Where Are The Balkans Heading? A New Cooperation Paradigm for Russia

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The modern Balkans, while still firmly rooted in the periphery and the past in many ways, are a very dynamic region. Over the last 28 years, the number of states in the region has doubled. In 1991, there were five states in the Balkans: Yugoslavia, Greece, Bulgaria, Romania and Albania. Today, there are between 7 and 11 countries based on varying estimates. The value of the Balkan Peninsula on the European scale has changed insofar as it is no longer a region entirely consumed by its own problems. The Balkans are more open to the world and primarily to neighbouring regions. Its transit importance has been growing steadily since the early 2000s, with more outside players taking an interest in regional processes. Currently we can identify approximately nine actors that are exerting considerable outside pressure on the region and pursuing what are often diametrically opposed aims. As a result, the Balkans are regaining their former notoriety as one of the most challenging regions in the world.
The Intraregional Context

The internal political situation is shaped by the combination of two factors, the region’s *growing transit importance* and its *peripheral socioeconomic status*.

The global financial and economic crisis of 2008 brought to a head serious internal problems, such as mounting foreign debt, high unemployment rates, rising utilities prices and the peripheral nature of the economic system. The trend of greater convergence between East and West Europe in terms of wealth levels that emerged during the good years, has grounded to a halt. Presented in early 2017, the ‘two-speed Europe’ concept directly acknowledges the difference in status between the European core and its periphery. All countries in the region have been caught up in sweeping political crisis to some degree, from Slovenia in the west to Bulgaria in the east. Its common features are mass protests (Bulgaria, Bosnia and Herzegovina, Montenegro, Serbia, Macedonia), regular elections and re-elections (Serbia, Macedonia, Croatia), problems with forming a ruling coalition and parliamentary boycotts (Croatia, Macedonia, Kosovo, Albania), and even political persecution (Montenegro, Macedonia).

All the objective internal political problems taken into consideration, the level of outside influence on internal processes in the region is immeasurably higher than during the time of united Yugoslavia. In Albania, for example, where a two-party system is still in existence, the state’s political development during the last 20 years has been determined by the highly specific conditions that emerged after the collapse of 1997 and the establishment of the UN Interim Administration Mission in Kosovo (UNMIK). The level of international influence remains considerable. Suffice it to note that a sweeping judiciary reform (which changed 46 articles of the Constitution) got under way only after former Assistant Secretary of State Victoria Nuland paid a visit to Tirana on July 11, 2016. She presided over 4-hour talks between the government and the opposition at the US Embassy.

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1 For instance, in the prosperous Slovenia, the unemployment rates in 2015 reached 11.6 per cent, with people living beyond the breadline 13.5 per cent of the population. In Serbia, the unemployment rates reach 18.9 per cent, and in Croatia, 19.5 per cent of the population are living beyond the breadline. See: ‘CIA The World Factbook’. Available from: https://www.cia.gov/library/publications/the-world-factbook/

2 A partially recognised state that is hereinafter considered to be an integral part of Serbia in accordance with the Russian Federation’s official position.


In the rest of the six Balkan nations, Brussels-approved decisions are put through by authoritarian-leaning and highly pliable democracies that the EU wittingly or unwittingly fostered with its policies. For example, the Montenegrin leader, Milo Đukanović, who has been in office since 1989 despite the fact that his regime only partially conforms to any academic definition of democracy, was supported by Brussels in the face of public protests in 2015 and 2016 and ultimately brought Montenegro to NATO on July 5, 2017. On April 16, 2018, Đukanović was re-elected as president again. The real levers of power in Montenegro can be said to rest in the hands of just one man, who has ruled the country for almost 30 years, while only going through the motions of democratic procedures.

Since 2012, Brussels has been supporting the Aleksandar Vučić regime in Serbia, turning a blind eye to its shortcomings. In Macedonia, Brussels followed the same course. Nikola Gruevski’s 10 years in office (his party, Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity, VMRO–DPMNE, won elections in 2006, 2008, 2011 and 2014) caused no doubt in the EU as to the democratic nature of processes in the region. But on December 11, 2016, when VMRO won the latest election by a narrow margin, Brussels thought it necessary to help elevate a new prime minister, Zoran Zaev, whose Social Democratic Union of Macedonia came second in the elections.

Since 1999, the highly idiosyncratic Hashim Thaçi regime in Kosovo owes its stability to two factors, namely, the UNMIK’s inability to dismantle the traditional local clan structure and Thaçi’s very specific relations with the EU and the US. Finally, we can discern Brussels’ interest in keeping in power the current political elites in Bulgaria (Boyko Borisov in the head of his Citizens for European Development of Bulgaria Party, GERB), as evidenced by the obstruction of the South Stream project and Borisov’s re-election to yet another term as prime minister on March 27, 2017. As for Greece, the tenability of its democracy is in no doubt, unlike its sovereignty that has been compromised by the circumstances of the debt crisis and the repayment terms imposed by its Western creditors.

