

THE END OF A FAIRY TALE, THE START OF A NEW ERA? THE EU AND CHINA IN THE WESTERN BALKANS

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The Western Balkans have been transformed into authoritarian regimes in the last decade, despite the EU's engagement with the region through its enlargement policy. However, prioritizing stability over democracy, the EU lost its chance to transform the Western Balkan countries into democratic entities. In the end, the EU opened a way in for the external actors to the Western Balkan countries and China has entered the scene by increasing engagement with the region. The leaders of the authoritarian regimes in the Western Balkans adopted a pragmatic approach in their relations with China. They used the Chinese card to proceed with their relations with the EU and to gather financial means to legitimize and consolidate their regimes.

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“European solidarity does not exist. That was a fairy tale on paper. I have sent a special letter to the only ones who can help, and that is China...” - Alexander Vucic¹

On 15 March 2020, during the Covid-19 era, the words of the Serbian president, Alexander Vucic, alarmed many due to signifying the gradual alienation of the Western Balkan countries from the EU and the increasing role of China in the region that bore fruits through the Chinese engagement with the Western Balkans in the last decade.

While all six countries in the Western Balkans (i.e., Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia) have had institutional ties with the EU for a long time now, the momentum of their accession processes has been lost due to the internal problems of the EU like Euro crisis, Brexit, increasing refugee flow due to the Syrian civil war, the rise of far-right parties. Such developments have dominated the EU’s agenda, resulting in the postponement of enlargement processes for the Western Balkans until an unknown period.

In the meantime, Western Balkan countries have been transformed into competitive authoritarian regimes ruled by strong autocratic leaders,² who acquired skills to manage the EU’s hesitant approach towards the region and multiplied their ties with authoritarian powers like China and Russia. As they turned into competitive authoritarian regimes, hybrid regimes,³ or defective democracies,⁴ Western Balkan countries’ ties with the democratic world, exemplified by their relations with the EU, loosened, while their linkages with the authoritarian world further developed. One of the primary examples of such a transformation is China’s increasing engagement with Western Balkan countries.

In the end, the EU, losing its credibility in the Western Balkans for the enlargement process, has given way to the Western Balkans’ increasing ties with the authoritarian world, signified by their cooperation with a new player in the region, China. The Western Balkans become an arena for competition among the external democratic and authoritarian powers. In line with the growing authoritarianism in the region, the EU has lost its primary position as a democratic engine in the region. Instead, China has increased its presence in the Western Balkan countries. Such a transformation emerged due to the EU’s prioritizing stability over democracy in the Western Balkans and China’s prioritizing pragmatic cooperation without intervening in domestic

1) Julija Simic, “Serbia turns to China due to ‘Lack of EU Solidarity ‘ on Coronavirus,” Euractiv, 18 March 2020.

2) Florian Bieber, *The Rise of Authoritarianism in the Western Balkans* (Cham Switzerland: Palgrave Macmillan, 2020).

3) Freedom House, *Freedom in the World*, 2024. <https://freedomhouse.org/countries/freedom-world/scores>

4) Bertelsmann Stiftung (ed.) “Transformation Index BTI 2024 Governance in International Comparison,” 2024. https://www.bertelsmann-stiftung.de/fileadmin/files/BSt/Publikationen/imported/leseprobe/1_974_Leseprobe.pdf

politics and giving the political elites in the region the opportunity to use Chinese money to increase their prestige at home and consolidate power.

In the Name of Stability: The EU Losing its Ground in the Western Balkans

In the 1990s, the conflicts in the Western Balkans led to an increasing focus of the EU on the region's stability. Such focus has continued in the 2000s since post-conflict Western Balkans have still had many problems like the Kosovo issue. Despite providing an accession perspective to the Western Balkan countries in the 2003 Thessaloniki Summit, the EU prioritized stability in the region over democracy, and “its intense focus on stability and development downplayed its role as a democracy promoter.”⁵ While the EU established itself as a transformative magnet in the previous enlargement rounds, especially in the accession process of Central and Eastern European countries, it has become a stabilizing force in the Western Balkans rather than a transformative power.

