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THE WESTERN BALKANS: A CROSSROADS OF INTERESTS OF THE EU, RUSSIA, AND CHINA



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Western Balkans is a term that refers to eight countries in the Southern and Eastern Europe: Republic of Albania, Slovenia, Bosnia-Herzegovina, Montenegro, the Republic of Kosovo, the Republic of North Macedonia, Croatia, and Republic of Serbia (Bugajski, 2019). This report aims to analyse Russian and EU influence on Western European countries, also taking into account China's growing engagement in the region and the ongoing conflict in Ukraine. Lastly, in light of these considerations, the paper provides some insights into the strategy the EU adopts in the Western Balkans.

RUSSIA'S DOMAIN

The Western Balkans countries are traditionally part of Russia's domain, as they are instrumental to the Kremlin to amplify its influence in European security affairs by preventing NATO enlargement to the East and avoiding that ex-Yugoslav countries join the EU. Since they share common interests and historical and cultural foundations, Russia has always managed to maintain a relatively soft-power attraction for the Western Balkans by forging strategic cooperative partnerships. This has often resulted in co-optation, as evidenced by the partnerships and alliances between Moscow and local power holders in Serbia and Bosnia - Herzegovina's Republika Srpska (Stanicek, 2022). However, the enlargement policy of the EU-27 and recent investments funded by China are increasing the region's level of competition, with repercussions on relations between Moscow and the Balkan governments. Moreover, international sanctions following Russia's annexation of Crimea in 2014 has significantly shrunk Russian investments in the Western Balkans.

Other powerful instruments of influence available to the Kremlin for greater control in the region include hard and soft power techniques, but also economic manoeuvres, especially in the energy sector, and social influence using disinformation, cyber-attacks and subversion. The latter is mainly conducted by the Russian GRU intelligence agency through large-scale disinformation, propaganda, and political meddling operations to support radical anti-Western Balkans actors (Stronsky, 2022), as it happened in Montenegro and North Macedonia respectively in 2015 and 2018. Both subversion and co-optation are led by the widespread use of formal and informal channels and institutions, such as Russia's Ministry of Foreign Affairs.

By bolstering anti-Western sentiment across the Balkans, Moscow damages the domestic reforms that are a prerequisite for further integration into the Euro-Atlantic economic, political, and security structures (Stronski, 2022). However, at present, Russia doesn't seem to have a long-term plan for the Balkans, aside from obstructing the West, and is not prepared to expend scarce economic and military resources and run risks, such as a direct confrontation with NATO, especially with the ongoing war in Ukraine.

CHINA'S STRATEGY

Over the last few years, China has become the third actor in the Western Balkans by investing in activities across region, as evidenced by the €32 billion invested in the region between 2009-2021 as reported by the Balkan Investigative Reporting Network (European Parliament, 2022). Beijing's wide-ranging interactions with Balkan Governments are becoming long-term relationships in key areas such as economy, culture, media, and politics. However, despite the inflows of Chinese capital, the EU remains the leading economic partner, with 70% of total foreign direct investment and 81 % of exports (Branislav, 2022).

The main strategy applied by China in the Balkans, as with all countries that China invests in, is to present itself as a strategic investor who does not intervene in internal political affairs. This is also its main difference with the European investment strategy, which instead demands specific humanitarian and political standards from the countries that appealed to EU investments. Regarding Beijing's economic interests in the Western Balkans, the Belt and Road Initiative (BRI) is the main framework for gaining access to the region's key territories and maritime routes. Established in 2013, the BRI aims to boost China's economic advancement, open new commercial routes and enhance China's international presence by investing in a network of transport infrastructure. Complementary initiatives include the China-CEEC (Central and Eastern European Countries) and the 16+1 framework that also includes the China-Europe Land-Sea Express Route (Shopov, 2021). These instruments enable Beijing to access European markets and key territories in the North, Black and Adriatic seas, thereby shortening commercial routes between Europe and China.

Among the most effective but also most controversial techniques are those concerning Chinese investment, specifically the loans Beijing offers to BRI countries. The expression "debt-trap" describes the Chinese lending money practices to poorer countries, which often end up having to cede control of key assets if they can't meet their debt repayments (Wang, 2022). According to the European Council on Foreign Relations, if the Balkan countries fail to repay loans, China will demand political favours or exercise unfavourable contractual clauses, such as the seizure of assets or even land (Shopov, 2021). An increasing number of Balkan countries are consequently starting to perceive the limits to China's presence, and are concerned about the public procurement, environmental protection, human rights violations, and the promotion of authoritarian model.

Besides the economic and industrial investments, China has strategic and political interests in establishing different levels of cooperation with Western Balkan countries. Beijing is therefore engaged in influencing political, media, educational and cultural entities. Serbia is a good example of this strong political influence, as evidenced by its agreement stipulated signed with Huawei to develop the Safe Society biometric surveillance project. However, Belgrade does not extend the partnership with Beijing to issues such as the South China Sea, Hong Kong and the Uyghur minority in Xinjiang. Meanwhile in Montenegro and Albania, China's main investments are in the energy sector (Shopov, 2021).

On the media front, the Xinhua News Agency cooperates with fellow agencies in Albania, Bosnia and Herzegovina, North Macedonia and Serbia organising exchange visits for journalists, lectures and providing free content. In other countries, such as Montenegro and Kosovo, press activities are instead limited. Increasing Chinese influence in the Balkan media strongly distresses European countries, as they fear disinformation and damage to their relations with governments in the region as a result.

An additional EU concern about China's role in the Western Balkans is Beijing's growing investment in coal and copper mines. Such exploitation of mineral resources seriously undermines European policies for the energy transition. However, some analysts highlight China's commitment to pursuing greener policies in signing the Paris Agreement (Branislav, Tarpova, 2022).

