

MUSCELS FROM BRUSSELS

Closing expectations gap in Balkans

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Abstract

This thesis examines the influence of the EU exerted in the dialogue between Kosovo and Serbia with focus on foreign policy instruments. Normalizations of relations between Kosovo and Serbia were considered to be hard case for any diplomacy knowing their past enmities, disputes and a tradition of not talking to each-other, yet EU was able to successfully conclude three-landmark agreement that have narrowed the gap of disputes between the parties, increased stability in the Balkans and open their pathway to EU integration. How was EU able to bring parties to the table of dialogue and how did it exert influence and with what foreign policy instruments is the main motivation of the thesis. A qualitative case study approach is employed. A thorough process tracing has been carried out which consisted in analyzing official documents from EU and the agreements reached in the dialogue. Apart from process tracing, six interviews have been carried out with all three parties in the dialogue to ensure the validity of the findings. The findings suggest that EU has successfully used ascension criteria and enlargement conditionality as main foreign policy instruments to influence the outcome of negotiations, while the Europeanization process has been an important intervening variable in reorienting the countries policies towards EU. The findings also confirm that EU is an undisputable and enormous influential actor in third countries as long as it keeps open the promise of membership.

Key Words: Foreign Policy, Enlargement, Conditionality, European Union, Europeanization.

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List of Abbreviations

CFSP Common Foreign and Security Policy

CSDP Common Security and Defense Policy

EU European Union

SFP Structural Foreign Policy

EULEX European Union Rule of Law Mission in Kosovo

IBM Integrated Border Management

NATO North Atlantic Treaty Organization

SAA Stabilization and Association Agreement

SAP Stabilization and Association Process

UN United Nations

UNMIK United Nations Mission in Kosovo

UNSC United Nations Security Council

1.0 Introduction

“So why isn’t the dialogue easier? Well the answer is they don’t always see it like that (long-term gains). Sometimes they are more focused on some apparent loss and often, the short-term loss is clearer than the long-term gain”

Robert Cooper, 2012

This thesis examines the instruments of EU’s foreign policy and their effectiveness in normalizing the relations between Kosovo and Serbia. The thesis represent both; an exploratory and explanatory study since it first explores which instruments of the EU foreign policy were used to exert influence in the negotiations between the disputing parties and second it explains and analyses how they were utilized.

In the Kosovo War in 1999, EU had only a limited role due to the lack of internal cohesion on the Kosovo issue, especially concerning the right to intervention by NATO (Shepherd, 2009, p.5) (Hill & Smith, 2011, p.206) (Radt & Wolff, 2012, p.2) (Howorth, 2006, p.15). Nevertheless in 1999 a number of EU members, under United States leadership joined NATO bombing campaign of Yugoslavia. For the first time ever since its creation EU established its presence in the Balkans¹. EU’s presence in Kosovo was established under United Nation Mission in Kosovo (UNMIK) where it had a special pillar called UNMIK European Union Pillar². In Serbia EU became present since 1980s, although with a symbolic role. Until 2008, EU’s presence remained weak and with a limited impact until Kosovo declared independence in 2008, which marked the beginning of a new era for the Balkans.

After 120 days of intense negotiations with no results, in 2008 Kosovo declared its independence from Serbia in a coordinated move with major international actors including United States and many of EU member states. The Declaration of Independence was not recognized by Serbia, which committed itself in blocking international recognitions for Kosovo and declared that it will never recognize its independence. By the end of 2008, twenty-two out of twenty-seven EU countries recognize Kosovo³, sending the signal to Serbia that the independence is an irreversible process.

¹There was a Delegation of the European Commission in Belgrade since 1982, but under Milosevic regime, its representation was rather symbolic.

² <http://www.un.org/en/peacekeeping/missions/unmik/background.shtml>

³ Cyprus, Romania, Spain, Slovakia and Greece do not recognize Kosovo and are often referred to as ‘non-recognizers’

In its battle to block Kosovo's recognition, in 2010 Serbia asks for an Opinion by the International Court of Justice (ICJ) asking whether the "unilateral declaration of independence from Kosovo is in compliance with international law and UN resolution on Kosovo 1244"⁴? ICJ opinion, contrary to Serbia's expectations judged that Kosovo's declaration of Independence⁵ was neither in violation of international law nor resolution 1244". This was an unfavorable opinion for Serbia which then asked for a new UN resolution for Kosovo⁶. Such move was successfully stopped by EU, which then took the initiative to make a joint resolution, which among others called for direct dialogue between Kosovo and Serbia to solve the remaining disputes.

Under EU's initiative both Kosovo and Serbia, agreed to have direct talks under EU facilitation. Nevertheless the dialogue is then conducted in very ambiguous and foggy atmosphere. First, Kosovo accepts to enter into direct dialogue with the condition that the issue of Status (its sovereignty) will not be part of the dialogue and that dialogue in any point should not lead to reopening status talks, and also with the promise that EU will oversee and serve as a guarantee for the process and its results. Serbia accepts to enter into the dialogue with the condition that the dialogue will be treated '*status neutral*' by EU, meaning that Kosovo will not be treated as an independent state. EU, which had among itself recognizers and nonrecognizers of Kosovo's independence, agreed to accept both conditions, thus it treated the dialogue as *status neutral*.

The aim of the direct dialogue was to solve the technical matters and disputes that were become an obstacle for the further integration into EU for both parties, and for facilitating the life of ordinary citizens in the north that were hardened and isolated since declaration of independence.

Kosovo and Serbia had a long history of not talking to each other and not agreeing to anything. EU had learned such experience in the Rambouillet talks (1999)⁷ where after many weeks of negotiations, Serbia refused to accept the final agreement, which resulted in NATO bombing, and from Vienna Talks (2005-2007) where after two years of negotiations they couldn't agree and Kosovo declared unilateral independence as a result. In both these processes⁸, EU wasn't the most important actor and none of the parties neither

⁴ Under Resolution 1244, Kosovo was put under UN administration which established the self-governing institutions <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N99/172/89/PDF/N9917289.pdf?OpenElement>

⁵ <http://www.assembly-kosova.org/?cid=2,128,1635>

⁶ http://www.b92.net/eng/news/politics.php?yyyy=2010&mm=07&dd=28&nav_id=68748

⁷ Kosovo had agreed to an agreement proposed from International community, but Serbia had refused. <http://news.bbc.co.uk/2/hi/europe/285097.stm>

⁸ Rambouillet (1999) and Vienna Talks (2005-2007)

Serbia nor Kosovo were relying in EU. Kosovo never agreed to sit on a table with Serbia without United States presence and Serbia without the presence of Russia, while EU was the third choice.

At a time when EU had expressed the ambition to facilitate the dialogue between Kosovo and Serbia without the presence of United States and Russia, looked not very promising. Yet EU surprised many skeptics by revealing the capability of its foreign policy and its newly established European External Action Service (EEAS). Since the negotiations have started in March 2011 until April 19, 2013 Kosovo and Serbia have signed 8 agreements, among them three very important agreements that touched the borders, international representation and issues of authority over disputed territory on the northern Kosovo. All these issues were close to the sovereignty of Kosovo.

The success of EU as a mediator, was attributed both to the creation of EEAS and to the changes that were made in the field of Common Foreign and Security Policy (CFSP) with the Lisbon Treaty, and as an answer to the long hindering issue of expectation capability gap. For the first time EU was able to rise expectations for providing a solution and capable of delivering one. Such success inevitably triggers the curiosity of the researchers, which is what instruments did EU use to succeed and how?

In my attempt in finding the answers to such questions I focus on the three landmark agreements where negotiations were more intense and the compromises were considered to be higher. I carry out a process tracing where I analyze all relevant information and then I carry out interviews with key persons involved in the process of negotiations.

This thesis is organized as follows; in the *first* section I present the introduction where I address the problem and the phenomenon under investigation and propose a research question, then I give an overview of the existing research in the area and make a literature overview. I present the theoretical framework where I present the main school of thoughts and justify on my choice for the use of theory. I move on in talking about foreign policy in general and EU foreign policy and its instruments in particular and present a categorization of foreign policy instruments. In the *second* section I present the research design and strategy where I justify on the case selection methodology and the data collection then I present the methodology for processing and analyzing the data. In the *third* section I present the findings in a coordinated way, which is a combination of the findings from the process tracing and interviews. In the *final* section I analyze the findings where I focus in analyzing the instruments that were in use by EU (exploratory) and how they were utilized (explanatory). In this section I also utilize of the logic

of action (appropriateness and consequentiality) by March and Olsen to see with what kind of logic EU was operating to wield influence on the both parties, than I make a conclusion.

1.1 The Research Question and Goal

One of the prominent and leading scholar on the EU foreign policy, Karen Smith, during an Anna Lindh award lecture suggests that; *‘Proving’ the EU has influence (or not, and what sort and why) requires considerable empirical research (and particularly a lot of interviewing, and reading materials not necessarily in an EU language) – outside the EU, and necessarily involving non-EU based scholars (...). This sort of research could go from investigating the effectiveness of EU aid policies (in particular countries, sectors, regions), to analysing the EU’s influence in international diplomatic processes, to gauging the extent to which major powers consider the EU to be an actor, or even a power, worth listening to (and so on). This means separating out EU influence from that of other domestic and international actors – an inherently difficult task – but unless we try to get to the bottom of this, we are left with unsubstantiated assertions about the EU’s place/role/influence in the world’* (Smith, 2007)

The outcome of the negotiations is already known, but like Smith (2007) suggests, we should shed light on the manners and strategies it has used, therefore central to this thesis is finding out how EU managed to succeed and with what tools. EU is a unique international actor and as Michael Smith (1997) has put it “The EU has the economic capacity to reward and punish; it has the technical and administrative capacity to support and stabilize; and it has the capacity to negotiate in ways unknown to many of the other participants in the European order”.

This thesis aims both; proving that EU has considerable influence in particular situations and processes, such as the enlargement process, and the ability and capacity to live up to its expectations, thus becoming a deliverable actor (at least in its own region).

Hence, the **research question** of the thesis is;

How did EU exerted influence in Kosovo-Serbia negotiations?

Sub question;

What instruments of foreign policy did EU use to influence the outcome of negotiations?

1.2 Existing research on the subject

Although the literature on the EU foreign policy is plenty, there is very few and scarce research with regards to the EU's role and influence in the Balkan region. Johannes Mikael Maki (2008) has done a research on the "EU enlargement politics" with a focus on the political conditionality of full cooperation of Balkan countries with the International Criminal Tribunal for the Former Yugoslavia (ICTY). The study is a theory testing study, with rationalist and constructivist theories serving as an explanation for the development of conditionality. Overall the study concludes that Serbia is more far away compared to Croatia in terms of EU norms and values, which makes conditionality more resentful.

Sandra Lavenex and Frank Schimmelfennig (2008) have also contributed with a research on the "Relations with the Wider Europe". In their study they assess the effectiveness of the EU conditionality. They conclude that: "developments in EU relations with the (potential) candidate countries for membership in 2007 provide ample evidence for the increased problems of enlargement and the decreased effectiveness of accession conditionality, such conclusion they said is evident especially in case of Serbia where majority of the Member States was willing to accept an unconditional fast-track and thereby risked compromising the EU's threat of excluding noncompliant candidates. (Lavenex & Schimmelfennig, 2008, p.154)

Other contributions with regard to the EU enlargement policies and the Balkans include Marko Klasnja (2007) with a view on the EU conditionality on Kosovo. Denisa Kostovicova (2013) on the EU Enlargement conditionality. Wolfgang Koeth (2013), on "The Serbia-Kosovo Agreement on Kosovo's Regional Representation and the 'Feasibility Study'; A Breakthrough in EU – Kosovo Relations? Dejan Guzina and Branka Marijan (2014) bring the interesting concept of "constructive ambiguity" to explain the EU's approach toward Kosovo's status as a central part of negotiations between Kosovo and Serbia in Brussels. Stefan Lehne, (2012) on the normalization of relations between Kosovo and Serbia. Lehne's article, like in Koeth case, is an article on the actual negotiations between Kosovo and Serbia in Brussels until 2012.

The closest research on the field consist the Master Thesis of Valmir Jusufi (2013) for Lund University program in European Affairs "Squaring the Circle, Assessing the EU foreign Policy Impact in Kosovo". Valmir's thesis is a comprehensive 'outside-in' approach not focused on particular agreements,

but rather on overall processes only in Kosovo where he assesses EU impact on a range of events that stretch for close to a decade.

All the above research has in a way addressed the EU's impact on the Balkans but some have not had the focus on the recent negotiations between Serbia and Kosovo and others shy away from being specific and measuring EU's influence in particular situations.

