

**SERBIA–KOSOVO RELATIONS
AND THE SECURITY IN SOUTH-EASTERN EUROPE
– SWOT Analysis –**

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The paper evaluates the security consequences of the unresolved relations between Serbia and Kosovo, which remain among the most challenging issues to be solved in the Western Balkans. It also examines different scenarios through the application of SWOT analysis in order to provide an insight into some different aspects of these relations.

The first scenario looks at *preserving the status quo/postponing the solving of the problem*.

The second is related to the *Serbia–Kosovo border changes/swapping of territories and the normalization of relations*.

The third one is based on the *legally binding bilateral agreement aimed to be reached through the ongoing EU-moderated Serbia–Kosovo negotiations*.

In order to perform an analysis on the future of Serbia–Kosovo relations in each of the three possible scenarios, the analysis examines the consequences of each scenario in terms of:

- Interethnic relations in Bosnia and Herzegovina and its security policy;
- bilateral/multilateral relations; and
- security in the South Eastern Europe region.

1. Preserving the status quo/postponing the solving of the problem

1.a Interethnic relations in Bosnia and Herzegovina and its security policy

Strengths: EU Accession is a twenty-year long project as it is doubtful that the regional countries will be joining the EU in the coming years, Bosnia even more so, given the lack of reform processes within the country.

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The provisions for ascending country to immediately resolve bilateral disputes with neighbouring countries prior to EU membership is therefore not a matter of urgency. In that sense, preserving the status quo would allow the countries (Bosnia and Herzegovina included) to avoid political crises and instead allow them to focus on much needed economic development and institutional strengthening, as well as on increasing connectedness and bringing massive emigration to a halt, etc.

Weaknesses: Most, but not all members of the United Nations/EU today recognize Kosovo as an independent country. However, there are still many countries that do not yet accept its statehood, including Bosnia. As long as Kosovo is not recognized by Serbia, there is no incentive for Bosnian Serbs to allow Bosnia to do the same. That in many ways distances the two countries, disabling any given potential that may have arisen due to the visa regime between the countries and trade and infrastructure barriers. Existing disputes remain a powerful source of instability.

Opportunities: Maintaining the status quo avoids Bosnia being tempted to make hasty decisions and instead allows for a more complete approach, assuming that the EU commits to a more dynamic and somewhat fresh approach to the region.

Threats: As long as active actors in the region (e.g. Turkey, Russia) draw critical geopolitical and economic lines between Serbia and Kosovo, Bosnia is at risk of being dragged into various unfavourable scenarios. Moreover, a lack of clarity that in the long run could harm Kosovo's efforts to complete its process of transformation could have consequences on Bosnia too.

Republika Srpska political leaders often portray Bosnia and Herzegovina as a failed or failing state, and anticipate the independence of the autonomous Bosnian entity. An absence of progress in Kosovo could see those statements reiterated.

1.b Bilateral/multilateral relations

Strengths: Putting aside contested issues, the countries of the region are in the position to pursue all other relevant reforms to be implemented nationally, within institutions, following a structured process.

Weaknesses: It has been clearly stated that the EU will not accept territorial disputes and that those will have to be resolved prior to EU membership. The EU has made it clear that neither Serbia nor Kosovo will join the EU before a complete normalization of relations between them. This is causing both countries to suffer financially and in terms of development. Preserving the status quo, ultimately, weakens the prospect for membership in the region.

Opportunities: More time left to work out the exact locally accepted modalities for the regional countries to work through various open issues.

Threats: Other actors (e.g. Russia, Turkey) might offer (multilateral) initiatives and push for different options that may not meet the principal standards of the EU.

1.c Security in the South Eastern Europe region

Strengths: Preserving the status quo is seen as better than rushing into potential scenarios that could re-awaken the conflicts of the past and that could potentially lead to situations that cannot be controlled, primarily from a security perspective.

Weaknesses: Serbia/Kosovo dispute is considered to be the most relevant dispute remaining to be resolved in the Western Balkans region. Until now, there has been no movement by the five non-recognizing EU members towards recognition of Kosovo in the past ten years. Preserving the status quo may inevitably lead to more emigration, which could worsen the stability and security situation in the countries of the region.

Opportunities: The EU is still a principal actor to look towards for facilitating more thoughtful change, given that it can significantly alter its approach to a more realistic, more dynamic and fresh approach in the region.

