



Western Balkans at the Crossroads: Assessing Influences of Non-Western External Actors

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About the project

The project “Western Balkans at the Crossroads: Assessing Non-Democratic External Influence Activities” has sought to identify, analyse and publicise Russian, Chinese, Turkish, and Gulf State and Iranian influence activities and engagements in the five post-Yugoslav and non-EU member countries: Serbia, Bosnia and Herzegovina, Montenegro, North Macedonia, and Kosovo. The project team has consisted of four Prague-based experts –Barbora Chrzová, Martin Hála, Jan Lalić and Anja Grabovac– and five researchers from each of the Balkan countries in focus – Vesa Bashota (Kosovo), Maja Bjeloš (Serbia), Srećko Latal (BiH), Martin Naunov (North Macedonia) and Hana Semanić (Montenegro). It has presented its findings and recommendations to local and international experts, civil society, the media, and the public through six thematic briefs, a series of blog posts and case study articles, and at the concluding conference held in April 2019 in Prague. The publication concisely presents the major project’s findings and observations.

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Executive Summary

Five of the seven states born out of the violent dissolution of the Socialist Federal Republic of Yugoslavia (SFRY)—Serbia, Bosnia and Herzegovina, Montenegro, North Macedonia and Kosovo—represent one of the last regions of Europe not yet integrated into the European Union nor, with the exception of Montenegro, into NATO. Since the Balkans has always been a zone of great-power rivalry, diminishing US involvement in the region and the EU's failure to replace it, along with EU enlargement fatigue and shifts in the global geopolitical balance of power, have created a space for non-Western actors to step in and strengthen their presence in the region.

Russia, Turkey, China and the Gulf States have increased their influence and challenged the pro-Western orientation of the region with a variety of tools,

exerting economic, political, cultural and religious leverage. However, the scope and nature of their engagements differ significantly—their interests are often conflicting and their influence, especially in the economic domain, tends to be exaggerated. Despite often being viewed positively by the local population, none of them is perceived as or provides a real alternative to the “European path” of the Western Balkans. Nevertheless, since regional and global tensions feed into each other and non-Western actors can skillfully exploit local vulnerabilities, many of their activities have the potential to slow down Euro-Atlantic integration or jeopardize the stability of the region. To limit their field of action, the West needs to take a more active approach, with more tangible and clearly-presented incentives for the countries of the region.



Serbia

Russia

Russia has well developed historical, cultural, and religious ties with Serbia. Their proximity, however, sometimes tends to be exaggerated. Russia's foreign policy towards Serbia has become more resolute after Kosovo's independence in 2008, yet, Russia has no resources or long-term vision except to compete with the West. Its main political leverage stems from strong diplomatic support over the non-recognition of Kosovo, using its seat in the UN Security Council and other international bodies to push its agenda. As a trade-off, Russia gained underpriced a strong presence in Serbia's energy sector. It also amplifies its commercial and political influence through a network of local players, including nationalist right-wing groups who advocate Russia-friendly or anti-Western narratives, the Orthodox Church, repeated high-level visits, robust information campaigns, partnerships with local media outlets and the Kremlin media (mainly the Serbian branch of Sputnik). Yet, while Putin and Russia enjoy great popularity among the Serbian population, the country's general cultural appeal remains marginal compared to the appeal of the European Union.

China

China, as another permanent UN Security Council member, is, similarly to Russia, considered an undeniable ally of Serbia's sovereignty by rejecting Kosovo's independence. For China, Serbia has become a strategic partner thanks to its location at the main transport corridor from Southeast Europe to the EU. Both countries deploy a narrative of "steely friendship" that is reflected in a series of large-scale economic projects and securing loans under the '16+1' summit, and the One Belt One Road Initiative. Compared to Russian investment, Chinese investments in Serbia are well-diversified and range from the metal and energy industry to technology and culture. Moreover, China has successfully created a sphere of influence by supporting a diverse network of government and non-government actors, such as Confucius institutes and cultural cooperation or student exchanges.

Turkey

Turkey has recently become one of Serbia's most important trading partners, despite old animosities and the country's strong support for Kosovo's independence. Since 2009, Ankara has worked ambitiously to strengthen its political influence in the country through investments, cultural exchanges, humanitarian aid, religious contacts with Bosniaks in Serbian Sandžak, and Ankara-mediated talks between BiH and Serbia. Thanks to Turkish investments and an increase in foreign trade, as well as the promotion of the idealized contemporary "Turkish model" of lifestyle, the popularity of Erdoğan and Turkey is growing among certain segments of the Serbian population, including ruling politicians who embraced Erdoğan's authoritative style. Turkish interference became more visible after the attempted military coup in 2016, when Ankara began to pressure local leaders in Belgrade and Novi Pazar to close down Gülenist organisations and swiftly extradite Kurdish political asylum seekers. This led to growing criticism against Erdoğan's politics in Serbia, and resulted in Erdoğan losing some Bosniaks' (from the Serbian Sandžak) support for the 2018 presidential election.

The Gulf States and Iran

The Gulf States, especially the UAE, have been portrayed as important investors in Serbia since 2012. As in the case of Turkey, economic cooperation has developed despite old hostilities due to the Islamic states' siding with the Muslim population against Serbia during the conflicts of the 1990s, or their support of Kosovo's independence. Close political ties between the ruling elites, Aleksandar Vučić and Mohammed bin Zayed, have opened the door for investments from the UAE, which came as an important boost to Serbia's difficult economic situation. Although the UAE has invested in aviation, urban construction, and agriculture, it is believed that the backbone of cooperation with the Gulf States is the export of Serbian ammunition and weapons. Also, most of the announced projects and investments have never actually been implemented. Another concerning development associated with the Islamic countries' presence in Serbia is the spread of radical Salafism and the recruitment of tens of Serbian citizens from the Sandžak region to jihadi groups in Iraq and Syria. Iran's ties to Serbia have recently increased as well, as the two countries resumed diplomatic relations in 2015 after nearly 30 years. Yet, despite the existence of the Cultural Center of the Islamic Republic of Iran in Belgrade, or the recent moderate spread of Shia Islam in the Sandžak region, Iran's involvement and influence still remains marginal.



Bosnia and Herzegovina

Russia

Russian influence in BiH in the last decade has centered around close ties between the Kremlin and Milorad Dodik, the current Serb member of BiH's tripartite presidency, and the undisputed leader of the ruling party of the Serb-dominated entity Republika Srpska (RS). Both sides have benefited from this connection; while Russian support has strengthened Dodik's position, the Kremlin can rely on the dissemination of pro-Russian sentiments and narratives by RS authorities and the mainstream media. On several occasions, Russia supported Dodik's controversial steps, e.g. to reach greater RS autonomy, but always appeared careful to block him from pushing for a secession. The Russian economic presence in BiH is also mostly concentrated in RS and the oil and gas industry remains its key component as BiH is dependent on Russian energy supplies. Along with the strengthening of its political and economic presence, Russia has also gradually restored its cultural and religious influence among Bosnian Serbs over the last few years by establishing various cultural and religious centers, or organising events that promote Russian culture, religion, and language. Some experts and media also accuse Russia of supporting Serb right-wing extremism. These mentions have mostly been linked to visits by the Cossacks or Russian bikers' gang „Night Wolves“ in Republika Srpska.

China

Unlike the other foreign powers, China does not have cultural or historical ties to BiH upon which it could build its presence. In contrast to Russia or Turkey, Chinese practices have been, therefore, mostly perceived as oblivious to political, ethnic, religious or any other background of its potential business partners. The Chinese presence in BiH is still perceived relatively positively, mainly thanks to local officials who hail Chinese projects as something that could improve local infrastructure faster than similar projects funded by the EU. As in other countries of the region, bilateral cooperation has developed mainly under the umbrella of the Chinese '16+1' initiative, and centers around infrastructure projects and improvements of thermal power-plants. Compared to the situation in Serbia or Croatia, however, its economic footprint, as well as visibility in the cultural domain, remain limited.

Turkey

Building on deep historical ties and cultural affinities, Turkey has maintained close and well developed relations with BiH, especially with Bosniaks (Bosnian Muslims). Similarly to Russia, it has relied on close ties to the political leaders, namely between President Recep Tayyip Erdoğan and the founder of the ruling Bosnian Party SDA, Alija Izetbegović, and his successor and son, Bakir Izetbegović. Both Erdoğan and Izetbegović have recently supported each other during important political events, including elections. Although Turkey is an important trading partner and perceived as one of the main investors in BiH, it only ranks as 11th in business investments. The Turkish soft power approach has paid special attention to cultural, religious, and academic cooperation between Turks and Bosniaks, and has been built on numerous institutions established by the Turkish government, such as the Turkish Aid Agency, TIKA, Yunus Emre Institutes, the Diyanet, universities, and Turkish state-backed media outlets broadcasting in regional languages. As a result, the Turkish presence in BiH's public space is very pronounced.

Gulf States and Iran

The Gulf States and Iran have a limited political and economic presence and interest in Bosnia and Herzegovina. Their presence was most pronounced during and after the war (1992-95), then decreased with the clamp down on Islamic NGOs after 9/11, and has recently seen a slow return as a result of the weakening presence of the EU and the US in the region. The increased volume of Arab investments coincided with the soaring number of tourists coming from the Gulf countries, and thus facilitated an increase in the construction of accommodation and entertainment facilities and services. The UAE have even become the 3rd largest investor in the country. Apart from this, the Gulf States have supported the reconstruction or new construction of mosques, which, however, has been met with partial criticism for not focusing on other areas. The rather limited spread of fundamental religious practices and Islamic radicalisation accompanying the Islamic countries presence has come to be considered as a security threat. BiH has seen a number of its citizens radicalised in a few remote religious communities, then leaving for battlefields in Syria or Iraq, and was among the first countries to adopt legislation criminalizing the association with foreign fighting forces.



North Macedonia

Russia

Russian influence activities in North Macedonia are most pronounced in the cultural and political spheres and particularly weak in the economic domain. Russia's involvement in the country follows a "get more bang for your buck" strategy that is largely aimed at fomenting confusion and disenchantment with the West and its purported values. Moscow's rhetoric permeates North Macedonia's information landscape through several Russian media outlets like Sputnik News Agency, but their influence is considerably constrained by the absence of any Macedonian language broadcasting. In the socio-political sphere, Moscow has been able to inspire several pro-Russian organizations and political parties, such as Edinstvena Makedonija and Hristijansko Bratstvo, that actively work on derailing the country's Euro-Atlantic integration. These organizations spearheaded the movement against Macedonia's 2018 name-change referendum from Macedonia to North Macedonia. In fact, North Macedonia's name-change process arguably spawned the zenith of Russian meddling in North Macedonian politics, which was even more conspicuous than Moscow's involvement in opposing the downfall of Gruevski's increasingly authoritarian and Russia-friendly regime.