2.0 Theoretical Overview

2.1 EU foreign Policy, Definitions, concepts and theories

Foreign Policy has traditionally been seen as the domain of sovereign nation states and as such; a realist perspective, which claims that states are the dominant actors, who do not recognize any authority above them and defend and promote their national interests (Hill & Michael, 2011, p.27). Yet, EU is not a state in a conventional wisdom, nor is it an international organization like UN which has led many authors among them Simon Hix to call it a *sui generis* (Hix 2011). (see also Wallace, Pollack and Young 2010) (and K. E. Smith 2003, 14-15)

This specific nature of EU calls also for specific attention with regard to the study of EU foreign policy, therefore some definitions on the EU foreign policy are necessary.

For Keukeleire and MacNaughtan, EU foreign policy is understood as multi-pillar, multilevel, operating within a complex multi-locational web of interlocking actors and processes (Keukeleire & MacNaughtan, 2008, p.34), whereas for Hill (in Peterson and Sjursen 1998, 19) EU foreign policy is “the sum of what the EU and its member states do in international relations. With the goal of promoting European values and interests, Hazel Smith (2002) defines foreign policy as “the capacity to make and implement policies abroad that promote the domestic values, interests and policies of the European Union. White (2001) recognizes foreign policy as shaped by actors, processes, issues, instruments, context and outputs, which are interrelated and constitute a foreign policy system in action.

All these definitions, and many others, point to the distinct nature of the EU foreign policy. This distinct nature (often referred as nature of the beast (Risse-Kappen, 1996)), points out that EU does have a foreign policy but it is complicated compared to nation-states foreign policy, due to the internal processes and due to the member states different interests.

This thesis recognizes the specific nature of EU foreign policy as comprised by multi-levels of decision-making by the different role of EU institutions and specific interests of Member States, yet it is not concerned with specific role each institution or member state has played in the negotiations between Kosovo and Serbia but it is concerned with the EU’s foreign policy and its influence as whole.

EU foreign policy, like the conventional foreign policy, has not escaped from the traditional theoretical thinking and the school of thoughts. This thesis pays attention to three school of thoughts; realism, liberalism and constructivism. As I explain the importance of all three schools I illuminate in the constructivism as the most applicable choice for this study.

The realist school can be understood as a body of theories and related arguments that flow from a very small set of basic assumptions about how the world works. (Smith et al., 2012, p.35)

It has often portrayed as a school of thought based on three core assumptions about how the world works. First is *groupism* – which states that humans face one another as members of groups with nation-states being most important group. Second, is *egoism* – asserting that self-interest ultimately drives political behavior and although certain conditions can facilitate altruistic behavior, egoism is rooted in human nature and that inhumanity is humanity under pressure and third *power-centrism* is fundamental feature of politics. (Smith et al., 2012, p.36)

For realists explaining EU's foreign policy is not a simple endeavor, they admit that EU has undoubtedly emerged as an important element of Europe's security architecture, and neorealists need to account for such institutionalized multilateral co-operation. (Grieco in Hyde-Price, 2006), nevertheless such cooperation they argue is due to shared interests of Member States, so they argue that EU can only go as far as long as this does not conflict with their core national interests.

Adrian Hyde-Price (2006) considers that member states who comprise EU are interested in the stability of their external environment, consequently they pursue through EU what Arnold Wolfers (in Hyde-Price, 2006) termed as 'milieu goals, meaning that EU external policy co-operation constitutes a collective attempt at milieu shaping, driven primarily by the Union's largest powers'. The idea that member states interests drive EU foreign policy is also rooted in the liberal intergovernmentalism of Moravcsik. Moravcsik believes that EU is built upon interests and objectives of MS, thus every institution has as much competences as it responds to MS and not more. (Rosamond, 1999)

The realist school falls short in explaining the increased role and presence of EU in the Balkans, which as the thesis aims to show, it has gradually become the most important man in town. The case of Kosovo and Serbia negotiations are a testimony that despite different interests of MS in Kosovo, they were able to follow a unified policy, which does not respond to realist thinking and

acting and therefore makes the core assumptions of the theory not relevant for this study.

Liberalism is a response to realist critique, which states that; states are not the only actors in the world politics thus recognizing the role of supranational organizations such as EU, Interstate anarchy can be tamed by a network of relations between states, thus emphasizing cooperation instead of anarchy, and power does not necessarily mean military power, but it can also have an economic nature, which gives more room for manure and more role for supranational organizations like EU. (Hill & Michael, 2011) Liberalism is more concerned with internal developments in EU policies and it falls short in explaining the developments in CFSP. As mentioned above, Andrew Moravcsik is a pioneer of liberal intergovernmentalism, which argues that 'delegating certain policies to a supranational level, (in this case CFSP) governments can increase, rather than decrease their power, because they gain extra resources against their domestic adversaries'. (Hill & Michael, 2011, p.33).

Out of the three schools of thoughts, social constructivism seems to provide the concepts and elements that can shed light on the changes caused by EU in external orders. Flockhart (in Smith et al., 2012) considers that social constructivism is a toolbox for understanding how agents' shared knowledge; identities and interests are interlinked and may contribute to changing deeply embedded practices and structural conditions. (Smith et al., 2012, p.81)

She recognizes Europeanization through historical sociology and social constructivism. For her Europeanization can be characterized as different forms of diffusion processes of European ideas and practices across time and space and social constructivism provides a framework for understanding structure/agency relations in continuously ongoing identity construction processes. (Flockhart, 2010, p.788)

She conceptualizes constructivism into four concepts: *first*; A belief in the social construction of reality and the importance of social facts, *second*; A focus on ideational as well as material structures and the importance of norms and rules, *third*; A focus on the role of identity in shaping political action and the importance of logic of action, and *fourth*; A belief in the mutual constitutiveness of agents and structure and a focus on practice and action (Smith et al., 2012, p.88).

While the term remains pretty much elusive and depending on the view it can take several forms, for this thesis elements of Europeanization such as identity and rules as a social constructivist approach are important as an

interaction involving identity constructions at both the elite and mass levels. (Flockhart, 2010, p.796)

Europeanization was introduced by Tanja A. Börzel (1999) as a top-down approach to explain how domestic policy-making had become increasingly subject to European policy-making in Spain and Germany, but it was then later developed to other EU policy areas. She later explored further the approach to mean first as 'the emergence and the development at the European level of distinct structures of governance' and second as; '[an] incremental process re-orienting the direction and shape of politics to the degree that EC political and economic dynamics become part of the organizational logic of national politics and policy-making' (Börzel & Risse, 2000, p.4).

Despite being elusive, it has been adopted by different scholars. Heather Grabbe (2006), applies Europeanization as an approach in explaining the EU's influence and transformative power in Central and Eastern Europe. She considers that Europeanization includes calculations of material interest, and changes in the logic of behaviour of domestic actors and institutions that are driven by the absorption of EU norms (Grabbe, 2006, p.2).⁹

Europeanization has been recognized both as a theory and as an approach. Ruben Wong (in Hill & Smith, 2011, p.159) compares it to globalization theory and refers to it as a theory, while Bulmer (2007) considers it as a phenomenon that a range of theoretical approaches have seek to explain.

For Bulmer (2007), in order to understand the relationship between the theory and Europeanization two steps are necessary; first, what processes are understood as Europeanization? And second what are the causal relationships, which the theory seeks to explain?

Olsen (in Bulmer, 2007 and Hill & Smith, 2011, p.150) identifies five processes of Europeanization, among which is the ability of Europeanization process in making *changes in external borders*, referring to the extension of policies, rules and institutional requirements and values in the new MS, such as 2004 enlargement.

In this thesis I employ Europeanization as a powerful social constructivist approach, which has the ability to explain the evolutionary change in reorientation of Balkans towards EU since EU established its presence in the region.

⁹ Grabbe's study is valuable contribution for this thesis not just on the use of Europeanization as an approach but also on carving the instruments of EU conditionality

2.2 EU Foreign Policy Instruments

With the Lisbon Treaty, EU has enhanced foreign policy instruments. Such enhancement includes the creation of European External Action Service (EEAS), the establishment of the post of the President of the EU and strengthening of the post of High Representative (HR) for CFSP. The Treaty on Functioning of the European Union (TFEU) clearly lays out what is external action for European Union.

Part five of the TFEU, Article 206-222 TFEU lists the following as external actions;

- Common commercial policy
- Development aid
- Economic, financial and technical cooperation with third countries
- Humanitarian aid
- Restrictive measures
- International agreements
- The Union's relations with international organizations and third countries and union delegations, and
- Solidarity clause

In Balkans, EU has been present with humanitarian and development aid since 1999, especially in Kosovo through UNMIK European Union Pillar. The most influential instrument has been trade, which takes part under Common commercial policy. In Balkans, trade is framed under Stabilization and Association Agreement (SAA) agreement, which according to Keukeleire & MacNaughtan (2008) has been essential in driving change in Balkans. "A decision to conclude a trade agreement with a third country/regional organization, as well as the depth and scope of this agreement, is to a large extent foreign policy" (Keukeleire & MacNaughtan, 2008, p.202).

Others include International agreements, based on which all Balkan countries were offered contractual relations with EU. Such contractual relations were made under SAA, which gives Balkan countries access to internal market and development aid, and as such are considered as highly political and as main instruments of foreign policy (Keukeleire & MacNaughtan (2008).)

Creation of EEAS and the strengthening role of HR of CFSP gave a more common and unique voice to EU foreign policy, which was felt in Balkans more than anywhere else.

A list of EU foreign policy instruments is given by Karen Smith (2003) where she distinguishes diplomatic and economic instruments. A division of EU foreign policy instruments in economic and diplomatic has been provided by

Keukeleire & MacNaughtan (2008) also.

Figure 1.0

Table 3.3 The EU's economic instruments

Positive measures	Negative measures
Conclusion of trade agreement	Embargo (ban on exports)
Conclusion of cooperation agreement	Boycott (ban on imports)
Conclusion of association agreement (all of the above on more or less favourable terms)	Delaying conclusion of agreements
	Suspending or denouncing agreements
Tariff reduction	Tariff increase
Quota increase	Quota decrease
Granting inclusion in the GSP	Withdrawing GSP
Providing aid	Reducing or suspending aid
Extending loans	Delaying granting of successive loan tranches

Table 3.4 The EU's diplomatic instruments

Démarches
Declarations/Statements
High-level visits
Supporting action by other international organizations
Diplomatic sanctions
Diplomatic recognition
Political dialogue
Making peace proposals
Sending special envoys
Sponsoring peace conferences
Sending cease-fire monitors
Administering a foreign city
Sending election observers
Sending civilian experts
Imposing arms embargoes
Offering EU membership

Source: (Smith, 2003)

For Schunz (2010) “it is reasonable to assume that, in the realm of international relations, influence attempts of states or the EU take the form of foreign policy acts such as economic and diplomatic instruments” (Schunz, 2010, p.27)

Therefore a division between diplomatic and economic foreign policy instruments is fairly evident.

With regard to the Kosovo and Serbia dialogue, the use of foreign policy instruments is not clear-cut. As the main assumption of this thesis, enlargement conditionality is assumed to have served EU as an umbrella for exerting influence. This means that trade agreement as an economic instrument is conditioned and combined with political dialogue as a diplomatic instrument (Smith, 2003). Therefore enlargement as a EU foreign policy cannot be simply defined as economic or diplomatic instrument but rather a foreign policy instruments that allows for use of different instruments to wield and exert influence.

2.3 EU foreign policy towards Western Balkans

Having defined what is commonly understood with EU foreign policy and presenting the main theories, it is now important to focus on the EU foreign policy with regard to Western Balkans.

As a major international player, EU has unique foreign policy with regard to specific regions where it has established its presence.¹⁰ Western Balkans has had a special place in EU's foreign policy since the Feira conclusion, soon after the Kosovo war in 1999, where it was decided that all Western Balkan countries should be given the potential candidate status and that each of them will be assessed separately based on individual merits, according to Gothenburg criteria.¹¹

EU's foreign policy in the Balkans has been framed through the framework of Stabilization and Association Process (SAP). SAP is the European Union's policy towards the Western Balkans, established with the aim of eventual EU membership.¹²

SAP was launched in June 1999 and strengthened at the Thessaloniki Summit in June 2003 taking over elements of the accession process.

It rests on:

- Contractual relationships (bilateral Stabilization and Association agreements – SAA)
- Trade relations (Autonomous trade measures)
- Financial assistance (Instrument for Pre-accession)
- Regional cooperation and good neighborly relations¹³

This is the framework for all Balkan Countries, including Serbia and Kosovo. The SAP process is comprehensive and it starts by signing a contractual agreement with EU known as SAA and ends up with EU membership.

