

Pursuing Common Goals

The Council for Inclusive Governance (CIG) organized on July 2, 2022, in Skopje, North Macedonia, a roundtable in a series for current and former members of parliaments from Serbia and Kosovo. They discussed how to move forward the normalization under the new circumstances created by the war in Ukraine and examined the state of economic relations between Kosovo and Serbia. Special guests included leading politicians from North Macedonia and representatives of the Kosovo and Serbian chambers of commerce. Held under the Chatham House Rule, the roundtable is part of a larger project on the normalization of relations supported by the Swiss Federal Department of Foreign Affairs (FDFA). The report does not necessarily reflect the views of individual participants, CIG, or FDFA but are rather based on the discussion as a whole.

The participants learned from the experience of North Macedonia after the 2001 Ohrid Framework Agreement (OFA) and the lessons learned from the internal “Mavrovo Process,” facilitated by the Project on Ethnic Relations (PER), of which CIG is the successor organization, and supported by FDFA, and to put them into perspective of the dialogue between Belgrade and Pristina. The MPs see the dialogue as indispensable and outlined that Kosovo and Serbia should be aware of the costs of not having an agreement. As for the economic cooperation, the participants got first-hand information from the chambers of commerce. The MPs who are members of their respective parliamentary committees on economy and trade committed to address within the committees the obstacles to economic cooperation and to report the follow up in future meetings of MPs organized by CIG.

Moving Forward Under the New Circumstances

The meeting first focused on comparable experiences from the region—the dialogue and compromise between ethnic Macedonians and Albanians after OFA, which provided a platform for the new functioning of the state. In 2001, there were uncertainties about the implementation of OFA and whether it would bring peace and cohesion. To enable the implementation, the representatives of Macedonian and Albanian parties have engaged into a domestic “Mavrovo Process”, in which the sides discussed the OFA implementation and other important issues that were not included in OFA. Despite huge disagreements over specific issues (usage of ethnic flags and status of Tetovo University), the sides remained committed to the process. They learned how to listen to each other, resulting in a better understanding of each other’s positions. Political representatives of ethnic Macedonians took bold steps and approved compromises in the parliament, even though most of their voters saw it unnecessary concessions to ethnic Albanians. After the implementation of the agreed points, the issues have largely disappeared. For example, Tetovo University is now state-funded, and no one in North Macedonia questions its existence.

Lessons learned from this process that are important for the Serbia-Kosovo dialogue:

- **Informal locally-owned discussions have prepared a better official process.** Sometimes significant breakthroughs need time, but it is essential to have an internally owned process, a

place to understand each other not to pass solutions, a will to find solutions, and a time for locally-owned conversations that would contribute to an increased understanding.

- **Focus on the future, not on the past.** It is essential to focus on the future to be aware about serious consequences of not reaching the agreement and to solve problems as they appear;
- **“Easy” and “complicated” issues.** Throughout the informal process, parties realized that some things that have been considered “easy” are not as easy, and some issues considered “complicated” turned out to be easy to solve.
- **The international environment is essential.** In the case of North Macedonia, there were no major international obstacles. Today, with the war in Ukraine, the situation is much more unpredictable, and the parties should “learn to read the geopolitical signs correctly to make correct choices.” Otherwise, other powers will misuse the process for their own ends and “will make the choices for you.”
- **Do not miss opportunities not to be left behind.** Fear of being left behind in the Euro-Atlantic integration processes forced politicians in North Macedonia to make right choices. Such opportunities should not be missed.

A participant from Kosovo said that the Ukraine war will likely be a catalyst for a change in the region and that processes will accelerate. The parties in the dialogue are informed about each other’s positions. They know what is at stake but are having trouble navigating a path to a solution. Therefore, “the solution might have to be imposed.” A participant from Serbia agreed with the assertion, arguing the situation in Ukraine could encourage the EU and the US to develop an agreement.

“Serbia and Kosovo are at a moment where they should make choices, which are hard, but they will not become easier later. We should also be talking about the cost of not having an agreement,” said a participant. “When I see what Finland and Sweden have accepted in negotiations with Turkey over their NATO accession, I doubt that Kosovo and Serbia would be ready to make similar compromises.” In the case of the two Scandinavian countries, the future prospects prevailed.

A participant stressed that Pristina refuses to understand that there has been a paradigm shift and that there is an urgency to implement agreements, not to discuss the quality of what has been already signed. “We should leave the past behind and concentrate on the future.” “Without it, the loss for Kosovo will be significant – the EU integration process will be stuck and there will be no visa-free regime.” “Kosovo should search for an agreement, and together with Belgrade push beyond ethnic and national bubbles.”

MPs mainly focused on the ongoing process and outlined their opinions of what the other side is doing wrongly. Serbian MPs harshly criticized “Pristina’s lack of will” to implement the remaining elements of the 2013 Brussels Agreement and, in particular, the ASM, but also on the lack of political will to implement the Kosovo Constitutional Court’s decision on the Decani monastery. In addition, some of them said that the current approach of Kosovo’s government is undermining the trust built between the Serb and Albanian communities over the years.

MPs from Kosovo stressed that “Kosovo has changed, but Serbia has not.” “Serbia is stuck in the past,” it is not democratic, but Kosovo has no choice but to negotiate with the current Serbian government, said one. Another MP said that Serbia is interested in prolonging the process while Kosovo is interested in closing it.”

An MP from Kosovo insisted that the EU should focus more on violating good democratic practices and the lack of the rule of law. An opposition MP from Serbia reiterated that there is a problem with the EU and the rest of the international community who lack both carrots and sticks.

