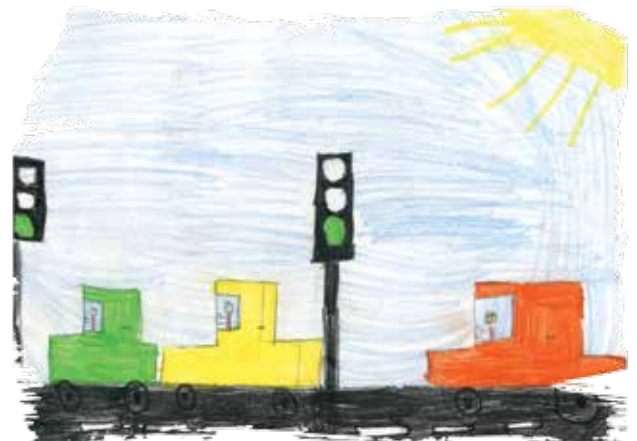


SERBIA AND KOSOVO IN 2035

Scenarios



Serbia and Kosovo in 2035 - Scenarios

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Print run: 100 pcs

The time horizons in the scenarios before you refer to the future of a generation of young authors of the drawings that have added a valuable visual touch to this publication. We would like to thank very much the primary school pupils for their contribution!

The views expressed in this publication are not necessarily those of the Friedrich-Ebert-Stiftung, nor of any other institution to which the members of the Scenario Group are affiliated.

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EXECUTIVE SUMMARY

Four scenarios on the state of relations between Serbia and Kosovo in 2035 were developed by multinational Scenario Group from September 2017 till February 2018. The scenarios do not attempt to predict the future but offer alternatives for the possible and plausible future. They can provide food for thought for decision-makers.

Scenario I: Green Wave

Serbia and Kosovo reached a comprehensive normalization agreement in 2019. The agreement accelerated Serbia's path to EU membership and enabled Kosovo to join international organizations. The agreement also offered sufficient safeguards for the Serb community in Kosovo, which participated in the Brussels dialogue, and eventually was one of the parties in the agreement. Serbia became an EU member in 2025 and Kosovo is expected to join the union in 2037. All Western Balkan countries have become NATO members. The process of rapprochement between Serbia and Kosovo was mostly successful, and relations between Serbian and Kosovo societies are also fully normalized.

Scenario II: Slow Traffic

Serbia has become an EU member. Kosovo is in the final phase of its accession process. Both countries have changed their constitutions: Kosovo to allow for the establishment of the Association/Community and Serbia to relinquish its territorial claim on Kosovo. Serbia also no longer objects to Kosovo's membership in international organizations, including the UN. Serbia has not recognized Kosovo de jure, but Kosovo's status is no longer a thorny issue in relations between the two. Some nationalist groups in both countries, however, sporadically use the status to score political points.

Scenario III: Traffic Jam

The 2021 normalization agreement left the status dispute unresolved. With the elephant still in the room, fourteen years later the parties are struggling to implement the half-pregnant deal. It is becoming clear that without a status solution, Serbia and Kosovo will neither be able to normalize their relations nor join the EU. After a number of failed attempts to conclude the conflict, the EU suspended its engagement as mediator and froze the integration process for Kosovo and Serbia. Serbia is yet to implement chapters 35 on Kosovo and 24 on the rule of law. Blocked by Spain, Kosovo has not been able to sign new agreements with the EU. Learning from the Cyprus case, Germany remains strongly against 'importing' new conflicts into the EU. Frustrated by the status quo and EU isolation, Kosovo is considering unifying with Albania. If this happens, Kosovo's north has indicated it would join Serbia. Republika Srpska is considering splitting from Bosnia and Herzegovina as well. Albanians in Macedonia plan to follow suit. The international community remains against border changes, but with decreasing leverage and capacity to prevent it. Unless the EU offers alternatives and reengages in the region, conflict is inevitable. Facing uncertain political and economic prospects, a quarter of the populations of Kosovo and Serbia have emigrated, crippling their labour markets.

Scenario IV: Car Crash

The EU froze the enlargement process for Serbia and Kosovo, losing its main leverage with Belgrade and Pristina. With no EU membership prospects, Belgrade's and Pristina's readiness to negotiate diminished. The five EU non-recognizers and Serbia continued to oppose Kosovo's independence. None of the Brussels agreements were fully implemented, while the parties continue to blame each other. Both countries struggle with unemployment, partocracy and weak democracy. Opposition to nationalistic narratives is almost non-existent. Incidents in Serb-majority areas in Kosovo, particularly in the north of Kosovo, and the Presevo Valley occur frequently. With tensions high and only a few voices advocating a negotiated solution, a new war seems only a spark away.

INTRODUCTION

The post-war status quo in Serbia-Kosovo relations changed in 2011 with the launching of the Brussels dialogue under the auspices of the EU. This dialogue contributed to eliminating the numerous administrative problems which burdened people's everyday lives on both sides. Even though technical negotiations and political dialogue in Brussels resulted in a series of agreements, their full implementation has been lagging behind.

EU membership is a common goal for both Belgrade and Pristina. Establishing good relations and resolving open disputes are absolute prerequisites for this goal to be achieved. Under the 2013 Brussels Agreement, both sides undertook not to undermine the other side's European integration path.

Currently, both international and local pressure is growing on Belgrade and Pristina to define their relations through a comprehensive agreement on normalization, with a view to achieving a visible and sustainable improvement of mutual relations. Improved relations would benefit all citizens and serve as a basis for maintaining peace and stability in the overall Western Balkan region and beyond.

Although Serbian and Kosovo representatives confirm, in principle, their commitment to the full normalization of relations, they have differing and often conflicting views of this ultimate goal. Belgrade and Pristina often have different views of the time-frame needed for this agreement to be reached. However, before they start negotiating the comprehensive agreement on normalization, they must first implement the 2013 Brussels agreement. As they face challenges 'at home' that threaten to bring the dialogue to a halt, on the one hand, and international pressure to move the dialogue forward, on the other, the governments of Serbia and Kosovo have only been able to achieve gradual progress. The perceived irreconcilable differences over the status of Kosovo are seen as the main obstacle to normalization.