The EU's stabiliocratic approach bears some fruit for the stability of the Western Balkans while leading to the consolidation of authoritarian regimes in the region. Prioritizing stability over democracy, the EU triggered the development of Western Balkan countries into stabilitocracies: “countries with obvious democratic shortcomings that at the same time claim to work towards democratic reform and offer stability.”⁶ Such stabilitocracies offer some sort of stability to the region, while enjoying external legitimacy provided by the external powers, specifically by the EU.⁷ However, such offers by the Western Balkan countries are misleading, as Bieber emphasizes, since the lack of democracy has been the primary source of instability in the region.⁸

Therefore, Western Balkans have resided within a vicious cycle that the EU feeds: primacy of stability over democracy that leads to the formation of weak democracies in the region governed by authoritarian leaders claiming to provide stability but not democracy. This approach, in turn, consolidates authoritarian regimes in the Western Balkans, supposedly providing stability. Besides, a paradox emerges out of this: “the EU becomes increasingly dependent for its democratisation agenda on governments

5) Adea Gafuri and Meltem Muftuler-Bac (2021) “Caught between Stability and Democracy in the Western Balkans: A Comparative Analysis of Paths of Accession to the European Union,” *East European Politics*, Vol. 37, No. 2 (2021), p. 267-291, p. 268.

6) Wouter Zweers, Giulia Cretti, Myrthe de Boon, Alban Dafa, Strahinja Subotic, Milena Muk, Arber Fetahu, Ardita Abazi Imeri, Emina Kuhinja, Hata Kujrakovic, “The EU as a Promoter of Democracy or ‘Stabilitocracy’ in the Western Balkans?,” *Clingendael Report*, August 2022, p.1.

7) Florian Bieber, “The Rise (and Fall) of Balkan Stabilitocracies,” *Horizons: International Relations and Sustainable Development*, Vol.10 (2018), p. 176-185, p. 179.

8) Bieber (2018), p. 179.

that have little democratic ambitions, and which largely stimulate reforms to keep EU counterparts happy and reap benefits of the special enlargement relationship.”⁹

In the end, the EU continues to work with these stabiliocratic regimes and consolidates these authoritarian regimes in the region that have nothing to do with democracy. As the refugee crisis created further focus on stability as well as security in the Western Balkans that become a transit route to Europe for refugees, the EU’s concern for strengthening stabilitocracies in the region increased, and the leaders of these stabilitocracies gained further legitimacy to their regimes as the “resilient anchors of stability” as well as the guardians of the EU’s borders.¹⁰

In addition to the EU’s stability-focused approach strengthening stabilitocracies in the Western Balkans, several factors led to the reduced role of the EU as a transformative power with its successful enlargement policy. First, the credibility of EU conditionality as the primary driving force of democratic reforms in the accession countries has weakened in the case of the Western Balkans. In the 2000s, debates over enlargement fatigue dominated the EU’s enlargement processes. Enlargement fatigue refers to the probable loss of the EU’s ability to provide membership to candidate countries at a low cost, and has become a determinant of the EU’s enlargement processes.¹¹ Second, through the process, the EU adopted stricter accession criteria for the Western Balkan countries than in previous enlargement processes, further weakening the EU’s transformative power.

New criteria like the absorption capacity of the Union or European public opinion led to debates over non-Copenhagen criteria dominating the enlargement process of the Western Balkans, which triggered a sentiment among the Western Balkan countries that, no matter what, the membership prospect is not guaranteed at the end of the accession negotiations. Last, such developments coincided with the decades-long turmoil in the EU over many issues like the Euro crisis, the rise of the far-right parties in Europe, Syrian refugee flow, and Brexit. All these developments led to the EU shelving the enlargement into an unknown period and reduced the EU’s role in the Western Balkans a stabilizing power.