EU's policy in the balkans has been framed by Keukeleire & MacNaughtan (2008) as structural foreign policy (SFP). SFP consist not just on bringing peace, such was NATO intervention, but it consist on creating new structures which makes the peace sustainable (Keukeleire & MacNaughtan, 2008, p.27) The benefit of using such approach is that it allows for the use of instruments that traditionally fall outside the realm of foreign policy but which are

¹⁰ http://eeas.europa.eu/regional_policies/index_en.htm

¹¹ The speed of each country towards membership in the EU is based on individual merits and achievements of these countries, a standard that was decided in Presidency Conclusions in Gothenburg, June 2001, known as the principle of differentiation. http://ec.europa.eu/smart-regulation/impact/background/docs/goteborg_concl_en.pdf

¹² http://ec.europa.eu/enlargement/policy/glossary/terms/sap_en.htm

¹³ http://ec.europa.eu/enlargement/policy/glossary/terms/sap_en.htm

considered essential in explaining EU's successful foreign policy especially in East Europe and Balkans (Keukeleire & MacNaughtan, 2008, p.199)

The core assumptions of SFP are that it seeks to influence or shape sustainable political, legal, socio-economic, security and other structures in a given geographic area (Keukeleire et al., 2011). For Keukeleire, SAP is the cornerstone of EU's approach and structural foreign policy in the region, while SAA is the main instrument that offers contractual relations with EU.¹⁴

This thesis accepts the explanatory power of the SFP approach in explaining the increased stability in the region and the progress on economy and development of the democracy. Furthermore it acknowledges the importance of creating new structures such is the whole body of institutions engaged in the fulfilling of accession criteria for EU membership.

2.4 Enlargement Conditionality

2.4.1 Accession criteria

Perhaps the strongest and the most influential foreign policy instrument with regard to future member is the enlargement conditionality.

The enlargement process provides mechanisms and incentives, culminating in membership. For Keukeleire & MacNaughtan (2008), enlargement was and is EU's most successful structural foreign policy and EU's most important foreign policy instrument. Conditionality refers to the practice of making the conclusion and implementation of agreements, cooperation and assistance dependent on certain conditions being met (Keukeleire & MacNaughtan, 2008, p.207)

For Keukeleire & MacNaughtan (2008) Conditionality can take several forms; positive and negative, political and economic, ex ante and ex post. Among all forms 'ex ante' represents the most sophisticated form of conditionality because it means that there will be no agreement with EU unless the spelled out conditions are met in detail. Under such conditions, rewarding "good" behavior and punishing lack of compliance has underpinned the EU's foreign policy in the Balkans (Keukeleire & MacNaughtan, 2008, p.267)

¹⁴ SAA governs political, trade and economic relations of the EU with the Balkan countries. It covers areas such as the four freedoms, including the creation of a free trade area; the approximation of legislation to the EU acquis; political dialogue and cooperation in all areas of EU policies, including in the area of freedom, security and justice. (Keukeleire & MacNaughtan, 2008, p.266).

The use of incentives such as enlargement conditionality and financial assistance, framed as capacity-building has been viewed by Börzel & Risse (2011) as reasons of inducing institutional change and for achieving its own instrumental interests, such as security, stability, prosperity, and environmental protection (Börzel & Risse, 2011, p.9).

Perhaps, the greatest contribution so far on the importance of enlargement conditionality has been provided by the study of Heather Grabbe (2006). Grabbe (2006) has utilized europeanization as an approach in explaining the EU's influence in the cultural change and shift in the post communist central and eastern Europe and has provided empirical findings on the EU's success in transforming domestic policies of central and eastern europe.

This thesis pays special attention to enlargement conditionality with the assumption that it has also been a key instrument for EU to exert influence in the parties during negotiation process.

2.5 The notion of Influence

The central theme of the thesis is the assessment of EU influence, therefore it is important first to understand influence and what parameters to use for measuring it. In his article on *"how to assess EU's influence in international affairs"* Simon Schunz (2010), brings some basic definitions on the method of understanding and measuring influence, such as; a) *influence as an interaction between an influence wielder and an influence target, during which both change into the same direction* b) as *"control over outcomes"* c) as *"mind changer"* of the influenced and d) *as the one actor intentionally communicating to another so as to alter the latter's behaviour from what would have occurred otherwise.*

These four concepts imply that there must be a causal relationship between existence of influence and the outcomes, thus there must be evidence that the activities of EU are related with the results and outcomes in the dialogue between Kosovo and Serbia in Brussels. All four concepts are of interest but only (b) and (c) seem to be relevant for this thesis. As there obviously has been interaction between EU and Kosovo and Serbia, never the less I expect little or no possibility for Kosovo and Serbia to have influenced EU so that they would both change in the same direction, therefore for logical reasons, the first (a) is excluded from being applicable. Whereas the last (d) is not

applicable not due to the logical reasoning but because it is considered a hard case of finding evidence that EU has used intentional communication with one of the parties in order to convince them to do what they otherwise not do. Such research would have required access to confidential information, such as e-mails, phone calls and informal meetings, which the author did not have.

Thus the thesis will focus on the second concept “*as control over outcomes*”. EU has been officially a facilitator, but its actual role was argued to be “not facilitation but rather heavy-duty mediation, including setting the agenda, elaborating solutions, and using massive carrots and sticks to bring the parties on board” (Lehne, 2012, p.8). The empirical findings will prove the breadth and the extent of such control and by what means. With regard to the third, EU has been present for more than a decade present in both Kosovo and Serbia, thus the notion of EU as “*mind changer*” can certainly be argued under the Europeanization process, which in this thesis is an intervening variable but with a huge potential in explaining the parties readiness to start the dialogue and to successfully come up with agreements.

3.0 Research Design and Strategy

For the research design and methodology, this thesis has chosen Yin's (2009) and George and Bennett (2005) contribution. The justification for this lays on the tools and the fitness of their contribution with the thesis research goal.

This thesis is a qualitative case study, which aims at assessing EU's influence in the case of Kosovo and Serbia negotiations. According to Yin (2009), Case study is one of several ways of doing social science research. Others include experiments, surveys, histories, and economic and epidemiologic research.

As already mentioned above, this thesis is interested in proving that EU is an influential actor. To prove that, the case of Kosovo and Serbia negotiations have been chosen as a case where under EU's mediation, three landmark agreements were reached between two parties with major disputes.

According to Yin there is no formula to know whether one should do a case study or other type of research, but the choice depends on the research questions and whether the questions require an in-depth or extensive analysis. Case studies are considered to be the preferred method when; a) "how" or "why" questions are being posed, (b) the investigator has little or no control over events, and (c) the focus is on a contemporary phenomenon with a real-life context. (Yin, 2009, p.Kindle Locations 429)

Accordingly, this thesis meets almost all the above-mentioned requirements. *First*, it employs a "how" and "what" questions: *How did EU exert influence in Kosovo-Serbia talks*, and; *what instruments of foreign policy did EU use to influence the outcome of negotiations?* *Second*, it focuses on a negotiation process that resulted with three landmark agreements between Kosovo and Serbia under EU's mediation in Brussels. As an investigator the author of the thesis has not been participant or observer in the process thus has not had any control over the events. And third, the negotiation process has started in 2011 with technical issues and is still going on in political level, but the focus is on the three agreements that were signed in 2012 and 2013 amounting to a contemporary phenomenon.

A case study has been defined as an empirical inquiry that (1) investigates a contemporary phenomenon in depth and within its real-life contexts, especially (2) when boundaries between phenomenon and context are not clearly evident (Yin, 2009, p.Kindle Locations 639)

Yin suggest that there are three types or methods of case studies; exploratory, descriptive and explanatory. The choice of type or method consist on conditions such are: (1) type of research question, (2) extent of control an investigator has over actual behavioral events and (3) the degree of focus on contemporary as opposed to historical events (Yin, 2009, p.Kindle Locations 427)

Figure 2.0

METHOD	(1)	(2)	(3)
	Form of Research Question	Requires Control of Behavioral Events?	Focuses on Contemporary Events?
Experiment	how, why?	yes	yes
Survey	who, what, where, how many, how much?	no	yes
Archival Analysis	who, what, where, how many, how much?	no	yes/no
History	how, why?	no	no
Case Study	how, why?	no	yes

Source: (Yin, 2009)

The thesis is an explanatory case study since it aims at explaining *how* EU exerted its influence and it is also exploratory since it aims at finding *what* foreign policy instruments EU used to exert such influence.

Besides their relevance, case studies have been criticized for not being rigor, meaning that they are not thorough or very accurate, a problem, which according to Yin (2009) can be overcome if the researcher reports all evidence fairly adds multiple sources of input and creates a chain of evidence.

Critics also have claimed that case studies provide little basis for scientific generalization, and that they take too long, and result in massive, unreadable documents. Having a clear research question and design that avoids unnecessary materials can eliminate such problems.

3.1 Research Design

The research design is the logical sequence that connects the empirical data to a study's initial research questions and, ultimately to its conclusions, or to put simply, a plan from getting from initial research question to the conclusions. Nachmias & Nachmias (in Yin 2009, Kindle Locations 798) define it as a plan that guides the investigator in the process of collecting, analyzing, and interpreting observations.

For Yin (2009), the main purpose of the design is to help to avoid the situation in which the evidence does not address the initial research question. To avoid such situation Yin (2009) suggests five research design components to be taken into account when doing case study:

1. A study's questions
2. Its propositions
3. Its unit(s) of analysis;
4. The logic linking the data to the propositions; and
5. The criteria for interpreting the findings.

Study's Question – The research question has already been addressed above.

Propositions – According to Yin, having a good research question does not necessarily point out what one should study, thus some propositions are necessary to keep the project moving in the right direction (Yin, 2009, p.Kindle Locations 892). This thesis project puts forward two propositions.

First, it assumes that EU has heavily relied on enlargement conditionality to exert influence on the parties.

Second, it assumes that Europeanization process has had a profound influence in reorienting the two countries policies towards EU.

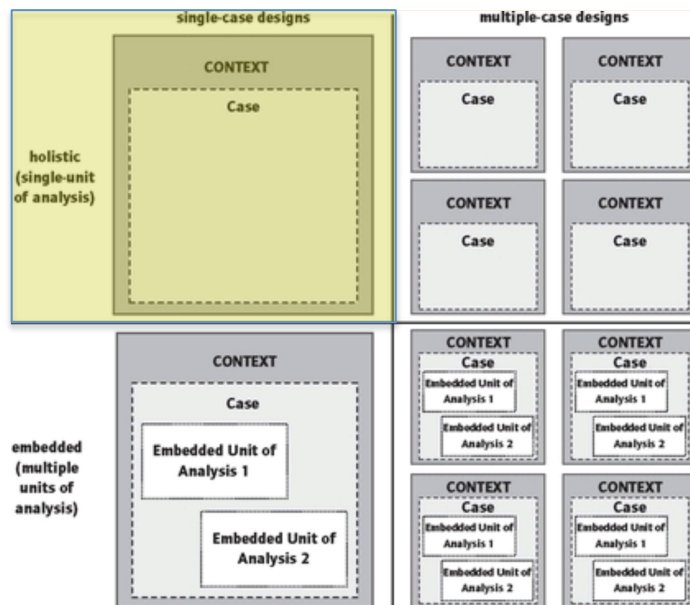
Unit of Analysis – For Karen Long (2004) a unit of analysis is the most basic element of a scientific research project. That is, it is the subject (the who or what) of study about which an analyst may generalize. In this thesis the unit of analysis is EU. It is the specific research question that seeks to explain how EU exerted influence that determines the accurate unit of analysis. EU has been a facilitator of the dialogue between Kosovo and Serbia and has overseen the outcomes¹⁵. It is the objective of this thesis to understand how EU has used its instruments to exert influence on the parties during the

¹⁵ Both parties (Kosovo and Serbia) have required from EU to serve as a guarantee for the implementation of the agreements that were reached. IWET

negotiation process; therefore EU is the main unit under analysis or the case under study. Although EU is the main unit of analysis, this thesis looks only in the field of EU foreign policy to narrow the scope of analysis.

The logic linking the data to the propositions - With regard to the method of linking data to propositions this thesis aims to do an explanation building.

Figure 3.0



Source: Yin (2009)

As illustrated by figure three this thesis employs a holistic - single case study design. Yin makes the primary distinction between multiple case and single case designs and holistic and embedded cases studies. I chose to do a holistic single case design for some reasons. *First*, as mentioned above the context of this study is the EU foreign policy, with EU being the unit under analysis or the case under study. Although the member states (MS) play a significant and crucial role in shaping such policy, they are not considered separately in this thesis. MS role together with the role of EU institutions are considered to be embedded or the subunits.