The Friedrich Ebert Foundation (FES) offices in Belgrade and Pristina have decided to contribute to the debate on improving relations between Serbia and Kosovo and offer new perspectives to this end by launching the project Scenarios for Serbia-Kosovo Relations in 2035. This idea also emerged from the very difficult process of reaching agreement in 1972 between the two Germanies which not only helped to solve many practical issues of interest to people but contributed to peace within Europe.

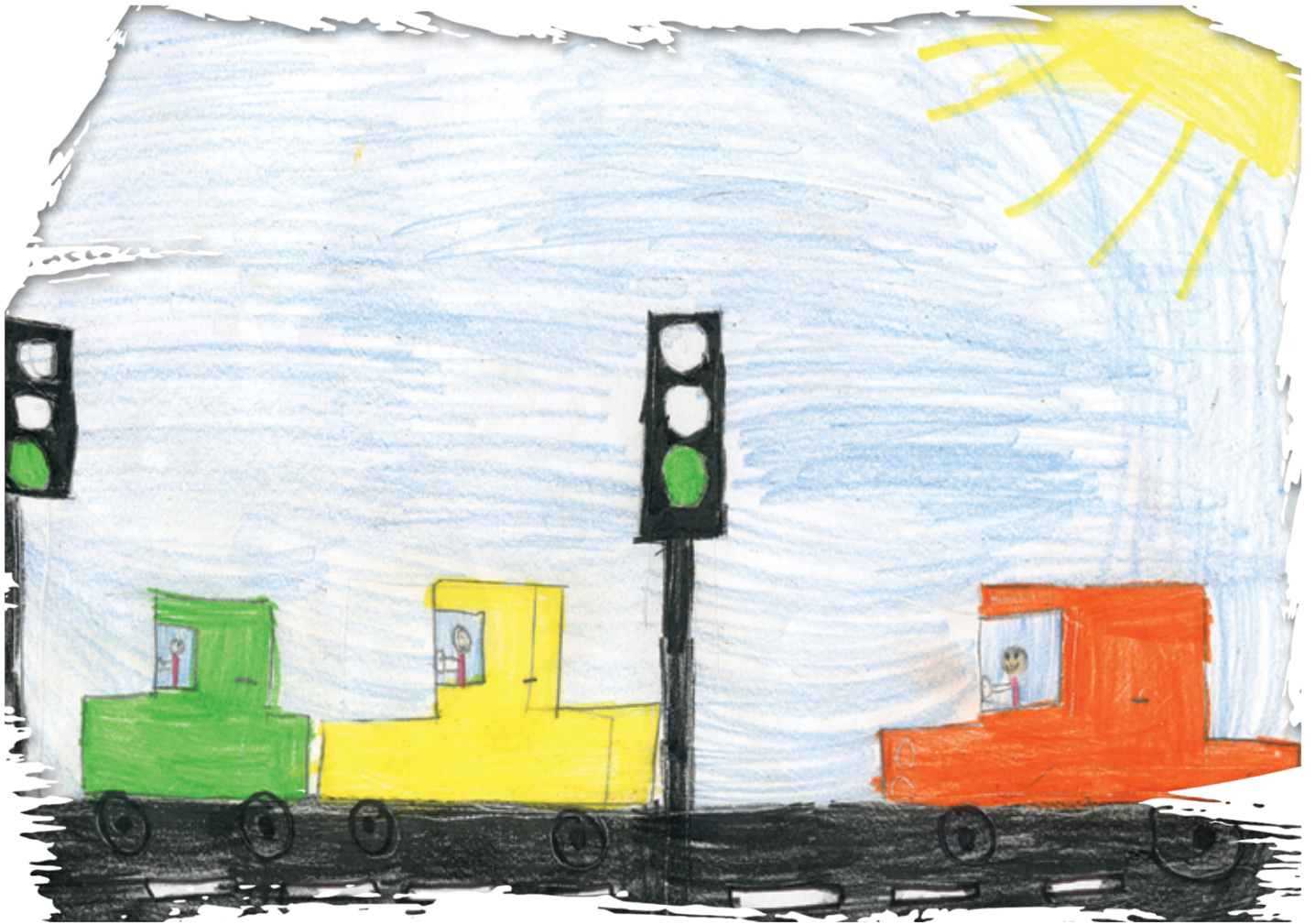
From September 2017 to February 2018, FES brought together a group of participants - representatives of the civil societies, think-tanks, academic communities and experts from Serbia, Kosovo and the EU - to draft four long-term scenarios of possible ways to develop Serbia-Kosovo relations in the next 17 years. Four possible visions of future relations emerged as a result of highly intensive work during three workshops that were held in September and November 2017 and February 2018, in Belgrade.

Although it is impossible to predict the future, we can still try to contemplate it. The scenario method applied in this project is not a prediction or a plan for the future. It merely seeks to identify alternatives for the future, all of which are possible, but none of which are certain. This is a highly popular method in military, business and management spheres, which has started to be increasingly used in the political sphere as well. This method can provide food for thought for decision-makers.

The Friedrich Ebert Foundation can demonstrate long-standing experience in applying this analytical method to various topics, such as the future of the South African economy in the early 1990s, global economic governance in 2009, the future of Bosnia and Herzegovina 2012, German-Russian relations, scenarios for relations between the EU, the Russian Federation, and the Common Neighborhood as well as the future of the Eurozone. We have drawn upon this experience in the implementation of this project.

We would like to thank all the scenario team members for their highly dedicated work over the past five months and for their determination to successfully complete this project. We also thank Björn Kulp, an experienced facilitator who has successfully guided the team through the whole process.

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SCENARIO I

GREEN WAVE

Scenario in Brief

- » Serbia and Kosovo reached a comprehensive normalization agreement in 2019. The agreement accelerated Serbia's path to EU membership and enabled Kosovo to join international organizations. The agreement also offered sufficient safeguards for the Serb community in Kosovo, which participated in the Brussels dialogue, and eventually was one of the parties in the agreement.
- » Serbia became an EU member in 2025 and Kosovo is expected to join the union in 2037. All Western Balkan countries have become NATO members.
- » The process of rapprochement between Serbia and Kosovo was mostly successful, and relations between Serbian and Kosovo societies are also fully normalized.