While EU-related developments dominated the enlargement process of the Western Balkans, the Union continued its attempts to revive the process with different strategies like launching the Berlin Process in 2014 or adopting a new strategy for enlargement in 2018 that proposed an accession date of 2025 for the frontrunners in the Western Balkan enlargement process. However, the EU proved not ready for any revival of

9) Zweers et al. (2022), p. 6.

10) Nicholas Ross Smith, Nina Markovic Khaze and Maja Kovacevic, “The EU’s Stability-Democracy Dilemma in the Context of the Problematic Accession of the Western Balkan States,” *Journal of Contemporary European Studies*, Vol. 29, No. 2 (2021), p. 169-183, p. 177-178.

11) John O’ Brennan, “Enlargement Fatigue and its Impact on the Enlargement Process in the Western Balkans. The Crisis of EU Enlargement,” *London School of Economics’ Ideas-Special Report*, November 2013, p. 36-44, p. 36.

the Western Balkan enlargement process, as later exemplified by Macron's insistence on focusing on reforming the EU rather than enlargement.¹² After that, the process entered into a stalemate and revived with the 2023 New Growth Plan for the Western Balkans, aiming for further economic integration of the region with the Union and acceleration of the democratic reform process through financial assistance of 6 billion Euros in 2024-2027.¹³ Yet, whether this has an impact on the enlargement process of the Western Balkans remains to be seen in the future.

Despite the aforementioned steps of EU for reviving the enlargement process in the Western Balkans, what appears Brussels has been left are regimes with authoritarian tendencies at hand. The region demonstrates many problems with democracy: entrenched corruption and clientelist relations, state capture, and limited freedom to the judiciary, media, and civil society.¹⁴ Dealing with these regimes, the EU adopted a stabiliocratic approach and is now "entrapped in the stabilization mode."¹⁵ Therefore, the EU has been entrapped in its own approach with the need to deal with the authoritarian leaders in the region that supposedly provide nothing but stability, while paying lip service to the EU reforms. In between a hard rock and a hard place, the EU focused on cooperation in difficult issues in difficult times and neglected its transformative potential in the Western Balkans. This has created a space for other external actors as alternative sources, providing both financial means and further legitimacy to the authoritarian regimes of the Western Balkan countries, like China.

Increasing Cooperation: China in the Western Balkans

Starting in the 2010s, China has increasingly engaged with the Western Balkans. China lends, invests, and enhances trade in/with the Western Balkans, which is in need of such engagement from external powers for their economic development.¹⁶ While dealing with the economic impact of the Euro crisis that led to scarce financial inflow to the Western Balkans, the Chinese investment and enhancement of trade has become an alternative source for economic development in the region and political trade-off in the international arena, considering the relations with the EU. Relatively strings-free engagement of China with the Western Balkans and lack of Chinese interest on the

12) Milenko Petrovic and Nikolaos Tzifakis, "A Geopolitical Turn to EU Enlargement , or Another Postponement? An Introduction," *Journal of Contemporary European Politics*, Vol. 29, No. 2, p. 157-168, p. 158-161.

13) European Commission, "Enhanced EU Engagement with the Western Balkans – New Growth Plan for the Western Balkans," 2024. https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/enhanced-eu-engagement-western-balkans_en

14) Soeren Keil. "The Business of State Capture and the Rise of Authoritarianism in Kosovo, Macedonia, Montenegro and Serbia," *Southeastern Europe*, Vol. 42 (2018), p. 59-82.

15) Milos Petrovic, "EU Integration Process of Serbia: A Vicious Circle of High Politics," *The Review of International Affairs*, Vol. 1175 (2019), p. 23-48, p. 31.