China

The relationship between China and North Macedonia is predominantly of an economic nature, and Macedonia is part of the CEEC-China '16+1' platform. China's economic influence in North Macedonia has been consistently growing and China currently represents North Macedonia's seventh largest trading partner, focusing mainly on investing in construction and infrastructure. Nonetheless, the primarily economic nature of mutual relations does not mean that China has no political motivations or effects. Most notably, as the infamous case of the Chinese-financed construction of two highways in North Macedonia illustrates, China's economic expansion could engender corruption as well as push countries into China's "debt-trap diplomacy." Beijing has also worked on promoting Chinese culture in North Macedonia, mostly through the Confucius Cultural Center operating under North Macedonia's largest public university.

Turkey

Turkey has consistently been an important player across different spheres of social life in North Macedonia, which is not particularly surprising given North Macedonia's long history under the Ottoman Empire and the country's sizable minority of ethnic Turks. North Macedonia has three Turkish minority parties and ethnic Turks occupying powerful political roles, including mayors, MPs, and government ministers. In the economic realm, Turkey is the eighth most significant trade partner to North Macedonia, and Turkish investment amounts to around 35% of North Macedonian FDI. Additionally, North Macedonia harbors several Turkish schools, cultural centers, media outlets, and businesses, which have turned into yet another battleground between Erdoğan's government and the perceived supporters of Gülen's Hizmet movement after the failed coup in Turkey in 2016.

The Gulf States and Iran

The Gulf States' and Iran's engagement in North Macedonia has been very limited. The cultural relations are largely restricted to the Belgrade-based Iranian Cultural Center and to a Gulf States-associated Islamic Center that hosts religious sermons. Also, North Macedonia's economic ties to the Gulf States and Iran are limited, although this is an issue that the North Macedonian government has begun to try to redress recently. In the security field, North Macedonia has mostly been omitted from allegations of harboring foreign-funded Salafi mosques, yet the practice of Salafism in the country is still present. It is spread by influential imams educated in Saudi Arabia and other Middle Eastern countries, who, as well as Gulf-funded charities and schools, reportedly helped facilitate ISIS recruitment in North Macedonia.



Montenegro

Russia

The traditionally good relations between Montenegro and Russia started to deteriorate in the past five years due to Montenegro joining the EU's sanctions against Russia in 2014, the 2016 failed coup attempting to assassinate the current President, Milo Đukanović, in which two Russian intelligence officers were involved, and finally, Montenegro's accession to NATO in 2017. To foster its influence and counter the pro-Western orientation of the country, Russia has focused on the promotion of its culture and language, academic exchanges, as well as links to right-wing extremists. It has consistently supported pro-Russian, mainly Serbian nationalist parties, in the Montenegrin opposition with close connections to the Serbian Orthodox Church, an important channel of anti-EU and NATO sentiments. As in other countries, Russia has utilized media to promote its agenda, although much of the pro-Russian content is disseminated by locals opposing the pro-Western orientation rather than being financed from Russian sources. Russia is one of the largest direct investors in the country, a number of foreign-owned companies belong to Russian citizens, and Russians also make up the second largest group of tourists. Yet, unlike the rest of the region, Montenegro is not dependent on Russian energy sources, which makes mutual trade insignificant.

China

The relations between Montenegro and China are predominantly economic in nature. While the bilateral cooperation remains limited, mutual relations are defined by the adopted '16+1' format aimed at enhancing cooperation across various areas. Infrastructure projects such as railway tracks connecting the city of Bar with Belgrade, or a highway between Montenegro and Albania, represent the key focus areas of Chinese involvement in the country. Potential negative impacts of Chinese non-transparent business practices and loans on the country's small economy raise serious concerns, especially related to fears of falling into a debt-trap. Besides economic cooperation, China has also been active in promoting its culture and language via the Confucius Institute and academic cooperation.

Turkey

Due to an increase in Turkish investment and newly established businesses in Montenegro, the country's highest officials keep close ties with prominent figures in Turkey. Montenegro's Muslim community and the Bosniak party are also traditionally on good terms with their Turkish counterparts. As of today, Turkey is Montenegro's 9th largest investor. Thanks to visa-free travel and a simplified procedure for obtaining residence and working permits, there has been a sharp increase in the number of registered companies and businesses established by Turks. Turkey has also been successful in promoting its culture, notably through soap operas and student exchanges, by instigating flight connections between the capitals, or through the increased activities of Turkish agencies and cultural centers, mainly the Turkish Cooperation and Coordination Agency (TIKA) and the Turkish cultural institute, Yunus Emre. Ankara is primarily interested in the Sandžak part of Montenegro, mainly populated with the Bosniaks and other Muslims of Montenegro. The Bosniaks and the Islamic Union align their political orientation with the Turkish.

Gulf States and Iran

There has been a marginal political interest in, as well influence of, the Gulf States and Iran in Montenegro. Out of the analysed countries, the UAE has been the greatest investor in the country, focusing on the banking sector, construction, and tobacco industry. Besides Al Jazeera correspondents from Podgorica, there is no Gulf State or Iranian media presence. The spread of Salafism has been identified as a potential threat and continues to be monitored by the authorities, but the number of Montenegrin citizens leaving to foreign battlefields has been the lowest among the Balkan countries.



Kosovo

Russia

Given Russia's relevant role in international politics and its permanent position in the UN Security Council, it continues to play a decisive role when it comes to opposing Kosovo's membership in key international organizations, especially the UN. Its role of Serbia's staunchest supporter in relation to the Kosovo issue crucially shapes its position in Kosovo itself, and is the root of its popularity and leverage among Kosovo Serbs. In the political realm, it keeps close ties to the main Serbian party, which is part of the ruling coalition. Furthermore, Russia's main spheres of influence are those of the media, religion, and culture. Russia uses its media as a soft power tool to reach Kosovo Serbs and spread fake news and disinformation, primarily aimed at fostering the perception that Kosovo is an unstable, unsafe place to live. Another important element of Russia's presence is the support provided to the Serbian Orthodox Church, manifested, for example, through the veto to Kosovo's UNESCO accession, reasoned by fears about the preservation of Serbian Orthodox monasteries. Lastly, some radical, far-right organizations active in the majority-Serb Northern part of Kosovo appear to have close ties to Russian intellectuals and organizations, and Serbian radical groups that operate in cross-border settings.

China

In contrast to other countries of the region, the role of China in Kosovo has remained minimal due to the Chinese non-recognition of Kosovo's independence. Besides some economic cooperation, mainly in terms of Chinese imports to the country, China remains uninvolved in Kosovo and excludes it from its '16+1' initiative to increase economic cooperation with the region. In the international arena, China is responsible for blocking Kosovo's membership into international organizations which are crucial for reinforcing Kosovo's statehood.

Turkey

Considering Kosovo's poor economic conditions and weak international position, Turkey has successfully positioned itself as one of the key foreign players in the country, and is considered an important ally. Turkey tops the list of countries with the highest economic activity in Kosovo: it privatised the energy distribution network, operates Prishtina Airport, and has built some of the most important roads connecting Kosovo to Albania and Macedonia. The existence of direct Turkish political interference was best exemplified by the arrest of six Turks in Kosovo within Turkish anti-Gülenist repressions after the 2016 failed coup. Turkey also forges closer ties to Kosovo and advances its power in the realm of culture and religion, using government organizations like the development agency, TIKA, or Yunus Emre Institutes. It has largely been involved in the building and reconstruction of mosques, and has invested in academic exchanges, the learning of the Turkish language, and the organisation of cultural events that aim to introduce participants to Turkish culture and history.

The Gulf States

The influence of the Gulf States has been mostly associated with the spread of Islamist extremism and radicalism. Although no proof of foreign governments' direct involvement in this area have been established, it is widely accepted that Islamic organizations and charities that entered Kosovo after the war in 1999 have contributed to the creation of an environment for extremism and radicalism to take root. Recently, Kosovar government officials have talked about potential economic cooperation with some Gulf States' representatives, and have invited Arab companies to invest in Kosovo.

Introduction



Introduction

Author: Barbora Chrzová

The Western Balkans shines out on the map of Europe as one of its last regions not integrated into the 'ever-closer union' of European countries, by the members of which it is geographically surrounded. Together with Albania, five of the seven states born out of the violent dissolution of the Socialist Federal Republic of Yugoslavia (SFRY)—Serbia, Bosnia and Herzegovina, Montenegro, North Macedonia and Kosovo—remain at the doorstep of the European Union, aspiring to join but with still-distant membership prospects. With the exception of Montenegro, which joined NATO in 2017, they also remain outside the Western Alliance and its collective security framework. This geopolitical context, and the countries' various internal issues such as disputed legitimacy, ethnic and social tensions, authoritarian tendencies, political stalemates, weak economic performance, rampant corruption or underdeveloped rule of law, which have noticeably resurfaced over the past decade, leave the region more exposed to non-Western actors' influence and interference.

For centuries, the Balkans has been a site of great-power rivalry, lying at the crossroads of varied foreign actors' often-contradictory interests and strategic goals. In the changing global context marked by troubled Western relations with Russia, distrust of a newly-authoritarian Turkey, unbridled Chinese economic expansion, and the growing presence of the Gulf States, all of whom are in some way drawn by the Western Balkans' position as a gateway to Europe, the region has again become an attractive playing field in the global geopolitical game.

Western policy makers and experts tend to observe the increasing influence of Russia, Turkey, China and the Gulf States in the Balkans with great suspicion and concern. While some political elites and experts in the Western Balkans share their fears, others see economic, political, or military cooperation with the non-Western world as a positive opportunity for their countries. Several questions emerge in the debate on these external actors' influence in the Western Balkans. What objectives and strategic gains, if any, do non-Western actors aim to achieve? Which means do they employ and what are the particular manifestations and consequences of their involvement? Are external engagements undermining the fragile internal stability of the Western Balkan countries, and is this somehow intentional? Or is it a promising market at the gateway to Europe, with an accommodating political and business environment

they are aiming at? Are their strategic interests and modes of conduct contradictory to those of the EU and US ones or is it possible to find a common ground?

The aim of the publication is to shed more light on these questions and provide a comprehensive overview and more detailed understanding of selected external actors' involvement in the five post-Yugoslav non-EU member countries. It strives to avoid an oversimplifying black-and-white view and conventional judgments, which either portray non-Western external engagements as inherently malign and threatening or uncritically champion them as a counterweight to the Western dominance. Instead, the publication aims to investigate the topic with analytical precision and sensitivity to local contexts, providing for assessments of the real motivations, extent, and consequences of external actors' involvement.

The publication covers engagement of all major non-Western actors actively present in the region—Russia, Turkey, China, the Gulf States and Iran—in Serbia, Bosnia and Herzegovina (BiH), North Macedonia, Montenegro and Kosovo. It does not limit itself to the examination of political and business links but looks at influence across a wide spectrum of social realms, from politics and economics to culture, religion, media and extremism. Such a broad scope allows for unique comparative insights into the different strategies and aims of individual external actors, as well as into the ways they approach and exploit specific socio-economic and strategic contexts, and the specific vulnerabilities of each of the Western Balkan countries in focus.