The State of Relations in 2035

Serbia and Kosovo, as well as the Serb community in Kosovo, all benefited from the 2019 normalization agreement. All other Brussels agreements since 2011 have been fully implemented. Kosovo's government created the necessary socio-economic conditions for the Serb community's integration into Kosovo's society. This effectively diminished the drive among the Kosovo Serbs to seek the re-establishment of Serbia's institutional and economic system in Serb-populated areas in Kosovo. Additionally, the positive international environment is affecting the development and cooperation between Serbia and Kosovo, and all other countries in the region.

The EU's intensified internal integration following Brexit, its normalization of relations with Russia, and rapid economic growth and increased investment in its neighborhood brought prosperity to both the European periphery as well as its centre. Regional security has also improved considerably. Serbia and Kosovo, as well as other Western Balkan countries, became NATO members. As members of a single alliance, the Western Balkan countries have significantly increased cooperation in areas of mutual interest, promoting regional peace and jointly addressing security challenges. Serbia became an EU member in 2025, while Kosovo is scheduled to join in 2037. Serbia promotes Kosovo's EU accession, mostly because of the benefits that the Serb community in Kosovo would obtain, and because of being driven along by the very same community. Kosovo became a member of all relevant international organizations, including the UN. The economic situation in both Serbia and Kosovo has improved considerably.

The Road to 2035

External Factors

Following Brexit, the EU entered a period of internal stabilization and integration. It established good cooperation with Russia, easing tensions in the neighborhood. The EU also invested considerable energy and bolstered its political influence and soft power in an effort to stabilize the neighborhood. These developments boosted the EU's internal drive for further enlargement and encouraged aspiring members to accelerate the reform process, harmonizing their legal, economic, and political systems with the Acquis. Bolstering integration, NATO also expanded in the Balkan Peninsula. During the 2020s, all non-NATO Western Balkan states commenced the NATO membership process. All Western Balkan countries became NATO members by 2035.

Serbia-Kosovo and the EU

The EU has made substantial progress after Brexit. As part of a new Global Strategy, it introduced a new enlargement strategy with strong incentives that pushed the Western Balkan states towards EU membership. A proactive EU approach encouraged politicians to promote the normalization process that increased public support for the negotiations. Consequently, a legally binding agreement was reached. In Kosovo, a new generation of politicians, encouraged by the EU incentives, pushed through the necessary reforms and promoted the normalization process. Kosovo was finally granted visa liberalization in 2019.

The Brussels negotiations between Belgrade and Pristina continued throughout 2018, concluding with a legally binding agreement in 2019. The agreement also resolved the status dispute. In addition, the parties reached a demarcation agreement and recognized each other's legal systems and jurisdictions. The agreement reenergised Kosovo's and Serbia's EU integration efforts. Serbia also committed to support Kosovo's membership in the EU and not oppose its membership in international organizations. Kosovo Serbs were included in the Brussels dialogue in 2018 and were one of the sides in the final agreement.

Kosovo Serbs fully integrated into Kosovo institutions, while Serbia's support for the Serbs has been regulated through the Association/Community of Serb majority municipalities. Serbia completed the reforms by 2023 and joined the EU in 2025. The approach for Kosovo's membership in NATO helped the EU apply a similar model, opening the way for Kosovo's EU membership by 2037. The EU's new enlargement strategy had included Kosovo - after it obtained candidate status - in the EU's sectorial policies, allowing Kosovo representatives to participate in various EU bodies, as observers.

The reconciliation process was in deadlock until 2019, when the Kosovo and Serbian civil society brought the process forward by bringing the families of the victims together. Submitting to enormous public pressure, Serbian and Kosovo politicians began to work on uncovering the fate of missing persons. Civil society also supported cooperation in other areas, including social dialogue, cultural exchanges, and academic cooperation. Gradually, new political elites emerged both in Belgrade and Pristina. They helped build more reconciliatory past narratives about each other, leading to successful reconciliation.

Regional Cooperation

After the 2019 agreement, relations between Kosovo and Serbia continued along a positive trajectory. Regional relations improved as well. Within the framework of the EU integration process, Kosovo and Bosnia and Herzegovina also normalized their relations. As full EU members, Serbia, Albania, Montenegro, and Macedonia strongly support Bosnia and Herzegovina and Kosovo on their paths to membership and cooperate directly on various projects.

Supported by the international community, all Western Balkan countries became NATO members by 2035. With their own interests at stake, Serb populations in Bosnia and Herzegovina and Kosovo encouraged Serbia to advocate for Kosovo's and Bosnia and Herzegovina's EU memberships, so that they could also enjoy EU benefits.

“Wild Cards”: What Would Happen If...