Threats: The process of euro integration slowly disappears from the political agenda of the Western Balkan governments, while geopolitics again comes to the forefront. Maintaining the status quo may lead to a period of real stagnation, with Kosovo not being recognized meaning it will go on without access to the UN and the UN agencies.

Ultimately there will be little Kosovo can offer its citizens. Thus waiting too long, undecided, could result in unwanted scenarios.

2. Serbia–Kosovo border changes/swapping of territories and the normalization of relations

2.a Interethnic relations in Bosnia and Herzegovina and its security policy

Strengths: A regional initiative may be seen as a step forward and as an example of reconciliation and political maturity, and therefore welcomed. Once Serbia–Kosovo peacefully swap territories and normalize relations, Bosnia may consequently recognize Kosovo, followed by implementing a visa-free regime and promoting trade, energy, infrastructure and TMT agreements.

Weaknesses: Bosnia may attempt to open up its own conflicting cases, reshaping its national priorities, which may thus re-focus attention again on matters that have little impact on living conditions in the country and of its citizens, thus ultimately losing time and energy that could be better directed towards much more important reforms.

Opportunities: Given a peaceful, mutually satisfactory agreements being reached between Serbia and Kosovo, the result might pave the way for relaxing ethnic tensions within Bosnia, once the Kosovo issue is no longer in dispute.

Threats: If the border changes go in the direction of ethnic homogeneity, we could see a damaging impact on Bosnia and the wider region. In particular, strong parallels could be made for Bosnia, given its constitutional/entity/set-up. Also, given the decade-long calls for secession by the Republika Srpska's political leaders, spillover effects carry a risk of new political conflicts and a stalemate in Bosnia.

2.b Bilateral/multilateral relations

Strengths: Once the borders are agreed upon and defined, this marks an end to all unilateral claims and positions that currently prevail. This would allow for more effective resolutions of some outstanding bilateral and multilateral issues with a view to unlocking greater benefits stemming from an increase in trade and economic flows.

Weaknesses: Possible long-term damage of the current institutional framework and inability to replace it with new structures in a timely fashion.

Opportunities: From the security perspective, the role of Russia (Russia supports the resolution of the Kosovo problem, providing it is acceptable to Serbia), China and Turkey could effectively decline, allowing the EU process to move in a fuller way. For its part, Kosovo gets to be a full member of the international community and has a clearer path to EU membership. It could immediately join the Council of Europe, bringing to its people the protection of the European Court of Human Rights, and also NATO.

Threats: Unless the conditions are profoundly changed for the better on the ground – primarily, the economy – the swaps will do little to stabilize, let alone improve, domestic political conditions within the country. A territorial exchange between Kosovo and Serbia will certainly not bring a meaningful improvement in relations given the current state of development/of the economy. It is understood that Kosovo’s UN membership would guarantee that the remaining five EU member countries accept its recognition. Prior to any border swap, and any eventual benefits derived from it, it must be clarified whether the five countries would recognize Kosovo and under which conditions. Unless the conditions are absolutely clear and implementable, the security risks remain.

2.c Security in the South Eastern Europe region

Strengths: Genuine regional action may be seen as more appropriate due to the longstanding efforts to provide an appropriate platform for the reconciliation and to pave a way for others in the region to follow.

Weaknesses: N/A

Opportunities: Regional actors earn credibility with the EU, and the EU helps ensure a speedier enlargement process. Should it agree to the border swaps, the EU may retract its principles and procedures/conditions designed for all in order to compete and finalize the entire negotiation process before EU accession.

Threats: Given the context, i.e. adjustment of the borders, discussions over the territories have always been a contentious topic in the Western Balkans and it is evident that anxiety could quickly flare up. The threat arises from a miscalculation regarding capacities/legitimacy of the local governments to manage peaceful and institutional border change, and/or the EU's failure to efficiently supervise the process. Unless the agreed changes enjoy legitimacy from all actors on the ground and the EU sets clear steps towards unlocking Serbia/Kosovo's EU outlook, it may well lead to tensions and possible spillover effects onto other areas of the region and put the progress of the last two decades at risk.

3. Legally binding bilateral agreement to be reached through the ongoing EU-moderated Serbia–Kosovo negotiations

3.a Interethnic relations in Bosnia and Herzegovina and its security policy

Strengths: EU highlights the importance of numerous basic principles of its enlargement policy that apply to all, especially less advanced countries (e.g. Bosnia) in terms of EU accession.

