

**Serbia and the Russia–Ukraine War:
Implications and Challenges I.**

Az orosz-ukrán háború és Szerbia:
következmények és kihívások I.

DÁNIEL HARANGOZÓ



KKI Policy Brief

Series of the Institute for Foreign Affairs and Trade

Publisher:

Institute for Foreign Affairs and Trade

Reviewed by:

Julianna Ármás, Ferenc Németh, Cintia Viola

Typesetting:

Tamás Lévárt

Editorial office:

H-1016 Budapest, Bérc utca 13-15.

Tel.: + 36 1 279-5700

E-mail: info@ifat.hu

<http://kki.hu>

The present analysis and its conclusions reflect the author's opinion and cannot be considered the official position of the Institute for Foreign Affairs and Trade, the Ministry of Foreign Affairs and Trade, or the Government of Hungary.

© Dániel Harangozó , 2022

© Institute for Foreign Affairs and Trade, 2022

ISSN 2416-0148

<https://doi.org/10.47683/KKIElemzesek.KE-2022.63>



Abstract: The outbreak of the Russia–Ukraine war in February 2022 has had a marked effect on the Western Balkan region. Among the countries of this region, Serbia is in a unique situation due to its military neutrality, and the fact that it follows a balancing foreign policy between the Western powers on the one hand, and Russia, Turkey, and China on the other hand, also maintaining close political and security ties with these three powers. The present paper reviews the challenges that have faced the country since the outbreak of the war in terms foreign, security, and defence policy. It answers three questions: how Serbian foreign policy has reacted to the international sanctions on Russia enacted in the wake of the invasion, what challenges Serbian military neutrality or non-alignment has faced since the outbreak of the war, and how the war and international sanctions have affected Serbian-Russian defence cooperation.

Keywords: Serbia, military neutrality, international sanctions, Russia-Ukraine war, Western Balkans.

Absztrakt: A 2022 februárjában kitört orosz–ukrán háború a Nyugat-Balkán államaira is jelentős hatást gyakorolt. A térség államai között is sajátos azonban Szerbia helyzete. Az ország katonailag semleges, külpolitikájában a szerb kormány a nyugati hatalmak, illetőleg Kína, Törökország és Oroszország között „egyensúlyozó” irányvonalat folytat, és közeli politikai, illetve biztonsági-katonai kapcsolatokat is fenntart ezen államokkal. Elemzésünkben két konkrét területet áttekintve vizsgáljuk meg, hogy a háború eddig eltelt ideje alatt milyen kihívásokkal szembesült az ország a kül- és a védelempolitika területén. Ennek megfelelően arra keressük a választ, hogy hogyan reagált a szerb külpolitika az Oroszország elleni nemzetközi szankciókra, valamint milyen kihívások érték a katonai semlegesség/elnemkötelezettség politikáját a háború kitörése óta, illetve hogyan érintették a háború és a nemzetközi szankciók a szerb–orosz védelmi együttműködést.

Kulcsszavak: Szerbia, katonai semlegesség, nemzetközi szankciók, orosz–ukrán háború, Nyugat-Balkán.

INTRODUCTION

With more than eight months since the outbreak of full-scale war between Russia and Ukraine, this paper provides a preliminary assessment on some of the foreign and security policy implications of this conflict in Serbia. The country is in a unique situation among Western Balkan nations due to its military neutrality, multi-vector foreign policy, and close political, economic, and trade relations with

both Russia and China. Due to its balancing policy, the outbreak of the full-scale war and the resulting international sanctions against Russia put Belgrade in a delicate international position.

This paper consists of two main parts: it first reviews the Serbian reaction to the international sanctions against Russia and the reasons for the country's lack of participation in the sanctions regime. The second part turns to the issue of defence policy and reassesses Serbia's military neutrality in light of the changed circumstances, with particular emphasis on the future of Serbian–Russian defence cooperation.

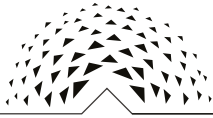
SERBIAN FOREIGN POLICY AND THE SANCTIONS CONUNDRUM

SANCTIONS AND BELGRADE'S HIGH WIRE ACT

Since the beginning of the Ukraine crisis in 2014 with the Russian annexation of Crimea, the issue of EU sanctions has been a sensitive and thorny issue for Serbian foreign policy. As a candidate for EU membership, Belgrade is expected to gradually harmonize its foreign policy positions with the EU's common foreign and security policy (CFSP). Sanctions are a sensitive [subject](#) for Serbia and Serbian society, due to their history with the UN-mandated sanctions against the Federal Republic of Yugoslavia during most of the 1990s. Moreover, economic, political, and trade links with Moscow, reliance on Russian support regarding Kosovo, as well as the Russophile sentiment of part of the population have made it politically very difficult for the Serbian government to adhere to the EU sanctions.

