

CONFERENCE REPORT

WESTERN BALKANS AT THE CROSSROADS: ASSESSING THE INFLUENCE OF EXTERNAL ACTORS

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Organised by the Prague Security Studies Institute and the Institute of International Relations in cooperation with the Foreign Ministry's Department of Foreign Policy Analysis and Planning under the auspices of the Minister of Foreign Affairs of the Czech Republic

The conference aimed to assess the influence of all key external actors playing a role in the Western Balkans (one of the last European regions not integrated to the EU or to NATO) in the changing global context marked by worsening of Western relations with Russia, fears of Chinese economic expansion, increasingly tense relations with Turkey, and increasing presence of the Gulf. It discussed the current challenges and vulnerabilities of Western Balkans countries, ways how they are exploited by external actors as well as foreign policy objectives and strategies of international players and how these are interconnected. It got together senior officials, Balkan experts, policy-makers, diplomats, academics and researchers as well as specialized journalists to approach the topic from a variety of perspectives instigating a fruitful debate, whose main points are summarized below.

(1) Western Balkans at the crossroads of external influences-Long-standing alliances or recent geopolitical games?

The first panel of the event, moderated by **Ivana Cvetković Bajrović** (Senior Program Officer of the National Endowment for Democracy, United States), aimed at clarifying the external influences at play in the Western Balkans by looking into strategies, foreign policy objectives and modes of conduct of all relevant external actors. The panel, consisting of a former senior diplomat, analysts, and journalists, allowed deepening comprehension of the external engagements in the region addressing the following questions: Has the engagement of the EU and US shrunk, or are they present in the region as they always have been? How has the presence of Russia and Turkey in the Western Balkans evolved over the years? What is the state of mind of citizens towards external actors? Is the threat of foreign influence in the Western Balkans overstated?

According to **Pieter Feith** (Consultant of the European Institute of Peace; former ICR/EUSR Kosovo, Netherlands), the Western Balkans is on its path towards European integration. However, the accession process, while still being on the table, has been constantly delayed and can be a source of disappointment. The rise of populism in the many EU Member States on the eve of the European Parliament's elections in May should invite us to consider a new forging of our common European pact and close cooperation on the crucial challenges of today which cross borders such as climate change or migration. The EU, bridled by internal problems and fears of populists-spread images of the influx of migrants, now sees enlargement as a challenge. Some member states question its prospects even though it once may have been perceived as a welcome expansion of the European project. From the Balkans' side, migration to the EU has also been an issue as the six Balkan countries have lost 10% of their population, mainly heading towards the EU, during the past years. Feith also emphasized that to become a member of the EU is a choice, not a duty. He shared his view that Balkan leaders, exposed to Russian hybrid war and Chinese manipulation, must decide which their primary strategic goal is and demonstrate solidarity and loyalty towards the EU in case they mean it

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seriously. He further added that Russian influence tends to be overstated while the Chinese one, consisting of massive non-transparent loans which open door to corruption, understated.

For **Maxim Samorukov** (Deputy Editor at Carnegie.ru) Russia's attitude towards the Western Balkans changed a lot after the Ukrainian crisis in 2014 and was also transformed with the increased involvement of the EU and US in the region. Russia has become more aggressive and willing to utilize a hybrid warfare approach in this part of the world, trying to send the West a message: if you are missing in our neighborhood, we will mess in yours. It is, in fact, part of a wider Russia's strategic plan to turn the West's attention to the Western Balkans and its problems fuelled by Russia in order to divert it from the post-Soviet space, where Russia is attempting to gain further power and control. However, this plan backfired since, by drawing eyes of the West to the region, Russia has increased Western awareness of a necessity to engage more actively to counter Moscow's influential posture. Although some fear that Russia's Balkan engagements could result in a new Donbas situation, Mr. Samorukov considers unlikely Russia would go as far as fuelling military conflict in the Western Balkans as the region is not its priority one. Additionally, Mr. Samorukov added that he does not feel that Moscow views Montenegrin accession to NATO as a direct security threat. Russia already has geographically closer larger and stronger NATO members that pose more of a tactical threat. However, it does fear any NATO accession because of its potential for inciting further NATO enlargements, even to countries like Georgia.