3.2 Quality of Research design

3.2.1 Data collection

Figure 4.0

TESTS	Case Study Tactic	Phase of research in which tactic occurs
Construct validity	<ul style="list-style-type: none"> ♦ use multiple sources of evidence ♦ establish chain of evidence ♦ have key informants review draft case study report 	data collection data collection composition
Internal validity	<ul style="list-style-type: none"> ♦ do pattern matching ♦ do explanation building ♦ address rival explanations ♦ use logic models 	data analysis data analysis data analysis data analysis
External validity	<ul style="list-style-type: none"> ♦ use theory in single-case studies ♦ use replication logic in multiple-case studies 	research design research design
Reliability	<ul style="list-style-type: none"> ♦ use case study protocol ♦ develop case study database 	data collection data collection

Source: Yin (2009)

As shown in figure four, Yin puts forward four test to judge the quality of the research design; a) construct validity, b) internal validity, c) External validity, and d) reliability (Yin, 2009, p.Kindle Locations 1100). The thesis has aimed at satisfying each given test.

Construct validity: Part of the criticism regarding case studies is that they are not rigor and thorough enough and it was suggested that multiple sources of evidence should be added to overcome such problem. This thesis has used multiple sources of evidence:

Figure 5.0 Source: Yin (2009)

SOURCE OF EVIDENCE	Strengths	Weaknesses
Documentation	<ul style="list-style-type: none"> ♦ Stable—can be reviewed repeatedly ♦ Unobtrusive—not created as a result of the case study ♦ Exact—contains exact names, references, and details of an event ♦ Broad coverage—long span of time, many events, and many settings 	<ul style="list-style-type: none"> ♦ Retrievability—can be difficult to find ♦ Biased selectivity, if collection is incomplete ♦ Reporting bias—reflects (unknown) bias of author ♦ Access—may be deliberately withheld
Archival records	<ul style="list-style-type: none"> ♦ [Same as those for documentation] ♦ Precise and usually quantitative 	<ul style="list-style-type: none"> ♦ [Same as those for documentation] ♦ Accessibility due to privacy reasons
Interviews	<ul style="list-style-type: none"> ♦ Targeted—focuses directly on case study topics ♦ Insightful—provides perceived causal inferences and explanations 	<ul style="list-style-type: none"> ♦ Bias due to poorly articulated questions ♦ Response bias ♦ Inaccuracies due to poor recall ♦ Reflexivity—interviewee gives what interviewer wants to hear
Direct observations	<ul style="list-style-type: none"> ♦ Reality—covers events in real time ♦ Contextual—covers context of "case" 	<ul style="list-style-type: none"> ♦ Time-consuming ♦ Selectivity—broad coverage difficult without a team of observers ♦ Reflexivity—event may proceed differently because it is being observed ♦ Cost—hours needed by human observers
Participant-observation	<ul style="list-style-type: none"> ♦ [Same as above for direct observations] ♦ Insightful into interpersonal behavior and motives 	<ul style="list-style-type: none"> ♦ [Same as above for direct observations] ♦ Bias due to participant-observer's manipulation of events
Physical artifacts	<ul style="list-style-type: none"> ♦ Insightful into cultural features ♦ Insightful into technical operations 	<ul style="list-style-type: none"> ♦ Selectivity ♦ Availability

Empirical primary sources:

EU official documents - as part of process tracing,¹⁶ sixty-three (63)¹⁷ official EU documents were thoroughly checked and carefully analyzed.

Original agreements reached in the dialogue - all 3 agreements that were target of the thesis were thoroughly analyzed.

Newspaper clippings and articles - all relevant articles and news were consulted. The author had access to the media from all three sites in the dialogue.

Interviews - Yin (2009) considers interviews to be one of the most important sources of case study information. The types of interviews carried out were in-depth interviews opposed to focused interviews and surveys. In-depth interviews allow the interviewee to express her/his own opinions on the matter and allow for freer information were the interviewee could serve as an informant. (Yin, 2009)

In this thesis I have made two personal interviews and I have borrowed 4 interviews from Karen Stokkendal Poulsen.¹⁸ Interviews have given me unique access to the process of the dialogue when it was conducted in Brussels. Both representatives were aware that the interviews were official thus their views represent also the country's view.¹⁹ The same goes also for the interviews conducted by Poulsen.²⁰

¹⁶ Which is elaborated under internal validity part below

¹⁷ From the period mid 2010 till mid 2014: 9 Council Conclusions, 4+4 Progress Reports, 4 Enlargement Strategies, 6 EU Press releases, 20 EU statements, 3 Annual HR reports to Parliament, 1 Commission Opinion on Serbia's Candidate Status, 2 EU joint reports on Kosovo and Serbia. 1 Feasibility study on Kosovo, 2 accession conferences with Serbia

¹⁸ Karen Stokkendal Poulsen is a Danish Student. She holds an MA from Goldsmiths College, London University, MA Screen Documentary. She has conducted interviews for her Documentary called "The Agreement" and for her Master thesis with a research question: *How has the EU facilitated Belgrade-Pristina dialogue enabled de-securitisation of the Serbia-Kosovo conflict and to what extent has the conflict been desecuritized?* She has given me access to her transcript of interviews and the right to quote them.

¹⁹ With the exception when they have explicitly referred to their opinions as self opinions

²⁰ Poulsen (2014) makes this reference with regard to her interviews "Since the participants are the government representatives for the dialogue, they are responsible for the government position and very used to speak on behalf of their governments. Thus, they were noticeably very aware of their presentations of the conflict and the dialogue on camera. I therefore for my analysis equal the negotiators positions with the official positions. This goes as well for Robert Cooper, who is the representative of the EU. He was at the time the highest-ranking diplomat at the EEAS and referred directly to HR Ashton, thus, also responsible for the EU position. Therefore, I assume that the positions presented by the three representatives can be considered valid representations of Serbia, Kosovo and the EU.

To avoid bias, all three parties involved in the dialogue were interviewed, namely; Brussels, Belgrade and Prishtina.²¹ The two personal interviews were recorded in iPhone through voice-memo and than later transcribed, the other four were video recorded and than later transcribed.

Secondary sources: As secondary sources in this thesis are listed books and Journals on foreign policy

3.3 Method

Internal validity

After collecting the data, Yin suggests choosing an analytical technique or a method to analyze them. Among four choices shown in figure four, I chose explanation-building model. According to Yin, explaining a phenomenon is to stipulate a presumed set of causal links about it, or “how” or “why” something happened (Yin, 2009, p.Kindle Locations 2927). Accordingly, I am trying to explain **how** EU exerted influence. The explanation building model is combined with **process tracing** (George & Bennett, 2005, p.206) which is a method used to identify the intervening causal process – the causal chain and causal mechanisms between the independent variable and the outcome of the dependent variable. Process tracing will be able to make a causal relationship and explaining the dependent variable and shed light into causal mechanisms (Collier, 2011, p.824)

For David Collier (2011) process tracing is a fundamental tool of qualitative analysis and it is defined as the systematic examination of diagnostic evidence selected and analyzed in light of research questions and hypotheses posed by the investigator. In this thesis it is used to gain insights into causal mechanisms. For Collier (2011) process tracing focuses on the unfolding of events or situations over time. (Collier, 2011, p.824)

²¹ These persons were interviewed: Serbia: Brko Stefanovic; chief negotiator for Serbia Delegation on two agreements on IBM and Regional Representation. Dejan Pavicevic who serves as liaison officer of Serbia in Kosovo. Mr. Pavicevic has been engaged in the dialogue as a participant and as the key person to oversee the implementation of the agreements in Kosovo. Marko Jksic, who is a major of one of the municipalities affected by the Agreement on normalization of relations. For Kosovo, Edita Tahiri who was the chief negotiator for Kosovo Delegation on two agreements on IBM and Regional Representation and was member of the delegation in the third agreement on normalization of relations. From EU; Robert Cooper, Head of the EU facilitation team and senior advisor to HR. Fernando Gentilini member of EU facilitation team and special representative of EU in Kosovo.

This method responds to the nature of my research question since by tracing the process of negotiations will be able to identify the causal mechanisms that were crucial for the outcome. In this thesis the *analytic explanation* model of process tracing is chosen, since it enables for converting the negotiation process into analytical causal explanations (George & Bennett, 2005, p.211)

Table 1.0

Variables	
Independent	Accession Criteria (EU Copenhagen (accession) Criteria, 1993) ²² Visa Liberalization
Controlled	NATO
Intervening	Europeanization process, US presence in Brussels
Dependent	Normalization of relations between Kosovo and Serbia (signing of three landmark agreements)

Independent variables

The role of variables is to tell what influences and what causes variation in the dependent variable. The variables in the table 1.0 measure variation and are connected to the research question (Rafael J & Russell K, 2010, p.52). The sub question of the thesis is finding the EU foreign policy instruments that were used to wield influence. The following are independent variables of interest where EU foreign policy instruments can be found.

Accession criteria (Copenhagen Criteria) – Any country seeking membership of the European Union (EU) must conform to the conditions set out by Article 49 and the principles laid down in Article 6(1) of the Treaty on European Union.²³ The criteria are the same yet they are also specific for each country. Three important processes that were underway during the negotiations in Brussels such as candidate status and accession negotiations with Serbia and SAA agreement with Kosovo are part of the enlargement process and part of the accession criteria. Although it runs under some set of written rules, enlargement conditionality is not predictable since the conditions are specific

²² With accession criteria these instruments are included: SAA, Candidate Status, Accession Negotiations and EU membership.

²³ Any country seeking membership of the European Union (EU) must conform to the conditions set out by Article 49 and the principles laid down in Article 6(1) of the Treaty on European Union

for each country.²⁴ In this thesis, this independent variable is considered key in causing variation in the dependent variable.

Visa liberalization – visa liberalization is a separate process from accession process. But since it offers the perspective of visa free travel to over 20 EU members it has been a huge incentive for all Balkan countries, especially for Kosovo who is the most isolated country in Europe²⁵. This variable is expected to have had a huge impact with regard to the Kosovo delegation.

Controlled Variables

Lijphart (1971) suggest that controlled variables should be held constant and controlled for their influence in the outcome (Lijphart, 1971, p.683). NATO is present in Kosovo since 1999, it has been present during Vienna negotiations on Kosovo status (2005-2007) were there was no agreement. NATO's presence is of huge importance in securing the peace and stability in the region. During the negotiation process in Brussels, Kosovo had put an embargo on Serbia's products due to Serbia's noncompliance with an agreement on Customs Stamps reached during negotiation process. The situation escalated rapidly but NATO/KFOR forces took charge of the situation and secured peace.²⁶ Nevertheless, NATO presence as a security and peace provider in Kosovo will not be considered to have had any influence in the outcome of negotiations.

Intervening Variables

Although the presented independent variables are of key importance and the focus for variation in the outcome this thesis recognizes the role of two intervening variables in the outcome of negotiations. First is the *Europeanization process* in both Kosovo and Serbia. In line with theoretical approach taken in this thesis, Europeanization is expected to have been a very important factor in the party's readiness to come to agreement. Second is United States (US) presence. U.S. has been a key player in Kosovo's politics since 1999 and its influence and role in Kosovo politics has been uncontested. Their participation as observant during negotiations with the initiation of Kosovo delegation implies that they might have had influenced at least the Kosovo delegation.

²⁴ For Serbia, EU has added a special chapter, chapter 35 on normalizing relations with Kosovo. This was not a condition for any other country that had to fulfill Copenhagen or accession criteria.

²⁵ <http://www.opensocietyfoundations.org/voices/kosovo-isolated-heart-europe>

²⁶ During this operation, a Kosovo special police officer was shot dead.

http://www.b92.net/eng/news/politics.php?yyyy=2011&mm=07&dd=26&nav_id=75620

Dependent variable

The outcome of the negotiations is already known for this thesis, what remain unknown is what EU foreign policy instruments were used and how they were used. This thesis considers that the outcome of the negotiations (dependent variable) has been dependent on the EU foreign policy instruments (independent variables) and their utilization with possible influence from the intervening variables.

4.0 Context prior to Negotiations

Understanding the significance of the three agreements reached in Brussels and the importance they represent for creating a lasting peace in the Balkans, an understanding of the conflict between Kosovo and Serbia is necessary precondition for understanding the weight and the importance of the negotiations outcome.

According to Yugoslavia Constitution of 1974, Kosovo was a constitutive part of the Yugoslavia, together with Serbia, Slovenia, Montenegro, Croatia, Bosnia and Macedonia. By the end of 1995 all constitutive parts of Yugoslavia had breached through bloody wars,²⁷ and Kosovo was the last remaining constitutive part on its way to independence.