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The impact of Brussels’ support for these authoritarian tendencies goes beyond Balkan states complying with its current formal requests. Its support for the Đukanović regime in Montenegro is having far-reaching consequences from the point of view of nation-building. Since Montenegro’s secession from
Serbia in 2006, its new ideology is based on the concept of ‘special Montenegrin identity’, which basically is about Montenegro belonging to an Adriatic or South European civilization, one distinct from the Balkan and even Serbian identities. If continued, this course may create a Serbian ethnic minority problem, as Serbs constitute between 40 to 60 per cent of the population in Montenegro.5

In Serbia, Vučić’s policy of ‘soft’ recognition of Kosovo independence has had a serious impact on the national psychology, fuelling apathy while also preparing the ground for the emergence of revanchist sentiments. In Macedonia, the establishment of a regime seeking fast-track accession to the EU and NATO has led to informal agreements with the Albanian minority (the Tirana Platform), as well as with Bulgaria and Greece – on the republic’s name. The concessions made by Macedonia’s leaders on a broad range of issues – ethnic representation in government, the state’s name, historical policy, to name a few – risk eroding Macedonian statehood. Furthermore, the softening of Skopje’s position and its unprecedented concessions under pressure from Brussels has revived nationalist sentiments in a number of neighbouring countries. It is well known that Brussels has sought to destroy the consensus in Bosnia and Herzegovina, something fraught with the further disenfranchisement of the Serbian community. At the same time, Brussels ignores (and, in fact, encourages) the development of the Albanian national movement with implications for six state entities – Albania, Montenegro, Kosovo, Greece, Macedonia and Serbia.

In combination with ethnogenesis processes and the national issue, the socioeconomic and political problems that are traditional for the Balkans are generating divergent assessments of the current situation and the region’s further prospects. Some portray these crises as the _sine qua non_ for completing its Euro-Atlantic integration. Others see each new case of instability as a sign of deepening socioeconomic crisis and the looming outbreak of fresh interethnic conflict. There are debates on the subject of outside interference and its nature as well (‘Moscow’s subversive influence’ vs ‘Western colonial occupation’).

It would be unreasonable to reduce all outbreaks of crisis to just outside interference and efforts to destabilize the region. First, there are objective reasons for the destabilization that include a 10-year-long economic decline and unresolved national, territorial and political differences.

Second, it cannot be ruled out that some are merely ‘managed crises’ masterminded by Balkan leaders as a way to pursue their own domestic agenda.

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5 ‘Putin’s Asymmetric Assault on Democracy in Russia and Europe: Implications for U.S. National Security’, 2018, Committee on Foreign Relations, United States Senate, January 10. Available from: https://www.foreign.senate.gov/imo/media/doc/FinalRR.pdf
Third, claims that protests have been directed from above fail to explain the growing popularity of a number of new political parties and movements, some of which were regarded as marginal and radical just a short while ago and had shoestring budgets or idiosyncratic ideologies. Protest voting, a phenomenon sweeping across the Balkans, shows that confidence in the existing political elites is at the low ebb and there is a demand for an alternative agenda. And this is not surprising, since the same is happening all across Europe. A thing to note, however, is that politically the Balkans today are not a region bent on catching up with others. As indicated by the situation in individual countries, the political trends there are developing in tandem with or even pre-empting events in the rest of Europe.

Fourth, the Balkans are facing a surge in non-traditional threats, such as the menace of criminal trafficking (the Afghanistan–Turkey–Kosovo–Central Europe drug route) and the transnational expansion of Balkan criminal groups (the Albanian mafia’s activities in Croatia, Italy and Spain).

Thus, whereas the region was mostly left to its own devices during an authoritarian wave almost a century ago, today its internal political processes are bound to be determined by growing outside influence. However, this active and peremptory outside interference is failing to solve the backlog of explosive internal problems, both political and socioeconomic.

The International Context

Historically, the Balkan region has been subject to divergent influences of international powers that sought to play the Balkan card to achieve their strategic goals. In the 19th century, the interests of all the major European empires (France, Great Britain, Austria-Hungary, the Russian and the Ottoman empires and, from 1871, Germany) intersected here. In the 20th century, socialist Yugoslavia represented a fault line between the Soviet Union and the United States. Today, the ongoing processes in the region are still seen by many

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6 For instance, in Croatia, students’ movement Human Shield managed to get into the parliament. Earlier, in 2015, during the presidential elections Ivan Sinčić (Human Shield movement), 25 years old, demonstrated even more success having received 16.42 per cent of the votes with his election fund of only 11 thousand euro. In Serbia, the 2016 elections brought into the parliament 4 opposition parties, and in the 2017 presidential elections Luka Maksimović, a comedian, who was campaigning under a pseudonym and never had a traditional election programme, got 9.43 per cent of the votes. In Kosovo, during the 2017 presidential elections the radical movement Vetëvendosje! (Self-determination), which combines radical nationalism with anticorruption slogans and uses methods of direct action, achieved 27.49 per cent of the votes.
through the prism of the break-up of Yugoslavia. In a nutshell, despite the ‘echo of the war’, the events of the past 27 years have led to a situation where instead of a buffer state that could foster compromise, a rarefied space has formed which is becoming an arena of latent confrontation between international forces. The main participants include the European Union, the United States, China, Turkey, Arab countries, and Russia.

The United States and the European Union

In the wake of the EU success in Central and Eastern Europe in the 1990s, the future of the former Yugoslav republics as part of the EU seemed certain. However, few expected that this process would be so laborious for the Balkan states, or that the EU’s actions would lead to anything other than unequivocally positive results.

Since the announcement in Thessaloniki, Greece, in 2003 of the prospect of EU membership for the countries of the former Yugoslavia, only Croatia has joined the Union, back in 2013. Slovenian membership was a done deal even before the Greek summit, as that country rode into the EU on the Central European wave of expansion in 2004. Up until 2014, the European Union sought to do the minimum necessary to maintain integration incentives during periods of the relative well-being in the region while engaging assertively, though with little impact, during potentially explosive moments.