In conclusion, the Chinese presence in the Western Balkans can be seen as an obstacle to the EU enlargement process that has been underway for several years. The main reason is the seemingly affordable conditions of economic-political cooperation proposed by Beijing, whilst however not committing to achieving any socio-political rights and economic standards. However, the environmental and financial damage caused by the debt trap is beginning to be noticed by Balkan governments. Therefore, the benefits of enhanced European investment in the region may appear more appealing in the near future.

EU'S INCREASING INFLUENCE

Since the launch of the Stabilization and Association Process in 1999, the EU has intermittently promoted the integration process for the Western Balkan region. In 2013, Croatia was the first Balkan state to join the EU. Currently, Montenegro, Serbia, the Republic of North Macedonia and Albania are official candidates, while Bosnia and Herzegovina and Kosovo are potential candidates.

The European Parliament expresses its positions on enlargement in the form of annual resolutions whilst meanwhile maintaining regular bilateral relations with the parliaments of the Western Balkan countries through its delegations, which discuss issues relevant to the EU accession process on average twice a year. For example, in June 2020, during the EU-Western Balkans Zagreb Summit, the Parliament issued a set of recommendations on the Western Balkans in order to foster their integration process (De Munter, 2021). The Balkan 2021 Barometer showed constant support for EU membership across the Western Balkans, with 62% of countries endorsing EU accession in 2020 compared to the previous 59% in 2019 and 56% in 2018 (Balkan Barometer 2021, 2021). However, disillusionment with the slow progress towards EU accession, as well as economic stagnation has created an opening for other geopolitical players. Moreover, whereas the current Russian war in Ukraine has galvanised public opinion in support of Ukraine joining the EU, this sentiment has not been extended to the Western Balkans.

On 26 April 2022, the EU Parliament's President Roberta Metsola stated that the EU must think of ways to accelerate the enlargement process in the Western Balkans because stability in the immediate neighbourhood is vital for the EU's stability. At the same time, the Parliament has voiced concern about Russia's influence in the region and its attempts to destabilise it with corruption (Staniceck, Martin, 2022). The European Parliament has therefore asked for an improvement in coordination between the European External Action Service (EEAS) and the European Commission in order to address disinformation and hybrid threats that seek to undermine the EU ambitions of the region (Martin, Branislav, 2022).

The EU-led Berlin Process estimated a required annual investment of some €7.7 billion, which would provide the region with an additional 1% GDP growth and a positive employment effect of up to 200.000 people (Branislav, 2022). However, quality investments are scarce or often attached to political, environmental and social conditionality in order to fulfil the European criteria. In addition, the EU introduced the Copenhagen+ criterion, to ensure that the Balkans maintain regional cooperation and good neighbourly relations, and a Common Security and Defence Policy (CSDP) in the Western Balkans.

This latter flanks the Common Foreign and Security Policy (CFSP) in the 2018 EU's Western Balkans strategy, in order to increase Western Balkans contributions to EU missions and operations, and further develop cooperation on hybrid threats, intelligence, space issues and defence and security sector reform (Strategic Communications, 2022). The first CSDP mission was the EU Police Mission (EUPM), launched in Bosnia and Herzegovina and North Macedonia in 2003. Since then, the EU has launched 36 operations and missions in three countries. In the Western Balkans region, the CSDP troops are currently deployed in two operations: EUFOR Althea in BiH and EULEX in Kosovo. The first one aims to ensure continued compliance with the Dayton/Paris Agreement and to contribute to a Safe and Secure Environment in Bosnia and Hezegovina (EUFORBiH, 2020). EULEX instead refers to the EU Rule of Law Mission and it is the Union's largest civilian mission to date, and the only civilian CSDP mission ever with executive powers (Strategic Communications, 2022).

Moreover, the Strategic Compass, the plan of action for strengthening the EU's security and defence policy by 2030, aspires to a "tailored partnership" with the Western Balks. The document specifically proposes the reinforcement of the EU's civilian and military CSDP missions and operations in the region, the establishment of a strong EU Rapid Deployment Capacity of up to 5000 troops for different types of crises, and the development of Hybrid Toolbox and Response Teams to detect and respond to a broad range of hybrid threats (EWB, 2022).

However, Western Balkan countries still fall far short of those standards. Recently, concerns over democratic backsliding, corruption and mismanagement of the pandemic increased mass protests in Albania, Bosnia and Herzegovina and Montenegro. At the same time, bilateral relations between North Macedonia and Bulgaria, as well as Serbian-Kosovar relations, remain additional hurdles on the European path (Shopov, 2022).

CONCLUSION

The eight Western Balkan countries have a substantial economic catch-up potential. To strengthen the partnership in the region, the EU should address the widening developmental gap through initiatives such as targeted investment plans in energy and infrastructure, specific integration frameworks, and the frontloading of EU law in the accession process. As democratic consolidation and the rule of law are critical to countering malign influence from the outside, the West should also encourage greater transparency in party financing, judicial reform, and good governance in the energy sector, to contrast Russian and Chinese co-optation (Shopov, 2022).

Regarding media influence, the pro-Kremlin and CCP viewpoint should be balanced by independent and fair journalism. By ensuring free media access, Western countries and their respective policies would gain credibility and potentially a consensus in the Western Balkan region.

As a result of the multiple interests of several countries in this region, the Western Balkans are in danger of falling into an endless spiral of competition between various foreign actors. Any delays to the enlargement process caused by a lack of commitment from the EU-27 would reinforce the Balkan people's sense of abandonment and empower the Kremlin and its proxies (Shopov, 2022).

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