Serbia and Kosovo Agree on Kosovo's North Partition

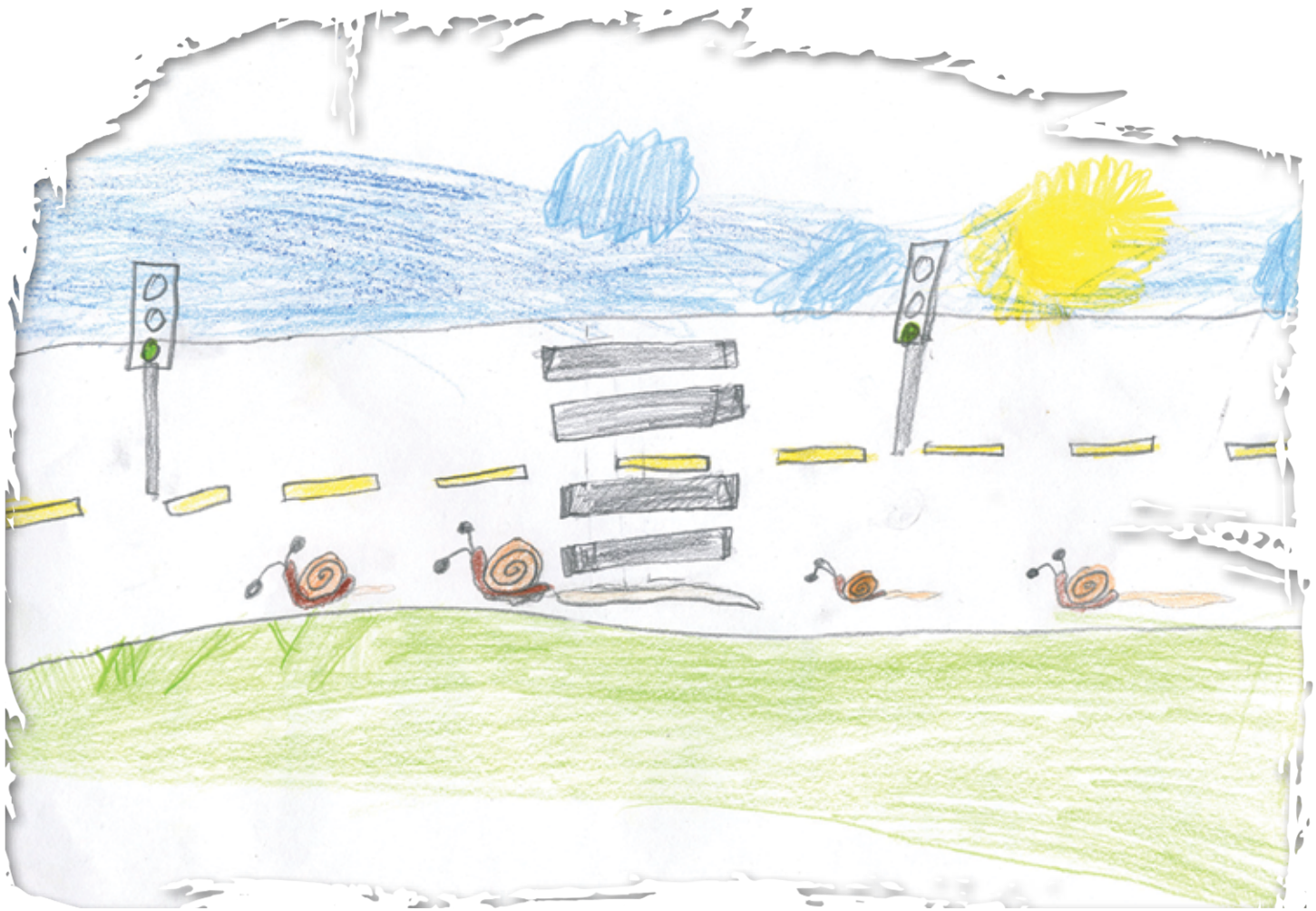
Pristina and Belgrade's Agreement on partition would likely lead to mutual recognition and would potentially speed up their EU and NATO integration. However, this option could have a number of unintended consequences: 1) the five EU non-recognizers would probably recognize Kosovo, but those EU members opposing partition, primarily Germany, could block EU membership for both Kosovo and Serbia for a certain period of time; 2) the Serbs in Kosovo living south of the Ibar River would probably move to Serbia, while Albanians from south Serbia would move to Kosovo. Thus, the partition option could include an involuntary and potentially violent exchange of populations as well. At the same time, Kosovo could reduce the Ahtisaari guaranteed rights for minority communities; 3) this option could have a regional spill-over effect, leading to border adjustments in Macedonia and Bosnia and Herzegovina. However, the international community could continue to refer to the Kosovo case as 'sui generis;' 4) tensions could rise between and within societies. Radical elements in Serbia and Kosovo could use this situation to organize violent protests against governments and Serb and Albanian populations in Serbia and Kosovo.

Spain Blocks Kosovo's EU and NATO Membership

Spain's obstruction could push Kosovo to look for such alternatives as unifying with Albania. Steps towards unification could include Kosovo's withdrawal from the Brussels agreements and Serbia's incorporation of Kosovo's north, thus leading to a frozen conflict between the two. Inter-ethnic tensions would be inevitable, especially in Kosovo's south where the majority of the Serb community lives, and potentially in Albanian-majority areas in south Serbia. But if Serbia and Kosovo stay committed to the Brussels agreements, they will maintain their EU prospects. Return to the status quo would especially complicate Serbia's EU path and definitely bring the normalization process to a standstill. Despite Spain's position, Kosovo could develop bilateral relations with EU states. Kosovo could stay committed to the SAA, try to reach new agreements with the union, but also focus on bilateral relations with EU states.

Normalization Agreement Rejected in a Referendum in Serbia, Kosovo, or Both

A failed referendum would probably trigger calls and heavy campaigning by pro-European forces for a new referendum. The agreement rejection would block the EU accession process. Furthermore, it would complicate bilateral relations and increase support for options such as partition. Under international and public pressure, political parties would probably organize snap elections, which would create opportunities for radical forces to come to power and further complicate the situation.



SCENARIO II

SLOW TRAFFIC

Scenario in Brief

- » Serbia has become an EU member. Kosovo is in the final phase of its accession process.
- » Both countries have changed their constitutions: Kosovo to allow for the establishment of the Association/Community and Serbia to relinquish its territorial claim on Kosovo. Serbia also no longer objects to Kosovo's membership in international organizations, including the UN.
- » Serbia has not recognized Kosovo de jure, but Kosovo's status is no longer a thorny issue in relations between the two. Some nationalist groups in both countries, however, sporadically use the status to score political points.

The State of Relations in 2035

Incentivized by the EU integration process, Serbia and Kosovo normalized their relations. The normalization agreement, coupled with their successful reform implementation, enabled Serbia to become an EU member and Kosovo to enter the final phase of the membership negotiation process. Kosovo's status remains an issue only in nationalistic circles, which have become minority voices in both societies and small parties in both parliaments. The normalization of relations led to Kosovo's UN membership, as Russia and China give up their rejections. The five EU non-recognizers also agreed, allowing Kosovo to become an EU member in the near future.

The Road to 2035

EU integration process

The new EU 2018 enlargement strategy reenergized the enlargement process and reform implementation in the aspiring countries. Clear membership prospects and strict conditionality compelled Serbia to implement the required reforms, closing the last chapter in 2026 and joining the union in 2028. Following increased international pressure on political leaderships and stricter conditionality as part of the new enlargement strategy, Kosovo ratifies the border demarcation agreement with Montenegro and is granted visa liberalization, makes progress on SAA implementation, and opens accession negotiations in 2025. An agreement between Serbia and Kosovo is signed in 2020.