Increased Russian activity and the tensions that surfaced between Brussels and Moscow lead to a change of course. The ‘increasing threat’ from Russia has pushed the EU countries and the US – after a brief period of neglect (2008–2014) – to focus on the Balkan region again. As a result, the Berlin process started in August 2014, which set three goals: resolving acute political disputes (including border disputes), modernizing the infrastructure, the economy and the transportation system, and stepping up democratic processes. The strategic goal was to create conditions to empower a new generation of elites seeking cooperation within the Euro-Atlantic paradigm who were unresponsive to nationalist rhetoric. There is a common belief that


today it is possible. The EU Global Strategy notes that the EU now exerts ‘unique influence’ on the countries of the Western Balkans (and Turkey) as expressed in the formula: EU membership is possible, but only if membership terms are met.9 Following this line of thinking, the very hope of membership is a valuable asset capable of motivating countries to carry out reforms in the interests of the EU, even though this may run counter to their national interests. This is used as a basis to try to limit external influence (primarily Russian) that is considered subversive. However, in practice, the Berlin process has not made much progress. The socioeconomic challenges remain unresolved and, possibly, have even become worse.

On February 6, 2018, the EU announced a rethink on Western Balkan prospects. If things turn out as anticipated, the EU may expand to include Serbia and Montenegro by 2025. Yet, Jean-Claude Juncker’s plan has turned out to be long on commitments but short on opportunities offered to the Balkan countries. The Anex to the document A Credible Enlargement Perspective for and Enhanced EU Engagement with the Western Balkans states expressly that the Western Balkans are expected to join the EU Energy Union in 2019–2020. First and foremost, this will mean signing onto the Third Energy Package, which clearly has implications for the presence and interests of Russia and, to a lesser extent, Turkey in the Balkans. In addition, it is expected that the Balkan candidates will adopt the European package to regulate the single transportation market, counter-terrorism measures, migration and security in general. Thus, the EU is turning to administrative measures to protect its underbelly, to guarantee its strategic dominance in the region but without membership guarantees for the Balkan countries.

In 18 years, the EU has basically succeeded in cultivating loyal and personally dependent political elites in the Western Balkans. However, this was done at the cost of rejecting pluralism, the rule of law, and civil society. As a result, in many Balkan countries, institutions are not working properly, and disputes go beyond attitudes towards certain geopolitical players and touch on values. Despite the predominance of Euro-Atlantic discourse in the media, EU support in Montenegro and Serbia is relatively low (consistently below 50 per cent). High levels of support (over 70 per cent) are found in Albania, Macedonia and, apparently, Bosnia and Kosovo. However, the EU itself is not too enthusiastic about their prospective membership.

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As the world’s most powerful military force, the United States with its 188 interventions since 1992, surely have mastered its force-based method for settling regional conflicts. However, the experience in Iraq, Libya and Yugoslavia itself in the 1990s and 2000s clearly proves that a military solution is not tantamount to a political settlement. Since 2016, the US has stepped up its presence in the Balkans as well. US policy has several components. First, the opposition to Russian ‘asymmetric’ influence, including in the spheres of energy and information. Second, reforming the ‘non-aligned’ Balkan countries in accordance with NATO standards. Third, increasing pressure on the countries that show signs of a diversified foreign policy, especially Serbia, which should show ‘more interest’ in accession to the EU. Finally, US political figures at the highest level should show more interest in the Balkans. The need to organize a visit to Belgrade by a US president, which would be the first since 1980, is being discussed. There is no doubt that the US will try to build on its achievements in the region by bolstering influence in Montenegro and bringing Macedonia into the Euro-Atlantic paradigm. As for Serbia, the goal is to achieve a ‘historical reassessment’ of relations and move past the 1999 NATO aggression. This is dictated by objective necessity, namely, the geographical location of Serbia as the central country of the region, and the growing influence of Turkey and Arab states on Bosnia and Kosovo, which, in the 1990s, were top-priority American clients.

Other more specific US goals include ensuring a ‘permanent military presence in Southeast Europe’ for what are clearly general strategic considerations. NATO’s Camp Bondsteel (Kosovo), which provides combat service support to the bases in Romania and Bulgaria and serves as a transit station on the route from Central Asia to Europe, is key to achieving this goal. Consequently, the US military presence is expected to grow. Another goal is to reclaim its status as an ‘honest broker’, which may imply repeating the trick of the 1990s and taking over control of political processes in the region from the EU. In economic terms, the US interests include engaging the countries of the region in alternative energy projects that limit the influence of the TurkStream. The Krk LNG terminal, whose construction Croatia is lobbying, is central to the US plans in the Balkans. There is also the Trans Adriatic Gas Pipeline between Greece and Albania.


12 Ibid, p. 16.
US relations with Albanians are worth mentioning as well. While there is some concern about the increasing prominence of Islam in the Balkans, it is necessary to keep in mind the importance of the Albanian movement – one of the most active nationalist movements in Europe – for the United States. The Albanian population is the fastest growing in the region. Clearly, it will have a major impact on all the neighbouring states in the near future. Finally, we should not forget about a factor as important as links between the local population and the Albanian diaspora in the United States and the Albanian mafia which operates throughout Europe.