The publication features five country reports written by Balkan-based researchers, based on open source data and interviews with experts, diplomats or policy makers. They first discuss the domestic and international context of the given country, providing context by focusing on where the country's biggest challenges and potential vulnerabilities lie. They then map and analyze engagements and influence activities of individual external actors in the relevant social spheres. They investigate links to key decision makers and political parties, patterns of elite and business capture, or economic dependencies and trade relations. Furthermore, they look into cooperation and external support of various cultural or religious organizations and academic institutions, foreign media presence and its influence on public opinion and elections or links to extremist groups.

The order of the country reports roughly corresponds with the magnitude of external actors' involvement. This is generally driven by the size of the countries or cultural and religious affinities with external actors. In the case of Kosovo, the involvement of Russia and China is diminished by their non-recognition of its sovereign statehood.

The Geopolitical Context – A Brief Overview

Since the 1990s, the key external players in the Western Balkans have been the United States and the European Union (EU) along with some of its constituent member states, particularly Germany, Austria, Italy or the UK. All the Western Balkan countries, including Albania, which is not a subject of the publication, are largely Europe-oriented and aspire to join the EU. Some of them have already opened negotiation talks (Montenegro, Serbia), others hold candidate (Albania, North Macedonia) or potential candidate (BiH, Kosovo) status. The EU is also the single largest trade partner of the Western Balkan countries with an average share of around 75% of their total foreign trade. The Western Balkan states also engage in close military cooperation with NATO, and with the exception of Serbia, are already NATO members or aspire to join. Montenegro was the most recent state to join the Alliance in 2017 and North Macedonia is to follow it in the near future thanks to the 2018 name change deal with Greece, which has unblocked its path to NATO membership.

The United States has continuously engaged in the former Yugoslavia in various security, foreign policy and development aid initiatives. It took a very active role in humanitarian aid and peace negotiations in Bosnia and Herzegovina, especially towards the end of the war, and actively engaged during the conflict in Kosovo in 1999. It invested in the war-torn region and assisted in the processes of post-war reconstruction, often through USAID (United States Agency for International Development). Besides the traditional diplomatic and economic links, the US presence in the region has been visible through the support provided to local non-governmental organizations and media by different private or state-funded foundations and organizations (e.g. NED, IRI, NDI). However, due to shifting geopolitical priorities, the US has become much less involved in the region since the new millennium and has largely transferred responsibility for strengthening regional stability and democracy to the EU.

The Union's involvement in the Western Balkans was highlighted by the adoption of the Stability Pact for South Eastern Europe in 1999, and cemented by initiating the Stabilization and Association Process (SAP) in the same year. Furthermore, the 2003 Thessaloniki European Council

summit, during which the EU recognized the Western Balkan countries as potential candidate countries, represented a fundamental milestone in mutual relations. Yet after Croatia's accession in 2013, it became clear that further enlargement is unlikely in the foreseeable future, due to the EU's current internal divisions brought about by the migration crisis and the unprecedented challenges of Brexit. While different opinion polls show that the EU accession process still enjoys relatively strong support from the majority of the local population, this 'enlargement fatigue' resulted in a loss of momentum, making the prospect of eventual membership even more distant.

With more EU officials becoming alarmed by democratic backsliding or rising social and ethnic tensions in the Balkans, the enlargement agenda has seen a slow return of attention. Following EU Commission President Juncker's 2017 State of the Union address confirming the open doors to the European future of the region, in February 2018 the European Commission adopted a strategy for 'A credible enlargement perspective for an enhanced EU engagement with the Western Balkans.' Two large EU-Western Balkans summits were held in 2018, where the European perspective of the region was confirmed. However, the summits failed to meet expectations of those calling for much more intensive EU commitment in the region. The disillusionment is mostly voiced among civil society actors concerned by the EU's inactivity in countering the authoritarian tendencies of some current political leaders, who criticize the EU for favoring stability over the enforcement of the democratic values it claims to stand for.

Since the Balkans has always been a zone of great-power rivalry, the diminishing US involvement and the EU's lack of success in replacing it and shifts in global geopolitical power balance have created a space for other players to step in. This publication shows that Russia, Turkey, China and the Gulf States have demonstrated their continued determination to increase their influence and challenge the pro-Western orientation of the region by employing a wide spectrum of tools, including economic, political, cultural and religious leverage. While Turkey and Russia have been traditionally engaged in the Balkans and have longstanding ties to certain countries and groups, often based on religious and cultural affinities, the Gulf States' and Iranian investments and religious influences entered the region during the wars in the 1990s, and Chinese economic expansion and political leverage has been a relatively recent phenomenon. These distinctions translate into the different nature, diversity and scope of their present engagement in the Western Balkans, and influence the strategies available to them for advancing their interests.

Russia has rich historical ties to the Balkans dating back to 18th and 19th centuries. It has enjoyed a high degree of influence there, especially among the Slavic and Orthodox population, particularly Serbs (both in Serbia and BiH), Montenegrins and Macedonians. Since Russian President Vladimir Putin's accession to power, it has strived to reassert its traditional role as the protector of Orthodox Christianity, firmly standing with Serbia in the dispute over Kosovo and supporting the pro-Moscow leadership of Republika Srpska in Bosnia. Being considered a close ally of the Slavic Orthodox population and establishing links to various Serbian nationalist organizations gives Russia significant potential to exacerbate ethnic tensions in BiH, Kosovo or North Macedonia, and enhances its political leverage. To increase its importance, Russia also capitalizes on its position within international bodies, namely the Peace Implementation Council (PIC) in BiH and the UN Security Council, for example by blocking Kosovo from joining the UN. Russia strongly opposes the integration of the region into NATO, which it considers its undisputed adversary, and is even suspected of being behind a recent planned coup in Montenegro attempting to thwart the country's accession to NATO. Russia is somewhat less vocal in opposing EU enlargement, but aims at spreading confusion and disenchantment with the West and positioning itself as an alternative to Western dominance. Balkan countries have become a target of fake news originating in Russia or being inspired by it, with the involvement of local language branches of Russia's Sputnik or Russia Today. Through the combination of these strategies and influence techniques, Russia is capable of gaining relatively significant leverage for little cost, and its limited economic presence in the region notwithstanding.

Turkey has historically close ties to the Balkans thanks to the 500-year-long Ottoman rule over the region, which only ended in 1912-3. As an EU candidate country and a long-standing member of NATO, Turkey played an important role in the stabilization of the region after the wars that accompanied the breakup of Yugoslavia in the 1990s. Since the early 2000s, after the Justice and Development Party (AKP) came to power, Turkey has started following a new, multidimensional and pro-active foreign policy. It introduced its "soft power" approach to the Balkans, using numerous government-established institutions such as the Turkish Aid Agency (TIKA) or Yunus Emre Institutes, as well as the Directorate of Religious Affairs (Diyanet), universities, and Turkish state-backed media outlets broadcasting in regional languages. The impact of their activities is reinforced by the popularity of Turkish culture, especially TV shows, promoting a contemporary 'Turkish model' lifestyle. Turkey has also strengthened its regional security,

political and already quite sound economic presence, and has aimed at positioning itself as a mediator in the region. Western perception of Turkey's engagement in the Balkans has, however, significantly changed over time, growing more suspicious of the increasingly authoritarian tendencies of President Recep Tayyip Erdoğan. Repression of Erdoğan's opponents following the failed coup against him in 2016, most importantly of members of the movement of Fethullah Gülen accused of orchestrating the coup, as well as the increased state control of media and other areas of civic life have marked a breaking point for Turkey's relations with the West. In the Western Balkans, there has been growing criticism of Erdoğan's politics for his pressuring of local ruling elites to shut down Gülenist schools and organisations and extradite Erdoğan's opponents in the region, including several instances of open interference in domestic affairs.

In contrast to Russia and Turkey, Chinese interactions with Balkan countries were historically limited to maintaining diplomatic ties with the isolated communist regimes in Albania and Yugoslavia. China's active presence in the Western Balkans is, therefore, a relatively recent phenomenon, but one growing steadily during the past decade. Balkan countries have embraced some Chinese infrastructural projects that resemble the Chinese model, and their realignment further accelerated with the creation of the '16+1' initiative in 2012, and especially with the China's activist foreign policy under CCP General Secretary Xi Jinping since 2013, epitomized by the Belt and Road Initiative (BRI). The five former Yugoslav republics are not bound by the EU regulatory framework, which makes it easier for China to employ its opaque business practices than in the other '16+1' countries. These often blur the line between the political and the economic and lead to processes of elite capture, including high-level corruption, as well as discourse management through the captured elites and various Belt and Road "think tanks" and friendship organizations. Furthermore, Chinese infrastructure development projects in the region have been marred by delays and doubts about economic expediency, and there are significant fears of small Western Balkans economies falling into the so-called "Chinese debt trap."

The presence and influence of the Gulf States and Iran in the Western Balkans have also historically been very limited. Their role most visibly increased during and after Bosnia's 1992-5 war and the war in Kosovo in 1999, during which Bosniak and Kosovar leadership was forced to seek help from any Muslim country willing to offer it. The Gulf Countries, especially Saudi Arabia and Iran provided financial assistance for the purchase of weapons, many Islamic

charities got involved in humanitarian aid and hundreds of foreign fighters (“Mujahideen”) came to fight alongside their Muslim brethren, and some of them remained in the area. These influences decreased significantly after the terrorist attacks on 9/11 and the subsequent global clamp-down on Islamic NGOs and other groups. Their legacy is, however, the presence of fundamentalist interpretations of Islam foreign to the Islamic tradition of the Balkans, particularly Salafism. While they remain marginal, Balkan Salafi communities have attracted a great deal of public attention through their recruitment of several hundred Salafis from BiH, Serbia, North Macedonia and Kosovo for the battlefields of Syria and Iraq. Recently, the Gulf states have also stepped up their investments in the Balkan states to advance their interests. Complemented with the swiftly increasing number of tourists from the Gulf and the establishment of the Balkan branch of the state-owned media giant Al-Jazeera in Sarajevo in 2011, the Gulf States’ visibility has increased over the past decade. Yet, the activities of the Gulf States have never amounted to any significant political involvement or influence and remain limited to personal and business links with key Bosniak and Serbian officials.

In the context of the above, the following chapters identify and investigate various instances of non-Western actors’ involvement in the individual Western Balkan countries, and provide in-depth analyses of their relevance and impact on local societies and political leadership. Given the Western Balkans’ geographic proximity and strategic positioning, the region’s stability is crucial for the security of the entire Euro-Atlantic space. Without fully understanding the various modalities of meddling and influence attempts employed, as well as the underlying goals, the West can expect only limited results in deeper integration of the region into its structures, even though they are perceived by the vast majority of actors in both the West and the Balkans as the most promising route to durable peace and democracy. The following chapters are, therefore, a welcome contribution to this debate.

