

Countering Geopolitical Competition in the Western Balkans: the EU, Russia, and China

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<https://doi.org/10.47706/KKIFPR.2023.1.67-77>

Abstract: While the European Union (EU) has long considered the Western Balkans its sphere of influence, the growing geopolitical competition from Russia and China has created harmful countercurrents in the region. In order to adequately challenge these, the EU needs to overcome its credibility crisis in the Western Balkans, produced by years of national vetoes and enlargement fatigue in the EU, paired with slow reforms or even democratic backsliding in the region. This situation could be remedied by focusing on Montenegro, which has long been considered the region's frontrunner in the EU accession process and is already a NATO member. By actively working towards full EU membership for the smallest country in the Western Balkans, the EU would not only be able to fortify its geopolitical role in the region, it could simultaneously create positive momentum, proving that there is indeed a believable path towards EU membership, which remains the most reliable tool to combat destructive influence from Russia and China.

Keywords: geopolitical competition; EU enlargement; Western Balkans; Russia; China

Introduction

In June 2022, Russian Foreign Minister Sergei Lavrov had to cancel his flight from Moscow to Belgrade because the NATO members Bulgaria, Montenegro, and North Macedonia had closed their air spaces to

Russian flights following the country's invasion of Ukraine, thus making it geographically impossible to fly from Russia to Serbia (Reuters, 2022). This anecdote effectively demonstrates some of the manifold layers of politics, competing actors and their agendas in the region.

The EU has long perceived the Western Balkans as its sphere of influence, referring to the region as its 'backyard' during the Yugoslav wars in the 1990s, and more recently as the "inner courtyard" or 'patio' of the EU. Rhetorically the aim remains the same: to underline the geographical proximity of the region to "the West", which was illustrated so clearly by Lavrov's failed attempt to fly to Belgrade.

However, it can be argued that there is limited political will among EU members to include the Western Balkans as fully integrated members in the foreseeable future. Instead, the insistence on reforming the EU from within before further enlargement (e.g. through Qualified Majority Voting in Common Foreign and Security Policy decisions or by regulating the number of Commissioners) implies years of inward-looking debates rather than a comprehensive geopolitical vision for the EU's so-called "inner courtyard". Simultaneously, the EU's influence in the region is increasingly rivalled by that of various countries, including Turkey, the United Arab Emirates, and most significantly, Russia and China, which have been expanding their influence in the Western Balkans since 2008. The year of the financial crisis, when the EU turned inward to address its internal problems, marks a watershed moment that created a permissive environment allowing other actors to expand their influence in the Western Balkans. Equally, Russia's 2008 war against Georgia marks a shift towards neo-imperialist foreign policy in Russia, which has also been palpable in the Western Balkans since. While the EU remains the region's foremost economic and political partner, with 68% of trade in 2021 occurring between the Western Balkans and the EU and only 8% between the Western Balkans and China and 3% with Russia (European Council, 2023), the current trajectory is no longer sustainable. The confrontational world order that became the new geopolitical reality after the Russian invasion of Ukraine in February 2022 underlines the acute necessity to counter the geopolitical competition that originates from the EU's systemic rivals. Arguably, the only way to do so in a believable manner is to revive the promise

of full EU membership. One conceivable path would be to work towards Montenegro's membership by the end of this decade, which would, of course, be contingent on the country fulfilling the demands of the *acquis*. This would set a positive example for the rest of the region to stay on the path towards EU membership and prove that full-fledged membership is indeed a viable option.

Geopolitical Competition from China and Russia

Since its independence in 2006, Montenegro has been subjected to harmful influence from both Russia and China. In 2016, a Russian-backed coup aimed to obstruct Montenegro's imminent NATO membership by attempting to topple the government. In 2021, the country nearly fell into a debt trap due to a controversial loan contract with China involving a costly infrastructure project. These examples can be applied to the region as whole, with Russia often taking the role of the spoiler in the Western Balkans, aiming to undermine the countries' development towards the EU and NATO, and China using the economic sphere to establish long-term leverage over the region.