However, the United States and the EU are overlooking the critical fact that military and political integration in a troubled region does not necessarily mean success in economic and political integration or monopoly on long-term influence. First, there is already the established practice of Balkan countries exploiting the presence of external forces to obtain certain military and infrastructure privileges (as evidenced, for instance, by the Serbian doctrine of multipolarity or ‘four pillars’). Second, the attempt to make a transit region off-limits runs counter to historical imperatives and the laws of economic geography. Not a single empire has ever managed to monopolize influence in the Balkans for long. Third, this means a battle will be inevitably waged against external influence – not only from Russia but from other forces that are going to take root in the region as well.

China

Even before announcing its ambitious Belt and Road infrastructure project, China had a unique chance to increase its presence and influence in Southeast Europe. The Chinese strategy is unlike that of any other country, reflecting the fact that all other players have a certain historical, sociocultural, and religious base in that region. China does not have anything like that, which means there are also no constraints such as historical or religious animosity. Moreover, China has fewer military and security requirements in the region, and consequently no major political demands. Thus, China finds itself in the position of a highly sought after, neutral, irreproachable and financially solvent power. This comfortable position gives China finds itself in the position of a highly sought after, neutral, irreproachable and financially solvent power

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people in the region a reason to nurture somewhat positive expectations of China. For China, heightened expectations in the region unties its hands to pursue pragmatic policies on rather equitable terms. China is interested in the Balkans as a market and a transit region. The Balkan Peninsula has a large number of ports and shipyards with spare capacity that provide entry points for delivering Chinese products to Europe.

Notably, from an economic standpoint, Beijing is interested in the Balkans even without the prospect of certain countries joining the EU, since the interests of China and Eastern Europe coincide on transit. This can be confirmed by the fact that Eastern Europe agreed to such formats of consultations and cooperation with Beijing (for example, the 16+1 format), which are not too consistent with the European solidarity strictly promoted by the EU. The 16+1 format essentially shreds the single political and economic space of the European Union.

The prospect of the Balkan countries joining the EU gives China greater incentive to establish its presence in the region. However, given the low productivity of the Balkans, we can surmise that China is prepared to sacrifice short-term profits while it focuses on pursuing a trade-substituting investment strategy. This approach would allow the Chinese to set up shop on the edge of the EU. That in turn could potentially allow Chinese companies to circumvent trade restrictions and export products directly to a market of 800 million people, thanks to free trade agreements that Balkans countries enjoy with the EU.13 In addition to benefitting from free trade arrangements between the EU and the Western Balkans, China’s presence on the Balkan markets allows it to bypass the anti-dumping European policy.

For all these reasons, China’s business activity in the Balkans is expanding, and the way it is expanding implies material and technical integration of the region with Central Europe. This can be seen not only in the financial support provided by China to multilateral formats with the participation of Central and Eastern Europe, but also in the sectoral and logistical specifics of China’s investments in telecommunications and transport and energy infrastructure in port cities and key transhipment hubs. It appears that China is following the same market entry strategy it used in South America.

China’s economic interests in this regard are obvious but, in addition, it benefits a lot from establishing direct links with the countries located

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between the Mediterranean Sea and the Baltic Sea bypassing the EU central authorities and bureaucracy. It turns out that, in practice, China is building its relations with Southeast and Eastern Europe in much the same way as the United States: Washington can work both with Brussels and with individual EU member states bypassing Brussels. China is following such a pattern of relations because the countries of both regions have high expectations for it. They need it to resolve their economic issues. China is also important as an alternative to unconditional subordination to the Euro-Atlantic world.

Another enormous advantage China has over all other players in the Balkans is that no one sees it as a threat – as a hegemon, radical force or spoiler. As a result, countries of the region turn to Beijing for support of their own accord.

China still has not fully realized the opportunities available to it or its obvious advantages in the region over other external actors. However, the Balkan countries’ demand for strong pillars of growth is increasing every year and fully coincides with China’s plans to recreate not only its economic, but also cultural and historical influence along the Silk Road and neighbouring countries, which will provide the basis for more extensive penetration into the Balkan region.

Turkey and Arab Countries

Ethnic and religious divides were considered a key factor behind the break-up of Yugoslavia and were played up primarily by Western experts and media. Indeed, such divides existed but were not decisive in the disintegration of the federation. However, it is impossible to ignore the ethnic and religious factor, if only because religion in the Balkans has traditionally been an attribute of national identity.

The Muslim regions of the Balkans increasingly associate national identity with Islam. The growing presence of external actors has turned Islam in the Balkans into an instrument of political influence and, to some extent, political ideology rather than a traditional means of religious self-identification. Islam is also used for the purposes of internal consolidation (for example, Serbia’s Sandžak or the Albanian part of Macedonia), as well as being an element of external influence and international cooperation (Bosnia and Herzegovina, Kosovo).
Turkey and Arab countries are using this religious affinity to their advantage in the Balkans. However, their presence is not limited to that. Previously, the Turks, just like Russia, invested effort in specific countries or social groups in the Balkans, but in the past eight or nine years they have moved to a strategy of deepening relations with the entire region. In 2009, Turkey formally proclaimed the ‘zero problems with neighbours’ doctrine along its borders (the concept was developed by Ahmet Davutoğlu, Turkey’s foreign minister in 2009–2014) and almost immediately began to implement it in the Balkans, acting as an intermediary in bridging the Bosnia–Serbia divide. A representative office of Bosnia and Herzegovina opened in Belgrade with the direct participation of Turkey, and a number of conciliatory declarations were signed. On the economic front, Turkey has free trade agreements (FTA) with all Balkan countries. Even though in certain years its presence in absolute numbers is not as great as compared to EU countries and even Russia, the relative volume of foreign direct investment has increased by more than 6 times in 10 years, which is indicative of the heightened interest in that region.