Country Report 1

Serbia



Country Report 1 – Serbia

Author: Maja Bjeloš

Introduction

Since the beginning of democratic transition in 2000, Serbia's key foreign policy goal has been integration into the EU. Serbia received full candidate status in March 2012, and the country's path towards the EU was confirmed after the 2012 parliamentary election, although the governing coalition was composed of political actors who were part of the Milošević regime. So far, the government has opened 14 of the 35 EU-accession negotiating chapters, while two are temporarily closed. The European perspective by the results of the 2016 parliamentary election, when seats in the Parliament were won by several anti-European Union opposition parties—the Serbian Radical Party (SRS), party list "Dveri", and the Democratic Party of Serbia (DSS). Despite the wish for political integration into the EU, Serbia remains firmly opposed to joining NATO. Nevertheless, political cooperation between the Serbian government and NATO reached the highest level through the signing and implementation of the International Partnership for Peace Agreement (IPAP), despite constant anti-NATO sentiment among the public.

Although the Serbian government declaratively remains committed to EU membership and cooperation with NATO, the post-Brexit EU lacks political commitment to expand into the Western Balkans, let alone to defend the decaying rule of law in its candidate countries. The encouraging announcement by Jean-Claude Juncker in February 2018 that Serbia could enter the EU by 2025 was followed by great disappointment after the European Commission adopted its Strategy for the Western Balkans, and later during the Western Balkans Summits in Sofia and London in the summer 2018—held under the umbrella of the Berlin Process—in which the enlargement process was officially removed from the political agenda of the EU and replaced with the new concept of "interconnectivity" for the countries in the region. This resulted in a significant drop in public support for EU membership in late 2018 (to 45%)¹, while ten years ago, 73% of citizens were in favor of joining the EU.

The EU's failure to articulate a coherent and consistent approach to the region has spurred growing frustration in Serbia. A significant percentage of citizens have become somewhat anti-Western, favoring closer ties with Russia

and China out of frustration with the many Western failures. And one of the major perceived flaws in Western policies is the use of double standards. The EU enlargement comes with strings attached, such as pressure on governments to implement structural reform agendas (judicial reform, improved accountability, upholding media freedom). On the other hand, democratic backsliding and violation of the rule of law and other democratic standards in Serbia are often neglected or sacrificed by the EU in order to preserve regional stability or resolve regional disputes. Above all, citizens are frustrated with the EU's support for the Serbian "stabilocrats,"—who have weakened democratic institutions, captured the state, suffocated civil society and media freedom, fueled nationalism etc.—which resulted in the creation of fertile ground on which Russian and other foreign powers have sown their influence. Despite significant political and financial investment in the country, the EU has failed to improve the quality of people's lives and bring positive political change.

The slowdown of the EU enlargement process associated with growing Euroscepticism and the diminishing authority of the West in the Balkan countries resulted in increased space for foreign powers such as Russia, China, Turkey and the Gulf states to play a more prominent role in Serbia. Although an alliance with Russia, China or the Gulf States is not a viable alternative to EU accession, the financial situation in Serbia showing signs of cracking and collapse prompts the government to reach out to its traditional partners for support through investments, energy supplies, loans, and/or arms sales, as well as political support concerning Kosovo.

As the prospect of EU membership is fading, democracy, economic standards and stability are declining, causing people to emigrate from the country in large numbers or turn on the government in mass street demonstrations. Meanwhile, Serbian President Aleksandar Vučić faces a legitimacy crisis for the first time since 2012, while trying to resolve outstanding issues, such as the dispute over Kosovo.

¹ 'Between East and West: Public Opinion & Media Disinformation in the Western Balkans', 25 January 2019, <https://www.ndi.org/publications/between-east-and-west-public-opinion-media-disinformation-western-balkans>.

Russia

One of the most over- and misused problematics of Serbia's foreign policy is whether the country should side with the EU or Russia. Although the majority may agree this is a false dilemma, it persists in the absence of a clear dialogue on the benefits and disadvantages of EU integration in spite of closer cooperation with Russia. Leaving this gap unclarified allows for Russian influence to thrive.

For Russia, Serbia is not a country of vital interest, but it is symbolically important in Russian President Vladimir Putin's foreign policy. Also, as Wiśniewski suggests, "many in Russia viewed the fall of Yugoslavia as an example of humiliation, where the West ignored Moscow's views and the post-Soviet world first saw the blueprint for 'color revolutions.'"² The NATO bombing of FR Yugoslavia in 1999 during the Kosovo War was another example of humiliation and a turning point in Russia's relations with the West. From Moscow's perspective, the intervention was an indication of what might happen to Russia in the Second Chechen War. Putin has not forgotten that Russia lost its influence in the Balkans after NATO intervention and Kosovo's declaration of independence. When Putin consolidated political power and strengthened Russia's global and regional positions, he used Kosovo's "upheaval and independence as his justification for asserting Russia's power by fighting in Abkhazia and South Ossetia in 2008 and in Crimea in 2014."³ In subsequent years, Serbia became important as a bargaining chip Russia can use in its geopolitical rivalry with the West.

Russia has never offered Serbia a long-term viable alternative for achieving good governance, stability and economic prosperity compared to European Union membership. On the contrary, Russia is skillful in taking advantage of deep-rooted local problems and championing local political goals, such as Serbian sovereignty over Kosovo. Moscow's veto at the UN Security Council and other international bodies reminds the local and international audience of its great power status. So far, Russia has used its powerful tool to block Kosovo's membership in the UN, prevent the adoption of the Srebrenica genocide resolution, undermine Kosovo's UNESCO bid, and prevent Kosovo's entry into INTERPOL. Russia could lose its political influence in Serbia if the country normalizes its relations with Kosovo and concludes a comprehensive EU-sponsored agreement since Belgrade's need of Russian veto in the UN Security Council would disappear.⁴ Moreover, Serbia would have to

align itself with the EU's foreign policy and impose economic sanctions and a travel visa regime for Russia, and to renounce the Russo-Serbian free trade agreement. For these reasons, Russia may again use its veto to maintain the status quo or impede the final settlement of the Kosovo dispute in order to postpone the further decline of its political influence in the Balkans.

Russian President Putin is interested in "Making Russia Great Again", overcoming international sanctions and in increasing the number of countries willing to cooperate with Russia. On the geopolitical chessboard, the incumbent Serbian President is a relevant figure. Many western diplomats perceive Serbian President Vučić to be a guarantor of stability in the region. They hope that Serbia will limit Russia's influence by reaching a final deal with Kosovo under the auspices of the EU, while also tempering efforts by Milorad Dodik, the Serb member of Bosnia and Herzegovina's tripartite presidency, to push for Republika Srpska's independence. President Vučić has strong support from the West to reach a final deal with Kosovo, and at the same time has Putin's support to preserve Serbian territorial integrity and sovereignty over Kosovo. However, Putin's support for the Serbian leadership leaves no room for maneuver at the Kosovo negotiations. Unable to persuade Putin to accept the resolution of the Kosovo conflict, Vučić is left with a choice between political suicide if he dares to recognize Kosovo without Russia's approval or maintaining a somewhat nonsensical but quite comfortable status quo.⁵ Additionally, Vučić faces internal challenges that stem from the pro-Russian political wing of the anti-government protests and the opposition of several coalition ministers who represent more Russian than Serbian interests in the government and are opposed to EU accession and resolution of the Kosovo conflict. In agreement with Vučić, Prime Minister Ana Barnabić announced the government's reconstruction to remove Russian influence, but that has yet to happen.

Another sphere of Russian influence is the economy since Russia has a monopoly in Serbia's energy sector, which is the primary economic tool of Russian influence in the country. Moscow's diplomatic support to Serbia in the UN and other international bodies against Kosovo's non-recognition has enabled Russia's energy companies, such as Gazprom Neft, to enter the Serbian energy sector and take a controlling stake in Serbia's Naftna Industrija Srbije (NIS) oil and gas

2 Jarosław Wiśniewski, 'Russia Has a Years-Long Plot to Influence Balkan Politics. The U.S. Can Learn a Lot from It', *The Washington Post*, 19 September 2016, https://www.washingtonpost.com/news/monkey-cage/wp/2016/09/19/heres-how-russias-trying-to-sway-opinion-in-serbia-and-the-balkans/?utm_term=.7195e3b90ffe.

3 Wiśniewski Jarosław, 'Russia Has a Years-Long Plot to Influence Balkan Politics. The U.S. Can Learn a Lot from It', *The Washington Post*, September 2016.

4 Maxim Samorukov, 'Escaping the Kremlin's Embrace: Why Serbia Has Tired of Russian Support', *Carnegie Moscow Centre*, 21 January 2019, <https://carnegie.ru/commentary/78173>.

5 Samorukov.

company in 2008 at a bargain price. “Through its investment in NIS, Gazprom Neft gained assets elsewhere in the region, including subsidiary enterprises—gas stations, storage facilities, drilling and exploratory rights, and representative offices—in Bosnia, Bulgaria, Croatia, Hungary, and Romania.”⁶ Negotiating the deal in complete secrecy, Russia has come to dominate Serbia’s oil and natural gas market, making Serbia vulnerable to various influences. Russia has exploited political tensions and poor governance to prevent diversification and market liberalization. Furthermore, Gazprom has exploited Serbia’s dependence on natural gas imports from Russia (75% of total gas imports) by significantly reducing gas supplies in 2014 and charging high prices for gas.⁷

Policymakers have publicly defended large-scale, Russian-led gas infrastructure projects, such as South Stream, without proper cost-benefit analysis, instead making fanciful promises of new jobs and economic growth.⁸ However, when the controversial Russian-led South Stream Balkan pipeline project was abandoned in 2014, it became clear to political leaders that Moscow was not going to provide them with new, profitable projects. The purchase of NIS and Russia’s withdrawal from the South Stream project left Serbia without an oil industry, oil and gas reserves, geothermal springs, and the 30 million euro it invested in the South Stream project.⁹

Overall, Russian investment in Serbia is only a small fraction of EU investment in the country. In terms of foreign trade, Serbia has more robust trade ties to Germany and Italy than to Russia. Its trade with Russia amounted to 6.7% of the Serbian total in 2016, compared to 64.4% with the EU in the same period (see graph on p. 30). Not even the free trade agreement or the refusal to join EU sanctions against Moscow helped Serbia to revitalise its economic cooperation with Russia.¹⁰ In spite of these facts, several rounds of public opinion polls showed that many Serbian citizens mistakenly believe Russia is one of the biggest donors and trade partners of Serbia.¹¹ The myth of Russia as a powerful economic partner is fueled by the mainstream media and certain political leaders.