Russia

Russia's goal to create political instability is visible throughout the entire region, although two examples stand out: first, Russia's support of Milorad Dodik's secessionist efforts in Bosnia and Herzegovina's Republika Srpska (RS), and second, Russia's role as Serbia's ally. President of the Republika Srpska and leader of the Bosnian Serbs, Dodik, started his political career as a Social Democrat, but during the past few years he has embraced divisive ethno-nationalist rhetoric and politics. By openly pursuing secessionist goals, he has been destabilizing the fragile post-Dayton peace in Bosnia and Herzegovina (BiH). While an independent Republika Srpska is not in Belgrade's interest and has not received backing from Serbian President Aleksandar Vučić, Moscow has repeatedly demonstrated its support. This includes inviting Dodik to Moscow and establishing

a training centre for RS police led by Russian special forces. On the international stage, Russia has routinely obstructed the work of the Peace Implementation Council (PIC), which oversees the UN-mandated Office of the High Representative in BiH and has attempted to dismantle the latter. As Marina Vulović summarizes, alone “in the five years between 2017 and 2022..., Moscow vetoed the appointment of the current High Representative Christian Schmidt in the UNSC, opposed the PIC’s declaration that Republika Srpska had no right to secede and questioned the legitimacy of rulings from the International Criminal Tribunal for the former Yugoslavia” (Vulović, 2022). While Russia’s influence should not be overestimated, its role as a disrupter of BiH’s fragile peace is clearly harmful for the future development of the country (and the entire region).

Russia’s relationship with Serbia is often condensed to key phrases like “Slavic brotherhood”, although nowadays it is much more transactional and constitutes another example of the damaging effect of Russia’s harmful influence in the region. Russia’s non-recognition of Kosovo’s independence and subsequent use of its veto power in the UN Security Council, for example to block Kosovo’s membership with UNESCO and Interpol, has been a strategic advantage to Serbia. Equally, Russia has exported weapons to Serbia and has been allowed to establish a “Humanitarian Center” near Niš, which is approx. 250 kilometres from the NATO base Bondsteel in Kosovo and is widely seen as an espionage outpost for the Kremlin. In return, Serbia has refused to impose sanctions on Russia following the invasion of Ukraine, even though this has led to a significant decrease of foreign policy alignment with the EU, from 64% in 2021 to 45% in 2022 (European Commission, 2022), thus harming the country’s path towards EU membership. Moreover, spreading disinformation through its media outlet Sputnik has allowed Russia’s propaganda to be amplified and made it possible for Russia to position itself as an “ally” (54%) or at least a “necessary partner” (95%) to large parts of the Serbian population. Conversely, the same poll found that only 11% of Serbian citizens view the EU as an ally, underlining the effectiveness of Russia to present itself as a viable alternative to closer political cooperation with the EU (Morina, 2022).

China

China's influence in the region is primarily economic and focuses on expanding its Belt and Road Initiative through transport infrastructure or mining projects. In the 12 years between 2009 and 2021, 136 Chinese investment projects were identified by the Balkans Investigative Reporting Network (BIRN) in the Western Balkans, amounting to EUR 32 billion of investment (Stojkovski et al., 2021). In comparison, China invested approximately the same amount in Germany (EUR 30.1 billion) within a time span of 21 years between 2000 and 2021 (Statista, 2022). In addition to the condensed timespan of 12 vs. 21 years, it is worth considering that Germany's GDP is approximately 35 times the size of the six West Balkans countries (WB6) combined, and its population is more than four times the size of the WB6, underlining the extent of Chinese investment in the region, which per capita was significantly higher than for example in Germany.

The investment projects funded in the Western Balkans include the Safe-City-Project in Serbian cities, where Chinese high-tech companies such as Huawei have installed 1,000 CCTV cameras in 800 secret locations throughout Belgrade (Vulović, 2023). Equipped with facial recognition software and the ability to identify license plates, this technology is particularly dangerous because the Chinese companies involved are "... required under the Chinese National Security Act to relay all data in their possession to Beijing's intelligence service" (European Parliament, 2019). Moreover, these facial recognition cameras have been unlawfully used by Serbian police to film and later identify protesters demonstrating against the low environmental standards of a lithium mine in Serbia (Standish, 2022). Another Chinese investment project was the EUR 1 billion loan granted to Montenegro by China to fund a short, 44-kilometre segment of a highway, which led to Montenegro's national debt rising to more than 100% of the country's GDP, effectively creating a debt trap. The highly problematic loan contract even allowed China to seize land inside Montenegro should the country be unable to repay the loan (Schmitz, 2021). The European Commission made it clear in 2021 that it would not help Montenegro with repaying its loan, although the EU did end up financing the remaining highway segments and helped refinance the loan through European banks.