Some of the opposition MPs from Serbia accentuated that it is not just Belgrade who is not interested in a final agreement and that Kosovo behaves similarly. Both sides showed that they have no tangible interest in the dialogue, and the best evidence is the rhetoric they employ and the conditions they impose. “If you want to talk to the other side, then names like ‘little Putin’ or ‘little Hitler’ should be avoided.” A participant from Pristina said that the dialogue should have a transformative power on our societies, “even if not a final agreement, at least to bring us closer.”

“The dialogue is not transparent enough, and these discussions should be more open to the public.” Without more transparency, Serbs and Albanians will remain in their own bubbles. “Serbs do not know about the problems Kosovo Albanians face. And the same goes for Kosovo Albanians about the Serb problems. They believe it is easy for Serbia to recognize Kosovo—it will not be easy.” Another problem is that “everyone knows what Pristina wants, but what Belgrade wants is not clear.”

Some of the MPs from Serbia invited Kosovo to join the Open Balkans. “The initiative has contributed to better perceptions between Serbs and Macedonians and Serbs and Albanians. There is no reason to doubt that it would positively contribute to the Belgrade-Pristina relationship.”

Intensifying Economic Cooperation

Moving to practical issues, the participants discussed trade and cooperation between the chambers of commerce. The chamber of commerce of Serbia has supported Kosovo chamber’s membership in the EuroChambers. Now, the Kosovo chamber is also an equal member together with the other chambers from the Western Balkans of the Chambers Investment Forum.

Representatives of both chambers praised relations between business entities. Even though there is a huge difference in size and strength of the economies, it is not only Serbia profiting from the export to Kosovo (around 400 million euros annually). “In past three months, Kosovo has exported around 12 million euros, that represents a 98 percent increase over the pre-pandemic year.” And the overall trade exchange has increased by more than 10 percent. Serbian exports compose 30 percent of final goods, while 70 percent are semi-finished products.

However, problems persist. Since Serbia does not recognize Kosovo as a separate entity, goods from/to the EU are not allowed to transit through Serbia if only Kosovo is mentioned as a final destination. Also, there are other non-tariff barriers, such as the non-recognition of specific certificates (veterinary). Kosovo too has some non-tariff barriers, but they are negligible compared to the non-tariffs Serbia imposes on Kosovo. “In short, politics limits the full prospect of economic cooperation.” Some participants insisted that Brussels cannot resolve these issues and they should be addressed bilaterally.

Transport challenges, such as the lack of a functioning railway between Kosovo and Serbia, or problems in cooperation between postal services, are also limiting economic cooperation. These

problems, however, confine the overall economic relations to trade. By surpassing the obstacles and with more precise political signals from the leaderships, there would be an expansion of economic cooperation and utilization of all of the prospects that CEFTA brings, such as the diagonal cumulation of origin and a joint approach to third markets. Other political issues are creating problems for businesses. Since Kosovo joined ENTSO-E, Serbia blocked energy transit through Serbia. Now, Kosovo can only import energy through North Macedonia or Montenegro, which is more expensive and thus undermines producers and entrepreneurs.

Regional forums should be among the places where these aspects can be discussed. “Regional initiatives bring benefits to all sides, increase trade in the region and with Europe.” “Investors need political stability” and favor a regional approach. With the gradual return of European investors from China, the Balkans becomes more and more interesting for them for “nearshoring.” But they favor a regional approach, as national markets taken separately are small.

PARTICIPANTS

Teuta Arifi, Vice President of the Democratic Union for Integration; former Deputy Prime Minister of North Macedonia; former Mayor of Tetovo

Gresa Baftiu, Associate in Kosovo, Council for Inclusive Governance

Saranda Bogujevci, Member of Parliament of Kosovo, Self-Determination Movement

Nenad Djurdjevic, Adviser to the President of the Chamber of Commerce of Serbia

Dubravka Filipovski, Member of Parliament of Serbia, Serbian Progressive Party

Shpetim Gashi, Vice President, Council for Inclusive Governance

Dukagjin Gorani, Former Member of Parliament of Kosovo, Social Democratic Party

Vincent Hug, Human Security Adviser, Swiss Federal Department of Foreign Affairs

Dalibor Jevtic, Vice President, Serb List; Mayor of Strpce

Dusan Jovanovic, Member, International Secretariat, Do Not Let Belgrade Drown Initiative

Thomas Kolly, Ambassador of Switzerland to Kosovo

Petar Miletic, Former Member of Parliament of Kosovo, Independent Liberal Party

Besian Mustafa, Member of Parliament of Kosovo, Democratic League of Kosovo

Igor Novakovic, Associate in Serbia, Council for Inclusive Governance

Anna Oreg, Member of Parliament of Serbia, Movement of Free Citizens

Zoran Ostojic, Former Member of Parliament of Serbia, Liberal Democratic Party

Fitore Pacolli Dalipi, Member of Parliament of Kosovo, Self-Determination Movement

Zenun Pajaziti, Former Member of Parliament, Democratic Party of Kosovo

Snezana Paunovic, Member of Parliament of Serbia, Socialist Party of Serbia

Alex Roinishvili Grigorev, President, Council for Inclusive Governance

Berat Rukiqi, President, Kosovo Chamber of Commerce

Urs Schmid, Ambassador of Switzerland to Serbia and to Montenegro

Radmila Sekerinska, Former Deputy Prime Minister and Minister of Defense of North Macedonia; former President, Social Democratic Union of Macedonia

Dragan Sormaz, Former Member of Parliament of Serbia, Serbian Progressive Party

Jeta Statovci, Member of Parliament of Kosovo, List Guxo

Janko Veselinovic, Member of Parliament of Serbia, Movement for Reversal

Visar Ymeri, Former Member of Parliament of Kosovo, Social Democratic Party