

Influence of Non-Western Foreign Actors in the Western Balkans

Introduction

The Council for Inclusive Governance (CIG) organized a discussion on March 2, 2021, on the influence of non-western foreign actors on the Western Balkan affairs, with a focus on the Kosovo-Serbia normalization process. The three non-western actors covered in the discussions were Russia, China, and Turkey, whose interests in the region, many participants said, range from avarice to influence. By neglecting the region in the past few years, some speakers said, the US and the EU have ceded a critical soft power advantage to Russia, China, and Turkey, as recently reflected in the Chinese and Russian ‘vaccine diplomacy’ in the Balkans. Taking advantage of this Western neglect, Moscow, Beijing, and Ankara, the participants concluded, have made significant political, economic, and cultural inroads in the Western Balkans. However, none of the three actors seems to care much about the dialogue between Belgrade and Pristina run by the EU and backed by the US.

Russia is the most active and influential non-Western actor in the Western Balkans, with comparatively more political influence than China and Turkey. China is less involved politically and more focused on advancing its ‘road and belt initiative’ ambitions, primarily offering cheap credit, mainly to Serbia, and acquiring contracts for big infrastructure projects in behalf of Chinese companies. China does not seem to care much about the Kosovo-Serbia normalization process. Turkey, a NATO member and an EU aspirant, though in-name only, is perceived as a “good friend” in Serbia. Unlike Russia and China, Turkey is also perceived as a “good friend” in Kosovo. “Turkey may be Serbia’s and Kosovo’s good friend, but Turkey is first and foremost Turkey’s best friend,” a speaker said. Turkey’s interests in the region range from privatization of key sectors like energy and airports and acquiring multimillion highway construction contracts, mostly in Kosovo. “Turkey is Kosovo’s China.” But unlike China, Turkey offers no credit, thus making China as a favorite “infrastructure developer” in the region.

Turkey has also tried to expand its political, economic and cultural influence in Bosnia and Herzegovina and Kosovo. But in recent years, Turkey has lost considerable influence in Kosovo, mostly because it developed closer relations with Russia and was involved in “corrupt privatization in Kosovo.” Turkey blatant and patronizing calls on Kosovo not to establish its embassy in Jerusalem were considered by many Kosovars as going too far in meddling in internal affairs. All three actors seem rather disinterested in the Kosovo-Serbia dialogue issues. Neither is helping the normalization process.

This report is based on the discussions held under the Chatham House Rule. The participants took part in the discussions in their personal capacities. CIG has tried to be accurate and balanced in

summarizing the discussions, and asks for the understanding of participants whose remarks may have not been fully captured in this brief report. The report does not necessarily reflect the views of CIG and the Swiss Federal Department of Foreign Affairs, which supports CIG's work.

Conclusions and recommendations

- 1) *Russia wants to preserve and expand its geostrategic influence in the region.* Russia is not a spoiler in the Kosovo-Serbia relations; it is just defending its own geostrategic interests. Russia does not want to see the Kosovo-Serbia conflict settled not because it is against good relations between Pristina and Belgrade but because a peace deal between Kosovo and Serbia would inevitably bring the Western Balkans closer to the EU and NATO, two organizations Russia considers as threats to its geostrategic interests. So the Russian position is not about defending Serbia's interests or preventing peace between Kosovo and Serbia, but rather about defending its own geostrategic interests in the region.
- 2) *China and Russia cannot be sidestepped for UN membership.* Though China and Russia can be sidelined in the Kosovo-Serbia dialogue and in other processes in the Western Balkans, the EU and the US will have to work with Beijing and Moscow if they aim to reach an agreement that provides for Kosovo's membership in the UN, where China and Russia hold a veto power. The two countries can also thwart Kosovo from joining other international organizations where they do not have veto power but wield considerable influence with countries that do not recognize Kosovo, as reflected in Kosovo's failed bids to join the Interpol and UNESCO. Given their indirect influence on the issues, the US and the EU should search for ways to at least consult with Russia and China on the Western Balkan issues.
- 3) *Russia expects Serbia not to recognize Kosovo.* Russia understands that Kosovo's return under Serbian sovereignty is improbable, but it nevertheless favors the stalemate over a permanent settlement, to simply keep the region out of the EU and NATO. Russia is fully aware that Serbia's prospects for EU membership are poor without recognition of Kosovo. But if Serbia recognizes Kosovo, Russia is not likely to retaliate. Serbian President Aleksandar Vucic has not been fully in line with Russia recently, but Moscow took no retaliatory action, apart from some unfriendly tweets by mid-level officials. But it is not just politics. Russia is also popular among the Serbian public and the Serbian Church, which have considerable influence over the Serbian government on the Kosovo issue. Some speakers said that Russia would endorse any solution on Kosovo that Serbia agrees with. Many also said that it will be very difficult for Serbia to recognize Kosovo, but not because Russia does not want it, but because the Serbian people do not want it. On the economic front, Russia is engaged in the energy sector in Serbia, mostly privatizing and investing in the energy infrastructure, but overall is not a major investor in the country. It is more politics than economics. Kosovo, however, should try to open its own communication channel with Moscow to at least make sure that its story is presented correctly.
- 4) *China seems disinterested in the Kosovo-Serbia relations.* China does not seem to bother with the Kosovo-Serbia relations. It has maintained a passive role in the dispute. Pristina does not see Beijing as a problem either. In case of an agreement, China will most likely not block its implementation, including Kosovo's eventual UN membership. China's presence and influence in Serbia is not as strong as it may seem. It offers cheap credit, investments marred

by lack of transparency, and builds roads, but that is where its influence more or less ends, for now. However, Serbia's president Vucic has invested a lot in his relationship with China and political involvement of China is steadily growing. It looks like China is fine with the status quo and, many said, it will also be fine with any agreement the two sides reach.