Serbia had pledged to never let Kosovo break away and pledged to defend it with all means, including, as it was later proven with genocide and ethnic cleansing, which was. For Serbia, Kosovo represents their identity and their culture. In proving such identity they go back as far as the war of 1389 where they lost in the battle against Ottoman Empire in defense of Christianity. Furthermore they relate such identity with the huge presence of religious objects (orthodox) build for centuries. Albanians have always called Serbs as comers and invaders of their land, identity and culture. Albanians in Kosovo relate their identity with the land for more than 2000 years ago as the descendants of Illyrians and they claim to be the righteous owner of the land. (Judah, 2008)

The question of who is the owner of Kosovo (Kosovars or Serbs) has been a territorial dispute for centuries and had become a source for bloody wars between Albanians and Serbs. In 1999, the dictatorship rule of Milosevic had followed an ethnic cleansing in Kosovo, which prompted for international community to intervene. In such attempt, a peace conference was invited in Rambouillet in France to find a peaceful solution to end the war in Kosovo. An agreement was presented that would end the ward and give Kosovo a comprehensive autonomy. Kosovo signed it and Serbia refused to sign the agreement. U.S. had made it clear that if Serbia refuses to sign, a NATO bombing campaign would follow. In absence of consensus in UN Security

²⁷ The case of Croatia and Bosnia

Council, NATO had intervened and stopped the war from escalating and from spreading in the whole region. (Judah, 2008)

The intervention was followed by a UN resolution in Kosovo 1244, which called for all Serbian forces to withdraw from Kosovo and proposed that the final status of Kosovo would be settled after that.

Six years later, U.N had mandated ex president of Finland, Marti Ahtisari²⁸, as a mediator of the negotiations on the future status of Kosovo in what were known as Vienna talks. After 120 days of negotiations Serbia refused to accept the agreement presented by Ahtisaari. In response, in a close coordination with U.S and majority of EU countries, Kosovo declares unilateral independence in February 2008.

Serbia refuses to accept the unilateral declaration of independence and withdraws diplomatic missions in all countries who recognize Kosovo's independence and it pledges to never recognize Kosovo's independence.

After independence, relations between Serbia and Kosovo were escalated further and as a response in the northern Kosovo²⁹, in the city of Mitrovice³⁰, local Serbs block all roads that connect them with the southern part of the city and express their ambitions to break away from Kosovo and join Serbia. When Vienna talks started, the Contact Group for Kosovo³¹ made clear that there should be: no return of Kosovo to the pre-1999 situation, no partition of Kosovo, and no union of Kosovo with any or part of another country.³² These three principles were at the heart of the unilateral declaration of independence, and any move on further partition of Kosovo be deemed to be unacceptable by both EU and U.S.

²⁸ On 14 November 2005 Mr. Ahtisaari was appointed the Special Envoy of the Secretary-General of the United Nations (UNOSG) for the future status process for Kosovo.

<http://www.unosek.org/unosek/en/speenvoy.html>

²⁹ In This thesis the north of Kosovo includes: Northern city of Mitrovice, Zubin Potok, Leposavic and Zvecan

³⁰ Mitrovica is located in the northern part of Kosovo and it borders with Serbia. In 1999 with the NATO intervention the majority of Serbs moved from other part of Kosovo and remained in the northern part of the city. Due to the tensions, KFOR had put a fence on the Ibar bridge which divided the city officially and it is still there for more than 15 years.

<http://news.bbc.co.uk/2/hi/europe/664113.stm>

³¹ Contact Group is a group of six nations (U.S., U.K., France, Germany, Italy, and Russia with observers from EU and NATO) with the mission of overseeing Kosovo's independence. The goal was to oversee Kosovo's institutions in implementing the Ahtisaari plan.

<http://2001-2009.state.gov/p/eur/ci/kv/c13102.htm>

³² <http://www.unosek.org/docref/fevrier/STATEMENT%20BY%20THE%20CONTACT%20GROUP%20ON%20THE%20FUTURE%20OF%20KOSOVO%20-%20Eng.pdf>

Serbia, as a response to unilateral independence backs local Serbs in Kosovo and pushes for an ethnic division between Serbs and Albanians. Through local Serbs, they recruit their intelligence service and run civil police. They create parallel structures in the Serb dominated municipalities where they pay for teachers, doctors and police officers to keep them connected with Serbia. Kosovo authorities were unable to do anything in the North since it was considered to be a political situation and local Serbs refused its authority. (ICG, 2012)

From 2008 until 2010, EU makes important moves by giving Serbia two important carrots, Visa Liberalization and SAA, which were meant to increase the electoral support for than incumbent Prime Minister, Boris Tadic. Both these carrots were not conditioned specifically but they were meant to boost electoral support for pro-European parties in Serbia.³³

With Serbia placing parallel structures the north which already was a 'frozen conflict' became a no ones land and a place without laws, which created a safe heaven for criminal groups and it seriously challenged Kosovo's sovereignty and EU's ability to secure an enduring peace in the Balkans.

Besides having placed parallel structures in Kosovo, Serbia had also blocked Kosovo in all international fora. Serbia refused to allow Kosovo to represent with its name, it blocked from having an international dialing code, it blocked Kosovo to play sports internationally, it blocked all citizens who held Kosovo documents to travel through Serbia, it blocked its aviation airspace for all airplanes who had Kosovo as their destination and it refused to accept any document with Kosovo's stamps, which was blocking all economic activities.

All these obstacles (and more) put by Serbia which were tolerated for three years after independence, had turned the north in a safe heaven for criminal groups which started to threaten the security of both parties, but what's more importance this lawless situation in the north had blocked both sides, Kosovo and Serbia to move further in the enlargement process toward EU integration. The problem had no easy solution since it was centered around the recognition of authority of Kosovo, which local Serbs and Serbia refused to accept as it would amount to a recognition of Kosovo's independence. The question of authority over that part of territory was the most important dispute between the parties and why they both refused to solve it as there would be resistance from both sides.

Finding a solution for this problem was a tough job for any diplomacy since it entailed to have a neutral approach towards the situation otherwise it would

³³ http://ec.europa.eu/enlargement/countries/detailed-country-information/serbia/index_en.htm

risk to be considered as pro Kosovo or as pro Serbia. Nevertheless, the situation was solved under EU's heavy mediation, how it was solved is very much the center of the thesis.

4. 1 EU presence

EU is considered an important actor in the Balkans. In Kosovo from 1999 – 2008, EU was present through member states participation in KFOR;³⁴ it had a special unit under UNMIK³⁵ called “UNMIK European Union Pillar”³⁶ and from 2008 it is present through³⁷ the European Union Office in Kosovo/European, Union Special Representative (EUSR), through CSDP rule of law mission [EULEX](#) and through European Union Liaison Office in Kosovo.³⁸

In Serbia EU's presence has been weaker compared to Kosovo due to the low salience from Serbian government under the Milosevic's regime and under Radicals party of Vojislav Kostunica³⁹. EU has had a delegation since 1982 called “The Delegation of the European Commission in Belgrade,” which after Lisbon treaty changed its name to Delegation of the European Union to the Republic of Serbia. In EU words “this change also reflects the increased political role of our office in line with the political and economic developments in view of EU-Serbia relations during the last years”.⁴⁰

³⁴ Twenty-four out of thirty-two KFOR members are EU countries, which means 24 out of 28 EU members.

³⁵ United Nation Interim Administration in Kosovo (UNMIK)

<http://www.unmikonline.org/pages/default.aspx>

³⁶ <http://www.esiweb.org/pdf/bridges/kosovo/10/9.pdf>

³⁷ http://eeas.europa.eu/delegations/kosovo/eu_kosovo/political_relations/index_en.htm

³⁸ http://eeas.europa.eu/delegations/kosovo/index_en.htm

³⁹ <http://www.novinete.com/articles/159068/Serbia's+Democratic+Party+leader+Vojislav+Kostunica+Quits+Politics>

⁴⁰ http://www.europa.rs/en/o_nama/Istorijat_delegacije.html

5.0 Empirical Findings

5.1 Explaining the puzzle, how do you make ex-enemies talk to each other?

In this part I now look for evidence that would shed light on the negotiation process and see if the data collected respond to this thesis hypothesis. As stated in the methodology, I have combined the process tracing with interviews in a coordinated way, although some reflections and opinions from the interviews are also presented during the analysis part. The process tracing has taken place before the interviews so that the findings could be verified through the interviews.

Process tracing is confined between 2010 and 2013, the rationale behind this is that the negotiation process has officially started on March 2011 (Enlargement Strategy, 2011-2012) and until 19 April has resulted with eight agreements. For this thesis only three agreements are part of the analysis, namely agreement on ‘*IBM Agreement*’ (2011)⁴¹, ‘*Arrangements Regarding Regional Representation and Cooperation*’ reached in (2012)⁴² and ‘*First Agreement of Principles Governing the Normalization of Relations*’, known also as ‘*Brussels Agreement*’ (2013).⁴³ For each agreement there is a one-year tracing which is considered enough knowing the bulk of information produced by all three actors, EU, Serbia and Kosovo.

5.2 Tracing IBM and Regional Representation Agreements

With the situation worsening in the north, few or no one was expecting that Kosovo and Serbia would be starting a dialogue. Their leaders never agreed to even shake hands with each other before and many considered that EU does not have what it takes to do the undoable – reach agreement between Serbia and Kosovo.

⁴¹ “IBM concept for the Western and Balkans is defined as follows: “IBM covers coordination and cooperation among all the relevant authorities and agencies involved in border security and trade facilitation to establish effective, efficient and integrated border management systems, in order to reach the common goal of open, but controlled and secure borders”. http://ec.europa.eu/enlargement/pdf/financial_assistance/cards/publications/ibm_guidelines_en.pdf

In case of Kosovo and Serbia there were two interpretations ‘One party recognizes the line as a border; the other party recognizes the line as administrative boundary’

⁴² Here and after referred as Agreement on IBM and Regional Cooperation

⁴³ Here and after known as Brussels Agreement

As the context prior to negotiations showed, EU has been present in both countries for more than a decade but its influence seem to have been low until Kosovo has declared independence.

“EU has gained a new status after the declaration of independence by Kosovo. What has changed completely the picture, which has led us (EU) into the dialogue, is Kosovo declaring its independence in February 2008. I think that's the thing. Yes, and then from then, this in a way changed the picture, we had an international administration since 1999 with UNMIK and 2008 was a clear break, a clear new chapter. And following that the ICJ case, launched by Serbia, was the next move. And the rendering of the opinion of the ICJ meant that something new would need to follow. And that's when the EU actually comes to the forefront much more forcefully and suggests, there should be a dialogue and this dialogue then is blessed by the UN GA⁴⁴ Resolution from the 9th of September 2010.

And this resolution is cosponsored by all EU-member states, plus Serbia. And this is really the start of the dialogue. There was a preparatory period for a few months with two sides and with international community and we started” (Gentilini and Boura, 2012)

In a simplified version these are the events that led to the start of the negotiations between Kosovo and Serbia.

In a more complicated version, by the end of 2010, it became rather obvious that the further progress of Serbia towards EU had reached its peak and therefore Serbia could not get candidate status without addressing the neighbor/border issues and regional representation issues⁴⁵ (Enlargement Strategy, 2011-2012, p.27).

In its struggle to oppose and block further recognitions of Kosovo's independence, in June 2010 Serbia had requested an advisory opinion by International Court of Justice (ICJ) on whether or not *“the unilateral declaration of independence by the Provisional Institutions of Self-Government of Kosovo was in accordance with international law”*⁴⁶. ICJ opinion was clear in stating that *“By ten votes to four, is of the opinion that the declaration of independence of Kosovo adopted on 17 February 2008 did not violate international law”*⁴⁷

Unsatisfied with the answer, Serbia took the initiative to ask UN for a

⁴⁴ United Nations General Assembly

⁴⁵ Serbia refused to participate in regional initiative where Kosovo delegation was also present

⁴⁶ <http://www.icj-cij.org/docket/files/141/15987.pdf>

⁴⁷ http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/64/298 /page 54

resolution to reopen the status of Kosovo.⁴⁸ EU warned Serbia that this is a dangerous move and would block Serbia's road to EU. Instead EU proposed to make a joint resolution.⁴⁹ In September 2010, the General Assembly of the United Nations had adopted the Serbia-EU initiated resolution which *'Welcomes the readiness of the European Union to facilitate a process of dialogue between the parties; the process of dialogue in itself would be a factor for peace, security and stability in the region, and that dialogue would be to promote cooperation, achieve progress on the path to the European Union and improve the lives of the people.'*^{50 51}

Reflecting on UN resolution and Serbia's willingness to negotiate, EU sent a clear signal to both Serbia and Kosovo regarding neighborhood relations;

'(t)he Council reiterates the readiness of the EU to facilitate a process of dialogue between Belgrade and Pristina. "(t)he Council reiterates that Serbia can accelerate its progress towards the EU, including candidate status, as soon as all the necessary conditions are met" (Council Conclusions on Enlargement, 2010, p.8).