The EU has started conditioning Bosnia and Herzegovina's accession process with its normalization of relations with Kosovo to ensure the country does not remain a Serbian proxy to hinder Kosovo's regional integration. Regional relations are stable, with only Bosnia and Herzegovina and Kosovo not yet full EU member states. The EU has introduced a strict post accession monitoring of democratic and rule of law standards that continues to give it a certain degree of leverage over new member states. The EU accession reform process has led to an improvement of the media situation in all countries of the region and freer media enable better public discourse and contribute to better regional relations.

However, some radical remnants occasionally stir tensions. Nonetheless, the EU conditionality has become more efficient and more focused on implementation. Therefore, reforms in the rule of law, education, and the fight against corruption have led to an improvement of the economic situation in

all countries in the region, including in the north of Kosovo. The decline in unemployment levels and digitalization offers opportunity for qualified younger citizens. However, there is no full economic and social cohesion with the EU.

External Actors

Since all countries, except for Bosnia and Herzegovina and Kosovo, have become EU member states, the influence of external actors has decreased. Russian influence in Serbia has been reduced to the level of Russia's influence in other EU member states, such as in Bulgaria. Serbia still suffers from a lack of diversification of energy sources, thus relying on Russian gas and preserving Russian influence. However, Russia's major leverage over Serbia has vanished due to the agreed solution with Kosovo. The US has good cooperation with Serbia. Serbia remains militarily neutral but with advanced relations with NATO. Kosovo has joined NATO, but remains exempt from any decision-making processes related to Serbia. China exercises economic influence throughout the region and continues to be an influential player due to its economic policies of the 2010s. Turkey also remains engaged, but its influence decreased due to the region's integration into the EU.

Comprehensive Normalization Agreement

Relations between Serbia and Kosovo remain difficult. There is, however, unhindered economic exchange between Serbia and Kosovo. Sporadic incidents raise tensions but are expected to be resolved with Kosovo's EU membership. As a result of EU conditionality and increased civil society pressure, Kosovo and Serbia have jointly worked on missing persons issues, and individual politicians in both countries have recognized crimes and victims on both sides, which is contested by more nationalist individuals and groups. Nonetheless, relations continue to be problematic and Serbia is lobbying its allies in the EU to delay or block Kosovo's EU accession, as Serbia has no voting rights on this matter itself due to its own accession provisions. Overall, relations have become relatively stable due to the agreement.

The comprehensive normalization agreement signed in 2020 recognizes Pristina's authority throughout the territory of Kosovo, but does not provide full diplomatic recognition of Kosovo by Serbia. This agreement includes joint work on missing persons issues, the recognition of all Kosovo documents by Serbia but without full diplomatic recognition, and an agreement on property, including Trepca and Gazivoda. This agreement also contains cooperation in the energy and telecommunications sectors and ensures an extraterritorial status for Serbia's cultural heritage in Kosovo.

The Association/Community of Serb-Majority Municipalities is established with full autonomy over education, culture, language, local self-government, and health care - the so-called Ahtisaari plus. This Association/Community receives funds from the state budget to implement policies in these areas. Kosovo invests in education, including supporting the reconstruction of the University in north Mitrovica and development of cooperation with the University in Mitrovica South and the University of Pristina. Both countries changed their constitutions: Kosovo to allow for the establishment of the Association/Community and Serbia to remove its territorial claims over Kosovo. Finally, Serbia no longer objects to Kosovo's membership in regional and international organizations, including the United Nations.

“Wild Cards”: What Would Happen If ...

Serbia does not object to Kosovo’s UN membership, but Russia does

If Russia threatens to veto Kosovo’s UN membership, Kosovo might refuse to sign the normalization agreement until it receives guarantees for UN membership. In another scenario, where Kosovo accepts the agreement without UN guarantees, Serbia might become an EU member but Kosovo cannot join due to the objections of the five EU non-recognizers who say they will only change their position after Kosovo becomes a UN member. This would endanger the normalization agreement and its implementation: blocked from UN and EU memberships, Kosovo would have no incentives to implement it.

Kosovo becomes a UN member, but Spain blocks Kosovo’s EU integration

The absence of EU membership guarantees might prevent Kosovo from signing the normalization agreement, as they would seem to benefit only Serbia. Without Spanish approval, Kosovo cannot even open negotiations with the EU, let alone become a member. Even if Kosovo had already signed the agreement when it became clear that Spain or any other EU non-recognizer would not change their position, it would also seriously endanger the normalization agreement as it would block Kosovo’s EU accession process.

The EU integration process is weakened by internal events in the EU

With the weakening of the EU accession process, there is less incentive for either Kosovo or Serbia to compromise on an agreement. This would at best lead to a status quo, with likely negative consequences for regional stability.

Serbian voters reject constitutional changes in a referendum

If Serbian President Aleksandar Vucic decides to hold a referendum on changing the Constitution to accommodate the agreement, there is a small chance the referendum might fail. If that happened, political instability could be expected. Kosovo-Serbia relations might deteriorate, which could also affect relations between Albania and Serbia. In response, Kosovo might abolish the Association/Community. A failed referendum would certainly put the EU accession process of both Kosovo and Serbia on hold.



SCENARIO III

TRAFFIC JAM

Scenario in Brief

- » The 2021 normalization agreement left the status dispute unresolved. With the elephant still in the room, fourteen years later the parties are struggling to implement the half-pregnant deal. It is becoming clear that without a status solution, Serbia and Kosovo will neither be able to normalize their relations nor join the EU.
- » After a number of failed attempts to conclude the conflict, the EU suspended its engagement as mediator and froze the integration process for Kosovo and Serbia. Serbia is yet to implement chapters 35 on Kosovo and 24 on the rule of law. Blocked by Spain, Kosovo has not been able to sign new agreements with the EU. Learning from the Cyprus case, Germany remains strongly against 'importing' new conflicts into the EU.
- » Frustrated by the status quo and EU isolation, Kosovo is considering unifying with Albania. If this happens, Kosovo's north has indicated it would join Serbia. Republika Srpska is considering splitting from Bosnia and Herzegovina as well. Albanians in Macedonia plan to follow suit. The international community remains against border changes, but with decreasing leverage and capacity to prevent it. Unless the EU offers alternatives and reengages in the region, conflict is inevitable. Facing uncertain political and economic prospects, a quarter of the populations of Kosovo and Serbia have emigrated, crippling their labor markets.

