



## Serbia and the EU: The Rocky Road to Brussels

April 25, 2008

### Introduction

Serbia's relations with the EU have never been one of plain sailing. Barriers to secession have made the process complicated and protracted. The current situation is strained, in that Belgrade's strong disapproval of last month's unilateral declaration of Kosovo independence has meant relations are apparently at an all-time low. However, there seems to be a continued 'behind the scenes' push for further integration from both Brussels and Belgrade, regardless of the seemingly difficult political environment which currently surrounds the issue of Serb relations with the EU.

This report gives a brief overview of the official progress so far, and then goes on to examine the barriers to further integration. Behind the scenes progress is then looked at in terms of the areas in which EU-Serbian relations continue to work and can improve. And lastly, a final section on future scenarios is presented, discussing the decisive issue the forthcoming elections will have on Serbia's rocky road to Brussels.

### Official Progress So Far – Slowly but Surely

After a series of agreements and proposals, Serbia's Stabilisation and Association Process (SAP) began formally in 2001 with a Joint Consultative Task Force (JCTF) which was established as a mechanism for cooperation between Belgrade and Brussels. Although Serbia's proposed membership of the EU was the topic of a number of conclusions and recommendations, it was the Thessaloniki Summit in June 2003 which officially gave Serbia *potential candidate* status, which continues to this day.<sup>1</sup> Thessaloniki was of great significance to the whole Western Balkan region, as it was this summit which affirmed Brussels' intention for the region as a whole to start the official process towards membership.

The EU Feasibility Report of April 2005<sup>2</sup> confirmed that Serbia was ready to begin negotiations for a SAA (Stabilisation and Association Agreement), with official SAA negotiations beginning in October 2005. These lasted until May 2006 when talks were called off in response to Belgrade's failure to locate the remaining four ICTY indictees. This requirement was subsequently dropped by the EU and was replaced with a condition that 'political will' be shown in the search for ICTY indictees. In February 2007, following parliamentary elections in Serbia, the EU agreed to restart negotiations once a new government was formed. So in mid-2007 talks resumed. Negotiations were finalised in

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<sup>1</sup>[http://ec.europa.eu/enlargement/enlargement\\_process/accesion\\_process/how\\_does\\_a\\_country\\_join\\_the\\_eu/sap/thessaloniki\\_summit\\_en.htm](http://ec.europa.eu/enlargement/enlargement_process/accesion_process/how_does_a_country_join_the_eu/sap/thessaloniki_summit_en.htm)

<sup>2</sup>[http://www.europa.org.yu/upload/documents/key\\_documents/2005/050412\\_Feasibility\\_Report.pdf](http://www.europa.org.yu/upload/documents/key_documents/2005/050412_Feasibility_Report.pdf)

September 2007, with an SAA initialised in November 2007<sup>3</sup>. However for the SAA to be signed, full cooperation with ICTY remains a controversial pre-condition.

Prior to the declaration of independence from Pristina, relations between Serbia and the EU were progressing well, albeit with the joint issues of Kosovo and ICTY lurking menacingly on the horizon. The 2007 Progress Report on Serbia<sup>4</sup> was largely positive, as was the most recent Communication of March 2008<sup>5</sup>. Negotiations on visas were going well with the signing of a Visa Agreement in 2007, which came into force in January of this year<sup>6</sup>. However recent events in Kosovo have somewhat changed conditions on the pitch.

### **Current Political Situation: Barriers to Integration**

Although politics in Serbia is currently moving at a very fast pace, it is also paradoxically slowing down progress and causing delays to the political and economic development in terms of both domestic and foreign policy. Barriers to making further progress in the SAP can be widely defined in terms of ICTY, Kosovo and the disruption caused by the current political crisis which will reach its peak with the early elections in May.

#### *ICTY*

The unresolved issue of The Hague Tribunal has meant successive Belgrade governments have had progress towards Brussels blocked due to the failure to capture the remaining fugitives, most notably Ratko Mladic and Radovan Karadzic. But with the EU increasingly desperate to avoid a situation in which Serbia becomes a lone island surrounded by EU members, Brussels made the decision to abandon the need for capture and instead decided to make SAA negotiations dependent on Belgrade merely showing the 'political will' to cooperate with ICTY.

