

# WESTERN BALKANS REGIMES THAT OBSTRUCT, AND THEIR EXTERNAL CONTINGENCIES

DOI: 10.58867/BSSI3135

*This article argues that recent European Commission and NATO initiatives aim to stabilize the Western Balkans amid geopolitical upheaval from the Russia-Ukraine conflict. Historically, the region has struggled during global transitions due to its strategic location and external influences, leading to entrenched authoritarian regimes that exploit nationalism and corruption. Despite significant EU support, these regimes obstruct reforms, undermining transparency, and accountability. Economic stagnation and mass emigration exacerbate instability. The article suggests that the Western Balkans' precarious position necessitates a credible, concerted effort by external actors to mitigate these challenges and support irreversible progress away from conflict legacies.*

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Keywords: Western Balkans, Regimes that Obstruct, European Commission, European Integration, EU Expansion.



TPQ  
Spring 2024  
Reviziting Balkans

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**T**wo notable steps were taken recently within the Euro-Atlantic integration process to assuage growing instability in the Western Balkans. First, the European Commission (EC), in its 2023 Enlargement Strategy, announced it was expediting the membership accession process and offered somewhat more apparent timelines. Second, at the February 2023 summit, NATO committed to the Defence and Related Security Capacity Building Initiative package for Bosnia and Herzegovina, which is by any measure the most vulnerable among the Western Balkans six. The timing of these two significant developments is ominous. They come twenty-five years since the final episode of the violent dissolution of former Yugoslavia that birthed an independent Kosovo state, and only because of the geopolitical schism over the war Russia waged on Ukraine.

The EC's decision to accept the European Union membership applications by Moldova and Ukraine prompted a breakthrough in a protracted accession process that the Western Balkans had been undertaking with no certainty regarding its outcome. The response by these two major international actors takes place in a particular geopolitical moment when it is not clear what kind of a new global order will emerge out of the current crisis centered on the war in Ukraine. Thus, the question of what repercussions these developments may have on the prospects of peace and stability in the Western Balkans is a pertinent one. This is so because, historically, the broader Balkans region did not fare well when similar global transformations were afoot. After upheavals, it recovered slowly and hesitantly, only to be swept by another wave of violence and instability. The primary reason for this vulnerability lies in its geography. Occupying a landmass that provides the shortest connection between the European continent's heartland and Asia, the Balkans has been exposed to disproportional external influence as well as conquests given its size and economic resources.

Some scholars argue that the inauspicious geography is indeed a reason for its entrenched backwardness.<sup>1</sup> The scramble for influence by external actors to pursue their geostrategic and geopolitical interests has left deep imprints in the form of unfinished statehood and underdevelopment. The most recent history of former Yugoslavia's dissolution and its aftermath, in which explicit and covert international involvement including by the EU and its member states was a significant factor, attest to such outcomes. Those outcomes in their turn perpetuate political and economic fragility and are a threat to stable peace in this part of Europe, as the recent actions by NATO and the European Commission arguably recognize.

The countries that emerged through the dissolution of Yugoslavia have, to a varying

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1) B. Milanovic, "Why were Western Balkans Underdeveloped? A Geographical Hypothesis," (2018). Available at: <https://www.globalpolicyjournal.com/blog/16/05/2018/why-were-balkans-underdeveloped-geographical-hypothesis>

degree, since reverted to authoritarianism, with almost every indicator of democracy, including the rule of law and media freedom down-sliding. The early peace dividend that helped local economies recover from the material, institutional and societal destruction and deterioration, has given way to a stagnant growth that lacks strong foundation in productive economic and technological advancement and innovations to break out of this underdevelopment trap. Income convergence with the European Union as a professed political objective on both sides and a shared aspiration of the peoples of those countries- and one may add arguably a true measure of the benefits of the European path- remains elusive. The gap in GDP per capita between the Western Balkan countries and the EU remains significant. The feeble economic recovery from the 2008-2009 global financial crisis whereby the average GDP growth rates slumped to a fraction of the pre-crisis levels, attests to vulnerabilities and suggests bleak long-term growth prospects. Other indicators corroborate the picture of subdued economic development with all its negative social and political effects. The lack of economic prosperity and opportunity drives the relentless outward migration, which some analysts call a “depopulation disaster”.<sup>2</sup> The World Bank reported that the working age population declined by over 400,000 people between 2016 and 2020,<sup>3</sup> while the Global Competitiveness Report lists Bosnia and Herzegovina, Croatia, North Macedonia, and Serbia as top countries in terms of brain drain in this region.