The State of Relations in 2035

The 2021 normalization agreement did not resolve the status dispute. Exhausted from two years of protracted negotiations, the international community had settled for a half-pregnant deal, putting status off for a later stage. But fourteen years later, status remains unresolved and the agreement itself has not been implemented. Despite its commitment not to oppose it, Serbia continues to lobby against Kosovo's membership in international organizations. In response, Kosovo refuses to establish the Association/Community. Driven mostly by their internal concerns, the five EU non-recognizers continue to block Kosovo's integration process. In the absence of a final status agreement, Serbia's EU integration process has also hit the wall. In addition to Kosovo related chapter 35, Serbia is also struggling with chapter 24 on the rule of law. The status dispute has become just as big of a problem for Serbia as for Kosovo, blocking both in their integration paths.

The internal situation in Kosovo and Serbia is deteriorating. The rule of law remains weak. Powerful executives control legislative and judicial branches. Corruption and organized crime are strong, influencing state institutions, undermining the private sector, and discouraging foreign direct investment. Effectively, there is an informal power-sharing agreement between non-state actors and state institutions in Serbia and Kosovo. Poor and isolated, hundreds of Serbs and Kosovars leave their countries every day. Kosovo and Serbia have lost a quarter of their populations over the past fifteen years, crippling their labor markets. An accelerated brain drain is gradually finishing off what is left from their economies. Many global economic indexes list Serbia and Kosovo in the top ten depressed economies of the world.

Despite the declared commitment of Kosovo and Serbian leaders to find a compromise, they were reluctant to take the risks required to bring the conflict to an end. Additionally, voters in Serbia and Kosovo were not positively disposed towards fundamental changes in their relations. They have grown comfortable with the status quo established during the many years of the policy of stabilocracy.

The Road to 2035

Frustrated by the slow agreement implementation and constant breaking of new timelines and commitments by Belgrade and Pristina, the EU has in effect declared a 'moratorium' on its involvement in resolving the conflict, closing the membership door to both Kosovo and Serbia. Serbian and Kosovo officials met several times on their own initiative, managing to address only cultural heritage and education for ethnic Serb and Albanian communities in Kosovo and south Serbia. But without international mediation, the parties have not been able to go far. Serbs and Albanians have little experience in give-and-take and bargaining with each other. For the first time in the history of their relations, they negotiated and signed the comprehensive normalization agreement in 2021. In Rambouillet in 1999 and Vienna in 2007 there were only negotiations, no agreements. The 2013 Brussels agreement contained only prime ministers' initials.

Serbia made considerable progress towards the EU until it foundered on Kosovo related chapter 35. Kosovo received only SAA and visa liberalization. Despite the strained relations, the EU remained fairly engaged in Kosovo and Serbia, assisting in reform implementation and serving as a facilitator in resolving sporadic incidents between the two. With no EU prospects, Kosovo focused on establishing relations with each EU country individually, with some success in the area of trade. However, Kosovo has not benefited as much from these bilateral trade arrangements. Kosovars remain a consumer society, importing 90 percent more than exporting. So this 'unfair' trade has hit local producers. Many in Kosovo see their bilateral relations with the EU countries as a win-lose model. Frustrated by these unfavorable economic terms and lack of EU prospects, an increasing number of Kosovars are looking at other alternatives.

Kosovo is considering unification with Albania, an option that would allow it, as part of Albania, to become automatically a UN and NATO member. Blocked by the five EU non-recognizers, Kosovo also sees unification as the only way to join the union. The international community opposes the idea, fearing a renewed Kosovo-Serbia conflict and a regional domino effect. Republika Srpska remains determined to secede from Bosnia and Herzegovina - either as an independent state or to unify with Serbia. Kosovo's Serb-dominated north has also made it clear that it will join Serbia in the case that Kosovo unifies with Albania. Officially, Belgrade is against border changes and still considers Kosovo part of Serbia. However, Kosovo's partition remains its favorite option. Belgrade has indicated that if Kosovo joined Albania, it would use its military to incorporate Kosovo's north - about 10 percent of Kosovo's territory - into Serbia.

The New Old

Kosovo's independence continues to be disputed by a part of the international community, Serbia, and the Serb community in Kosovo. Relations between Pristina and Belgrade and between Albanian and Serb communities in Kosovo remain tense. Kosovo Serbs remained nominally integrated into Kosovo's system, but Belgrade controls them through political and financial mechanisms. The return of property process was unsuccessful and many private property cases remained unresolved. After the mandates of EULEX, UNMIK, and KFOR expired or were modified, the presence of the international community in Kosovo subsided both in numbers and influence. With decreased international presence and rising tensions, fear of renewed conflict is growing.

The initial enthusiasm that the special court's eventual indictments of senior officials would create opportunities for democratic and economic development soon waned, after key political actors were spared. Stability over justice prevailed again. Convicting only a few low-level suspects, Serbia's war crimes court also disappointed war victims

Following special court indictments, a number of progressive political leaders came to power in Kosovo, but with limited governing success. The new leaders were not strong enough to tackle corruption at its core and depoliticize public institutions. In Serbia, a number of power transfers from one party to another did not lead to substantial change. Business monopolies continued to influence economic policy in Kosovo and Serbia and remained the biggest, non-transparent political party donors. Political parties controlled the judiciary, police, and the allocation of public resources. Not a single senior politician was convicted of corruption.

Frozen Relations

Kosovo and Serbia remained locked in a complex conflict over the status dispute. Belgrade insisted that a status solution be found within the Serbian constitutional framework, while Pristina rejected anything less than outright recognition. Even though integrated into Kosovo's institutions, Kosovo Serb representatives continued to reject independence, considering Kosovo a Serbian province. All efforts to address the status dispute were fruitless.