16) Erika Abazi, "Geopolitics in the Western Balkans: Linkages, Leverages and Gatekeepers," *Academicus International Scientific Journal*, Vol. 24 (2021), p. 85-108, p. 97.

domestic affairs have brought the Western Balkan autocrats close to China, and these leaders of the Western Balkan countries started enjoying authoritarian cooperation with China as close cooperation among authoritarian regimes. The lack of Chinese push to adjust their regime allowed the Western Balkan autocrats to continue their authoritarian path, while using the Chinese engagement for their own political benefit to consolidate their rule at the domestic spectrum and to give a signal to the EU that they could choose China over the EU.¹⁷ Therefore, Western Balkan countries, which are prone to use the Chinese card if needed, have a pragmatic interest-driven approach in their relations with China.

Relations between the Western Balkans and China accelerated in the 2010s through the launch of 16+1 initiative (later with Greece joining 17+1 initiative and with the exit of Lithuania, Latvia, and Estonia 14+1 initiative) in 2012 as a platform to initiate cooperation between sixteen Central, Eastern, and Southeastern countries, including the Western Balkan countries and providing a regional perspective to the relations, and the launch of Belt and Road Initiative (BRI) in 2013, providing a global perspective to the Chinese engagement with the Western Balkans.¹⁸ An institutional framework for Chinese relations with the Western Balkans is provided through these initiatives, which become a source of funding for economic development for the Western Balkan countries as “simpler and quicker to obtain than alternative EU loans.”¹⁹

China perceives the Western Balkans as a transit corridor to the European markets or a “bridgehead between Europe and Asia”²⁰ and such proximity gives an opportunity to the Western Balkan countries in need of urgent investment in several areas, especially in infrastructure development. Several investment projects by loans in the Western Balkans have been launched in collaboration with China like the construction of Budapest-Belgrad railway, the Bar-Boljare highway in Montenegro, the acquisition of the Smederevo steel plant and Bor Copper in Serbia, Kicevo-Ohrid highway in North Macedonia, the Stanari and Tuzla thermal power plant in Bosnia and Herzegovina. Such investment projects are fundamentally nationally important projects that are not funded by the Western counterparts, and China “filled the void by investing” in these projects proposed by the Western Balkan countries.²¹

17) Vladimir Dordevic, Richard Q. Turcsanyi and Vladimir Vuckovic, “Beyond the EU as the ‘Only Game in Town’: The Europeanisation of Western Balkans,” *Eastern Journal of European Studies*, Vol. 2 (2021), p. 21-45, p. 29.

18) Anastas Vangeli, “China Anew Geo-economic Approach to the Balkans,” in Florian Bieber and Nikolaos Tzifakis (eds.), *The Western Balkans in the World Linkages and Relations with Non-Western Countries* (Abingdon Oxon: Routledge, 2020), p. 205-223, p. 210.

19) Nina Markovic Khaze and Xiwen Wang, “Is China’s Rising Influence in the Western Balkans a Threat to European Integration,” *Journal of Contemporary European Studies*, Vol. 29, No. 2 (2021), p. 234-250, p. 234.

20) Vuk Vuksanovic, “Russia and China in the Western Balkans: The Spoiler Power and the Unexpected Power,” in Nemanja Dzuverovic and Vera Stajarova (eds.) *Peace and Security in the Western Balkans: A Local Perspective* (Abingdon Oxon: Routledge, 2023), p. 234-254, p. 242.

21) Danijela Jacimovic, Joel I. Deichmann and Kong Tianping, “The Western Balkans and Geopolitics: Leveraging the European Union and China,” *Journal of Balkan and Near Eastern Studies*, Vol. 25, No. 4, p. 626-643, p. 627.

Despite the increasing engagement of China with the Western Balkan countries, such engagement is uneven across countries. Serbia is the primary Western Balkan country that has tremendous development in its relations with China. First, the country is the only country in the Western Balkans that has relations with China at the strategic level, as the Serbia-China relations were upgraded into a Comprehensive Strategic Partnership in 2016 with Xi's visit to Serbia. Besides, in May 2024, the two countries signed an agreement to establish a 'shared future' residing in the shared values and goals and envisaging further cooperation, as Serbia became the only European country that signed such a document with China.