With regard to Kosovo,

*"(t)he Council looks forward to a Commission proposal that will allow Kosovo's participation in Union programmes and calls on the Commission to continue assisting Kosovo in its efforts to meet the relevant requirements for a strengthened **trade** relationship"* (Council Conclusions on Enlargement, 2010).

At this early stage, EU had already identified two big carrots for both. For Serbia the candidate status was conditioned with the start of the dialogue with Kosovo⁵², while for Kosovo, a 'trade relationship' was clearly stated, which was translated as a possible SAA, such conditions were also confirmed in the interview with EU chief negotiator Robert Cooper (2012).

"The dialogue is highly connected with the relationship for both Pristina and Belgrade, with the European Union. The question of Serbia's candidate

⁴⁸ <http://en.ria.ru/analysis/20100910/160549247.html>

⁴⁹ <http://www.reuters.com/article/2010/09/09/us-serbia-kosovo-un-idUSTRE6885IJ20100909>

⁵⁰ http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/64/298

⁵¹ This achievement was also a test for the reforms of the Lisbon Treaty that brought on the Common Foreign and Security Policy (CFSP) 'With the entry into force of the Lisbon Treaty, the EU has given itself the means to pull its weight on the global scene. The EU's role in the adoption of the UN General Assembly Resolution on Kosovo is an example of this potential' (European Commission 2010)

⁵² Another condition was Serbia's full cooperation with ICTY

status is linked...although it's also true that, I believe Boris Tadic⁵³ when he says that independently of the membership of the European Union, he wants to solve these issues. And it's true, they need to be solved. But, nevertheless, the EU provides the context, and the relations with the EU are important for both Belgrade and Pristina. Candidate status is very important for Serbia. (Cooper, 2012)

In the same year, Commission issues an enlargement strategy (2010), by pointing key challenges for the countries under the enlargement process. The language used with regard to Kosovo and Serbia was exceptional which was pointing to the need for cooperation if they desired to progress in the integration process *'(b)ilateral issues should not hold up the accession process. The EU stands ready to facilitate the creation of the necessary political impetus in the search for solutions and to support related initiatives'* (Enlargement Strategy, 2010 -2011, p.10).

In 2011, following the start of dialogue, EU starts to reformulate its language and to clear up the fog and fussiness about requirements. In the enlargement strategy (2011) it states that;

'The Commission urges them (Kosovo and Serbia) to make every effort towards solving outstanding border disputes in line with established principles and means, including referring issues to the International Court of Justice if appropriate'.

Furthermore, the Commission sets clear steps for Serbia to follow if it wants to get the candidate status:

'The Commission therefore recommends that negotiations for accession to the European Union should be opened with Serbia as soon as it achieves further significant progress in meeting the following key priority:

Further steps to normalise relations with Kosovo in line with the conditions of the Stabilisation and Association Process by: fully respecting the principles of inclusive regional cooperation; fully respecting the provisions of the Energy Community Treaty; finding solutions for telecommunications and mutual acceptance of diplomas; by continuing to implement in good faith all agreements reached; and by cooperating actively with EULEX in order for it to exercise its functions in all parts of Kosovo.

The Commission will present a report on Serbia's implementation of the above key priority as soon as sufficient progress has been achieved' (Enlargement Strategy, 2011-2012, p.27)

⁵³ At that time the Incumbent President of Serbia

With regard to Kosovo, Commission carefully indicates what is standing in the way of Kosovo to progress in the integration process. It is also careful to balance the responsibility for the chaos on the North.

‘However, differences over the status of Kosovo have continued to obstruct the finalisation and signing of the Transport Community Treaty and the extension of the Autonomous Trade Measures for Kosovo and other Western Balkan partners. These differences remain an obstacle to the development of contractual relations between the EU and Kosovo. The Commission will continue supporting Kosovo's efforts in reaching the other two key objectives – eventual visa liberalisation and a trade agreement with the EU. The Commission proposes to launch a structured dialogue with Kosovo on the rule of law. (European Commission, 2011)

At this stage, when negotiations were not yet leading to the two important agreements⁵⁴, Commission uses Progress Report as a way of putting more pressure on the parties on the same issues that were being part of negotiations. Progress report with the start of negotiations had also turned into a mechanism that measured the implementation level of the agreements reached.

EU sends progress reports and they don't need to do more. They include everything in such reports. I have personally insisted that they also include the implementation of the achieved agreements in the progress reports as a measuring mechanism (Tahiri, 2014, p4).

In the 2011 Progress Report, Commission criticizes Serbia for problems in the border with Kosovo.

‘The lack of adequate control and surveillance of the administrative boundary line with Kosovo continues to be problematic in an area that is vulnerable to organized crime activities,’ Progress Report on Serbia (2011).

For the government of Kosovo, restoring the rule of law on the gates 1 and 31 has been a top priority and has produced much material for domestic politics among position and opposition parties. In July, feeling impatience with Serbia's delayed implementation of already achieved agreements, Kosovo made a unilateral attempt to restore order in that part by sending special police ROSU in order to impose a ban on Serb goods. EU did not welcome the move and it soon became subject of an agreement on costume stamps that solved the issue.⁵⁵

⁵⁴ Agreements on IBM and Regional Representation

⁵⁵ Both these gates were burned by local Serbs when Kosovo special police unit ROSU was sent at the gates to impose a ban on Serb goods.

“The north remains a particular challenge. EULEX has intensified its patrolling, registering and checking operations at gates 1 and 31 and along the border/boundary with Serbia. The data collected at the two gates are shared with the Kosovo Customs Service and Serbian customs. However, full customs controls at gates 1 and 31 were not restored, due to political circumstances.

At the end of July, the situation escalated in northern Kosovo when Kosovo decided to impose an embargo on Serbian goods in retaliation to a Serb blocking of goods since 2008 on the grounds of the non-recognition of the "Customs of Kosovo" stamp. The decision on an embargo followed a failure to reach an agreement on Kosovo customs stamps within the framework of the EU facilitated dialogue between Belgrade and Pristina, which was launched following last year's UN General Assembly resolution. The unilateral deployment of Kosovo police at gates 1 and 31 in northern Kosovo led to violence, resulting in the death of a Kosovo police officer. Calm was restored with the help of KFOR, the NATO-led military presence. In September, the issue of customs stamps was resolved in the context of the Belgrade/Pristina dialogue. The implementation of the agreement resulted in widespread blockades in the north, including at the gates 1 and 31. Violent incidents also occurred. The tensions in northern Kosovo need to be defused, and free movement of people and goods re-established. All actors need to play their part in this process. In the light of the situation in northern Kosovo, Serbia interrupted its participation in the dialogue at the end of September”. Progress Report on Kosovo (2011)

In the end of September 2011, Serbia leaves the negotiating table in Brussels as a sign of protest for the situation on the North. In absence of free passage due to the blocks on the roads, EU had decided to accompany Kosovo Customs officers by helicopters, a move which Serbia didn't like. Nevertheless, in November Serbia returns to the negotiating table. On the question of what made it possible for Serbia to return to negotiating table:

Again, it's in the EU process and the EU calendar. December is a very important time of the year for everyone involved in the EU but for Serbia and Kosovo as well. Decisions were expected by the Council, the European Council, by the Heads of States and by the ministers of the EU and a lot was at stake for Serbia and for Kosovo. (Boura, 2012)

But basically I think what has happened is that, and we knew that already, that both sides know that there is no alternative to this. Their issues,

<http://www.balkaninsight.com/en/article/kosovo-s-government-ready-to-deploy-it-s-force-in-the-north>

problems have to be solved through dialogue. I think, there is a strong determination both in Belgrade and Pristina to solve issues mutually and through dialogue. Of course this creates sometimes frictions, problems, which needs to be overcome, but ultimately both sides see that they can benefit a lot from dialogue. I think it's normal that they pursue dialogue (Gentilini, 2012)

By the end of November 2011, there had already been five agreements reached⁵⁶ with two agreements still to be reached on IBM and Regional Representation. In October 2011, Commission issues the Opinion on Serbia's application for membership, which heavily criticizes Serbia;

"Serbia maintains its structures in Kosovo and organised parallel municipal by-elections in May 2008, which is inconsistent with UNSCR 1244/1999. Serbia failed to play a constructive role in the return of Kosovo Serb and Kosovo Albanian judges and prosecutors to the Mitrovica District Court, which remains staffed only by EULEX personnel. Declarations by some Serbian government officials, in early 2011, discouraging the participation of Kosovo Serbs in the census in north Kosovo had a detrimental effect, which contributed to the census not taking place in northern Kosovo. Serbian mobile operators maintained the activities of unlicensed branches in Kosovo. Similar activities in the provision of electricity were also maintained. There were a number of statements by high officials advocating partition of Kosovo" Commission Opinion on Serbia (2011).

Nevertheless, fearing that Serbia might block further negotiations and leave again, EU Commission recommends giving Serbia the candidate status, despite lack of progress and with still two important agreements yet to be reached.

First the Commission;

*1. The Commission recommends that the Council should grant Serbia the status of candidate country, taking into account progress achieved so far and on the understanding that Serbia **reengages** in the dialogue with Kosovo and is moving swiftly to the implementation in good faith of agreements reached to date.*

2. Serbia is well on its way towards sufficiently fulfilling the political criteria set by the Copenhagen European Council in 1993 and the conditions of the Stabilisation and Association process, provided that progress continues and that practical solutions are found to the problems with Kosovo. The

⁵⁶ 1) Freedom of Movement, 2) Civil Registry Books 3) Acceptance of University Diplomas
4) Customs Stamps 5) Cadastral Records

Commission therefore recommends that negotiations for accession to the European Union should be opened with Serbia as soon as it achieves further significant progress in meeting the following key priority:

3.Further steps to normalise relations with Kosovo in line with the conditions of the Stabilisation and Association Process by: fully respecting the principles of inclusive regional cooperation; fully respecting the provisions of the Energy Community Treaty; finding solutions for telecommunications and mutual acceptance of diplomas; by continuing to implement in good faith all agreements reached; and by cooperating actively with EULEX in order for it to exercise its functions in all parts of Kosovo. (Commission Opinion on Serbia's Candidate Status, 2011, p.12)

Than the Council;

*In light of the progress achieved so far by Serbia and taking note that Serbia has already **reengaged** in the dialogue and is moving swiftly to the implementation in good faith of agreements reached, the Council takes note of the positive assessment of the Commission and the recommendation to grant candidate status which will be considered by the European Council, in line with established practice. The Council expects Serbia to address the question of regional cooperation. (The Council, 2011, p.22)*

'The Council notes that the opening of accession negotiations will be considered by the European Council, in line with established practice, once the Commission has assessed that Serbia has achieved the necessary degree of compliance with the membership criteria, in particular the key priority of taking steps towards a visible and sustainable improvement of relations with Kosovo. Council Conclusions (2011), 11

Both Commission and the Council had recommended candidate status for Serbia aware that IBM and Regional Representation agreements were not yet reached. Usually Commission's recommendation is hardly ignored by the European Council when it comes to enlargement, but this time European Council disregards both Commission and Council and decides to condition directly the candidate status with further progress on normalizations of relations with Kosovo⁵⁷. European Council was clearly not satisfied only with

⁵⁷ In particular, Germany had refused to give Serbia candidate status; Merkel is quoted to have said "At the moment Serbia does not meet the conditions of the EU accession process, Good neighborly relations and regional cooperation are a part of the European Union enlargement policy according to the Copenhagen criteria, and I am very sorry that Serbia has not met those expectations so far and therefore has not fulfilled the preconditions for obtaining of the candidate status" <http://www.balkaninsight.com/en/article/germany-dashes-serbia-s-eu-candidacy-hopes>

IBM agreement being reached in 02 December 2011, thus it wanted also an agreement on regional representation.