Social debates in Kosovo and Serbia were shaped largely by the governments, which continued to promote ethnic hatred as past narratives. The majority of populations in Kosovo and Serbia remained conservative. Civil society weakened as international funding decreased substantially. Neither of the communities showed significant progress in denouncing the convicted war criminals and removing them from public office. Only some civil society organizations addressed the past and reconciliation. Kosovo and Serbian societies continued to portray each other as the aggressor and characterize the past as black and white.

Trade was the only positive example in Kosovo-Serbia relations. Serbia had an interest in keeping its goods flowing to Kosovo, so a degree of normalization was needed for Serbia to preserve its access to Kosovo's market. On a per capita basis, Kosovo remains the biggest importer of Serbian goods. For Kosovo, Serbia used to be a major market, a trend disrupted by the war and shut down after independence. However, after many technical and political hurdles were resolved in the Brussels talks, Kosovars started to export to Serbia and managed to claim some market share. Internally, however, both Serbia and Kosovo faced economic troubles such as high unemployment, low productivity, corruption, and a lack of foreign investment. As a result, both Serbia and Kosovo have lost a quarter of their populations in the past fifteen years.

External Factors

Regional stability remained shaky. With Kosovo's status dispute still open and the potential for border changes in the air, the future of Macedonia and Bosnia and Herzegovina remains uncertain. Albanians in Macedonia and Serbs in Bosnia and Herzegovina have indicated that if a border change occurred anywhere in the region, they would take the necessary steps to become part of their kin communities. NATO membership has so far kept Macedonia unified, but the internal crisis in Bosnia and Herzegovina became irreparable.

The US reclaimed its influence in Kosovo, after it was shaken over the special court arrests. However, the US is less engaged in supporting Kosovo's democratic development and reform process. US financial assistance to Kosovo has also decreased substantially. Just like the EU, the US is back to supporting the old policy of 'stability first.'

Disappointed with the EU, the Serbian government turned to other markets, attracting the interests of primarily Russia and Saudi Arabia, but of some other non-EU countries as well. Kosovo strengthened its economic relations with Albania and Turkey. Turkey continued with small-scale investments in Kosovo, but its political influence remained weak. The US and Russia continued to have differing and often conflicting interests in the Balkans. The situation in neighboring countries had little effect on relations between Kosovo and Serbia. Albania has played a constructive role in improving relations between Kosovo and Serbia, but its ambiguous position on a potential unification with Kosovo has made Belgrade nervous.

“Wild Cards”: What Would Happen If...

Kosovo’s North Secedes and Regional Conflict Ensues

Encouraged by NATO’s ‘non-engagement’ and Serbia’s implicit support, Kosovo’s north seceded. In response, Kosovo suspended the Ahtisaari-based minority rights, including the ten guaranteed parliamentary seats and two ministerial positions for the Serbs, and dismantled the new Serb municipalities in the south, triggering a Serb exodus from that area. Kosovo and Albania held referendums on unification. The regional domino effect set in. Serbs in Bosnia and Herzegovina and Albanians in Macedonia mobilized. The Macedonia army and police withdrew from Albanian-majority areas. Banja Luka cut all ties with Sarajevo. Massive internal displacement of populations in Serbia, Kosovo, Macedonia, and Bosnia and Herzegovina is taking place. A new Balkan map emerged, with newly carved ethnically homogeneous states.

Agreement Ratification Fails

The normalization agreement was not ratified in Kosovo’s parliament and did not pass in Serbia’s referendum. Without an agreement with Belgrade, Kosovo’s government failed to establish its authority in the north. The non-ratification brought the normalization process to a standstill. Ethnic tensions increased and the internal reform process stopped. Nationalist forces gained momentum, giving new impetus to the border change idea. Uncertainty covered the region once again.

Recognition of Independence

Exhausting all plausible scenarios for a solution and conditioned by the EU and the US, Serbia recognized Kosovo. Soon after the recognition, Serbia was granted EU membership. Kosovo gained UN membership and recognition by the five EU non-recognizers. The Serb community obtained the Association/Community with strong executive powers in education, healthcare, and economic development. Considering the region safe and stable, KFOR troops left Kosovo..



SCENARIO IV

CAR CRASH

Scenario in Brief

- » The EU froze the enlargement process for Serbia and Kosovo, losing its main leverage with Belgrade and Pristina. With no EU membership prospects, Belgrade's and Pristina's readiness to negotiate diminished.
- » The five EU non-recognizers and Serbia continued to oppose Kosovo's independence. None of the Brussels agreements were fully implemented, while the parties continue to blame each other. Both countries struggle with unemployment, partocracy, and weak democracy.
- » Opposition to nationalistic narratives is almost non-existent. Incidents in Serb-majority areas in Kosovo, particularly in the north of Kosovo, and the Presevo Valley occur frequently. With tensions high and only a few voices advocating a negotiated solution, a new war seems only a spark away.

The State of Relations in 2035

After two decades of permanent crisis, the European Union has become only a loose trade alliance. Its enlargement is not mentioned, and it no longer has the stature of a reform anchor and economic powerhouse. The EU Commission's promise that at least some Western Balkans states would join the union by 2025 proved to be as empty as the 2003 Thessaloniki Agenda.

Having frozen expansion, the EU lost its main leverage with Serbia and Kosovo. The Brussels dialogue brought no breakthrough in the status dispute. The sides insisted on their maximal demands: Kosovo is Serbia versus no normalization without recognition. None of the agreements were fully implemented. The key non-recognizers such as Russia, China, Spain and Cyprus have not changed their position.

Along with Bosnia and Herzegovina, Kosovo and Serbia are at the bottom of the European scale for employment, salaries and investments but at the top of the list for corruption, nepotism, and partocracy. The old elites and warlords from the 90s do not even pretend to be pro-European anymore and are united with new generations of populists in propagating nationalism. State borders are no longer a taboo, with the Kosovo government officially aiming at a union with Albania and the Serbian government alluding to incorporating Republika Srpska. Growing tensions, especially around north Kosovo and the Presevo Valley, threaten to escalate from periodic incidents into an open war.