Unlike with the EU or the US, Russian official development assistance is not channeled through a development agency, but is instead implemented as unbundled bilateral aid under the control of Ministry of Emergency Situations (EMERCOM) or the Federal Agency for the Affairs and Humanitarian Assistance of the Commonwealth of Independent States (CIS), (Rossotrudnichestvo) or is channeled through international multilateral organizations such as the World Bank. Since Russia is not a member of the OECD, it does not report on any money flows that are given in the form of foreign aid to the OECD’s Development Assistance Committee (DAC). Thus, the exact data on the extent of Russian aid to Serbia must be drawn from Ministry of Finance reports and/ or news reports.¹² To enter strategic economic sectors in Serbia, Russia uses a network of local officials. More importantly, Russia’s economic presence in the country is channeled indirectly through either Russian-owned companies operating in the EU countries like Austria, Italy, or the Netherlands, or offshore companies.

In addition, Russia has expanded its presence in the Serbian economy not only through corporate investment but also via direct government-to-government loans.¹³ During the Serbian fiscal crisis in 2012, Moscow offered Belgrade a 300-million-dollar loan to support the Serbian budget amid tension with the International Monetary Fund (IMF), and extended its hand to Serbia’s banking, defense and railway sectors by lending an additional 800 million dollars. Russia ranks fifth on the list of international lenders to Serbia for the period 2000 to 2013, behind the European Investment Bank, the World Bank, the European Bank for Reconstruction and Development, and the European Union.¹⁴ Moreover, Russia’s economic footprint can be seen through the presence of Russian companies in Serbia, which employ around 2% (around 70,000 people) of the total labor force directly and around 5% indirectly, primarily in a small number of industrial enterprises such as NIS, Beopetrol/Lukoil, Sberbank, and Srbijagas-related petrochemical and glass-making plants.¹⁵

6 Paul Stronski, ‘Is Russia Up to No Good in the Balkans?’, *Carnegie Endowment for International Peace*, 13 February 2019.

7 ‘Russian Economic Footprint in the Western Balkans’, *Center for the Study of Democracy*, 2018.

8 ‘Russian Economic Footprint in the Western Balkans’.

9 Sasa Dragojlo, ‘Serbian Bilateral Agreements: Benefit Unknown, Detriment Paid by the Citizens’, *Insajder*, 14 March 2017, <https://insajder.net/en/site/news/3541/Serbian-bilateral-agreements-Benefit-unknown-detriment-paid-by-the-citizens.htm>.

10 Maxim Samorukov, ‘Russia’s Tactics in the Western Balkans’, *Carnegie Europe*, 3 November 2017, <http://carnegieeurope.eu/strategieurope/74612>.

11 ‘Stavovi Građana Srbije Prema EU Integracijama Ispitivanje Javnog Mnjenja (Oktobar 2015. Godine)’, *TNS Medium Gallup*, 2015, http://europa.rs/files/02.12.istrazivanje_pp_s.pdf. - According to the survey, on the question of who are the largest donors of Serbia, with the possibility of a free answer, the highest number of respondents answered Russia (16 percent), Japan (11 percent), the EU (10 percent), then Germany and China. The USA was not even in the top five. However, when respondents were offered a list of responses, most respondents answered that the EU was the largest donor of Serbia (28 percent), followed by Russia (24 percent), Germany, Japan, China, Norway, the USA, Switzerland.

12 ‘Strana Pomoc u Srbiji’, *Demostat*, 5 January 2018, <https://demostat.rs/sr/vesti/istrazivanja/strana-pomoc--srbiji/318>.

13 ‘Russian Economic Footprint in the Western Balkans’.

14 Stefan Veselinović, ‘Ko Srbiji Daje Najveći Džeparac, EU, Rusija Ili Amerika’, *Vice*, 18 April 2016, <https://www.vice.com/rs/article/9aye75/eu-najveci-donator-srbije-rusija-nista>.

15 ‘Russian Economic Footprint in the Western Balkans’, 18.

It must also be noted that Russian investment is not limited to the energy and corporate sectors but includes areas with certain symbolic value. According to some reports, Russia has funded the renovation of the St. Sava Temple in Belgrade with more than thirty million euro. Additionally, the largest Gazprom-owned company in Serbia is NIS, which was considered one of the largest “Russian” donors providing support to flooded areas in 2014, along with the Russian Orthodox Church. Russia also invested €2 million for the opening of a Russian primary school and cultural exchange, as well as funding the establishment of Russian media in Serbia.¹⁶

Russian influence is effective because local Serbian politicians are eager to glorify Putin and promote Russia’s image as a counterweight to the West, thus capitalizing on anti-Western and pro-Russian sentiment, especially ahead of elections or when resolving internal issues. Russia’s loudest promoter is Vučić himself, as well as a few ministers in the current government and directors of state-run companies, who are considered to be very active Russian lobbyists. Putin’s symbolic visit to Serbia on January 17, 2019 has helped the Serbian political leadership to announce several high-level bilateral trade, investment, and cooperation agreements and to turn the public’s attention away from the anti-government protests that have been taking place since December 2018. Some foreign-policy analysts argue that President Vučić—who came to power with the support of the West but turned away from pro-Western policies and sought Putin’s support to stay in power when facing a crisis of legitimacy at home—has more chances to lose power than the opposite in the long run.¹⁷

Moscow works to strengthen ties with political leaders who share Putin’s authoritarian style of governance and. While Western leaders rarely visit Serbia, Russian government officials, therefore, frequently visit the country frequently and welcome their counterparts to Moscow. Putin, who was guest of honor at Serbia’s military parade four years ago, and in turn hosted Serbian President Vučić for the Moscow Victory Day Parade in May 2018. It is noteworthy that Putin has met Serbia’s President Vučić more than ten times in recent years. These symbolic diplomatic visits may

be beneficial for Balkan leaders, but they primarily enable Russia to show that it has influence in the Balkans.¹⁸

Moscow maintains also fosters a strong presence in the country by sponsoring a local clientelistic network that encompasses former and current politicians, ruling political parties, diplomats, Members of Parliament, opposition pro-Russian leaders and parties, newly established think tanks and NGOs, oligarchs, intellectuals, journalists, and representatives of the Orthodox Church and local ultra-nationalist groups. According to a 2016 study by a Belgrade-based think tank Center for Euro-Atlantic Studies, more than 100 Serbian organizations operating in Serbia have promoted various aspects of Serbian-Russian relations in the past several years.¹⁹

A relatively new phenomenon is that both Serbian and Russian far-right organizations, as well as academic institutions, are taking steps towards indoctrination and/or radicalization of youth from Serbia. The Russian Institute for Strategic Research (RISI) organizes activities such as scientific conferences, symposiums of young Russian politicians, the children’s camp “Lemnos” in Greece, visited by children from Serbia, as well as the international children’s camps “Serbian Code” and “Our Serbia,” which include children from Russia, Crimea, Transnistria and Donbas. The Russian ultra-nationalist group E.N.O.T. Corp has provided military-style training for Serb teenagers in Serbia and Russia in 2018, presumably as part of an effort to promote historical and cultural ties, as well as military-patriotic solidarity between youth in the two countries. A group of thirty teenagers from Serbia travelled to Russia to attend the International Military Patriotic Youth Camp, where military trainers taught kids how to find their way in the woods, handle weapons, and prepare for the possibility of war.²⁰ Following suit, “Serbian and Russian veterans and patriotic groups” with the support of Serbian local authorities and Russian far-right groups organized the first “patriotic youth camp” in Serbia in August 2018. Following public complaints, the government stepped in to close down the camp.²¹

Far-right groups in Serbia, such as the organization Serbian Honor (Srpska čast)²² and a local branch of the Night

16 In addition to the Russian state-owned news agency Sputnik that opened a regional editorial office in Belgrade in 2015, there are a considerable number of online news portals that openly advocate Russian interests in Serbia, such as Novi Standard (www.standard.rs), Srbinfo (www.srbinfo.info), Vaseljenska TV (www.vaseljenska.com), Gazeta (www.vesti-gazeta.com), Fakti (www.fakti.org) Kremlin (www.kremlin.rs), and GlasMoskve (www.glasmoskve.rs).

17 Vladimir Gligorov, ‘Waiting for Putin’, *The Vienna Institute for International Economic Studies*, 2019, <https://wiiw.ac.at/waiting-for-putin-n-361.html>.

18 Paul Stronski and Annie Himes, ‘Russia’s Game in the Balkans’, 6 February 2019, <https://carnegieendowment.org/2019/02/06/russia-s-game-in-balkans-pub-78235>.

19 ‘Širom Zatvorenih Očiju: Jačanje Ruske Meke Moći u Srbiji - Ciljevi, Instrumenti i Efekti’, *CEAS*, 9 May 2016, <https://www.ceas-serbia.org/sr/publikacije/studija-sirom-zatvorenih-ociju>.

20 ‘Serbian Teens Play War Games At Russian Paramilitary Camp’, *Radio Free Europe*, 6 April 2018, <https://www.rferl.org/a/russia-serbia-paramilitary-camp/29149543.html>.

21 ‘What Are Armed Children Doing on Mt. Zlatibor?’, *VIDEO, B92.Net*, 16 April 2018, https://www.b92.net/eng/news/society.php?yyyy=2018&mm=08&dd=16&nav_id=104874.

22 Serbian Honor is an organization that exists and operates under the guise of humanitarian work and activism, but in fact promotes militarism, glorifies war and war criminals, including Milan Nedić. Its members publicly advocate Russophilia, Chetniks, homophobia, intolerance towards Europe, America and everything that is “not Serbian”. They also openly show hatred towards Croats, Albanians, feminists, migrants, Muslims and other groups. See more at: Vuk Stanojević, ‘Širenje Mržnje i Militarizam u Srbiji Prolaze Kao Humanitarni Rad’, *Autonomija*, 5 December 2018, <http://www.autonomija.info/sirenje-mrznje-i-militarizam-u-srbiji-prolazi-kao-humanitarni-rad.html>.

Wolves²³ led by Saša Savić can be used to disrupt political decision-making and push the pro-Russian agenda. The Sarajevo-based portal Žurnal and CNN branch N1 wrote about the connection between Russian-backed Bosnian Serb President Milorad Dodik and “Serbian Honor.”²⁴ The authorities of Bosnia and Herzegovina have accused members of the organization of training at the Russian-Serbian Humanitarian Center for the purpose of forming a paramilitary unit in the Republika Srpska.²⁵ “Serbian Honor” is also affiliated with the Russian motorcycle club “Night Wolves”, famous for its close ties to President Vladimir Putin, and is also on the United States’ blacklist for terrorist activity in Ukraine.