### ***Regimes that Obstruct***

Economic motivations driving the mass exodus of individuals and families from the Western Balkans is inextricable from the political uncertainty that the post-Yugoslav states created, through a strategy of ethnic nationalism projected onto their citizens. Creating and perpetuating inter-ethnic tensions is a political strategy that sustains “regimes that obstruct”, a particular system of political organization commonly observed in post-conflict countries. Those countries need to rebuild their institutions, and since the end of the Cold War have done so without exception with international support. But the incumbent regimes subvert externally-supported institutional remediation to protect their own interests and power, and “rationalize its delay through prevarication, continued resource misallocation, corruption or persisting public skills shortages”.<sup>4</sup> One of the many concepts used to explain this governance configuration in the current Western Balkans context is that of networked state capture based on the nexus among organized crime, business, politics, security services and

2) A. Heil, “Depopulation Disaster: The Balkans and its Creeping Depopulation,” RFE/RFL March 2020. Available at <https://www.rferl.org/a/depopulation-disaster-the-balkans-and-its-creeping-demographic-crisis/30477952.html>

3) A. Heil (March 2020).

4) R. Alley, “Regimes that Obstruct: A Problem of Institutional Refurbishment Following Internal Conflict,” *Journal of Intervention and Statebuilding*, Vol. 9, No. 1 (2015): p. 112-133.

the judiciary<sup>5</sup> with origins in pre- and wartime links among different types of actors.<sup>6</sup>

The collusion between political, economic, and criminal elites, has created illiberal regimes that champion elite interests at the expense of the broader public, and manipulation of international aid is one of the mechanisms. Particularly in some countries, notably Bosnia and Herzegovina and Kosovo, international donors are a significant source of finance as well as providers of technical assistance to implement policy reforms. The EU is by far the largest external donor to the Western Balkans. As such, its interventions have been a target of those networks' strategies of political manipulation to remold EU assistance to their own purposes and extend their grip on power. Cognizant of this phenomenon, the EU has nevertheless remained committed to its established process of staged accession with its benchmarks and targets. This technical exercise is paired with political conditionality, which, in the Western Balkans, has tightened over time. The question of the appropriateness of this approach to the unique needs of a post-war context aside, a stop-and-go manner in its execution has created a permissive environment for the obstruction of reforms the EU supports, and their partial implementation. Such an approach derives from a policy stance that considers stabilization as necessary, and perhaps from where they sit, sufficient, objective of EU intervention. Because the experience so far suggests that the prevailing attitude appears to be that as long as the Western Balkans' elites are deterred from resorting to armed violence, there is both maneuvering space and an extended time horizon before engaging differently, if that is indeed an option. The novel instruments designed selectively to account for certain conflict-specific features of Western Balkans societies – for example the Stability Pact for South-Eastern Europe – supporting country-level and intra-regional integration processes on the path of closer integration with the European Union, have not been effective in dislodging those structures. Rather they have contributed to the latter's entrenchment.

An example of this is the limited achievement of the European Union EULEX mission in Kosovo, whose core mandate was in the area of rule of law. Those groups of actors belonging formally to different institutional domains, but in fact working as an interconnected nexus bound by mutual interests, have skillfully taken advantage of the opportunities that have opened through closer economic cooperation with the EU. It is not an exaggeration to argue that because of the distortions in the local economies caused by political interference and reform obstructions, those structures have benefited disproportionately. EU is the largest market for all Western Balkan countries, its companies are the largest source of direct foreign investment, and its financial institutions are the owners of a significant share of the Western Balkans

5) I. Prezelj, and N. Otorepec Vogrincic, "Criminal and Networked State Capture in the Western Balkans: The Case of the Zemun Clan," *Southeast European and Black Sea Studies*, Vol. 20, No. 4 (2020): p. 547-570.