The biggest problem with these investments is that by the non-adherence to EU standards in the tendering, competition laws, labour laws, and other legal technicalities, the countries subjected to Chinese economic influence are moving farther away from EU standards. Therefore, the Chinese investments in the Western Balkans stand in stark contrast to the geopolitical goals the countries may be pursuing towards EU membership. Nevertheless, they remain attractive because the Chinese loans are not linked with the same environmental and anti-corruption standards that are applied to “Western” investments.

The EU: A geopolitical actor?

Already in 2019, the newly appointed President of the European Commission, Ursula von der Leyen, announced that she aimed to lead a ‘geopolitical Commission’ with a focus on security and defence policy, as well as external relations, including enlargement in the Western Balkans (Bayer, 2019). However, it was only after the full-scale Russian invasion of Ukraine in February 2022 and the EU’s determined, coherent, and swift response to the Russian aggression that a certain geostrategic process could be observed, prompting the EU High Representative for Foreign Affairs and Security Policy, Josep Borrell, to herald the ‘birth of a geopolitical Europe’ (Torreblanca et al., 2022).

An immediate effect of this renewed geopolitical thinking can be traced with regard to the Western Balkans. Fearing a spillover of instability or even open conflict into BiH or Kosovo, the EU made up for many shortcomings and failings of the past in the year following the full-scale war in Ukraine. Albania and North Macedonia were allowed to start negotiations with the EU after being blocked by various national vetoes for many years, although North Macedonia is still required to change its constitution to fulfil terms prescribed by Bulgaria. Kosovo will receive visa liberalization by 1 January, 2024. BiH was granted candidate status in December 2022, eight years after applying, although only after Ukraine and Moldova had been granted candidate status in June 2022, mere months after applying.

The utilization of awarding candidate status underlines the EU's geostrategic thinking most clearly, especially considering that Ukraine is currently at war and that BiH has produced "overall limited progress in reform" (European Council, 2022). In times of war in Europe, it is more beneficial to keep these politically instable countries closely associated with the EU and working towards a potential EU membership – however slowly. Moreover, the EU had to counter the utter disappointment felt in BiH and the wider region when Ukraine and Moldova received candidate status before a country that had applied in 2016 and, however instable, was not physically under attack from a third country.

These developments indicate that the EU acknowledges the increased geopolitical competition it is facing in the Western Balkans and that it needs to take strategic steps to cement the EU as the foremost political and economic influence in the region. However, if geopolitics is to be defined as "external power-projection" the mere unblocking of certain processes is not enough to declare the EU a geopolitical actor in the Western Balkans (Youngs, 2022). In light of the geopolitical competition the EU is facing in the Western Balkans, a game-changing rejuvenation of the EU accession process with palpable results is needed.

Overcoming the Credibility Crisis

The currently missing vision of a believable and reliable path towards the EU has created widespread disappointment in the region. In a 2022 poll conducted by the Institute of European Affairs, support for EU membership in Serbia has fallen below 50% for the first time in 13 years. Moreover, according to IPSOS polls, in April 2022, only 35% of the Serbian population would have voted in favour of EU membership if a referendum had been held (Beckmann-Dierkes and Rankić, 2022). Simultaneously, according to a representative study conducted in Serbia by the Henry Jackson Society in 2022, there seems to be a pervasive feeling in Serbia that the "EU has often blackmailed us during the accession talks" (74%), that the "EU does not accept us for who we are and keeps asking us to change" (68%), and that the "EU does not treat us equally and with respect" (68%) (Ivanov and Laruelle, 2022).