While Russia was and remains the historically alleged protector of the Orthodox population, **Hamdi First Büyü**k (Analyst and Journalist at the Balkans Investigative Reporting Network, Bosnia and Herzegovina) emphasized that the "protective" and somehow symbolically empowering posture may also apply to Turkey concerning Balkan Muslim population. The Balkans lay there at the geographic crossroad of Turkish, European, and Russian—three cultural, religious, political and economic systems—spheres of influence, or "protection," with already a significant foothold in the region. It is thus a mistake to believe Turkey to be out of the Balkans (20% to 25% of the Turkish population have origins in the Balkans), and as Büyü

k reminded: Ottoman Empire was a Balkan empire, and modern Turkey has followed its predecessor. We now see developments in Turkey with uncertain outcomes— both from the bottom (high youth employment triggered emigration for a high number of young qualified Turks) and from the top (the loss of Istanbul by Erdogan's AKP Party). The numerous bonds tying Turkey to the Balkans ultimately exports its internal problems to the region.

Marko Ivković (Serbia Resident Senior Program Manager at the National Democratic Institute) discussed the role that the United States plays as an international actor in the region and public attitudes towards external actors in the Western Balkans. Ivković underlined that the current US administration no longer focuses on the region as an area of interest. Rather, in recent years, the Western Balkans has from the US perspective become a solely European issue and not a transatlantic one. For instance, USAID no longer exists in Montenegro and is almost completely absent in Croatia. However, there is potential for the US to change its approach to the Balkans region on the whole, as attitudes influenced by the actions of other foreign powers (especially Russia and China) may result in regional policy adaptations by Washington. Mr. Ivković stated that the trigger for increased regional involvement by the US is the growing presence of China or Russia through soft power influence and by high-value Chinese loans that increase the Western Balkans states' reliance on Beijing as a source of infrastructure funding.

In conclusion, the panel offered a deep and engaging discussion on the issues showing how foreign countries impact stability in the Western Balkans. By comparing the interests and impacts of various national and international bodies, observers left with a deeper understanding of foreign stakeholders in the region. This panel served to introduce wider themes for conversation throughout the conference and instigated interesting debate on these topics.

(2) Implications for the role of international organizations in the Western Balkans

The second panel, moderated by **Tomáš Dopita** (Senior Researcher, Institute of International Relations, Czech Republic), reflected on the role of international organizations in the geopolitically contested region of the Western Balkans by discussing the following questions: Have international organizations conformed to autocracy in the Western Balkans? Is their continued presence impeding the liberal democratic development in the Western Balkan countries? How strained are the relations between prominent international organizations and the Western Balkan states and societies because of the crisis in the EU? What links or relationships have international organizations established with the brewing social frustration and popular discontent in the Western Balkans?

There were various reactions to the questions. **Janina Hřebíčková** (Formerly Multilateral Expert in five IOs in Iraq and the Western Balkans; currently Special Envoy for the Western Balkans, MFA, Czech Republic) started by stating that member states stay behind international organizations' decisions regarding mandates of their peace-building missions, which are crucial for their success or failure. Usually, the mandate is deliberately not clear and gives a space to various interpretations following at the first place a goal to contribute to the ceasefire and installment of peace. She continued by highlighting the fact that Kosovo's case was the first time when the UN, the NATO, the EU, the OSCE, the member states, and countries outside the framework were united. Hřebíčková also added that in Kosovo, the first years of the Mission's activities have been crucial for the state, capacity and institutions building. It reflected the fact that the work of the international organizations has been transformed in the Balkans, focusing more on assistance regarding the rule of law, good governance, human rights, minority issues, civil society and NGOs support, parliamentary work and legislation or free and fair elections. She summed up her speech by saying that today, international organizations are trying to set up new structures which have never been established before. She has also said that transitional justice has not been achieved since many of those guilty for atrocities and genocidal policies have not been brought to the court, and without justice, there is no credibility, trust, and reconciliation.

Jolyon Naegle (Former Head of Political Affairs Office at the UN Mission in Kosovo, Czech Republic) followed by stating that the international organizations' mandate is crucial. A clear and renewable mandate and timeline are needed to make their works more transparent. The UN mission in Kosovo, for example, only had one yearly review, after that it went on unguarded, lacking results. He added that since the independence of the Balkan countries, there is very little that they can do besides their right for the lobby. To sum up, he stated that the continuous presence of international organizations is helpful but depends on their mandate and mission and messages they bring.