The Night Wolves are known in Serbia for their robust support for the Kosovo Serbs, for the organization of various humanitarian actions and for their strong ties to their “Orthodox brothers.”²⁶ The Western media claim that the local branch “is part of an ‘extremist ecosystem’ nurtured by Russia through its ties to the Serbian Orthodox Church and radical Serb nationalists who still dream of a “Greater Serbia.”²⁷ The Night Wolves’ March 2018 visit to Serbia and the Bosnian entity of Republika Srpska was funded with a \$41,000 grant from the Kremlin, according to The New York Times.²⁸ This visit had a clear political aim to provide visible support to the pro-Kremlin Bosnian Serb politician Milorad Dodik.²⁹

Despite a long tradition of right wing extremism in Serbia a new phenomenon is their involvement of its adherents in foreign conflicts a new phenomenon; around 70 Serbian nationals fought on the pro-Russian side of the Ukrainian conflict.³⁰ As Petrović and Stakić further pointed out, “news about the death of a Serbian citizen fighting in Syria revealed the fact that many Serbian right-wing extremists who fought on the pro-Russian side of the Ukrainian battlefields are now fighting for Syrian President Bashar al-Assad’s

forces through arrangements with a Russian private military company known as Wagner.”³¹ Some of the foreign fighters have also been accused of planning terrorist attacks in the Western Balkans, for example Aleksandar Sindelić who was among the organizers of the attempted coup d’état in Montenegro in October 2016 and became a key witness collaborator before the Montenegrin Court.³²

Moscow continues to spread its geopolitical influence across the Balkans by using “soft power tools.” It relies greatly on the local mainstream media³³ controlled by local ruling parties, which often promotes Russian-friendly news stories or anti-Western narratives to the greatest extent possible. Despite Serbia’s foreign policy orientation towards the EU, there is a clear political intention to create a perception of Russia as a great power and powerful ally, with little substance behind it in terms of investments or donations from Russia.³⁴ Serbian media loyal to Vučić are shaping the public’s image of Russia as a political and military superpower under the leadership of strongman Vladimir Putin. The years of mass media praise of Russia and Putin have resulted in their high popularity among the Serbian population.³⁵ Unsurprisingly, a great number of Serbian citizens believe that fostering and deepening cooperation with Russia would bring security and political stability. Serbian tabloids are also particularly prone to inventing stories about the extent of defense cooperation and shipments of weapons from Russia.³⁶ For instance, Soviet-era fighter jets are presented in local media as a Russian “gift” to Serbian defense despite the fact, but that the “gift” was worth \$209 million and was paid for with Serbian taxpayers’ money.³⁷ Spreading fake news is possible due to limited access to information and the almost complete closure of state bodies managing contracts and other information, often referring to records of these activities as “military secrets”.

23 Michael Carpenter, ‘Russia Is Co-Opting Angry Young Men’, *The Atlantic*, 29 August 2018, <https://www.theatlantic.com/ideas/archive/2018/08/russia-is-co-opting-angry-young-men/568741/>.

24 Nikola Radišić, ‘Organizacija Srpska Čast - Paravojska Ili Humanitarci?’, *N1*, 15 January 2018, <http://rs.n1info.com/Vesti/a356914/Organizacija-Srpska-cast-neaoruzani-humanitarci.html>.

25 Advo Avdić, ‘Uz Pomoć Ruskih i Srbijanskih Dobrovoljaca: Milorad Dodik Formira Paravojne Jedinice u Republici Srpskoj!’, *Žurnal*, 12 January 2018, <http://zurnal.info/novost/20914/milorad-dodik-formira-paravojne-jedinice-u-republici-srpskoj>.

26 Mariya Cheresheva, ‘Putin’s Bikers to Start Slavic Balkan Tour’, *Balkan Insight*, 22 June 2016, <http://www.balkaninsight.com/en/article/russia-s-night-wolves-head-to-the-balkans-for-slavic-tour-06-21-2016>.

27 Andrew Higgins, ‘Russia’s Feared “Night Wolves” Bike Gang Came to Bosnia. Bosnia Giggled’, *The New York Times*, 31 March 2018, <https://www.nytimes.com/2018/03/31/world/europe/balkans-russia-night-wolves-republika-srpska-bosnia.html>.

28 Higgins.

29 Carpenter, ‘Russia Is Co-Opting Angry Young Men’.

30 Predrag Petrović, ‘The Problem of Islamist Extremism in Serbia: What Are the Drivers and How to Address Them’, *British Council*, September 2018, https://www.britishcouncil.rs/sites/default/files/policy_brief_serbia.pdf.

31 Petrović Predrag and Stakić Isidora, ‘Western Balkans Extremism Research Forum - Serbia Report’ (Belgrade, 2018), 33.

32 Predrag and Isidora, ‘Western Balkans Extremism Research Forum - Serbia Report’.

33 Serbian pro-regime TV channels and the press, such as TV Pink, TV Happy, daily newspapers *Informer*, *Alo*, *Kurir*, *Politika*, *Večernjenovosti* among others.

34 Jarosław, ‘Russia Has a Years-Long Plot to Influence Balkan Politics. The U.S. Can Learn a Lot from It’.

35 Samorukov, ‘Escaping the Kremlin’s Embrace: Why Serbia Has Tired of Russian Support’.

36 Maria Vučić, ‘Tabloidi Izmišljaju Naoružanje Iz Rusije, Ministarstvo Odbrane Krije Podatke’, 2018, <https://www.raskrikavanje.rs/page.php?id=207>.

37 Michael Birnbaum, ‘Russia’s Low-Cost Influence Strategy Finds Success in Serbia’, *The Washington Post*, 3 October 2018, https://www.washingtonpost.com/world/europe/russias-low-cost-influence-strategy-finds-success-in-serbia-with-the-help-of-fighter-jets-media-conspiracies-and-a-biker-gang/2018/10/03/49dbf48e-8f47-11e8-ae59-01880eac5f1d_story.html.

The positive image of Russia is also nurtured by Kremlin media outlets broadcasting in the Serbian language. The latest United States Senate Foreign Affairs Committee's Report³⁸ shows that since Russia's state-run Sputnik news agency was launched in Serbia in 2015, Russia's favorability numbers among Serbians have increased from 47.8% to 60% in June 2017.³⁹ Sputnik is able to expand its impact through local media because it offers free content in Serbian language, making it more likely that local press agencies and media outlets republish Russian-friendly narratives, often without verification. Some local pundits claim that Sputnik News Agency is also critical towards the Serbian government, but only when it comes to Euro-Atlantic integration.⁴⁰

To conclude, Russia has significant historic, cultural, religious and ties to the country, but these shared connections are at times exaggerated. The narrative of Slavic brotherhood and shared Orthodox Christianity is used to fortify Moscow's relationships with political leaders, churches, and independent groups in Serbia as well as Bosnia, Bulgaria, Greece, Macedonia and Montenegro.⁴¹ But out of all the Balkan countries, Serbia is the only one that enjoys the special status of having been designated Russia's "Slavic brother". This image of Slavic brotherhood is carefully crafted by Russian and Serbian officials, who regularly refer to their shared Slavic history, culture and Orthodox religion; an army of Serbian and Russian media outlets portray Putin as a protector of modern Orthodoxy and use anti-Western rhetoric reinforced by local pro-Russian analysts and politicians, including those with ties to the Serbian Orthodox Church. The narrative of Slavic brotherhood is also actively shaped by the West at times.

Yet contrary to conventional wisdom, Serbia and Russia are not natural allies and brothers due to their Slavic and Orthodox identity, as is well-attested by the many contemporary tensions and disputes among other Slavic and/ or Orthodox pairs of countries. Behind the veil of Orthodox brotherhood, we see two authoritarian leaders using one another to advance their geopolitical agendas.⁴² In addition, Serbian "Russophilia" has little to do with religion, contemporary Russia or its citizens. For most Serbs, Russophilia represents the rejection of Western values and is driven by the embrace of the traditional and conservative system of values nominally embodied by Russia.

China

In the post-Yugoslav period, China has become one of the "four pillars" of Serbian foreign policy,⁴³ and all governments since 1999 have considered China an undeniable ally of Serbia in preserving its sovereignty and territorial integrity before the United Nations and the Security Council. The strategic partnership between Serbia and China is today reflected in a series of economic projects under the '16+1' summit and the One Belt and One Road Initiative (OBOR), the realization of which began a few years ago. These include projects for the revitalization of the thermal power plant in Kostolac, the acquisition of Smederevo Steel Plant and coal mine RTB Bor, the construction of the Corridor 11 highway to Montenegro, the construction of the new Zemun-Borca bridge, and the planned construction of a new and modern railway on the Belgrade-Budapest route.

The Chinese have shown that their companies are willing to invest significant funds into state-owned industrial giants once considered "black holes" in the Serbian economy. China has already invested more than \$1 billion to finance the building of transport infrastructure and energy projects in the country, but this has mostly come in the form of loans. The biggest lender is Chinese EximBank, which in 2017 granted Serbia a loan of 297.6 million euro to build the first section of the Belgrade-Budapest high-speed railway. Chinese investment loans are appealing because they do not come with conditional obligations for the Serbian government like the EU's grants. Chinese bureaucracy is also quick to approve loans. However, the forms of Chinese investment are almost exclusively acquisitions, construction contracts and loans with little added value for Serbia (e.g. using Chinese contractors and thus not creating new job opportunities or providing skills development). Loan-financed Chinese investment projects carry significant risk of long-term, structural increases in public debt, but the Serbian government still does not seem to have recognized the risk of falling into the so-called "Chinese debt trap". Furthermore, some of the government's deals with Chinese companies are publicly considered unfavorable to national interests because Serbia has no strategic control over decision-making, as in the case of the sale of Serbia's sole copper complex RTB Bor. In addition, certain contracts with the Chinese have barred the government from employing local labor, instead stipulating that only Chinese contractors

38 'Putin's Asymmetric Assault On Democracy in Russia and Europe: Implications for U.S. National Security', 2018, <https://www.foreign.senate.gov/imo/media/doc/FinalRR.pdf>.

39 'Putin's Asymmetric Assault On Democracy in Russia and Europe: Implications for U.S. National Security'.

40 Bojan Vučević, 'Region i Globalni Mediji: Meka Moć Na Balkanu', *Vreme*, 2016, <https://www.vreme.com/cms/view.php?id=1410132&print=yes>.

41 Paul Stronski and Annie Himes, 'Russia's Game in the Balkans', February 2019.

42 Una Hajdari and Michael Colborne, 'There's One Country in Europe Where Putin Is a Rock Star', *Foreign Policy*, 25 January 2019, <https://foreignpolicy.com/2019/01/25/theres-one-country-in-europe-where-putin-is-a-rock-star-russia-serbia-vucic-belgrade-kosovo/>.