Weaknesses: n/a

Opportunities: Building on the Serbia–Kosovo example, this approach should allow provisions for other countries dealing with bilateral disputes to move forward on their respective European paths, which will gradually lead towards a comprehensive agreement and sustainable implementation.

Threats: No visible results from Brussels, which may eventually lead to the EU's diminished influence in the region.

3.b Bilateral/multilateral relations

Strengths: For both Kosovo and Serbia, EU dialogue has already provided a window of opportunity manifested in the EU–Kosovo Stabilisation and Association Agreement. For Serbia, it allowed the opening of accession negotiations. The EU dialogue also offers possibilities for the strengthening of regional relations, attempting to build on

regional security cohesion, and opens many opportunities for the EU to put itself forward as a more relevant player.

Weaknesses: Growing awareness within the Western Balkans and the EU that the current dialogue architecture does not deliver as expected, coupled with the risk that the EU's internal processes may negatively affect the Western Balkans dynamics. The EU's complex internal developments with its member states, the lack of popular support for EU enlargement and the absence of the EU's enlargement commitment towards the region weakens the dialogue.

Opportunities: Ensuring that outstanding bilateral/multilateral matters are not addressed in a vacuum without the EU's participation.

Threats: The greatest threat is the waste of valuable time that could be otherwise used to pursue economic development, trade growth and the depopulation prevention agenda. An inefficient and stagnant dialogue and the accompanying political processes may not deliver tangible and/or meaningful results in a meaningful timeframe. Dedicating insufficient political attention to other key areas over a longer period of time may threaten to slow down and even stall critical processes that could lead to economic growth and prosperity.

3.c Security in the South Eastern Europe region

Strengths: A structured EU-moderated process would otherwise be difficult to replicate. It offers an arguably well-defined road to resolving outstanding bilateral issues and improving the overall situation in the region.

Weaknesses: Serbia and Kosovo committed to an EU-mediated dialogue to improve relations and resolve all outstanding issues between them in 2013, but little progress has been made since then.

Opportunities: The EU becomes increasingly visible in the dialogue, to the degree that it makes sure that the already agreed points are implemented. This may drive a substantive consensus and encourage the EU Member States on their long-term strategy for the region. Throughout the process, Kosovo continues to obtain a high level of international recognition.

Threats: The failure of the EU-moderated process to deliver meaningful results in a timely manner may limit its ability to deepen its influence in the region.

In conclusion, there are several different ways for the Serbia/Kosovo relations to be resolved, and each requires a very comprehensive approach in order to maintain the current level of stability in the region and the Southeast Europe.

As for the EU, it has several options at its disposal. The most obvious one is to go back to a clear position, conditioning Serbia to recognize Kosovo and its current borders, stating clearly that otherwise it will not be able to join the EU. For Kosovo, it is of the outmost importance to pursue much needed reforms, and to implement programmes focused on economic and social reform and education, that can contribute to the economic development and expand its markets, with a main focus on what matters most to its citizens.

Border change/swap of territories has been the most noticeable suggestion in the past months, and the EU and US have softened their uncompromising stance on the borders in the Balkans. Moreover, Russia stated it would support any deal that Serbia is OK with. Given the recent history and greater context, all domestically generated initiatives indeed should be welcomed; however, if such an agreement is on the table, both the countries involved and the EU must ensure that all the details of such agreements are clear and transparent, and, moreover, acceptable for all. Undeniably, in the past, discussions on border changes and territories would almost certainly have led to tensions and possible conflict.

Discussions on territorial swaps so far have been short of all the important elements, and this has motivated various unfavourable scenarios.

If border correction between Kosovo and Serbia is not on the table as an option for the final peace deal, and if the Association Plus is dead, and thus the EU cannot formulate a credible and forceful enlargement package, the question remains as to what will happen, not only to Serbia and Kosovo, but to the entire region. How realistic is to expect a forthright attitude towards enlargement in the Western Balkans as Juncker stated while, given the EU internal challenges at the moment, there is no way to predict the future course.

According to April 2011 projections for the country, the number of Kosovo citizens living abroad rose from an estimated 703,000 to 828,000, or around 46 per cent of the population, by the end of 2016. During 2014 and 2015, approximately

100,000 Kosovo citizens emigrated to other European countries and further afield. In neighbouring Serbia, around 30,000 people emigrate annually. This is the real discussion that should be taking place in the region and in the EU.