But there remains two schools of thought on ICTY conditionality among EU member-states, giving the outward impression of inconsistency in regard to this vital policy area. The Netherlands and Belgium in particular, are keen to keep ICTY co-operation as a key condition for Belgrade's signing of the SAA. They have not seen any concrete benefits from pursuing a softened approach to conditionality, but rather view Belgrade as shirking responsibility. The risk exists whereby abandoning the ICTY clause for the sake of Serbia signing its SAA could undermine EU credibility and potentially play into the hands of those sceptics who are unsure about the admittance of Serbia and other Western Balkan countries into the EU's elite club.

Other countries simply want the SAA signed as soon as possible, regardless of whether Mladic and co are behind bars. The February 2008 interim political agreement, which was postponed due to disagreements in Belgrade, was offered to Serbia instead of a signed SAA, with the key difference being the lack of ICTY conditionality. The obvious answer to the ICTY conundrum is for Belgrade to pull out all the stops and finally arrest the remaining indictees, whose whereabouts most see as known by many in Belgrade. Without movement, ICTY will remain a particularly spiky thorn in the side of Serbia in its attempts to progress towards membership of the EU.

#### *Kosovo*

Possibly the greatest challenge to improving the souring of EU – Serbia relations is that of the issue of Kosovo. Not only have the majority of EU states recognised the Pristina

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<sup>3</sup> [http://web.uzzpro.sr.gov.yu/kzpeu/dokumenti/ssp/saa\\_textual\\_part\\_en.pdf](http://web.uzzpro.sr.gov.yu/kzpeu/dokumenti/ssp/saa_textual_part_en.pdf)

<sup>4</sup> [http://ec.europa.eu/enlargement/pdf/key\\_documents/2007/nov/serbia\\_progress\\_reports\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2007/nov/serbia_progress_reports_en.pdf)

<sup>5</sup> [http://ec.europa.eu/enlargement/pdf/balkans\\_communication/western\\_balkans\\_communication\\_050308\\_en.pdf](http://ec.europa.eu/enlargement/pdf/balkans_communication/western_balkans_communication_050308_en.pdf)

<sup>6</sup> <http://www.msz.gov.pl/files/docs/umowy%20ruch%20osob/ENG-Serbia.pdf>

declaration of independence of February 17<sup>th</sup> 2008, but all EU states have agreed to support the new EU mission in Kosovo, known as EULEX<sup>7</sup>. In the eyes of many in Belgrade this is a massive impediment to any improvement in relations and has put the signing of the SAA on difficult and dangerous ground. The issue has divided the Serb political scene into two core camps, with PM Kostunica's DSS siding with the SRS and others who hold the viewpoint that there exists a 'grave contradiction' in progressing towards becoming a member of an organisation who recognise as independent a constituent part of Serbia's sovereign territory.

On the other side of the coin are President Tadic's DS, along with its partners G17+, LDP and others who believe the only way to influence EU policy on Kosovo is from within, and not from lying in isolation on the outside. As future EU members, they believe it would be possible to follow policies such as vetoing an SAA for Kosovo. This divisive issue has had a direct impact on Serbian political life following the decision by PM Kostunica to call for the dissolution of the government. President Tadic agreed this was the only way to solve the current impasse and elections have now been called for 11<sup>th</sup> May 2008.

### *Political Disruption and Future Crises*

New elections after less than a year in government for the current coalition, spells relative disaster for Serbia. Not only will a great deal of policy work grind to a halt as the organs of government react to a change in priorities, but the results of a May general election hold the real possibility of having a far-ranging impact over EU – Serb relations. Regardless of the Tadic victory in the recent Presidential elections, Serbia goes into the May parliamentary vote a new country; Serbia without Kosovo. There is a danger that the 'Kosovo effect' will turn the electorate in general towards DSS, SRS and others seen to be 'defending' Serbia's claim to Kosovo.

For the first time in Serbia's recent history, there exists the real possibility that DSS will decide to cooperate with the nationalist SRS to form a government. It seems unlikely that a democrat bloc without DSS will be big enough in number to forge a coalition. If DSS do not openly agree to cooperate directly with SRS, they may instead agree to support a SRS-minority government, causing disruption and frustration for many working towards progress. It is impossible to predict how the EU will react to an SRS-led government, but it seems equally unlikely that the EU will move decisively to cease all progress. Regardless of rhetoric, it would seem implausible for the SRS to abandon ship completely.

### *Current Situation*

The situation now stands thus; Serbia is embroiled in a political crisis which, in the event of SRS entering government, is likely to continue beyond the May elections. And with the EU occupying the driving seat in the newly-independent Kosovo, relations between Serbia and the EU may dive to an all-time low.