- 5) *Oligarchic mode of investment discourages western investment.* Chinese, Russian, and Turkish investment in the region is an oligarchic mode of investment, inconsistent with standards of transparency and the rule of law norms. There is almost no transparency in energy, military and real estate deals. Just like their counterparts, the Western Balkan leaders do not want transparency in any of these deals either. Road and energy contracts in hundreds of millions of euros are not public in the region. Non-transparency and poor rule of law standards have discouraged Western companies to invest there. The EU and the US have also not shown any serious interest in countering the Chinese and Russian influence in the Western Balkans. Some speakers said the EU and the US should support more the leaders who promote rule of law and fight corruption. "The EU and US, for example, should support Kosovo's Albin Kurti if he does what he says – fighting corruption and strengthening rule of law – and suspend their support if he retreats to nationalism or semi-authoritarianism."
- 6) *EU and NATO memberships are different.* A speaker argued that it might be in Russia's interests to have Serbia, a friend, join the EU and increase Moscow's leverage within the block. "Look at Hungary, wouldn't it be nice for Russia to have Serbia, another Hungary, in the EU!" But many in the EU say that they "don't want more Victor Orbans in the union," a clear message to the Western Balkans that if you want membership, you have to democratize. The speaker said that the EU and the US could explain to Russia that joining the EU does not mean joining NATO. The EU and the US might fail in bringing Russia on board, but at least they could inform it what they mean with "normalizing the region." Though a distant prospect for now, all Western Balkan countries aim to join the EU and NATO, though Serbia has reservations about the latter. When and if that happens, Serbia would be surrounded by NATO members, putting pressure in Belgrade to reconsider its security policy. In this distant but realistic future, Serbia's position in the region may be weakened considerably. Though this is not an issue for Serbia to worry about right now, it is an issue deserving some thinking and political consideration.
- 7) *Selective application of 'precedent' and 'international law.'* Russia used Kosovo's declaration of independence as precedent to recognize Georgia's breakaway territories of Abkhazia and South Ossetia and Ukraine's Crimea, later annexing it altogether, but it does not recognize Kosovo, claiming Kosovo's independence violates international law. Russia does not care about this contradiction, using the precedent selectively. It does not believe in international law either. Russia believes in power politics. It uses international law only to try to justify its actions. Power politics will continue to guide Russian policy and behavior in the Western Balkans.
- 8) *All in favor of indefinite instability for Bosnia and Herzegovina.* Russia, China, and Turkey are all fine with Bosnia and Herzegovina's internal instability and its "poor EU prospects." Serbia is also not keen in seeing substantial institutional consolidation in the country. All these actors are united over preventing Bosnia and Herzegovina to join the EU, but their more

concrete influence in the country is not clear. Russia has considerable political influence in Republika Srpska and its leadership, but it has little vested economic interest. Turkey has influence in the Bosniak-dominated Federation and, like Russia, is not keen in seeing the country join the EU. China's political influence or investment in Bosnia and Herzegovina seems to be negligible. Ironically, the citizens of Bosnia and Herzegovina by opposing international efforts to consolidate the Dayton Agreement-based fragile state seem to also favor their indefinitely instability.

- 9) *Turkey, everyone's friend.* Turkey is among few countries that have good relations with both Kosovo and Serbia. And Turkey, unlike China and Russia, is an "insider" in the region. The economic crisis at home limits Turkey's actions in the Balkans. Turkey's approach is not based on any grand vision, but more on immediate interests. Perhaps what connects the Turkish leaders with Balkan leaders the most are "their shared autocratic tendencies." Turkey has also built good relations with Russia. Being friends with all parties to the Kosovo dispute, Turkey looks like a perfect mediator, but "no one wants an authoritarian country to join the dialogue." Like Russia and China, Turkey also seems happy with the status quo in the Western Balkans as long as it benefits its political and economic interests. Instability keeps Western investors away from Western Balkans, allowing Turkey to buy assets in the region below their real value – buying Kosovo's electricity distribution network, valued at about 100 million euros, for only 26 million euros.

The participants concluded that the EU has not risen to the task of resolving problems in the Western Balkans where a stable but unhelpful status quo is taking root. Russia, China, and Turkey seem to be taking advantage of the status quo and increase their political and economic interests. Many suggested that the EU should reevaluate its role in the region. The Western Balkan countries also need to agree that that "all roads lead to EU."

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