Sonja Licht (President, Belgrade Fund for Political Excellence, Serbia) proceeded by saying that the participation of citizens is a must and the international organizations can benefit the most by strengthening the democratic structures and states. She pointed out that civil society and representing the will of the people is the most important thing for a functional democracy. By failing to consider the citizens as a major factor the international organizations' work aiming at building democracy and the rule of law goes in vain as the countries are left with easy-to-be-manipulated crowds. She has also mentioned that in the case of the dialogue between Serbia and Kosovo, the bottom-up approach has been missing. The society must be integrated into the dialogue and regional leaders must agree too. There is a crisis in the region nowadays and populations strive towards nationalism and extremism. As an endnote, she said that there is no democracy without stability and no stability without strong democratic systems.

Adnan Huskić (President of Center for Election Studies at the Sarajevo School of Science and Technology) said that when the overwhelming influence of the West decreased, we can see that there was, in fact, no transformation in the Western Balkan countries because it was the international organizations' strong presence, which was the driver of everything positive. He added that political elites effectively capture western Balkans' unstable societies. Although people do know where the standard of life is better, if in the EU or Russia, with the uncertain and unclear narrative on the side of the EU they start losing their

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hope and trust in the EU, some of them even have resigned over the transformation reforms and necessary changes. In the 1990s, international organizations were a huge credible power engine of the reforms, but today they are losing their memento, and the member states do not seem to be truly interested in the change either.

(3) Western Balkans' perspective - Mapping foreign influence and local vulnerabilities

The third panel discussion, which was moderated by **Thomas Kulidakis** (Balkan Commentator for the Czech Radio), centered on the presentation of key findings from a research project named "Western Balkans at the Crossroads", which was recently concluded by the Prague Security Studies Institute (PSSI). The project sought to map activities of Russia, Turkey, China, and the Gulf States within the states of the Western Balkans that used to make up Yugoslavia but have not yet become members of the European Union. The final written output of the project is considered in volume, and as such, the researchers took the opportunity presented by the panel to briefly introduce the main points from their respective areas of study. In doing so, they mostly focused on different strategies and aims of the afore-mentioned non-Western actors, frequently stressing how specific socio-economic and cultural contexts and vulnerabilities are utilized by external actors with considerable effect—regardless of the strong position still maintained by the West.

Maja Bjeloš (PSSI researcher, Serbia) was the first to present her research, which focused on Serbia. She noted that in the past, the European Union, as well as the United States, had a much more pronounced role in the country. However, their policies have lately been oscillating between lukewarm engagement and slow disengagement, making many Serbians uncertain of their commitments. Consequently, the country has increasingly been looking to Russia and China for support and investments, which is widely recognized as a rational strategy in the face of perceived Western neglect. This trend is evident especially in the case of Russia, which has historically been Serbia's strong ally and continues to have immense influence in the country. Further integration of Serbia into the European structures is often perceived as a project for the "elites" with little tangible benefits for the common people. Finally, many Serbs view the EU as willing to prefer the region's stability over the rule of law and democracy, which tarnishes its image even further.

Srećko Latal (PSSI researcher; Regional Editor of the Balkans Investigative Reporting Network, Bosnia and Herzegovina) described the country as divided and unable to establish full sovereignty within its borders, relying heavily on foreign assistance. Furthermore, the political parties wield a significant amount of power, and the institutions are largely marginalized. Together with the prevalent ethnic tensions, this opens doors to various foreign actors that further fuel the internal conflict. Republika Srpska, fairly centralized and inhabited mostly by ethnic Serbs, provides an ideal foothold for the Russian influence that thrives on Serbian nationalism. Turkey then plays a similar role for Bosniaks, who would otherwise lack a larger engaged ally. Turkey's role has been steadily increasing since around 2005 when the Western engagement began to wane. The strong bond between Bosniaks and Turks is symbolized by the warm relationship between President Erdogan and the Izetbegović family, arguably the most politically prominent Bosniak dynasty. While the Chinese presence in Bosnia and Herzegovina remains limited, recent economic developments indicate that it may be about to expand.