The issue has acquired a completely new dimension with the outbreak of full-scale war on 24 February, 2022, after which European Union states (with the [adherence](#) of most Western Balkan EU candidates) introduced unprecedented sanctions against the Russian Federation. As a result, the Serbian government found itself in an [even](#) more difficult position internationally.

Regarding the Ukraine war in general and the international sanctions in particular, the government in Belgrade has adopted a dual-track policy. On the one hand, from the outbreak of the war, the Serbian government has emphasized its commitment to the territorial integrity of Ukraine and voted for the UN General Assembly resolution condemning the Russian invasion and the annexation of four regions of Ukraine ([first](#) in March, then in [October](#)). On the other hand, the pro-government [press](#), particularly in the first months of the conflict, had an openly pro-Russian [tone](#), and statements sympathetic to Russia were regularly made by senior members of the Vučić administration, [for example](#), by then-Interior Minister Aleksandar Vulin.



Belgrade has taken a similarly ambiguous line regarding the sanctions. A [resolution](#) of Serbia's National Security Council on 25 February, one day after the outbreak of the war, exemplifies this policy, when it spoke about the commitment to the territorial integrity of other countries, but introducing international sanctions only if they are needed "to protect the country's vital economic and political interests". Public statements by senior Serbian politicians generally considered sanctions harmful to Serbia's interests but did not completely rule out introducing them at some point in the future. Such [pronouncements](#) generally also included [complaints](#) about the international [pressures](#) exerted on Belgrade by the EU and Western powers. It is important to mention, however, that contrary to this public [narrative](#) disseminated by the Serbian government, to date this criticism has not been accompanied by sanctions of any kind on the part of the EU or Western countries (not even diplomatic ones).

In terms of policymaking, the government has had to take into account both its relations with Moscow and the presence of a Russophile segment in the Serbian population, the [unpopularity](#) of the sanctions, and the personal [popularity](#) of Vladimir Putin. After the outbreak of the conflict, Serbia was one of the few European countries where public [demonstrations](#) were held *in support of* Russia, generally organised by different nationalist and far-right groups.

NEW PARLIAMENT, OLD CHALLENGES

The cautious policy regarding the sanctions was, in the first weeks of the war, also motivated by the closeness of the April 2022 parliamentary elections, where the governing Serbian Progressive Party (*Srpska Napredna Stranka*, SNS) was concerned about losing the vote of the pro-Russian segment of the population. As the results of the elections indicate, these fears were not misplaced: the Serbian Socialist Party (*Socijalistička Partija Srbije*, SPS), generally friendly to Moscow, managed to increase its vote share. Radical or far-right, pro-Moscow parties also did well. Serbian Movement "Dveri" (*Srpski pokret "Dveri"*) returned to parliament for the second time after 2016, and Oathkeepers (*Zavetnici*) entered the National Assembly for the first time. The 2022 election was also the first time since 2014 when the SNS failed to gain an outright majority in the National Assembly, forcing it to form a coalition with its traditional political allies, the Russia-friendly SPS and some national minority parties (such as the Alliance of Vojvodina Hungarians, VMSZ). Another tactic [employed](#) by the Serbian government has been to play for time, in other words, to try to delay the need to decide about the sanctions issue as much as possible. The stalling tactic was helped in part by the repeated delays in forming the new parliament, as the election had to be repeated in some voting precincts several times. The first session of the new parliament was only held on 1 August, and the new government was only sworn in on 26 October.

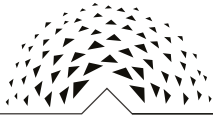
The new government that was [established](#) in late October more or less preserved the status quo in terms of the presence of pro-Russian figures in senior positions. Ivica Dačić, chairman of the Moscow-friendly Socialist Party (SPS) became Minister of Foreign Affairs, a post he had already held between 2014-2020. Former Interior Minister Aleksandar Vulin, one of the most pro-Russian senior members of the Vučić administration, was appointed to head the Security Intelligence Agency. In the energy domain, Dušan Bajatović, generally considered Gazprom's "point man" in Belgrade, held his post as CEO of the state gas company Srbijagas. However, regardless of the composition of the new government, any future decisions on the sanctions (for or against) will ultimately be made by Vučić himself.