For a long time, the political forces in the Turkish government, as well as NATO and the EU, viewed Turkey’s initiatives in the Balkans as steps taken within the framework of the common Euro-Atlantic strategy, which ensures that European policy prevails in the countries of Southeast Europe. Turkish policy was an EU ‘asset’. In the late 2010s, this clearly ceased to be the motive of mainstream Turkish policy in the Balkans, though no change has formally been declared. Turkey is increasingly at odds with its NATO partners over how to understand shared security interests in this large region, which is primarily due to the situation in and around Syria, as well as Turkey–Greece relations.

Notably, Turkey and the Balkans are historically intertwined in demographic terms. Turkey is home to many Bosnian Muslims and Albanians who moved to that country in the 19th and 20th centuries but remain connected with the ancestral homeland. Strategically, the Balkans have become important to Turkey as a junction between the Mediterranean, the Middle East and Central Europe. First, in the context of conflicts in the Middle East, troublesome neighbours in Transcaucasia, and tensions in relations with Russia in 2015–2016, for a certain period the Balkans were the only region where Turkey’s positions could be described as stable and solid. Second, Turkey positioning itself as a partner to Macedonia allows it to play the anti-Greek card. Its clout in Kosovo, Sandžak, and Bosnia allows it to build political and investment relations with Belgrade and the Bosnian Serbs. Third, successful cooperation with the marginal border countries of the EU allows it to influence both Brussels and the European periphery in general.
Turkish experts and the public believe that without influence in the Balkans, Turkey’s foreign policy is not complete given Turkey’s own position at the crossroads of transit routes. The Turks have enough tools for influencing public opinion in the Balkans. The ruling Turkish Justice and Development Party opened its offices in Macedonia, Serbia’s Sandžak, Albania, Bosnia and Herzegovina, and Kosovo. A Turkish cultural centre and a mosque with an area of 3,950 sq. km opened in the port town of Bar, Montenegro. Turkey has engaged in restoring the Ottoman cultural monuments in all Muslim regions over the past 30 years. Schools and private and public universities are opening with Turkish financial assistance. A purely psychological factor is also at play. Bosnia and Herzegovina, Albania, and Kosovo with their low living standards and systemic economic problems, see the neighbouring Turkey as strong and prosperous.

Turkey has been quite successful recently in balancing in the intraregional political context as well. It was the first country to recognize the independence of Bosnia and Herzegovina and Macedonia, and later the self-proclaimed ‘Republic of Kosovo’. Turkey became first to welcome Kosovo to open a diplomatic office. However, this did not hamper its building constructive relations with Serbia, which is the most important market of all former Yugoslav republics for the Turks. During Recep Erdogan’s visit to Belgrade in 2018, 12 new agreements were signed, including an agreement that the Balkans will be included in the TurkStream if it is ever built. Clearly, modern Turkey is more concerned with the problems of the Middle East than its presence in the Balkans. However, Turkey’s achievements over the past 10 years are strong enough to make it look like an independent player in the region. In the eyes of Balkan politicians, Turkey is building steady, strategically and economically advantageous relations with all countries and is not dividing (or at least trying not to divide) the Western Balkan countries into ‘achievers’ and ‘laggards’, ‘Muslim’ or ‘non-Muslim’. As a result, the Turks look better than the European Union, which has built a formal and informal hierarchy.

The influence of Islam in the Balkans is not limited to Turkey alone. During the Cold War, Yugoslavia developed close ties with Middle Eastern

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countries and the Islamic world in general through the Non-Aligned Movement. Political cooperation was complemented by mutual trade and joint projects in the Gulf and other Arab countries, which used skilled Yugoslav labour. The wars in Bosnia and Kosovo drew the Gulf countries deeply into Balkan affairs. Islamist militants brought to Bosnia their own rules and ways of life that were not always comprehensible in what had been until recently a secular socialist society. And once the war in the Balkans was over, the organizations involved in helping Balkan Muslims did not go anywhere. Many who came to fight in the war settled in the region. Charitable foundations from Kuwait, Qatar, Saudi Arabia, and the UAE continued to invest millions of dollars in Bosnia and Kosovo and, to a lesser extent, Albania and Macedonia, thus luring the disadvantaged and the unemployed. As a result, after the beginning of the Arab Spring and a wave of new conflicts, many people showed up in the Balkans willing to help fellow believers, even though initially there was ‘very little in common in cultural and linguistic terms between the Balkan Muslims and their Middle Eastern coreligionists’.15

Another dimension of this issue is that, along with introducing a different type of Islam, radical Islamist organizations have gained access to Europe through the Balkans. A Balkan connection can be found in all terrorist attacks in Europe in recent years. Every year, mosques across the region become centres of scandals involving the recruitment of Islamic State16 volunteers or the spread of radical Islam.

Undoubtedly, interaction with the Arab countries is not limited to official and dubious religious ties. Serbia has also managed to build up economic cooperation with the Arab countries. While Bosnia and Herzegovina, Albania, Macedonia, and Kosovo are availing themselves of mostly humanitarian initiatives and resources provided by the Islamic Development Bank, Serbia is implementing infrastructure projects on a bilateral basis, in particular with Saudi Arabia. Etihad (UAE) acquired former Jat Airways, currently Air Serbia, in 2013. Arab investment capital is being used to implement the Belgrade Waterfront, major construction project in the centre of the Serbian capital. Cooperation in the military and agricultural spheres is expanding. This cooperation balances out – though also occasionally masks – the obvious danger of fundamentalist Islam growing stronger in the Balkans.