The European Council notes the considerable progress Serbia has made towards fulfilling the political criteria set by the Copenhagen European Council and the Stabilisation and Association Process requirements and that a fully satisfactory level has been reached in its cooperation with ICTY. It welcomes the fact that Serbia has re-engaged in the Belgrade- Pristina dialogue and is moving forward with the implementation of agreements in good faith and it welcomes too the Agreement on IBM. With a view to granting Serbia the status of candidate country, the European Council tasks the Council with examining and confirming whether Serbia has continued to show credible commitment and has achieved further progress in moving forward with the implementation in good faith of agreements reached in the dialogue, including on IBM, has reached an agreement on inclusive regional cooperation and has actively cooperated to enable EULEX and KFOR to execute their mandates. In the light of its examination, the Council will take a decision in February 2012 on granting Serbia candidate status, to be confirmed by the March European Council. (European Council Conclusions, 9 December 2011)

The interviews also confirm such direct conditionality:

“We are now coming to the end of dialogue, I hope that we will finish with an agreement on Regional Cooperation, if this goes well, Serbia will get the Candidate Status. Kosovo will thus follow the same European course as all the others.”⁵⁸(Cooper, 2012)

Again, it's in the EU process and the EU calendar. December is a very important time of the year for everyone involved in the EU but for Serbia and Kosovo as well. Decisions were expected by the Council, the European Council, by the Heads of States and by the ministers of the EU and a lot was at stake for Serbia and for Kosovo. This was the first time that the Member States would take stock of what the member states have achieved and signal their satisfaction and their new step could take place. Which in the case of Serbia could have been granting them a candidate status. That did not happen, it could happen very soon. In the case of Kosovo it meant that they would get a text of conclusions that would indicate that Kosovo has made progress, that Kosovo has done well and that Kosovo should move on with new elements in its relationship with the EU. (Boura, 2012)

⁵⁸ “The Agreement” movie by Karen Stokkendal Poulsen, minute 24:00-25:30

...all I can say is...European Union...the European Council, it didn't give candidate status to Serbia in December, it did underline respect for the progress Serbia had made, and then it underlined a couple of issues, which needed to be resolved. And one of them at least need to be resolved in the dialogue; they are connected to the dialogue, they can be done, I hope they will be" (Cooper, 2012)

That the regional representation agreement was the only condition standing on the way of Serbia's candidate was proven a week after the agreement was signed, in 24 January 2012. A week after the agreement is signed; European Council confirms the candidate status for Serbia.

That EU wanted both agreements to be signed before candidate status was given was a part of strategy:

Sometimes you have to put issues aside for a while, because, although the issues are handled separately, nevertheless, if issue x is being seen as very important in Pristina and issue Y is something, which is very difficult, maybe if you package those two things together, you can sell them better in Pristina. Maybe the same is true in Belgrade as well" (Cooper, 2012).

For Kosovo, conditions weren't all clear and the promises were more indirect. As the word 'eventual' illustrates, EU was not planning to give Kosovo any big carrot⁵⁹ right away.

'The Council reaffirms that Kosovo will also benefit from the perspective of eventual visa liberalization once all conditions are met. The Council recalls that the Dialogue, and agreements reached through the Dialogue, will continue to be of crucial importance for both parties as they take further steps towards fulfilling their EU perspective, and calls upon both parties to intensify their work in the coming period. Council Conclusions (2011), 12

Being aware that both visa and SAA were not within reach for Kosovo during negotiations due to technical conditions, EU finds other carrots that were attractive for Kosovo, such as participation in European Bank for Reconstruction and Development (EBRD), where Kosovo would benefit from the loans so much needed for economic recovery.

Without prejudice to Member States' positions on status, the Council invites the Commission to assess Kosovo's progress with regard to trade related issues and to propose the way forward for an agreement as soon as sufficient progress has been made. The Council recognises that Kosovo's socio-

⁵⁹ Such as the promise for Visa Liberalization or Signing of SAA

economic development would also be enhanced through membership of the European Bank for Reconstruction and Development, without prejudice to Member States' positions on status. (Council Conclusions 2011)

By signaling the clear candidate status for Serbia and a real possibility for opening the accession negotiations, conditioned with progress on dialogue, and by giving Kosovo the green light for EBRD membership, an eventual visa and trade possibility EU had already influenced the two upcoming agreements on IBM and Regional representation which were signed in December 2011, and February 2012.

5.3 Tracing the Brussels Agreement

Yet, EU had no intention to stop the dialogue without achieving substantial progress on the overall normalization of relations between Serbia and Kosovo. With negotiations entering a higher stage the EU also upgraded its representation with HR Catherine Ashton mediating future negotiations. The political dialogue was clearly a new phase and a harder one;

When this (technical dialogue) started it was absolutely same stance in Kosovo and Serbia. This is only technical issues, no status, no that, no political issues, just something that ordinary people would benefit from the talks, like civil registry, cadastral and freedom of movement, and than in one point things were raised to political level, partly as a EU initiative, which at the beginning of the dialogue it was hard to imagine that both parties, Belgrade or Prishtina will welcome something like this, to start this real political talks. (Pavicevic, 2014)

Apparently it all started in New York. Ashton used the presence of, Serbia's President Tomislav Nikolić and Kosovo's Prime Minister, Hashim Thaçi in an official visit in New York (September, 2012) to open the issue of political dialogue on the high level. Kosovo at the beginning of technical dialogue had ruled out political dialogue as a possibility as this was very unpopular in public and it meant to open the issue of status all over again.

Nevertheless, it became evident that without real progress on normalizations of relations between the two parties, progress towards EU was impossible.

Knowing the sympathy and loyalty of Kosovar public for United States, Ashton makes a diplomatic move by inviting Secretary of State, Hillary Clinton in a joint visit in the Balkans with a clear mission of 'persuading Kosovo and Serbia's governments and opposition leaders into starting the

dialogue'. The moves was successful which resulted positive and with full support from all political spectrum, except the radical groups in Serbia, and the nationalistic movement in Kosovo "Vetvendosje"⁶⁰ In a press conference for media in Kosovo, Clinton states;

"For me, my family and my fellow Americans this is more than a foreign policy issue, it is personal"⁶¹. I am here today with EU High Representative Catherine Ashton because the U.S. fully supports aspirations of the people of Kosovo to become part of the EU and Euro-Atlantic integration. Kosovo's future is in Europe. We will be with you on that road, we will be with you while you discuss normalization of relations with Serbia" (Clinton, 2012)⁶²

After meeting with Ashton and Clinton, in a press conference, Ivica Dacic (PM of Serbia) states:

Clinton and Ashton "did not set new ultimatums and conditions", but that they rather traveled to Belgrade "to discuss the issues of life importance to Serbia - continuation and acceleration of European integrations and fulfilment of criteria for getting a date for the start of negotiation. Serbia will not recognize Kosovo and that it should not be forced to do that by the EU or the United States. Serbia "will do everything possible to normalize relations with Priština for the sake of a joint integration into the European Union.

Having for two days world most powerful foreign policy representatives, like Clinton and Ashton, holding long meetings with leaders from both countries turned out to have had a huge impact and influence on changing the attitude and position towards negotiations, and although they don't admit it explicitly the question of accession negotiations was part of the talks.

The consent of both capitals to upgrade negotiations in the high level required that Prime Ministers now be heading the delegations. Having such consent, EU starts to articulate new issues that need to be solved in order for Serbia to open the accession negotiations and for Kosovo to open negotiations for SAA and decision for visa liberalization.

In the enlargement strategy in 2012 and in the statement by the spokesperson of HR, EU puts forward new conditions and requirement for both countries;

"A visible and sustainable improvement in relations between Serbia and Kosovo is needed so that both can continue on their respective paths towards the EU, while avoiding that either can block the other in these efforts.

The Commission underlines that the steps leading to the normalisation of relations between Belgrade and Pristina should also be addressed in the

⁶⁰http://koha.net/arkiva/index.php?page=1,13,140667&s=dialog&ch=13,31,14,15,16,17,52,9,10&f_d=31.10.2010&t_d=31.05.2013

⁶¹ Referring to Bill Clinton's personal efforts for ending the War in Kosovo

⁶²http://www.b92.net/eng/news/politics.php?yyyy=2012&mm=10&dd=31&nav_id=82923

context of the framework for the conduct of future accession negotiations with Serbia” (Enlargement Strategy, 2012-2013)

On the basis of the good progress in the last year, Serbia obtained the status of candidate country in February. The High Representative encouraged the authorities to continue to move forward with the reforms and the efforts towards EU integration. In particular, she encouraged Serbia to take steps towards a visible and sustainable improvement of relations with Kosovo, crucial for opening of accession negotiations and Serbia's EU perspective in general.

*The High Representative and President Nikolić also discussed the continuation and intensification of the dialogue between Belgrade and Pristina. Catherine Ashton stressed the need for Serbia to boldly engage in these talks and encouraged President Nikolić **to be ready to take some tough decisions**. (Statement by HR spokesperson, September 2012, A 429/12)*

While for Kosovo;

The Council calls on Kosovo to continue implementing in good faith all agreements reached to date in the Dialogue and to engage constructively on the full range of issues. The steps leading to the normalisation of relations between Pristina and Belgrade will also be addressed in the context of the next steps on Kosovo's European path, in the interest of having a comprehensive approach.

With a view to a possible decision to open negotiations for a SAA with Kosovo, the Council will examine on the basis of a report to be presented by the Commission and the HR/VP in Spring 2013 progress on all the above issues. The Council will assess the report during the next Presidency. Provided the assessment is positive the Council will adopt the negotiating directives.

All these conditions were articulated in October 2012. From October until April ten rounds of negotiations were held between Kosovo and Serbia under Aston's mediation.

What EU had offered to the parties in order to influence the Brussels Agreement, came into light only later after the agreement was reached.

In its enlargement conclusions in 2013, the council recalls;

Both the accession of Croatia to the EU as the 28th Member State on 1 July 2013, as well as the historic agreement reached by Serbia and Kosovo in April 2013, are a strong and visible testimony of the transformative and stabilising effect of the enlargement and stabilisation and association process. (Enlargement Conclusions, 2013)

While in the Annual report from HR to European Parliament a list of 'rewards' given to both Serbia and Kosovo are listed;

- *In 2012, the EU launched several initiatives with Kosovo.*
- *In January, the visa dialogue was opened and led to the establishment of a visa roadmap in June.*
- *In May, a structured dialogue with the Commission on the rule of law was launched.*
- *In October the Commission issued its feasibility study for a Stabilisation and Association Agreement. With a view to a possible decision to open negotiations for a SAA with Kosovo the Council decided in December to examine during the first semester of 2013 the progress made by Kosovo, on the basis of a report to be presented by the Commission and the HR. (annual report of HR to Parliament 2013)*
- *In April 22, three days after the agreement was signed, EU signs "First contractual agreement between EU and Kosovo on benefits of the programs" and the Council authorises the opening of negotiations on a Stabilisation and Association Agreement between the European Union and Kosovo (Recommendation for a Council Decision, COM (2013))*

At the same date, April 22, Serbia gets also positive recommendations from Commission for the opening of negotiations for accession.

On this basis, the Commission considers that Serbia has met the key priority of taking steps towards a visible and sustainable improvement of relations with Kosovo.

The Commission therefore recommends that negotiations for accession to the European Union should be opened with Serbia. (Joint report to the European Parliament and the Council, 2013)

Process tracing has clearly revealed how EU has step by step used its enlargement to conditions negotiations and to influence the process. Interviews were able to reveal more information on the EU's strategies or instruments that were not visible in the process tracing;

I think that the European Union is vital in solving the problems. Actually, we are, the ambition to join the European Union is also a key factor. It means that they are sometimes ready to accept solutions from the European Union, because they see themselves as prospective members. For us in the dialogue it's very useful this, because, that they want to become members, because one of our rules, and it's almost the most fundamental rule in the dialogue, one of our rules is that where there's a solution in European law, this is the solution, which we will apply in the dialogue. And it's extremely convenient because it gives us an objective standard that nobody can argue with. (Cooper, 2012)

“And how do you make the world better, the answer is, bit by bit. By solving small problems here and there. When we’ve solved this problem, in due course, both Serbia and Kosovo will become members of the European Union and that means, that not only is there one problem less, it means that we’re stronger; that you’ve not only removed the negative, but you add to the positive. It’s the spread of civilization.” (Cooper, 2012)

6.0 Assessing Influence

The nature of the thesis was stated in the methodology part as both an exploratory and explanatory research. I have put forward two straight hypotheses relating to the research question, first that “EU has heavily relied on enlargement conditionality to exert influence on the parties, and *second*, that Europeanization process has had a profound impact in changing the orientation and transforming the two countries.

I have also identified variables of interest and the intervening variables that have a potential in influencing the outcome

An explanation-building model and an analytical explanation model of process tracing were proposed to analyze empirical findings. The process tracing was able to identify the intervening causal process – the causal chain and causal mechanisms between the independent variable and the outcome of the dependent variable.

Now it is time to connect the dots and analyze the causal relationship between the use of EU foreign policy instruments and the outcome of negotiations.

6.1 Locating EU foreign policy instruments

6.1.1 Enlargement conditionality

Part of the thesis goal is to explore the EU foreign policy instruments that were utilized during the negotiation process to exert influence. A clear divide between diplomatic and economic foreign policy instruments was provided by (Smith, 2003) and (Keukeleire & MacNaughtan, 2008), nevertheless it was

argued that under enlargement conditionality the instruments tend to collide and give EU a much more strong foreign policy instrument.