But are relations so far gone that no cooperation can exist at all? What about behind the scenes? Are there any areas where relations continue to function as normal, on the pretext that negotiations will pick up sooner or later? Progress so far has been substantial and neither side are keen to cease all work on secession. Despite the apparent worsening situation, there is cause for optimism. Progress continues to be made by both sides, despite public scepticism over the present situation and the apparent stalling of contractual agreements.

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<sup>7</sup> Spain is currently awaiting legal clarification before sending their EULEX delegation to Kosovo.

## Progress behind the scenes: False optimism?

Work towards improving relations between the EU and Serbia, as well as efforts towards securing the signing of the SAA, appears to be continuing, albeit at a slower, more cautious pace. Areas of real and potential interest include visas, financial assistance, and ministerial contacts. In addition, a number of high-profile statements by EU officials have highlighted Brussels' strong intention not to let the progress attained so far slide. Brussels believes Serbia is the key to stability in the Western Balkans and seems to be set in its objective to secure membership for the region.

### *Visa Facilitation*

Negotiations between Brussels and Belgrade on the issue of a visa facilitation and readmission agreement started back in November 2006. A draft agreement was signed in September 2007, with its final entry into force coming in January of this year. In its basic form, the agreement makes it faster, cheaper and ostensibly easier for Serbs to gain Schengen visas. This was a policy long called for around Serbia, from citizens who were extremely keen to bring this into fruition.

Now the focus has turned towards full visa-free travel. Although the February 7<sup>th</sup> 2008 interim political agreement between Serbia and the EU was postponed due to pressure from Belgrade, there still exists opportunities to engage on this area. Despite being officially on hold the agreement, which contained clauses on the easing of visa and trade barriers, continues to be a central part of EU policy towards Serbia, and one which is of greatest value to many Serbs, especially the young who are keen on opportunities for scholarships abroad. The EU Commission's intention to finalise road-maps towards visa-free travel does not seem to have been affected by recent developments, which is a good sign for a future improvement in this area.

In the recent EU Foreign Ministers meeting in Brdo pri Kranju in Slovenia, it was made clear that visa-free travel would be made a reality soon, with indications that this could be in place before the May elections. This would be good move on the part of both the EU and the democratic-bloc in Belgrade, as it would show a tangible and reachable benefit for Serbs on the path to greater EU integration. However much this may consolidate the policies of the DS-led bloc, these kind of short-term incentives will in no way go towards making any significant changes to the views of the political elite which surround PM Kostunica and the SRS opposition, who seem to continue to lack enthusiasm for the EU on the grounds of EULEX and Brussels' support for Pristina.

### *Financial Assistance: Still going strong*

There seems to be no stoppage in the flow of EU funds to Serbia, despite the effect of Kosovo. It seems Belgrade's disdain for Brussels does not extend to a refusal of its money. The Instrument for Pre-accession Assistance (IPA) has now replaced all previous means for distributing EU funds to the Balkans. The five areas in which funds are placed are transition assistance and institution building; cross-border cooperation; regional development; human resources development and rural development. The plans for IPA funding for the years until 2011 continues to be set in stone, with no change in the programme for distribution in Serbia. The European Investment Bank has also continued in its lending activities to small and medium-sized businesses around Serbia. It seems that in terms of accepting Euros, Belgrade's relations with Brussels are as strong as ever.

Neither Belgrade nor the EU have publicised the enormous amount of funding earmarked for Serbia over the next few years. The agreement signed on April 4<sup>th</sup> between Serbian Finance Minister Bozidar Djelic and the EU Commission on IPA, is worth 170m Euro to 2011. This information has not been highlighted enough, despite it being of significant

impact for Serb-EU relations, as well as the economic development of the country in general.

### *Ministerial Contacts and High-Level Endorsements: Favouritism too gone too far?*

Regardless of the current bitterness of Serb feeling towards the EU, day-to-day contacts on ministerial matters are continuing, albeit with a caveat towards breaks for electoral duties. As far as information can be gained, those ministries run by DS and their allies are more likely to enjoy the support of their ministers for a continuation of EU-related preparatory work. Civil servants in these departments are said to be keeping up with current commitments regarding legal harmonisation, as per normal.

An example of existing good contacts, are the current moves of Serbian Foreign Minister Vuk Jeremic to keep up momentum for the SAA signing and for EU co-operation in general. Jeremic, a member of President Tadic's DS, asserted Serbia's readiness to sign the SAA at the recent EU Foreign Ministers' meeting in Slovenia, but pointed to the ICTY condition as a sticking point. His optimism for the stability of Belgrade's EU policy is possibly confined in reality to his own ministry, although other high-profile ministers such as Deputy Prime Minister and Finance Minister Bozidar Djelic, are also keen not to let the significant progress garnered so far, slip. The Serbian government's EU integration team in Belgrade has seemingly been also working effectively, regardless of the current situation.