The Road to 2035

EU losing leverage

The debate on the EU's future after Brexit has proven to be Sisyphean, with more and more populist-driven exit-campaigns in other EU-members. The ongoing financial and migrant crises have made the bloc dysfunctional. The model of multi-speed Europe, proposed as damage control, became a road with no return - with countries outside core-Europe further distancing themselves from Brussels. Outside this core-Europe, the EU focused mainly on free trade with facultative cooperation on other topics. As Western Balkans countries are already affiliated to the free trade zone, no significant European politician calls for further EU expansion.

The deep internal EU crisis and lack of enlargement perspective are visible. Kosovo's and Serbia's EU membership aspirations have vanished. Polls show that only about a third of Serbs support EU-membership. Though approval rates are higher than in Serbia, the EU has lost the once overwhelming

support of Kosovars and their political leadership due to a number of indictments of former Kosovo Liberation Army commanders. By 2030, the political elites in both Belgrade and Pristina have given up the EU as a national goal, with Serbia planning to join the Eurasian Union and Kosovo fighting for full independence with US support. Serbia's turbulent accession talks were reduced to technical issues and Kosovo has not obtained candidate status due to its disputed status.

After losing its main leverage with the Western Balkans, the EU has been reduced to a garden gnome regarding its influence in the region. The US administration began to engage more after 2020 but was not accepted by Serbia as a new facilitator in the negotiations. The US and Russia continued their new "Cold War" era on many playing fields, including the Balkans. Another player, Turkey, has strengthened its presence in the region through increased investment and cultural influence.

Status in the Status Quo

During the Brussels dialogue and after its failure, Serbia and Kosovo stuck to their maximal status positions: unilateral declaration of independence was illegal and therefore Kosovo remains a Serbian province versus independence declaration was an act of self-determination of the victims of ethnic cleansing and therefore no reconciliation is possible without recognition of independence by Belgrade. Kosovo was recognized by more UN-members but none of the key non-recognizers - Russia, China, Spain or Cyprus - have changed their position, the last two of which still dealing with separatist outbursts within their own territories. As a result, Kosovo was not considered for UN membership.

The old Brussels agreements were considered by Serbia as pure technical issues, not implicating final status. None of the agreements, including the Comprehensive Normalization Agreement, signed fifteen years ago, were fully implemented. Kosovo agreed to establish the Association/Community of the Serb-Majority Municipalities but only in line with its constitution, without executive powers. Belgrade and the Kosovo Serbs rejected the offer. In response, Serbia did not dismantle its parallel structures in Kosovo's north.

The frozen relations exacerbated the already poor economic cooperation between Belgrade and Pristina. Apart from the Belgrade-Pristina highway financed by the Berlin Process funds, no other joint infrastructural projects materialized. The Trepca mines remain a particularly delicate question. In 2030 Serbia introduced additional protectionist measures, considerably worsening an already low level of trade. In response, Kosovo suspended the agreement on free movement, gravely affecting the Kosovo Serbs in particular.

Social Disaster Persists

As EU pressure for reforms halted, the Western Balkan states gradually became consolidated stabilocracies; deceptive stability comes at the cost of terminating democracy. The fading international pressure was welcomed by the old elites and their equally minded successors. Without any international monitoring, they were able to build a strong system of nepotism and corruption, with ruling parties deeply involved in organized crime. The judiciary is under complete political control. Public debates are monopolized through strictly state controlled media. In 2026 the Serbian leadership started to ban critical media outlets and expel international correspondents.

Serbia and Kosovo are at the very bottom of Europe regarding employment and salaries. They receive dubious foreign investments and retain an impression of some social welfare. Rapid privatization after the 1999 war turned Serbia into a low-added-value-economy, with its citizens increasingly used as a cheap labor force by international investors. After two more exodus waves in 2023 and 2031, Kosovo has stabilized its population at about two million with an unemployment rate of around 50 percent. Due to ongoing emigration and the lowest natality worldwide, Serbia has a million citizens fewer than in 2018.

War at the Door

Economic hardship and a lack of European perspective led to similar results across the region, with the spill-over effect in the Serbia-Kosovo conflict. The independence referendum in Republika Srpska in 2028 gave wings to the Great Serbia idea again. Democratic opposition to nationalistic narratives is almost non-existent and narrowed to a group of intellectuals, similar to the 90s. The idea of the unification of Albania and Kosovo prevailed in both countries with a referendum on the issue recently announced. Albanians in Macedonia threatened to unilaterally declare independence of the north-western part of the country and join the Albanian union.

KFOR remained in Kosovo with a smaller contingent of soldiers. Russians blocked the dissolution of UNMIK. Supported by the US, Kosovo formed its own army. Kosovo Serb police officers refused to take orders from Kosovo's police a few months later and were receiving their salaries from Serbia. Serbs in Kosovo's Serb-dominated north formed loose militias which de facto control the region. Armed with Russian artillery systems during the last decade, the Serbian army has been deployed along the border with Kosovo as well as in the Albanian-dominated Presevo Valley. It is reported that the Albanian population there is also arming itself.

Between 2030 and 2035, a number of fatal incidents occurred in Serb enclaves in Kosovo and in the Presevo Valley, as well as a frequent exchange of fire over the River Ibar in Mitrovica. With fewer and fewer voices advocating a negotiated solution, a new bloody war seems only a spark away.

“Wild Cards”: What Would Happen If...

Border Adjustment in the Region

The international community allows major border adjustments in the Western Balkans, leading to the establishment of ethnically homogeneous states. The new Balkans includes the division of Bosnia and Herzegovina, with Republika Srpska joining Serbia, the incorporation of Kosovo's north by Serbia, and the unification of Kosovo and Albania. As a result, the threat of the conflict has been eliminated and the region stabilized.

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For personal reasons some of the members of the Scenario Team asked not to be named.

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Abbreviations

BiH Bosnia and Herzegovina

CSO Civil Society Organisation

EU European Union

EULEX European Union Rule of Law Mission in Kosovo

FES Friedrich-Ebert-Stiftung

KFOR Kosovo Force

NATO North Atlantic Treaty Organisation

SAA Stabilisation and Association Agreement

UNMIK United Nations Interim Administration Mission in Kosovo

WB Western Balkans

UN United Nations

US United States



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