To understand the totality of relations between the Balkan region and the Muslim world, it is important to remember that the main religion


16 The organization is prohibited in Russia.
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in the Balkans today is not Islam, Orthodoxy, or Catholicism, but pessimism, which lays the foundation for radicalism. Even though the crisis of the 1990s led to a strict ethnic and religious demarcation of the region, the combination of economic and religious factors is shaping a new complex mosaic. Time will tell when and how badly it will blow up the Balkan societies from within. However, this is definitely what extremist religious organizations in that region and around the world are betting on.

Russia

Since the time of Peter the Great, when diplomatic relations with Montenegro were established, Russia has gained vast experience of interaction with the Balkans. However, the tools that were available to the Russian Empire in the second half of the 19th century and then the Soviet Union, were increasingly less applicable to the tasks at hand. By the early 1990s, their usefulness had been all but depleted. As a result, in the 1990s Russia abandoned systemic bilateral interaction with the republics of the former Yugoslavia and started relying on fleeting ploys with the leading European countries and the United States. The 78 day-long unauthorized bombing of Yugoslavia by NATO forces in March–June 1999 showed the fallibility of this strategy. Beginning in the 2000s, differences based on contrasting understandings of the post-bipolar world started accumulating behind the outwardly good relations between Russia and the West. At the same time, Russia started getting closer with Serbia and Montenegro based on the historical and cultural affinity of our peoples.

Russia's foreign policy undoubtedly became more pragmatic during that period. However, it has retained its shortcomings rooted in the international political environment and bets made on individual countries. Even though the level of relations between Russia and Serbia is fairly high, Russia's interaction with Montenegro is at its lowest point in the 308-year history of diplomatic relations. Macedonia and Albania are virtually excluded from Russia's orbit. Bosnia and Herzegovina essentially only exists to Russian foreign policy through relations with the Republika Srpska (which is a part of Bosnia and Herzegovina). Until recently, Russia–Croatia relations were also maintained at only a minimal level. These features of Russia's foreign policy make it possible for other Balkan countries and its Western partners to reduce the Russian presence in the region to a strictly pro-Serbian or anti-Western narrative, which significantly limits Moscow's room to manoeuvre.
The ease and suddenness with which Russia lost the game for Montenegro, a consistently friendly nation since early 18th century and known in the late 2000s as ‘the Moscow suburbs on the Adriatic’, showed that foreign policy cannot be built only on large-scale acquisitions of real estate, promises of investment projects, and talks of ‘eternal friendship’. Montenegro becoming a NATO member sent a message to the Balkan peoples that orientation towards Russia does not mean automatic protection and support when key decisions have to be made on the region, and also let Russia know that partnership in the region cannot rely solely on the power of shared history.

What Russia, on balance, can only rely on (‘rely’ here means something that is far from unconditional support and more like that these countries are not considered potentially hostile) are the Republic of Serbia and the Republika Srpska. Many tactical steps have been taken with Serbia, such as an agreement on strategic partnership, an FTA, a coordinated position on Kosovo, an EMERCOM\textsuperscript{17} centre in Niš, a controlling stake in the energy enterprise NIS (Oil Industry of Serbia), several Russian banks operating in the republic, government loans granted for various needs, talks on an FTA between Serbia and Eurasian Economic Union (EAEU), and interparliamentary cooperation. Formally, there are more areas of cooperation than with any other country in Central or Southeast Europe.

However, there are also quite a few valid points on the other side of the scale. Russia cannot compare with the EU when it comes to trade with Serbia. Russia accounts for just 6.7 per cent compared to the EU at over 60 per cent. Serbia holds about three joint military exercises with Russia per year and 10 times more – with NATO. Kosovo is home to Europe’s largest US military base. More importantly, in 2016, Serbia signed an agreement with NATO Support and Procurement Organization (NSPO Agreement), under which it committed to allow unfettered passage of NATO troops through its territory if needed; meanwhile, Russia’s EMERCOM centre in Niš has been unable to obtain diplomatic status for several years now, and there are no signs that this will happen any time soon. The suspension of the South Stream project did not cause direct political damage to Russia–Serbia relations (unlike Russian relations with Bulgaria). However, dependence on Bulgarian and other transit arrangements forced the Serbian elites to step up its diversification policy and consider alternative options for supplying energy to the country.\textsuperscript{18}

\textsuperscript{17}EMERCOM, The Ministry of the Russian Federation for Civil Defence, Emergencies and Elimination of Consequences of Natural Disasters.

\textsuperscript{18}Pivovarenko, A, 2015, ‘Serbiia stanovitsia Evropoi’ [Serbia is becoming Europe], Russian International Affairs Council, June 2. Available from: http://russiancouncil.ru/analytics-and-comments/analytics/serbiya-stanovitsya-evropoy/
Russia’s positions in infrastructure building in Serbia appear strong owing to Russian Railways that received a loan to build a section of railway in Serbia. However, Russia is not the only country involved in railway construction. The main transit project — the construction of the Belgrade–Budapest railway — is carried out by China. Chinese road construction corporations are active in Serbia (Corridor XI, the axis of which is the Belgrade–Bar motorway) and Macedonia, where they compete with the US and Turkish companies Bechtel and Enka, respectively, which have implemented a major project in Kosovo. Russia's share and place are not so high if you look at the big picture of infrastructure transport projects. Moreover, if we assume that the main purpose of the transport routes is to connect the highways passing through Serbia to the ports of the Adriatic Sea and the Aegean Sea (Montenegro’s Bar, Albania’s Durres and Vlore, Greece’s Piraeus and Thessaloniki, and, to some extent, Croatia’s Zadar and Rijeka), where the influence of Chinese and other investments is already strong, it becomes clear that Russia has a minority position in the emerging regional economic order.