6) V. Bojicic- Dzelilovic, and D. Kostovicova, "Persistence of Informal Networks and Liberal Peacebuilding: Evidence from Bosnia and Herzegovina," *Journal of International Relations and Development*, Vol. 25 (2022): p. 182-209; S. Nikolic and C. Petrovic, "Organized Crime in Serbian Politics During Yugoslav Wars," *Journal of Political Power*, Vol. 15, No. 1 (2022): p. 101-122.

banking sector. The way the informal networks in which the state elites partake operate to take advantage of commercial opportunities - through abuse of public procurement tenders, discretionary exemptions from certain types of regulation, direct owners of business or via proxies, privileged access to loans, opaque contracts with foreign investors and so on, has strengthened the economic foundation of the regimes that resist the reforms intended to instill accountability and transparency in the delivery of governance functions. These unintended consequences have de facto questioned the EU's normative power as an important plank in its approach toward the security and stability of its members and its neighborhood.

An equally unwanted drawback to the inconsistent and some would argue, in the face of the precedent the EU has made on Ukraine and Moldova, unprincipled EU engagement in the Western Balkans and its marginalization, is that the space has opened for other actors to vie for influence in the Western Balkans. Since the late 1990s, Russia has been aggressively positioning itself as a powerful political and economic actor directly influencing politics and security in the Western Balkans. It has used its political, military, economic and soft power levers to support the regimes in Serbia and the Serb majority entity Republika Srpska in Bosnia and Herzegovina, as well as pro-Russia political forces in the NATO members Montenegro, and North Macedonia. Russia's interests in the Western Balkans are both geostrategic as well as geopolitical.

The main motive in the short to medium term is to deter Euro-Atlantic integration of the Western Balkans six. The long-term agenda is about having a presence in this part of Europe to bolster its standing in the wider Mediterranean region and in its relation to Türkiye. The links between Russian political and economic actors and the sections of the Western Balkans political and economic elites have strengthened visibly since the full-scale war in Ukraine. The incumbent Serbian regime has defied the EU and the U.S. demands and refused to support international sanctions on Russia, which has helped keep the mutual interests and friendly relations intact. For Russia, the existing divisions and unsettled political issues in the Western Balkans coupled with uncertainties surrounding the EU accession process, have provided an entry point for helping prop up the Serbian regime economic and political standing. For its part, the Serbian regime's foreign policy of hedging which balances between the two main poles of attraction, namely the EU and the Russian sphere of influence, is geared towards providing Serbia with economic opportunities while strengthening its political might as the largest of the Western Balkans six. While pragmatism defines the relations between the two countries, strong cultural affinity between their two peoples as the Orthodox Slavs has facilitated Russia's increasing influence against the backdrop of the retraditionalization of Serbian society since the early 1990s.

The mix of pragmatism and ideological characteristics of Russia's engagement in

the Western Balkans can be observed in the approach pursued by Türkiye as another powerful external actor active in the Western Balkans. Like Russia, Türkiye has harnessed its historical, social and cultural relations to gain a foothold, first during the 1992-1995 war in Bosnia and Herzegovina, and thereafter across the broader Balkan region. When tracing the evolution of Türkiye's engagement with the Western Balkan countries over the last three decades, there is the profound sense of a resurgent regional power (and a global actor) in its intent, manifested in the way it has waved its net of diplomatic, economic, and civic links with various constituencies in this part of Europe. According to one assessment, there has been a clear shift from multilateral, constructive engagement in the early 1990s when Türkiye engaged in sync with NATO, the EU, and the U.S., to a more authoritarian, personalistic and transactional modality.<sup>7</sup>

A combination of domestic, regional, and global developments has prompted this change. Akin to Croatia and Serbia's role as mother-states to Bosnian Croats and Bosnian Serbs intent at protecting their respective interests, Türkiye portrayed itself as playing similar role in relation to Bosnian Muslims. Close relationships with Bosnia and Herzegovina Bosnian Muslim leadership, and with the leaders of the political parties representing Muslims in Serbia's Sandzak, enabled Türkiye's to forcefully pursue its strategic interests while increasing its economic footprint across the Western Balkans. For example, the share of imports from Türkiye has increased in all countries over the years, and so are inward investment from Türkiye. Its growing economic role in those small markets (18 million people) is paralleled in some areas, notably Bosnia and Herzegovina and Sandzak, by its growing cultural and religious influence through the establishment of educational institutions and support extended to the Islamic community.