As the empirical findings suggested, EU influence in Kosovo and Serbia was increased with the declaration of independence from Kosovo. In one hand, after the declaration of independence, EU presence increases in Kosovo, which gives EU a more proactive role. In other hand, Serbia, which was under attack of radical parties after the declaration of independence, passes the European test by electing pro-EU parties in Parliament in 2008 elections and committing this way itself to pursue a European path in exchange for SAA and visa liberalization.

Enlargement conditionality was depicted as the EU's strongest foreign policy tool, which provides mechanisms and incentives that can be calculated in material interests (Grabbe, 2006) (Keukeleire & MacNaughtan, 2008).

Enlargement was proven to be key for EU to achieve the success in negotiations. Kosovo and Serbia were attaching great salience to the process and were in desperate need to progress in the EU, which in return gave EU the possibility to exert influence in the negotiations.

As it was argued, Enlargement conditionality served as an umbrella for EU under which, high-level visits, official statements, progress reports, candidate status, accession negotiations, visa liberalization and trade relations were interlinked in a political dialogue that aimed at normalizing relations between Serbia and Kosovo.

Empirical findings suggest that United States was particularly influential in convincing Kosovo delegation to engage in the dialogue and to put more trust on EU.

The findings suggest that EU had to exert much more influence in Serbia rather than Kosovo, since Kosovo was acting more constructively. Serbia left dialogue once and only the promise for the candidate status brought her back to the table.

The same instruments that worked in the two agreements were to a large extent used also in the Brussels Agreement. The compromise for the Brussels Agreement was considered much higher therefore the promise had also to be clear. Accession negotiations were put on hold for Serbia as long as they didn't agree to resolve the situation on the north, while Kosovo was given guarantee that with the signing of Brussels Agreement, EU would ensure that five nonrecognizers would not block the visa and SAA ratification process.

Table 2.0

EU Foreign policy instruments utilized in case of Kosovo-Serbia Negotiations	
ENLARGMENT CONDITIONALITY	
Economic Instruments	Diplomatic Instruments
SAA Agreement (trade agreement) Visa Liberalization Candidate Status Accession Negotiations	High level visits Official Statements Progress Reports

6.1.2 Official visits and Statements

The process tracing⁶³ and interviews have revealed that official visits have had a huge impact in exerting influence. High Representative, Catherine Ashton has had 7 official visits since the start of the dialogue where she met with representative leaders in order to gain support for negotiations. The fact that both parties were committed to dialogue is considered to be a merit of the official visits as much as conditionality. Besides high-level visits, during negotiations time, there have been more than 20 official statements regarding the dialogue, which among others, as empirical findings showed have called on parties to make tough decisions. High-level visits and statements are part of the diplomatic instruments as portrayed by Keukeleire & MacNaughtan (2008) and Smith, (2003).

6.1.3 Others

Interviews have been able to show other instruments that were considered very functional during the actual negotiations. The first refers to the influence of EU legislation, or *acquis communautaire* as a nonnegotiable principle for any country that wants to become a member. Cooper (2012) has stated that *“one of our rules is that where there’s a solution in European law; this is the solution, which we will apply in the dialogue. And it’s extremely convenient because it gives us an objective standard that nobody can argue with”*.

This is neither a diplomatic nor an economic instrument but more of a legal argument, which consists of doing nothing from EU part and everything from

⁶³ Appendix I

the aspiring member state. In this case, both Kosovo and Serbia had to agree to change its legislation and find deals not at their choice but according to EU legislation as long as they both aspire to become members.

The second instrument brought from the interviews is the influence of official reports. This refers specifically to the progress reports which EU issues every year for countries under enlargement.

As one interviewer said: *“EU sends yearly progress reports and they don’t need to do more. They include everything in such reports”*. During the dialogue, EU used progress reports to send clear signals what each party needed to do in order to get the necessary reward, and as the empirical findings show most of the conditions brought up on progress reports were linked with issues that needed to be solved during dialogue.

And third was EU making his own proposal, which showed that it was not a facilitator but a mediator *“Sometimes, they find the solutions themselves, sometimes you can stimulate them by putting forward solutions. Normally what you do when you’ve come to a block in the road, try and see what ideas the two sides have, take a timeout, talk to them one by one, consult them on yourself, one in our team may have an idea, but give them a little bit of time to think about it as well, time is good. So that’s why we normally on the different issues do quite a lot of preparation, we talk to the two sides separately. On some issues, and I’m thinking here on the issue of regional cooperation, which is coming up now, I think we won’t actually put a proposal on the table until we’re about 98% sure that both sides are going to accept it.”*(Cooper, 2012)

Reflecting on the concept of influence put forward by Schunz (2010), it is safe to say that EU has been in control of the outcome of negotiations. First it ensured that both parties had attached great salience to the integration process and made sure that there is a public support in each countries and second, it put forward clear rewards in exchange with particular outcomes. The fact that candidate status was refused for Serbia even though all technical conditions were met and contrary to Commission and Council recommendations showed that EU was aware that parties would not leave the negotiations process as long as there is a clear reward waiting ahead.

6.2 The power of Europeanization

One of the key identified intervening variables, considered to have had a deep impact especially on the mind changing of the two sides is considered to be the Europeanization process.

This thesis has acknowledged the concept and ideas of Europeanization as a social constructivist approach and has adopted it as an approach in explaining the readiness of the two countries for making agreements.

The fact that Serbia had agreed to sit and talk with Kosovo was already a big step showing maturity and a sense of responsibility. Serbia had a long tradition of relations with Russia and was considered the only country in the western Balkans with such close ties with relations. The interviews revealed that there are still mixed feeling about this new orientation of Serbia towards EU and also for Kosovo.

Marko Jacksic who is Major of a small Serb municipality in Kosovo, which was subject of the Agreement on normalization of relations, on the question of; Why do the Serbs like Russia more than the Western countries? *There are many reasons why, but two of them are key. It is a geopolitical question. The interests of Russia and America clash here. The Albanians are allies of the Americans and by relation the West. Russia is the ally of Serbia and by relation also of the Serbs that live here. Simply put: what has happened in the UN Security Council thus far⁶⁴, says a lot about why the Serbs like Russia as opposed to the EU.* (Jacksic, 2012)

The fact that Kosovo has acted constructively towards international community has to do a lot with the role of the United States⁶⁵, which was decisive both for NATO intervention and for declaration of independence. In EU there are still five countries that do not recognize Kosovo, which justifies to some extent the resistance of Kosovo to put trust in EU. The chief negotiator for Kosovo, who is also a deputy prime minister in Kosovo, Edita Tahiri states that; *“U.S has always been a partner for Kosovo. EU has not been able to deliver neither in Bosnia neither in Kosovo”* (Tahiri, 2014)

By offering Kosovo an European agenda, despite five nonrecognizers, and by giving Serbia, both SAA and visa liberalization, in return for pro-european government, EU had contributed to a significant change in leadership of Serbia and Kosovo.

⁶⁴ Russia has used the veto to block NATO intervention and Ahttisari plan on behalf of Serbia

⁶⁵ The impact of which is held constant with regard to the outcome of negotiations.

In this Europeanization framework, it meant that during accession process intensive negotiations occur between working groups in Brussels and Serbia, thus a socialization process has been fairly evident which proved to have had a profound impact in the administration and in the political and legal system, especially in Serbia. Dacic's declaration that "will do everything possible to normalize relations with Priština for the sake of a joint integration into the European Union, is a testimony to such change in orientation. Serbia didn't do anything before for the sake of no one. Than there is visa liberalization process, which has given the possibility for Serbs to move freely in EU and gave them a sense of belonging to the European Community who have been isolated for a long time⁶⁶.

These changes in the structures are acknowledged by Structural Foreign Policy approach by Keukeleire & MacNaughtan (2008). Börzel and Risse (2011) also acknowledge the impact of structural foreign policy, but they frame it under capacity-building or technical assistance⁶⁷. *"Research has identified the differential empowerment of domestic actors who are then enabled to promote institutional change by providing political elites with incentives (electoral support, shaming campaigns) as an effective mechanism of Europeanization"* a mechanism which they consider to be very effective in changing the structures. (Börzel & Risse, 2011, p.9). SAA and Visa liberalization for Serbia were for electoral support only.

Therefore Europeanization as a set of rules posed by EU on the candidate countries in order to change the countries political system and elite has had a profound impact in "mind changing" which has enabled the parties to start the dialogue and to stay committed in search for agreements in appropriate with their integration ambitions.

6. 3 Assessing Logic of behavior

The above analysis has shown accession criteria as the most important independent variable where EU was in control of the outcomes of negotiations process, and it showed that Europeanization was an important intervening variable which has worked as a "mind changer" both consisting in institutional change and leadership change through socialization effect.

⁶⁶ Kosovo has recently concluded negotiations for SAA and is under the promise of eventual visa liberalization

⁶⁷ Technical assistance in this thesis is referred to Instrument for Pre-accession, under which Kosovo and Serbia receive tens of millions of euros each year.
http://europa.eu/legislation_summaries/agriculture/enlargement/e50020_en.htm

This part of analysis has the intention to analyze what logic of action has dominated EU's behavior in dialogue and tries to make a connection between the conditionality- logic of consequences where actors are conceived as (mostly self-interested) utility maximisers who select their course of action according to cost-benefit calculations. And Europeanization process or the logic of appropriateness - where actors are thought of as rule followers who 'do the right thing' because they want to be part of a particular community and have been socialised into following rules. (Börzel & Risse, 2000, p.7)

For March and Olsen (2009), a theoretical challenge is to fit different motivations and logics of action into a single framework. Specific logics, such as following rules of appropriateness and calculating individual expected utility, can be good approximations under specific conditions. It is difficult to deny the importance of each of them (and others) and inadequate to rely exclusively on one of them. (March & Olsen, 2009, p.19)

Europeanization is considered to support both logics of actions in this thesis, since it provides for influence of direct mechanisms such as "conditionality" and indirect mechanism such as socialization and mind changing, or rule following.

The findings in this thesis suggest that both logics have been present during the dialogue. The start of the dialogue, which was initiated by Catherine Ashton (EU), was based on the belief that both parties were showing great salience to the integration process. Progressing in the accession process is a huge electoral impetus for the incumbent governments, thus it expected that both Serbia and Kosovo should follow a EU agenda.

The expectations for countries to act in accordance with their ambitions were apparent, "*I think that the European Union is vital in solving the problems. Actually, we are, the ambition to join the European Union is also a key factor. It means that they are sometimes ready to accept solutions from the European Union, because they see themselves as prospective members*" (Cooper, 2012).

By making clear to the parties that agreements would be reached in compliance with EU legislation was a way of saying that this is the right way to do things.

Although the logic of appropriateness was evident, it does not capture the essence of success, which to a large extent relied in threats of conditionality. Compromise during the dialogue, especially in case of Serbia, was a pure cost-benefit calculation. Conditioning all three agreements with candidate status and accession negotiations was a pure threat from EU. Such logic where consequences follow a certain kind of action or inaction were evident, which meant that if no agreement were reached there would be no reward.

7.0 Conclusion

“European Union is the future. We’re the city-states of Renaissance Italy, the wonderful peak of civilization. But at the time that Machiavelli wrote, Europe was becoming Europe of Nation States. Now we’re moving into a world of continents and if you want it to have to count it’s going to have to work together. And...So..I believe in Europe as our future and I like it”

Cooper, 2012

This thesis has examined EU influence in case of Serbia and Kosovo dialogue with a focus on foreign policy instruments.

Understanding the puzzle of EU success in bringing Kosovo and Serbia into the table of dialogue, which resulted in three landmark agreements, has been the main subject of the thesis. The findings showed that the key to such success has been EU membership perspective that was successfully conditioned with particular rewards during the dialogue.

There has been a huge influence from United States and Russia in Balkans, but the effective use of foreign policy instruments, such as enlargement conditionality and the strategic use of rewards have slowly but effectively reoriented the two countries policies and has linked their interest with European Union.

For EU increasing influence in its own region has been a top priority and the success achieved through Kosovo and Serbia negotiations is a testimony that Lisbon changes in the field of CFSP, especially regarding EEAS were an important achievement and have contributed into closing the long hindering issue of expectation capability gap, at least in its own region.

The findings suggest that when EU follows a unified policy externally, it is much more influential. Of course the context matters. The fact that both countries are prospect members with a clear membership promise enables EU to be more rigor, nevertheless in the past EU has suffered from a disunited approach and little or no influence in the Balkans.

Of course, for Brussels to show the real muscles, it needs to keep the membership door open as the key to exerting influence. At least in Balkans, this thesis has proved that EU has become the most important man in town.

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