Regarding the downsides of an eventual decision to introduce sanctions against Russia, given the latent Russophilia and the personal popularity of Vladimir Putin in parts of the electorate, particularly the security services, a public or political [backlash](#) against the sanctions decision might be expected, which Russia would probably further foment through information operations and other active measures by the Russian intelligence services. Another possible area of retaliation by Moscow might be the economy and trade, in particular energy imports, in which Serbia is almost completely reliant on Russia. (For example, [in 2021](#), out of the 2,853 million m³ of natural gas consumption, 2,294 million m³ was imported from the Russian Federation). Conversely, it seems unlikely that Moscow will withdraw its support from Belgrade on the Kosovo issue (most importantly in the UN Security Council) in retaliation. On the one hand, Russia only considers the Kosovo question one of its many arenas of contestation with the West (and therefore it is uninterested in its resolution). On the other hand, Serbia could also rely on other states, such as China, to represent its interests in international fora such as the United Nations.

At this point, the future course of the Belgrade government regarding the sanctions is still unclear. However, given the increasing Western pressure for at least partial sanctions adherence, it is possible that sanctions will be introduced in low-key or symbolic areas first, in order to minimize any Russian retaliation. To date, the two sanctions Serbia has actually [adhered to](#) are in this category: the EU sanctions introduced in 2014-15 on former Ukrainian President Yanukovich, and the sanctions on Belarus. In the future, a more widespread or general application of sanctions on the part of Serbia might entail a quid pro quo arrangement, whereby Belgrade receives political or economic benefits in exchange for harmonizing its sanctions policy with that of the European Union. This may take the form of EU support to replace Russian energy resources, or a tangible advancement of Serbia's stalled EU bid.

SERBIAN DEFENCE POLICY AT A CROSSROADS?

Alone among the Western Balkan states, Serbia has been militarily neutral since 2007, and it has no intention to join NATO. Along with its multi-vector foreign policy, in the last decade Serbia has pursued a similarly multi-vector policy



in the realm of defence, trying to build military and defence ties with both NATO member states, Russia, and China. The war in Ukraine has accelerated two trends that had already been visible in Serbian defence policy since 2020: the de-emphasizing of the Russian vector of its multi-vector defence cooperation and the concomitant [appreciation](#) of Chinese relations.

The unprecedented international sanctions on Russia's defence industry will preclude, for the time being, further Russian weapons systems being purchased by Serbia. On the one hand, the [prospect](#) of [US sanctions](#) under the [CATSA Act](#) already deterred Belgrade from buying the Russian S-300 air defence system back in 2019, choosing a similar Chinese system instead, a decision not without [misgivings](#) from Washington and Brussels when most of the present-day Western sanctions were not yet in place. On the other hand, with the access of the Russian defence industry to Western technology severely curtailed, it might not be able to fulfil eventual [export orders](#), even less so if we consider the need to replace the large number of weapons systems lost by the Russian armed forces so far in the war in Ukraine. Moreover, said sanctions and technological restrictions may even complicate the [maintenance](#) of the Serbian army's existing military assets of Russian origin. Likewise, given the political environment, Belgrade's need and intention to balance between Russia, the Western powers, and China, and its professed military neutrality, it is difficult to imagine military exercises involving both the Serbian and Russian armed forces taking place in the foreseeable future. One should remember that Serbia, under Western pressure, had already [pulled out](#) of the Slavic Brotherhood military exercises held in Belarus in September 2020, after the unprecedented repression that followed the fraudulent presidential election in that country.

The first steps in the process of closer Serbian-Chinese defence cooperation were already taken in 2018, when during the Serbian President's [visit to Beijing](#), an agreement was signed about the procurement of Chinese military drones, as well as Chinese technology transfer for Serbia's own drone program. The CH-92A drones entered into service in 2020, and they form part of a reconstituted surveillance battalion, making Serbia the largest [drone operator](#) in the Balkans. The agreement on the FK-3 air defence system was [signed](#) in 2019 and made public in the following year. It was [delivered](#) to Belgrade in April 2022, already after the outbreak of the war in Ukraine. As with the Chinese drones, a [new military unit](#) was formed under the 250th Missile Brigade of the Serbian Army to operate the new missile systems. Serbia is currently the only European country that operates these systems. For Beijing, these first two major military exports to Europe since the end of the Cold War serve as a test case as it [tries](#) to [enter](#) the European defence market, where China has been under an EU arms embargo since the crackdown on Tiananmen Square in 1989.