The trajectory of Türkiye's engagement in the Western Balkans is particularly ambivalent in terms of impact on Bosnia and Herzegovina's internal political dynamics and prospects of inter-ethnic reconciliation. Outside the Bosnian Muslims circles that mostly look benevolently and some approvingly on Türkiye's rise to prominence in the country's political, economic, and cultural life, there is disquiet among other groups who see it as "Islamisation by stealth". The members of the Bosnian Muslim political leadership deliberately nurture this kind of sentiment. From their standpoint, it is an aspect of the symbolic struggle to consolidate Bosnia and Herzegovina's statehoods but such that would affirm Bosnian Muslim dominance. For example, Türkiye's president and his wife attended the public wedding of the daughter of Bakir Izetbegovic, the former leader of the largest party representing Bosnian Muslims, which was then widely used to underscore strong inter-familiar bonds as having

7) S. A. Sofos, "Turkey's Presence in the Western Balkans- Achieving Cooperation and Sustainable Peace in Bosnia and Herzegovina," University of Edinburgh, (2024). Available at <https://peacerep.org/publication/turkeys-presence-in-the-western-balkans/>

a role in Türkiye's engagement in Bosnia and Herzegovina. But beneath this act's symbolism, both sides exercise hard core pragmatism in their mutual relations. This is evident in Türkiye gradually ramping up its diplomatic and economic engagement with Serbia as well as pursuing large investment in Montenegro and Kosovo, in lockstep with expanding its diplomatic and economic ties with Russia.

The United Arab Emirates (UAE), who have also established a prominent presence in all Western Balkan countries demonstrates a strong resemblance with Türkiye in their instrumental use of religious affiliation in pursuit of economic and political interests—notably in Bosnia and Herzegovina, along with concerted investment expansion agendas in other countries. Strengthening economic ties with the Western Balkans countries is pursued under the strategy that aims to ensure long-term economic viability of the UAE as an oil-dependent economy. Some of these investments, including by now the infamous Belgrade on Water business and the accommodation construction project in the Serbian capital, have involved dubious deals with the local power players. Pragmatism is the *modus operandi* of the Western Balkans political establishment in dealing with external actors to protect its interests while resorting to informal and sometimes illegal means. This is illustrated potently by a strong foray the UAE has made in Serbia, by investing in a swathe of representative projects and businesses, despite being one of the countries that have recognized Kosovo as an independent state. For the current Serbian political establishment, Kosovo's independence is an uppermost issue in mobilizing domestic support for its rule. It is, therefore, central to its foreign policy that has rallied other countries to back Serbia's position on Kosovo independence, while simultaneously providing support to the Serb minority in Kosovo to undermine the latter's statehood.

Moreover, the presence of China and the U.S. as two global superpowers is essential for understanding the actions taken by domestic governments within the framework of post-conflict international assistance. In the Western Balkans, despite political instability being economically integrated into the EU, China's focus is on accessing economic opportunities through investment in selected sectors. However, by building stronger relations with Serbia, its economic priorities are intertwined with its political agenda to oppose the Western liberal hegemony and protect its own values and principles. As for the U.S., since the EU took over as the leading external actor in the Western Balkans, its role which was instrumental in ending the succession of wars, has been somewhat weakened. This reflects a shift to other priorities in its foreign policy. It engages intermittently and more forcefully at times of acute crisis. Thus, change in posture has been noted and seized upon by the local political elites in their calculations of what the permissible limits to their actions are.

The Western Balkans' position amid current geopolitical shifts suggests a historical parallel with the end of the Cold War, described evocatively by Carl Schierup (1999)

as a “scramble for the Balkans”.<sup>8</sup> The geopolitical vacuum created by the Western Balkans ambiguous status concerning the EU membership has opened door to a plethora of foreign actors whose political and economic interests have complicated the extraordinary task of recovery after inter-ethnic violence in the context of unconsolidated statehood. Benefiting from this scramble are the regimes that lack commitment to the welfare of their citizens and whose short-term outlook drives opportunistic engagement with external counterparts, which generate fragile stability in the process. This is why it is vital that the recent NATO and EU action translates into a credible and concerted process that would mitigate against the Western Balkans' precarious position it has been pushed into by the regimes that obstruct irreversible move away from the legacies of conflict. This will require a genuine change on the part of external interveners that champion values of democracy, freedom, and tolerance.

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8) C. U. Schierup, *Scramble for the Balkans: Nationalism, Globalism and the Political Economy of Reconstruction* (Basingstoke: Macmillan, 1999).