Conversely, the positive impetus from the EU does not seem to have a positive effect on the perception of the region, be it the EUR 1 billion “Energy Support Package” to help cushion the rising energy prices in the Western Balkans following Russia’s war in Ukraine (European Commission, 2022), or the EUR 3.3 billion mobilized by the EU and the European Investment Bank to support the Western Balkans during and after the COVID-19 pandemic (European Commission, 2021). It seems that, perhaps understandably, after more than 20 years, the enthusiasm felt by the region towards the EU cannot be reignited by generous financial backing or by a new forum of cooperation, such as French President Macron’s European Political Community. Rather, granting full EU membership is the only way to counteract the assessment that the EU enlargement process in the Western Balkans is “clinically dead” and “kept artificially alive by summits with the EU” (Mirel, 2022). Considering the EU’s purported geopolitical role, communicating a genuine, reliable path towards EU membership is the only remedy to overcome the EU’s severe credibility crisis in the Western Balkans and the most reliable tool to combat damaging influence from Russia and China.

Parallel to re-establishing the credibility of the region’s future within the EU, the slow pace of reforms in the six countries must be reversed. Indeed, a dramatic calculation estimates that if the pace of reforms from the past five years continues, it would take Montenegro 45 years to become an EU member, while Bosnia and Herzegovina would need 80 years. Serbia, North Macedonia, and Albania lie between these two estimates, while Kosovo was not included in the estimates, as it was merely a potential candidate for EU membership at the time of the estimation (Shasha, 2022). By grouping such disparate countries together in one enlargement process, it is difficult to create the positive momentum and enthusiasm needed to implement further reforms and counter enlargement fatigue.

Therefore, it could be argued that the EU should now focus on Montenegro and lay out a credible path for membership by the end of this decade. Already a NATO member since 2017, and long considered the region’s frontrunner in the EU accession process, this country of merely 600,000 people, which introduced the euro as its de facto currency in 2002, has already opened 33 chapters of the *acquis* and provisionally closed

three. In April 2023, a new pro-European president, Jakov Milatović, was elected, hopefully settling the political turmoil of the past years. Milatović, whose first trip abroad will be to Brussels, has declared his ambitious, but in his eyes achievable goal to support the Montenegrin government in achieving EU membership within five years (Martens, 2023). If the EU clearly committed to Montenegro's membership within such a timeframe, it would not only support the country's pro-European government, motivating it to hasten reforms, but it would also be genuine proof to the remaining countries in the Western Balkans, especially Serbia, that implementing reforms and staying on the path towards the EU is going to produce results (Ignac and Morris, 2023).

Conclusion

Despite the numerous actors pursuing their political and economic interests in the Western Balkans, the region must not be perceived as a chess board on which imperial powers compete. Rather, the region has agency and will not continue to wait for an elusive future as a full-fledged EU member without engaging with other world powers, many of which are geopolitical competitors to the EU. Thus, the EU must have a bolder geopolitical approach to the region and focus on Montenegro's full EU membership.

Parallel to the ongoing and undoubtedly slow-moving enlargement process, the EU must continue to engage with the Western Balkans politically and economically. This can be achieved by continuing to include the region in geostrategic decisions, such as the joint procurement of gas or combatting cyber security threats. Equally, it is vital to significantly increase the next funding cycle of the primary tool of the enlargement policy, the Instrument for Pre-Accession Assistance (IPA) starting in 2028. The current IPA III cycle (2021-2027) has allocated EUR 14.16 billion to the entire region for its socio-economic development and reforms. In terms of purchasing power, this is in fact a 1% decrease from the previous IPA II cycle, which amounted to EUR 11.7 billion for 2014-2020. Moreover, according to Dušan Reljić, half of the IPA II budget was allocated to Turkey, leaving only approx. EUR 5.9 billion for the WB6 in seven years (Reljić, 2021). Only a significant

financial increase for the next cycle can contribute to socio-economic convergence rather than continuing divergence while the Western Balkans work towards EU membership.

This level of engagement will require a level of political will among European member states and the political leadership in the Western Balkan countries that is currently lacking. Therefore, while the war in Ukraine has caused a significant shift in the EU's threat perception regarding Russia and China, the desired effect of a bold and committed path towards EU enlargement for the Western Balkans remains lacking.

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