The case of Kosovo was presented by **Vesa Bashota** (PSSI researcher, Kosovo). She began by stating that Kosovo remains one of — if not the most — pro-European and pro-American countries in the region. Integration into European structures has been the primary goal of Kosovo's foreign policy, but major domestic issues prevent this process from going forward. The peculiar international position of Kosovo makes it susceptible to activities of Russia, which continues to prevent its access to international organizations (e.g., UNESCO) and use the Kosovo question as a bargaining chip in relations with Serbia. The

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Serb minority in Kosovo also looks up to Russia and its Orthodox church, which is conversely utilized by Russian propaganda in its strategy to portray Kosovo as unsafe for Orthodox Serbs. Turkey seems to be more directly involved. It has been supportive of Kosovo since its inception and maintains a positive image among the locals. Turkish companies operate Kosovo's main airport, local energy distribution networks or build highways. Turkey also supports Islam in Kosovo, which is most obviously represented by the buildup and restoration of mosques across the country. While the Gulf States remain only marginally involved, radical Islam is taking root in the country—hundreds of locals joined ISIS. However, it is often difficult to establish whether the support for local radical Islam has government or non-government origin. Lastly, China remains disinterested in Kosovo and does not even recognize it as a sovereign state.

Hana Semanić (PSSI researcher, covering Montenegro; Central European University, Hungary) began by stating that Montenegro is widely considered one of the frontrunners for EU integration and its recent entry into NATO has helped to stabilize its considerable progress. Yet issues such as corruption, nepotism and the deficient rule of law continue to hinder the country's efforts. Russian influence has diminished since 2016 when the Russian-supported coup in the country's capital failed, and Montenegro subsequently joined NATO and elected pro-Western government. However, the level of Russian activities in the country remains high. The local Serb minority looks up to Russia and its Orthodox church, and plenty of local media outlets are distinctly pro-Russian (despite often not being connected to the Russian government at all). Russian influence is also visible in the economy: in 2016, Russia was the second largest investor in the country. However, mutual trade remains relatively low, especially because Montenegro is not dependent on Russian energy exports. In comparison, China has been stepping up its activities in the country, especially in connection to its Belt and Road initiative. The symbol of Chinese involvement in the country is the ongoing construction project of a modern highway connecting Montenegro and Serbia, whose problematic financing has given rise to plenty of controversies.

Martin Naumov (PSSI researcher; UNC-Chapel Hill, North Macedonia) explained that Macedonians seem fairly pro-Western and Russian position in the country has been increasingly difficult. In 2017, a new pro-Western government came to power, whose reserved attitude towards Russia showed, especially in the wake of Skripal affair in the United Kingdom, when Macedonia firmly aligned itself with Britain and expelled one Russian diplomat. While Russian economic involvement continues to be relatively low, conspicuous Russian influence seems to be on the rise. Most recently, the Russian government sought to sabotage the Macedonian efforts to rename the country and thus overcome the conflict with neighboring Greece over the name, yet the meddling ultimately proved unsuccessful. Turkey's activities in the country are similar to those in Kosovo and Bosnia, and its influence is traditionally extensive in no small part due to the local Turkish minority. Many cultural organizations (such as schools and media outlets) within the country receive support from Turkey, and Turkish companies are similarly involved in Macedonia's economy (for example, by operating many local airports).

Arlinda Rustemi (Analyst, Hague Centre for Strategic Studies) provided the concluding commentary. She pointed out that while non-Western influence within the Western Balkans might be on the rise, Western actors, such as Germany, remain the most influential. Nevertheless, the mixture of internal politics, local cultures, and other socio-economic factors make for a remarkably complex situation on the ground, and things are far from certain. Russian influence in the region is considerable, especially in Serbia and among the scattered Serb minorities. Turkey is especially active in Bosnia, Kosovo, and Northern Macedonia and its influence have clearly been on the rise. While the Gulf States have been penetrating the region through various local Muslim minorities, it is especially Chinese economic activities that have been rapidly expanding throughout the area (except Kosovo). Should the European Union, therefore, wish to one day include the Western Balkans, it should not take its currently strong position for granted, and a future aligned with the West as the only possible development for this area. Ideally, it should take a more proactive role. As **Maja Bjeloš** pointed out, the activities of Russia, Turkey, and China within the region are often viewed with suspicion in the West, yet the Western inertia does not get the same negative treatment.