Since Pristina's declaration of independence, the EU has also been fixated on sending out strong public messages of support, both for Serbia in general and following the dissolution of parliament, for the pro-EU bloc of democratic parties. Their support for Boris Tadic in the recent Presidential Elections was evident enough, but it now seems the high-profile endorsements for a Serb path to Brussels has reached fever pitch. This can only be a symptom of the desperation felt by the EU in the face of a possible SRS-led Serbia. Their message is loud and clear; there has been no change of pace in EU support for Serbia. Public proclamations such as the open-letter from Carl Bildt and Bernard Kouchner published in *The Times*<sup>8</sup>, re-iterate this stance. Although this attitude may not be carbon-copied in all EU capitals, the institutions of Brussels are keen to show their support. In some cases, this has been to the detriment to other EU candidates in the region.

Some commentators believe Brussels' approach to Belgrade has softened too much, especially in regard to ICTY. Certainly this seemingly 'special treatment' has not been applied to the same extent in neighbouring countries such as Bosnia, where further negotiations were stalled on the issue of police reforms.

But even if that were to occur, it is doubtful an SAA ratification would go through parliament at this turbulent time. Meanwhile others in the same bloc are calling for the EU not to give Serbia an easy ride, fearing that a reform agenda would be in danger of stalling through complacency. Jelica Minic of the European Movement in Serbia believes that the EU should speed up the integration of neighbouring countries, to send an overt message to Serbian society of the dangers in following an isolationist path.

### **Future Scenarios: Divisions and Elections**

Although there is little doubt that Kosovo, ICTY and current political crises have caused a souring in relations between Belgrade and Brussels, in terms of future scenarios, a lot depends on the outcome of the May election. Views differ on how Belgrade should progress beyond May, partly due to the schizophrenic division of views on what the EU actually means to Serbs. It seems the sum total for Serbs in regard to the EU, is the

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<sup>8</sup> [http://www.timesonline.co.uk/tol/comment/columnists/guest\\_contributors/article3533101.ece](http://www.timesonline.co.uk/tol/comment/columnists/guest_contributors/article3533101.ece)

need for visas and money. At the same time, Belgrade is not willing to make any significant movements over ICTY or Kosovo, to the frustration of many in the international community. Javier Solana and others in Brussels seem to want to offer Serbia more than many think they deserve, partly in fear of an isolationist Belgrade and partly due to the need to be seen to illustrate success for EU Foreign Policy. But whether this approach is right is highly debatable.

Feelings in many quarters differ over the view that the onus should not be solely with Brussels to offer solutions. Serbia too must decide which path it wishes to take. This inconsistency has so far in part, been a central symptom of the disunity within the Belgrade governing coalition. Serbs must surely hope that the May elections will at least give some kind of definitive answer to which bloc reigns supreme. A closure such as this would offer the opportunity for Belgrade to finally formulate a coherent policy towards EU membership, although according to which view remains to be seen. Brussels will then be given the chance to look again at its own stance towards Serbia and re-assess its approach according to new conditions. Their hopes for a DS-led pro-EU government may yet come to fruition. If an SRS-led government does emerge, the challenge to the EU will be to remain engaged with their new partners in a country which has effectively voted against the EU.

It seems that how the EU will or may react to an SRS victory is also dependent on the member states' individual stances. In the event of an SRS government, the need for Belgrade to show some sort of political consensus that Serbia's future lies exclusively within the EU, as well as a general shift in the allegiance of Serbian society, seems unthinkable. But an SRS in government may very well act differently than an SRS in opposition.

In a comment released to the media following the recent EU Foreign Ministers' meeting in Slovenia, Serbian Foreign Minister Vuk Jeremic knowingly said "I am worried that today, Serbia is further away from the European Union than it has been in quite a while"<sup>9</sup>. But while there does exist a danger of integration falling by the wayside, it seems unlikely that the EU and Serbia would cease all relations, even in the case of a SRS victory. The consensus in Brussels is simply that this will not be allowed to happen. Nevertheless, a period of prolonged difficulty in relations seems likely in the current 'post-Kosovo' climate, which will sit uncomfortably close to continued progress in some limited areas. Serbia's path to Brussels may be rocky, but the route itself continues to be set in stone.

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<sup>9</sup> <http://www.iht.com/articles/2008/03/30/europe/serbia.php>