Kosovo and Serbia, yet the pressure is mounting for the two to show real willingness to reach a final agreement. This is true especially in light of recent diplomatic breakthrough in the Balkan Peninsula: Macedonia and Greece finally ratified the final deal, therefore putting an end to the 27-year old naming dispute which had been blocking Macedonia’s accession to NATO or the EU. In response, NATO’s allies already signed the Republic of North Macedonia accession protocol and, similarly, the road is now also open for accession talks to be opened between the EU and Macedonia.

Notwithstanding the Balkan success story that was the Prespa Agreement, the Macedonia-Greece dispute was of a much lighter nature and magnitude than the Dialogue on normalization of relations between Kosovo and Serbia which encompasses tensions of contested sovereignty and unequal international recognition.

In contrast to other Balk, accession protocols for Kosovo seem like a distant possibility. The shared prerequisite of mutual recognition was clear, yet it is also important to note that the approach the EU took with Kosovo wasn’t. Although a lot of EU funds and political efforts go towards
Kosovo - which boots state development in line with the EU acquis – the EU still lacks one concrete and unified as to how Kosovo’s integration path will proceed. Additionally, the fact that the only two state actors involved in the Dialogue are not in sync or even participating in bilateral talks gravely hampers the possibility of the EU improving its clarity on Kosovo’s path. Indeed, the Dialogue has reached a difficult stalemate. What’s more, this stalemate had been building up for several months, even years, of back-and-forth moves and tense talks - as noted in the previous sections, moves which the EU and the US reprimanded but stood back and watched as they escalated.

In light of the problematic backsliding path the Dialogue insists on following, the status quo accepted for the normalization of relations between Kosovo and Serbia must be reconsidered. This being said, the role the EU or even the international community at large takes must change. For instance, the EU must decide if it will be the main mediator in the Dialogue, or make way for parallel negotiations among the two state actors themselves to advance and hopefully thrive. At the end of the day, the EU has no legitimate way to interfere in sovereign decisions of governments (i.e. anti-lobbying, tariffs, territory swap, army creation) should they decide to disregard international warnings. Nonetheless, the EU should not treat these more minor decisions nonchalantly for they could have serious geopolitical ramification for the two countries, let alone the Balkan region or the EU itself, should destabilizing proposals such as a border swap move further.

Another possibility to consider in order to combat the ongoing stalemate is having the United States play a more hands-on role in the Dialogue, namely considering its current frail nature. The United States have come out to indirectly support the ‘border correction’ idea and to condemn the imposition of 100% tariffs on Serbian products as going against American national strategic interest in the region. All the while urging Kosovo and Serbia to return to Dialogue talks in a spirit of compromise to strive for a final agreement soon. In addition, this vocal stance, perhaps raising the idea of state visits of DC high officials to the region would better compel the Kosovar government to resume the Dialogue and suspend the tariffs. Another problem is, of course, the Serbian government, who keeps using its Russian alliance to remind EU officials that a Serbian accession should be put on the express train.

Over all, Brussels is clear in putting forth one precondition for the continuation of the Dialogue: that both actors negotiate constructively to reach a final legally-binding agreement that is mutually beneficial. In practice, this spirit of cooperation has often failed, with a new round of talks to hopefully start soon in the EU capital – yet on topics of missing persons and war reparations, not on recognition. In the last six months there have been many important and game-changing developments in the Dialogue which warranted international warnings, condemnations and cries for cooperation. From the international point of view, the momentum the Dialogue now holds needs to be further analyzed in order to perhaps change its mediation strategy or aim.

**Concluding remarks**

The momentum in which the Dialogue on the normalization of relations between Kosovo and Serbia stands is one of frustration of the governments and hopelessness of the populations. The lack of real prospects of finalizing a mutually beneficial deal, let alone EU or NATO accession, prompted Kosovo to act in accordance with their unfortunate reality of having nothing to lose. Mounting on an already-frail Dialogue, the last months of heightened tensions between Kosovo and Serbia have deteriorated the chances of a prosperous final agreement of mutual recognition being reached in the near future.
In Brussels, tensions run high when the topic of Kosovo-Serbia relations comes up. Johannes Hahn has vocally noted his apprehension with regards to the territory swap idea being toyed around by Thaci and Vucic, and Federica Mogherini has adamantly condemned the 100% tax on Serbian goods as against the nature of the Dialogue and in violation of the CEFTA agreement. The Council of the EU, on their hand, has consistently urged the Dialogue proceed towards an agreement for lasting peace, no matter the Member State holding the presidency. Moreover, an uncertainty gap complicates any long-term unified position on foreign policy or commitment to the Dialogue itself, with the European Parliament and the European Commission both set to change in 2019. There is still interest in working toward a final, legally-binding agreement that would solve all outstanding issues and allow for lasting peace in the region, yet commitment waivers along with geopolitical tricks exerted by the two actors implicated in the Dialogue.

Kosovo and Serbia are alienating themselves more and more from the European agenda, amid a tense development to a fragile Dialogue. The international reactions have been clear in asking for cooperation and dialogue. In contraposition to its neighbors who find their EU and/or NATO prospects progress, Kosovo still finds itself trapped in Serbia’s geopolitical game and, when trying to assert its own, limited leverage, it just worsens the state of affairs as is and the calls for de-escalation are immediate. Certainly, especially in light of recent development, the status quo of the Dialogue has proved inapt in enabling constructive bilateral talks or real compromise. The EU should shift the power dynamic or revise the stakes at hand, because clearly the incentives are being cancelled out by the historical animosity between the two.

Hopefully, in time, yet another historic deal between Balkan neighbors will be able to be celebrated.
Policy Analysis

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