43 Serbian President Tadić said in 2009 that the principal goal of that policy remains joining the EU, and that strategic partnerships with Russia, US and China are not getting in the way of that goal. More on four foreign policy priorities is available at https://www.isac-fund.org/download/From_four_pillars_of_foreign_policy_to_european_integration.pdf.

be used. Beijing's economic engagement with Belgrade is controversial because there is nothing like the EU's model of open and transparent procurement procedures to guide the process, and instead the government alone decides on what arrangements to pursue. Weak governance and corrupted high-level corruption thus play a major role in the Serbian government's favorable attitudes towards business with China.

Chinese capital has not been exclusive to the metal and energy industries. It has instead gradually diversified into other sectors, such as technology. In comparison with other Western Balkan countries, Serbia has also gone furthest in accepting Chinese participation in its telecommunications and IT infrastructure. A new boost to Chinese technology investments occurred after the election of Prime Minister Ana Brnabić's government in 2017, which made digitalization its top priority and enthusiastically signed on to China's "Digital Silk Road" project. The Serbian government has signed several agreements on strategic partnership with Chinese telecommunications company Huawei, which opened its regional Southeastern European headquarters in Belgrade. Huawei has engaged in strategic cooperation with multiple Serbian ministries, major businesses, and municipalities in the ICT sector, working in national broadband, safe city, smart education, smart grid, and smart city domains. The Ministry of Interior, for instance, allowed the company to take part in the Ministry's projects on establishing System 112– a program establishing unique emergency numbers for the police, fire services and emergency cases, and setting up surveillance cameras in Belgrade.⁴⁴ Beyond ICT development projects, corporate social responsibility is one of Huawei's key focuses in Serbia, where the company has implemented its Seeds for the Future program and has built an LTE lab to help cultivate local talent. Additionally, in 2018 the Serbian government announced the building of a new IT centre– the Serbian-Chinese industrial park in Belgrade– which will be built by China Road and Bridge Corporation (CRBC). In contrast to many western countries, Serbia harbors no security concerns in this area. However, a wake-up alert appeared when Huawei showed interest in Serbian cyber security, directly competing with NATO in potential service provision.

China has become Serbia's third largest import partner, slightly behind Germany and Italy (see graph on p. 30). Despite Serbia being a very small market, China is interested in expanding to Serbia since it perceives the country

as a major transport corridor to the European market. Circumstances have shown that the current geostrategic position of Serbia is ideal– it is on European soil, but it is not yet part of the European Union. From the perspective of Beijing, Serbia could be "fertile investment ground," which would prove to be a solid partner eventually offering improved access to the European Union.

Like other world powers, China wants to expand its power and influence, and the Balkans has traditionally been a place where such powers have competed. Serbia, as the one country in the Balkans pursuing truly balanced relations with China and Russia on one side, and the EU and US on the other, has a unique opportunity to bargain and "raise the price" by promoting itself as a reliable Balkan partner for the great powers, with whom it maintains long-standing relations. Since the establishment of a Strategic Partnership in 2009, the Serbian government has made efforts to position itself as a transit country for bringing Chinese goods from Southeast Europe to Central Europe.⁴⁵ Just like the previous Chinese opening towards the world during the Yugoslav era was a great opportunity for the country, the current Chinese strategy of opening towards the EU– known as the Belt and Road Initiative– is both a great opportunity and a great challenge for Serbia.

Despite concrete steps taken by both sides, economic cooperation between Serbia and China is not delivering the expected results. Serbia's trade with China is very unbalanced, as it imports 30 times more goods from China than it exports. According to the data of the Statistical Office of the Republic of Serbia, the volume of trade between the two countries in the period from January to December 2017 was \$1,837.8 million, whereas Serbia's exports to China amounted to \$62.2 million (see graph on p. 30).⁴⁶ While the large discrepancy in exports and imports is significant, one should bear in mind that it is in general difficult for countries to export to China because its production capacities cover "half the world," including the needs of its domestic market. In other words, there is nothing that can be produced in Serbia that cannot be made in China faster, more cheaply and in much larger quantities.

But Serbia has become one of China's strategic partners and allies in Europe despite its small economic potential. The rationale for a strategic partnership between the two countries and a "steel friendship" is primarily political. The two countries were brought closer together by the NATO

44 Bojan Stojkovski, 'Huawei's Surveillance System in Serbia Threatens Citizens' Rights, Watchdog Warns', *ZDNet*, 10 April 2019, <https://www.zdnet.com/article/huaweis-surveillance-system-in-serbia-threatens-citizens-rights-watchdog-warns/>.

45 Plamen Tonchev, 'China's Road: Into the Western Balkans', *European Union Institute for Security Studies*, February 2017, <https://www.iss.europa.eu/sites/default/files/EUISSFiles/Brief%203%20China%20Silk%20Road.pdf>.

46 'Internacionalizacija', Serbian Chamber of Commerce, accessed 16 February 2019, <http://www.pks.rs/MSRadnja.aspx?id=73&p=1&pp=2&>.

air operation in 1999, which China opposed and during which Chinese embassy in Belgrade was bombed, though allegedly unintentionally.⁴⁷ Political and diplomatic relations with China have further strengthened after Kosovo's 2008 declaration of independence. China's potential to block Kosovo's path to UN membership gives China significant political influence in Serbia. Moreover, China firmly supports Serbia's position against the recognition of Kosovo's independence due to its own unresolved situation in relation to Taiwan and Hong Kong. According to the Chinese Ambassador to Serbia, Li Manchang, the Kosovo issue is the most important concern for the territorial integrity of Serbia and "important things should not be solved in a couple of months."⁴⁸ Despite China's support of the EU-mediated Belgrade-Pristina talks, China would probably not accept a bilateral deal between Belgrade and Pristina resulting in "demarcation" or "land swaps" because of the one-China policy. Just as China supports Serbia's stance on Kosovo, Serbia backs the one-China policy and aligns itself more closely with China's foreign policy than with the EU's foreign policy towards China. In addition, in 2016 Serbia became the only country in the region to have signed a Comprehensive Strategic Partnership with China, promising to deepen and expand existing cooperation. The same year, Chinese President Xi Jinping visited Serbia for the first time, and shortly thereafter the two countries abolished visa requirements and intensified political cooperation.

China has successfully created a sphere of influence by supporting Serbia's ruling political parties. Chinese leadership has been also investing in promulgating the notion of a "steel friendship"⁴⁹ with Serbia and promoting its image through the Embassy of the People's Republic of China in Serbia. It has further strengthened its presence in the cultural domain by establishing two Confucius Institutes and several active Chinese language schools, and through Belgrade-based think tanks, the Parliamentary Friendship Group with the People's Republic of China, the Serbian academic community, other Chinese cultural centers, media, sports, and even local Chinese communities and Serbian students via scholarly and student associations.⁵⁰ Considering the inclination of Serbia to the East and the perceived need for closer cooperation with Beijing and Moscow, establishing the National Council for the Coordination of Cooperation with Russia and China chaired

by former President Tomislav Nikolić and moving the seat of the National Council into the presidential villa beside the Chinese Embassy in Belgrade is ironically perceived by the public as a logical move reflecting national interests. However, this body is not yet fully operational, and given that deals with Chinese investors are negotiated and concluded by the executive branch of government, bypassing the National Council, it can be reasonably concluded that this body is not actually very influential.

Local clientele, together with Chinese representatives, are actively shaping public's perception towards China. The majority of the Serbian public has a positive attitude towards China and has welcomed the increased presence of China in the country through Chinese investments. This is because of local politicians, who are keen to explain to the public how an "Asian giant" is promoting the acceleration of the development of Serbia, although it has so far been difficult to understand the full extent of the Sino-Serbian economic relationship, due to the insufficiency of data on Chinese investment and the fact that the government contracts with China's companies are non-transparent.

Chinese companies and organisations have been also investing in research centers, such as the Center for International Cooperation and Sustainable Development (CIRSD),⁵¹ the Conflux Center, and the Silk Road Connectivity Research Center, which improve knowledge about China and host events related to the Belt and Road initiative. Based on cooperation with China's public broadcasting TV and radio service, Serbian journalists have participated in study visits to China and BRI-related events, resulting in the spread of a positive image of the country among the Serbian population. Public perception of China, however, is not uniform. Serbia's business with China is causing great doubt and dissatisfaction among a part of the public, while the West considers the Chinese presence in Serbia and the region to be negative. The Western countries believe that Serbia will, like a "Trojan horse", help bring Chinese influence closer to the Western economies.

China has attempted to further foster its gain a foothold in Serbia through cultural and people-to-people exchanges and cooperation. The visa-free regime for the citizens of Serbia and China and opening a Belgrade-Beijing flight

47 Kevin Ponniah and Lazara Marinković, 'The Night the US Bombed a Chinese Embassy', *BBC News*, 7 May 2019, <https://www.bbc.com/news/world-europe-48134881>.

48 'Кинески Амбасадор: Косовско Питање Најважније За Територијални Интегритет Србије; Важне Ствари Се Не Решавају За Пар Месеци - Ми Смо Чекали 100 Година Да Решимо Питање Хонг Конга', *Nova Srpska Politicka Misao*, 29 June 2018, <http://www.nspm.rs/hronika/kineski-ambasador-li-mancang-srbija-je-za-kinu-veoma-vazna.html>.

49 The relationship with China is universally described a "steel friendship" in the pro-government press as in reference to the Smederevo Steel Plant bought by a Chinese company in 2016.

50 Phillippe le Corre, 'China's Rise as a Geoeconomic Influencer: Four European Case Studies', *Carnegie Endowment for International Peace*, 15 October 2018.

51 Former President of the 67th session of the United Nations General Assembly and the leader of opposition People's Party as well as founder of the CIRSD, Vuk Jeremić, received millions of dollars from the China Energy Fund Committee (CEFC) for consulting services. He is also associated with indicted Hong Kong businessman Dr. Chi Pin Patrick Ho. As Jeremić claimed on Ho's trial in November 2018 in New York, he connected Ho to high-ranking officials in several countries and opened diplomatic doors for CEFC as it expanded its business around the globe. See reportage, <https://www.vovodip.com/video/19851956822A56wq791827.html>.

have been major factors in encouraging physical presence of the Chinese in Serbia. Many Chinese visitors are tourists⁵², businessmen, or employees of major Chinese companies, such as Huawei or the Bank of China, which has opened a representative office in Belgrade.⁵³ The Chinese community in Serbia was established in Belgrade in the mid-1990s and has been growing since then; according to unofficial estimates there are now around 4,000 Chinese nationals in the country.