As for energy transit, which is considered to be Russia’s trump card, things are not so straightforward here, as well. Russia’s Gazprom has invested in energy companies like Srbijagas and NIS. But while there are ongoing projects and positive economic changes (increase in exports, development of the Banatski Dvor underground gas storage, UGS), Russian investment has been met with a negative information campaign accusing Gazprom of exploiting and plundering Serbian resources. Even though this is not backed up by any facts, the political impact of propaganda cannot be underestimated.

The situation with the Republika Srpska is more complicated than with central Serbia. On the one hand, Russia is one of the guarantors of the 1995 Dayton Peace Agreement, which prevents the West from ignoring Moscow’s actions in Bosnia and Herzegovina. On the other hand, there is virtually no action outside the borders of the Republika Srpska. The political situation inside the Serbian autonomy is not easy: the position of President Milorad Dodik, whom Moscow relies on heavily, is not very strong. The US lobby and the opposition to Dodik are strong in the republic, and they tend to get stronger as we get nearer to the October 2018 elections. Russia’s

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19 Srbijagas is the state-owned natural gas provider in Serbia.

presence is definitely annoying and troubling for the West, which is looking for a chance to turn the situation in Bosnia in its favour.

Despite its limitations and mistakes, Russia is sought after as a partner in the region. Strangely enough, this demand is largely driven by the anti-Russian information campaign launched by the West in 2014. The Western efforts to portray Russia as a monster that seeks to discredit the integration efforts of the West, interferes in elections in Montenegro, plots the assassination of the Montenegrin leader, diverts Serbia and Macedonia from their true path, and manipulates Croatian business – ironically have only entrenched Russia as a global power in the eyes of the Balkan people. Orthodox and traditionally pro-Russian forces in the region saw this as the revival of imperial Russia. The rest perceived it as a Russia’s return to the international arena as a global alternative, which may be of interest to Balkan political circles that have historically profited from playing on the differences between great powers. This can and should be put to use.

Russia had the best chances to succeed in the Balkans in the early to mid-2000s, when it pursued its policy using investment and economic influence. Now it is clear that they were missed, whether partially or completely. However, the chances are still there, although they now exist on a different plane. The current political elites in the region are unstable. The people's confidence in them has been undermined as evidenced by the election results of 2014−2017, where parties previously considered marginal achieved success. The region is facing the prospect of a major political transformation, which may either bring dividends to Russia or worsen its positions, depending on the policy chosen by the Russian leaders.

Conclusions and Recommendations

Historically, the Balkan region seems fated to follow a dynamic of intermittent periods of peace, when it is left to itself, inevitably followed by enormous spikes in outside influence, with external forces using the region's internal problems to advance their interests. However, since the time the Roman Empire split into Western and Eastern parts, none of the major empires has ever managed to control the region for long. Their monopoly was inevitably eroded either by other major forces or by national liberation movements in the region. This should be remembered even today, when yet another ambitious attempt is being made to standardize the region according to abstract criteria. There are several fundamental conclusions that can be drawn.
First, a monist approach can be a working model during periods of stability in the Balkans. But in a systemic crisis environment, the orientation to just one hegemon leads all parties involved to engage in a mutually exclusive target-setting. This yields two conclusions: 1) Serbia’s hypothetical renunciation of its diversification foreign policy does not promise much benefit because the US, as it pursues broader aims, is unable to meet the interests of Serbs, Albanians, Croats and others all at the same time. 2) Dissatisfaction with their status will inevitably lead the Balkan countries to look for other allies. In a crisis, this ally should not necessarily follow a civilizational agenda (as does, for example, the EU). Military and political guarantees are quite enough.

Second, it is historically inevitable that ‘outside’ players (i.e. not the West) will be drawn in. Turkey cannot be dropped from the equation. If Russia is ultimately eased out, China or some other outside players (including non-state actors) will replace it. Outside influence in one form or another will definitely persist. With outside players viewing each other as rivals, this will lead to clashing interests, confrontation by proxy and the emergence of additional tensions on top of existing ones. It is clear that the category of hypothetical ‘natural’ allies of the Balkan countries is limited to neighbouring states (Germany, Turkey, and Russia). The only reasonable option is transitioning from rivalry over the region to multilateral coordination or a concert of powers.

Third, Russia has maintained its presence in the region for the past 300 years. It is practically impossible to imagine a scenario, where Russia withdraws from the Balkans. But it is Russia that is being eased out because other international players: a) have more to offer from an economic, military-political, cultural standpoints; b) shape their Balkan policies in a much more consistent and systemic manner; and c) are purposefully working against Russia since they have only a partial interest in Russia maintaining an uncontested presence. Therefore, given the existing foreign policy and the doubtful achievements of recent years, Russia’s role in the Balkans might be reduced to the minimum.

Fourth, it is wrong to claim that the local countries’ economic backwardness, ‘insignificance’, and geographical remoteness is the reason Russia does not need the Balkans. This is wrong if only because the region is the right place for Russian foreign policy to be understood and perceived in the best possible light. To preserve its presence, Russia needs to make a critical reassessment of its Balkan policies and develop a multi-dimensional strategy
towards the Balkans as a comprehensive region, based on existing traditional resources and important international partnerships.