(4) New external actor in the South East and Central Europe - Comparing the role and perception of Chinese investments in the western Balkans and CE region

The last panel of the event, moderated by **Kateřina Procházková** (Analyst and Journalist, Sinopsis, Czech Republic), aimed at comparing the role and perception of Chinese investments in the western Balkans and CE region. China's emergence over the last two decades as one of the world's major economies has had a transformative impact on international relations. The countries of South East and Central Europe are expected to play an important role in the European element of the Belt and Road Initiative, a global infrastructure project intended to link markets around the world together in a China-centric trading network.

Stefan Vladislavljev (Program Assistant at the Belgrade Fund for Political Excellence) argued that with Croatia and Italy recently joining the Belt and Road Initiative Chinese influence in the EU and the Western Balkans has risen significantly. The EU should recognize this reality and consider its future relationship with China. Although Serbia still has its strategic goals of EU integration and promoting stability of the region, Vladislavljev believes that Serbia should not only passively participate in the projects that are proposed by China, EU, and Russia, but also put forward some of its own mechanisms to protect itself from harmful foreign activities. What is more, Vladislavljev briefly stated that Balkan countries are more vulnerable to Chinese and Russian influence than Central European countries due to their high debt, corruption, and lack of a checks-and-balances system.

Bruno Surdel, (Political Scientist at the Centre for International Relations in Warsaw) briefly introduced the situation of the Chinese investment in Poland and pointed out that Polish authorities do not intend to stop cooperating with Huawei, and it is impossible to ignore China's rising influence in Poland. However, at the same time, he mentioned that Sino-Poland relations are rather limited due to its strategic alliance with the US. Poland has rather pragmatic approaches towards China because of its geopolitical situation, and there is a huge pressure from the US to abandon its cooperation with China.

Jonáš Syrovátka (Program Manager, Prague Security Studies Institute, Czech Republic) focused on the political context and national security of the Czech Republic, such as the support of human rights, the change of Chinese president and Chinese Ambassador to the Czech Republic in 2012, and the political motivation underlying Chinese investments. Jonas recognized the importance of China in CE and the Western Balkans but also claimed that Czech politicians are more skeptical about Chinese investments. **Filip Jirouš** (Editor, Sinopsis, Czech Republic) argued that a top-down approach contributes to the main perspectives to analyze the four Central European countries' attitudes to China. Taking the Czech Republic as an example, despite its anti-Chinese public opinion, the Czech government holds a pro-Chinese position and is interested in the economic cooperation mechanism proposed by China. However, **Jirouš** also mentioned that China's political intentions during their investing in Malaysia and African countries should be given more attention.

Matej Šimalčík (Executive Director of the Institute of Asian Studies in Slovakia) argued that the main reason for Slovakia's active participation in the 16+1 mechanism of China-Central and Eastern European countries is to eliminate trade imbalances, but there has been no clear progress till now. Chinese direct investment in Slovakia is only about 30 billion euro, far less than Taiwan, South Korea, and the European Union. China is not a vital partner, but politicians like to consider China as a potential partner. Apart from its economic cooperation, Slovakia would protect its political interests. On the issue of Huawei, the Slovak President believes that there is no clear evidence to point out Huawei's security problems and that Slovakia will not participate in the trade war.

Tamás Peragovics (Junior Research Fellow, Institute of World Economics, Hungary) added that the current Hungarian government has a pro-Chinese stance. For example, during the meeting with the Japanese Prime Minister Shinzo Abe, Hungarian Prime Minister Orbán refused to participate in condemnation of the Chinese position on the South China Sea issue. However, he also pointed out that Hungary's main trading partner is Germany rather than China. Chinese investment in Hungary is still limited,

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and the biggest investor, Chinese National Petroleum Corporation invested US\$160 million in Hungary in 2011.

In general, compared to larger EU states, South Korea, and even Taiwan, Chinese investment in Southeast and Central Europe is still limited. The Visegrad countries and Serbia were willing to join the Belt and Road Initiative and the '16+1 Mechanism' to attract Chinese projects as well as eliminate the trade deficit with China. Although the awareness that Chinese investments may make countries susceptible to Chinese influence, lack transparency or can enable China to access sensitive data and technology is rising, some leading political elites seem reluctant to acknowledge the security dimension of Chinese 'investments.'