Along with the increasing Chinese ties, new relations are also being sought out among NATO member states. In 2022, Serbia was in talks with [France](#) about acquiring Rafale [fighter jets](#) to replace its obsolete fleet of Soviet/Russian

MiG-29s, and with [Turkey](#) about the Bayraktar drone system, which was employed successfully in both Ukraine and the 2020 Karabakh war. No decision has yet been made about either procurement, [partly](#) owing to the issue of financing. The intention to purchase military aircraft made in a NATO state can also be considered a step towards strengthening the Western vector of Serbia's defence policy. Apart from the Rafale talks, in late February 2022, an EUR 81 million contract was signed with [Airbus](#) on the delivery of two C295 military transport aircraft for the Serbian Air Force.

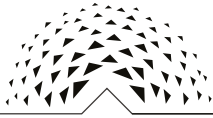
For the military police units of the Serbian Army, five US-made BearCat armored vehicles have been [procured](#), which were first displayed in public during the Shield-2022 (Štit 2022) military exercises held at the end of April 2022. This was the first time American military vehicles were operated by these units.

Institutional cooperation with NATO itself is [ongoing](#), with the Chairman of the NATO Military Committee, Admiral Rob Bauer [visiting](#) the Serbian capital this October, and Serbian Defence Minister Milos Vucevic holding official talks with NATO Deputy Assistant Secretary General [Javier Colomina](#) in recent weeks. As Bauer [pointed out](#) during his visit, "the Alliance remains open to the level of cooperation of Serbia's choice." The second cycle of the Individual Partnership Action Plan (IPAP) of Serbia with NATO ran from 2019 to 2021, and this form of cooperation is [expected](#) to continue in the future.

CONCLUSION

The outbreak of the war in Ukraine has been a major shock to the system of European security, and the Western Balkans has been no exception. In this region the war has affected Serbia in particular because it has exposed the fragility and weak points of the country's balancing foreign policy, reducing its room to manoeuvre regarding its relations with Russia. The introduction of wide-ranging EU sanctions against Russia has forced Belgrade to try to balance between its EU membership ambitions on the one hand, and its political ties with and energy trade dependence on Russia, along with domestic political considerations, on the other hand.

To date, even though Serbia has condemned the Russian aggression in Ukraine several times, it has not introduced any sanctions against Moscow. While given the increasing Western pressure, it is not out of the question that Belgrade may change its position on the issue, due to the [asymmetric nature](#) of the Serbian-Russian relationship, in particular, Serbia's dependence on Russian energy resources, it is more likely that the Serbian government will continue its balancing approach as long as possible. Seen from the standpoint of the European Union, a more explicit pro-Western orientation would be definitely welcome, although in the case of Serbia it would encounter both economic and political obstacles. Nevertheless,



even the prevailing balancing policy stance is preferable to a one-sided pro-Moscow orientation. Another possibility is the emergence of a quid pro quo arrangement, whereby Serbia receives economic and/or political benefits from the West in order to align its sanctions policies with those of the European Union.

In the field of defence policy, the war has brought a forced recalibration in terms of deemphasizing military ties to Russia and new entreaties to NATO countries (e.g. the talks about acquiring Rafale aircraft), but this is by no means the end of military neutrality or even non-alignment. Given the general unpopularity of NATO and the lack of willingness on the part of the Serbian government to upgrade its level of cooperation with the Alliance, it is expected to continue in the present form, which serves the interests of both parties. At the same time, the de-emphasizing of the Serbia-Russia military ties, even if forced by the circumstances, can be considered a positive development from the standpoint of NATO and the Western powers.

Moreover, as noted Serbian analyst Vuk Vuksanovic [says](#), there are signs that Serbia is in the process of replacing Russia with China as its main non-Western ally even in the field of defence cooperation. In the longer term, however, strengthening Chinese ties might be a liability rather than an asset for Belgrade. As Vuksanovic [points out](#), the policy of hedging and balancing presupposes the presence of a “systemic leeway” to practice it, and that leeway has drastically reduced regarding Russia after the outbreak of the war. With the US-China rivalry intensifying in the future, and major EU powers being in the process of reassessing their ties to China, the situation might not be any different in the coming years regarding Beijing. It is a prospect that decision makers in Serbia may do well to consider.