The Political Sphere

In the first place, Russia should plan to wind down its exclusive reliance on ‘privileged bilateral partnerships’ practiced in the 2000s. For some time, this policy had its advantages. A bilateral partnership would relieve Russia of the need to respond to complex problems of regional order and create an illusion that the realization of Russia’s ‘implicit’ objectives, such as putting an end to NATO expansion and promoting Russia–EU convergence, was within reach. This time is over. As demonstrated by the Montenegrin case, the bilateral cooperation strategy is no guarantee against unfriendly gestures. Since 2014, Russia has been gradually eased out of the Balkans, spelling the collapse of Moscow’s hopes for a collective European security system. The window of opportunity is rapidly closing. Following Montenegro, Serbia and Macedonia are now drawing closer to NATO.

As the ‘uncommitted’ countries enter the Euro-Atlantic sphere of influence, any bilateral privileged partnership with Russia will be in name only. It will fail to achieve Russia’s goals and will be an irritant to the West. An alternative is to pursue a multilateral partnership with all countries in the region (while preserving positive achievements of bilateral partnerships). This would make it possible for Russia to lay the ground for preserving the lines of communications in the event that diplomatic relations further deteriorate.

As Russia devises its new strategy, it should take into account that post-Brexit Britain will be returning to the Balkans as a new player, independent of the EU. And it will remain a conduit for NATO policies and US interests. With their Cyprus base, the British will certainly influence both Turkey and Greece. Given the profound crisis in Russia–US and Russia–UK relations, Moscow must be ready for the US–UK tandem to try to oust Russia from the Balkans both directly and through creating tensions in Russian-Turkish relations. As such, it makes sense to speed up Turkey’s accession to BRICS and the Shanghai Cooperation Organization (SCO), which will have a direct positive effect on the Balkan region. The coming of such a large-scale and promising platform as BRICS (via a coordinated Chinese, Russian and Turkish presence) will significantly alter the balance of the scales between the EU, the Balkans, and the rest of the international actors.
The External Economic Factor

Two critically important trends have been observed in the world economy and trade over the last decade: advanced countries along with certain rapidly developing ones have been transitioning to the digital economy; simultaneously, interregional trade has been shrinking in favour of intraregional commerce. Thus, the economy and labour resources will be fully restructured in the foreseeable future, as the world economy is moving towards the economy of regions. It follows from this that Russia’s idea of the Balkans as a major gas supply route to Europe should not be the main or sole vision. Even though the transit importance of the Balkans is as considerable as ever and growing, this holds out little promise for Russia. The demise of the South Stream, the uncertain status of the TurkStream, the nature of Nord Stream-2 agreements and, finally, the work on alternative energy projects in 2017 are factors showing that the US and the EU will do their best to obstruct Russia’s efforts on this path.

There is a need for new economic tools. Localizing industries, primarily digital, may secure new Balkan markets (software, resource-saving equipment, critical infrastructure). Opening offices of Russian IT companies would enable Russia to position itself as a new, promising, future-oriented player. It is also necessary to invite Belarus and Kazakhstan, Russia’s Balkan and EAEU partners.

Salvaging Croatia’s Agrokor conglomerate (100,000 employees), a deal that brought to Russian giants Sberbank and VTB a 47 per cent shareholding, has the potential to ensure Russia’s geoeconomic presence and involvement in political and economic processes on the regional scale. The other two businesses of regional importance, INA (Croatia) and MOL (Hungary) oil companies, are in a critical state as well, and parties concerned are putting their heads together to decide their future. An interest that the US has been showing in these companies right after Igor Sechin went on record as saying that Russia might become involved in the deal, is clear evidence of the importance that Washington attaches to this matter. Russia’s participation in decision-making on these companies would bring Moscow to a fundamentally new level in the region.

It is extremely important to ensure involvement of Balkan labour resources in joint ventures and Russian missions, something that will give Moscow advantages over all other international players, including China and the UAE, which mostly use their own imported labour.

Extending the EAEU’s FTA to Balkan states could also become a tool in Russia’s Balkan strategy in the making. Serbia is at the final stage of FTA
talks with the EAEU. Macedonia, Bosnia and Herzegovina, Albania as well as Slovenia, which is always ready for cooperation with Russia, could follow in its footsteps.

The Cultural Sphere

While Russia certainly has potential to spread its cultural influence, which is in high demand in the Balkans, it has remained passive throughout this period in the scientific, humanitarian, and cultural areas. To restore its influence, it should focus on promoting the study of the Russian language at schools, either free of charge or for a token fee. Following the disintegration of the USSR, this sure-fire tool of soft power disappeared from Moscow's arsenal.

It is necessary to step up the cooperation of Russian research and expert centres with Russian businesses and the political establishment. A new model of relations, based on the exchange of knowledge and information, will make it possible to gain a better understanding of the processes in the region and the available opportunities. It will also enhance the accuracy and effectiveness of practical actions.

It also makes sense to study the possibility of providing consulting services in the Balkans to Russia's partners from outside the region (specifically China and others). Understanding the Slavic mentality and Balkan realities could help them to avoid the problems that Russian businesses had encountered in their time.

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Even in the absence of other tools, these unconventional measures will enable Moscow to preserve its age-old positions and take advantage of emerging opportunities, if not in the near future, then during the next turn of the wheel of history whose cyclic nature is more evident in the Balkans than anywhere else.