Second, the country has become a hub in the China-Europe Land-Sea Express Corridor of the BRI as a strategic point for the implementation of the BRI in the Western Balkans.²² Third, both Chinese investment and trade in/with Serbia have a considerable upward trend, which is enormous compared to the other Western Balkan countries. The country has become the largest recipient of Chinese investment in the Western Balkans, receiving 70 percent of Chinese investment in the region.²³ Regarding trade with China, Serbia again receives the largest share of USD956.46 million in exports and USD4,229.33 million in imports in 2021.²⁴ However, other Western Balkan countries' trade with China has not improved that much compared to Serbia.²⁵ For instance, in the same year, Montenegro, had exports to China at USD6.72 million and imports to China at USD289.71 million.²⁶ Besides, trade with China seems fractional compared to the trade with the EU in 2021, for instance: while 4 percent of the total exports and 12 percent of the total imports of the Western Balkans belong to China, 89 percent of the total exports and 58 percent of the total imports of the region belong to the EU.²⁷ Therefore, Chinese trade with the Western Balkans needs not to be exaggerated as many expected.

In short, Chinese engagement with the Western Balkans has visibly accelerated in the last decade. However, the increasing presence of China in the region is not even across countries and is primarily focused on Serbia. Besides, compared to the EU, Chinese economic engagement with the region is not promising for the Western Balkan countries. Nevertheless, the political engagement of China, despite being uneven again, provides the Western Balkan leaders to increase their bargaining power vis-à-vis the EU and consolidate and legitimize their regimes in the eyes of

22) Jacimovic, Deichmann and Tianping (2023), p. 630.

23) Jacimovic, Deichmann and Tianping (2023), p. 630.

24) International Monetary Fund (IMF) Direction of Trade Statistics, 2024.

<https://data.imf.org/?sk=9d6028d4-f14a-464c-a2f2-59b2cd424b85&sid=1514498277103>

25) International Monetary Fund (IMF) (2024).

26) International Monetary Fund (IMF) (2024).

27) Eurostat, "Western Balkans-EU- International Trade in Goods Statistics, 2021,

https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Archive:Western_Balkans-EU_-_international_trade_in_goods_statistics#The_Western_Balkans_trade_with_the_EU_and_other_main_partners

the public through, for instance, nationally significant joint mega projects. In the end, pragmatic authoritarian cooperation overweighs between the Western Balkan countries and China, which provides an easy and quick alternative for economic development to the region and a playing card to the Western Balkan countries against the EU to increase their bargaining power in the accession process.

Conclusion

Western Balkans have emerged as a geostrategic playing ground for external powers in the last decade. As a transformative power through its enlargement policy, the EU has actively been engaged within the region, yet it has prioritized stability over democracy in the accession process of the Western Balkans. In the end, Western Balkan countries turned into stabilitocracies offering little to the Union regarding democratic development. Most importantly, the EU's stabiliocratic and hesitant approach to the authoritarian regimes in the Western Balkans led to a way in for other external actors in the region, like China.

In line with such developments, Chinese presence in the Western Balkans increased, and pragmatic cooperation between the Western Balkan countries and China accelerated in the last decade. Authoritarian leaders in the Western Balkans used such opportunity for their own benefit to consolidate their regime in the domestic arena through their engagement with China bringing economic benefits to the country as well as visibility and publicity to the megaprojects supported by China. Besides, in the external arena, paying lip service to the domestic reforms, these countries found the chance to play the Chinese card to proceed with their relations with the EU. In the end, the winner for all was the Western Balkan autocrats, who used every opportunity for their own sake to legitimize and consolidate their rule.

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