Cultural exchange has also grown more vibrant in recent years, particularly after the two countries signed the Program of Cooperation in the Areas of Culture and Art, an agreement between the Ministry of Culture of the People's Republic of China and the Ministry of Culture and Information of the Republic of Serbia for the Period 2013-2016. The first mass culture event— the “Days of Chinese Culture,” organized by the Chinese Embassy, was held in 2009, but only since 2015 have multiple cultural events been organized on an annual basis, e.g. a film festival, the festival of Chinese culture and tradition in Serbia, celebration of Chinese New Year etc. The Sino-Serbian friendship was celebrated by raising a monument to the Chinese philosopher Confucius and naming a street after him, and by naming one square in Belgrade the Square of Friendship between Serbia and China. The biggest Chinese investment in culture has been building a new Chinese Cultural Center on the site of the former Chinese Embassy in Belgrade, demolished during the NATO bombing in 1999. The first Chinese cultural centre in the Balkans is also one of the largest in all of Europe, and will feature four separate zones— a Chinese cultural center, embassy apartments, a business reception area and office space.⁵⁴

Turkey

Turkey has recently returned to Serbia as an important regional player after a lengthy retreat from the Balkans. Since 2009, Turkey took the initiative to improve bilateral relations with Serbia, which were damaged by the Turkish recognition of Kosovo's independence in 2008. In October 2009, the official visit of President Abdullah Gül to Serbia symbolized a growing rapprochement between the two countries. Following several meetings between Turkish and Serbian officials in March 2010, the Serbian parliament passed a resolution apologizing for failing to prevent

the Srebrenica massacre of 1995. The efforts culminated on April 24, 2010, when the presidents of Turkey, BiH, and Serbia signed the Istanbul Declaration on Peace and Stability in the Balkans, guaranteeing the territorial integrity and sovereignty of Bosnia. Even though Belgrade temporarily pulled out of the Ankara-mediated trilateral talks in 2013 because of Turkey's then Prime Minister Recep Tayyip Erdoğan statement, during his visit to Prizren, that ‘Turkey is Kosovo, Kosovo is Turkey,’ the relationship were gradually improved.⁵⁵

Part of the Turkish foreign policy strategy focused on building trust with Bosniaks in the Sandžak region, a predominantly Bosniak area in southern Serbia, former Ottoman polity, and today the home of much of Serbia's Islamic/Bosniak population. Turkey has also promoted a positive image of itself among the general Serbian population and consolidated its position through direct investments and infrastructure projects. The basis of Turkey's overall political strength in Serbia is its economy and the fulfillment of Erdoğan's promise of major investments in infrastructure (e.g. the Sarajevo-Belgrade highway) and other business projects in the country. Turkish official development assistance is channeled through the Turkish Cooperation and Coordination Agency (TİKA), which has been present in Serbia since 2009. So far in Serbia, TİKA has renovated Ottoman heritage sites, such as the Kalemegdan fortress in Belgrade, the medieval fortress Ram in the town of Veliko Gradiste in eastern Serbia, and Valide Sultan Mosque in the city of Sjenica in western Serbia. Apart from cultural and charitable projects, the Agency has carried out almost 200 programs and projects in education, health, agriculture and infrastructure.⁵⁶

Relations between Serbia and Turkey are further improved by foreign trade. Serbia's exports to Turkey have increased 7.5 times after signing a free trade agreement with Turkey in 2009, while total bilateral trade has increased three fold in the period from 2009–2017, from \$338.9 million in 2009 to more than \$1 billion in 2017. Thanks to Turkish investment and foreign trade, the popularity of Erdoğan and Turkey has been increasing in Serbia. Erdoğan even received honorary citizenship from the city of Novi Pazar, the cultural center of the Sandžak region in Serbia. According to the Mayor of Novi Pazar, Nihat Biševac, “the implementation of many

52 Serbia is popular travel destination for Chinese because of the Yugoslav movie “Walter Defends Sarajevo” associated with the World War II and the partisan struggle, and his interpreter actor Bata Zivojinovic. Chinese visitors to Europe are still signing up for guided tours of Belgrade and Sarajevo, that include locations where the movie was filmed.

53 Phillipe le Corre and Vuk Vuksanović, ‘Serbia: China's Open Door to the Balkans,’ *The Diplomat*, 1 January 2019, <https://thediplomat.com/2019/01/serbia-chinas-open-door-to-the-balkans/>.

54 ‘The Chinese Cultural Center Is Being Built in Belgrade,’ *Belgrade Beat Magazine*, 29 August 2017, <https://belgrade-beat.com/magazine/2017/08/the-chinese-cultural-center-is-being-built-in-belgrade>.

55 ‘Briefing Paper II: External Influence in the Political Sphere,’ *Prague Security Studies Institute*, 2018, <https://www.balkancrossroads.com/bp-ii-politics>.

56 Žikica Milošević, ‘Mr. Mehmet Bayrak, Director of TİKA -Turkish Cooperation and Coordination Agency in Belgrade: Development Cooperation between Turkey and Serbia,’ *Diplomacy and Commerce*, 22 May 2017, <http://www.diplomacyandcommerce.rs/mr-mehmet-bayrak-director-of-tika-turkish-cooperation-and-coordination-agency-in-belgrade-development-cooperation-between-turkey-and-serbia/>.

projects, investments, and the protection of cultural and historical heritage are just a few of the reasons for this symbolic gesture for Erdoğan.⁵⁷

Erdoğan's political influence in the country relies on his close personal ties with Serbian politicians, as well as Bosniak leaders from Sandžak. Turkey also has an impact in the country through the Directorate of Religious Affairs (Diyanet) and the Diyanet Foundation. Erdoğan's authoritarian governing style has become a role model for the Serbian leadership.⁵⁸ Taking into account the recent tendency for EU leaders to distance themselves from the Turkish president wherever they can, it is worrying to see President Vučić publicly showcasing his idolizing of Erdoğan and his "one-man regime."⁵⁹ Despite the government's and the President's commitment to the "European path" and "European values," they have strategically turned towards illiberal political systems like Turkey's in which one knows "who the boss is."⁶⁰ That is why Serbian President Vučić is often specially invited to participate in lavish ceremonies, such as Erdoğan's inauguration or the opening ceremony of the TANAP gas pipeline connecting Turkey and the Balkans.

The AKP and Erdoğan himself have used their political influence in the Sandžak region to mobilize thousands of Bosniaks in support of his candidacy in the elections in Turkey in 2016 and 2018.⁶¹ However, repression against Erdoğan's political opponents and critics in Turkey and abroad after the failed coup in 2016 has led to growing criticism of his politics in Serbia. The 2018 election results revealed that Erdoğan did not win in Serbia, but his main rival did. Muharrem Ince, from the main opposition Republican People's Party (CHP), received 63.6% of total votes cast in Serbia.⁶²

For years, Turkey has facilitated the spread of the Gülenist movement⁶³ in the region through a network of civil society organizations, schools and religious centers.⁶⁴ Following the break-up between the leader of the movement Fethullah Gülen and Erdoğan, and the attempted military coup in 2017, of which Gülen is accused, Turkey began to pressure local leaders to close down organizations in Serbia considered by Turkish officials to be associated with the Gülenist

movement, which is now labelled a terrorist organization by Ankara. Serbian state bodies exercised the pressure on Gülenist organisations, while the local government in Novi Pazar officially announced that it would not provide any support to Gülen's "terrorist organization." In addition, the Serbian judiciary proved swift in the extradition of a Kurdish political asylum seeker to Turkey in December 2017, despite the UN Committee Against Torture calling on the Serbian authorities not to do so.

To enhance its presence in the region, Turkey has been increasingly using the popularity of Turkish culture, especially TV shows, to reinforce its political and economic power and promote a lifestyle based on the "Turkish model" – a mix of Islam, democracy, free market, and cultural modernization among certain segments of the population. Social and cultural exchange between the two countries gained momentum after they abolished tourist visa requirements. As a result, the number of tourists coming from Turkey is increasing every year. Turkey is not only a holiday destination for Serbian citizens, but many people aspire to learn the Turkish language in order to study and/ or work in Turkey. Serbia is thus connected to Turkey by a large diaspora – some estimates show that nearly five million Serbian Bosniaks, mostly originating from Sandžak, live in Turkey.⁶⁵

Turkey's moderate Islam has been viewed as a valuable counterpoint to radical Salafist penetration from Saudi Arabia and the spread of Shia Islam from Iran. However, the recent struggle between Erdoğan and the Gülenist movement, coupled with Turkey's antagonism towards Saudi Arabia and significant political influence in Sandžak, has contributed to that intensification of disputes among Muslim community members in Serbia. As a result of Serbian government's and Turkey's meddling in Serbia, the Islamic community has split into two official structures in 2007 – the Islamic Community in Serbia with headquarters in Novi Pazar headed by former Mufti Muamer Zukorlić, operating under the auspices of the Islamic Community in Bosnia and Herzegovina, and the Islamic Community of Serbia based in Belgrade, currently headed by Mufti Adem Zilkic. These internal divisions damage the legitimacy of both communities

57 'Erdoğan to Receive Honorary Citizenship from Novi Pazar', *Anadolu Agency*, 20 April 2018, <https://www.aa.com.tr/en/europe/Erdoğan-to-receive-honorary-citizenship-from-novi-pazar/1123869>.

58 Filip Ejdus, 'The Impact of Turkey and the Gulf States', in *Resilience in the Balkans* (EU Institute for Security Studies, 2017), 52.

59 Teofil Pančić, 'Pančić: Višak Strasti i Slatka Samovolja', *Radio Slobodna Evropa*, 8 May 2018, <https://www.slobodnaevropa.org/a/pancic-kolumna-Erdoğan/29214406.html>.

60 Pančić Teofil, 'Pančić: Višak Strasti i Slatka Samovolja', *Radio Slobodna Evropa*, May 2018.

61 Talha Öztürk, 'Bosniaks in Serbia Hold Rally in Support of Turkey', *Anadolu Agency*, 8 August 2016, <https://www.aa.com.tr/en/europe/bosniaks-in-serbia-hold-rally-in-support-of-turkey/623505>.

62 Firat Hamdi Buyuk, 'Turkish Election Results Reveal Political Divide in Balkans', *Balkan Insight*, 25 June 2018, <http://www.balkaninsight.com/en/article/in-pictures-balkan-celebrates-Erdoğan-election-win-06-25-2018>.

63 The Hizmet or Gülenist movement is a transnational Islamic social movement that professes advocacy of universal access to education, civil society, and peace, inspired by the religious teachings of Fethullah Gülen, a Turkish preacher who has lived in the United States since 1999.

64 Ejdus Filip, 'The Impact of Turkey and the Gulf States', 2017.

65 Janusz Bugajski, 'Is Turkey Destabilizing the Balkans?', *CEPA*, 11 April 2018, <https://www.cepa.org/turkey-balkans>.

and by opening space for spreading of interpretations of Islam that might lead to violent extremism.⁶⁶

The role of Turkey as an insulator country connecting the Middle East to the Balkans has recently also caused many security concerns. Turkey has contributed to regional instability during the refugee crisis, especially in the period from June 2015 to June 2016 when the number of refugees crossing the Balkans peaked. Since the beginning of the refugee crisis, Serbia has been part of the main route to the EU for Syrians and other refugees arriving via Turkey. An uncontrolled flow of refugees arriving via Turkey along with the EU's immigration policy based on a quota system and the building of border walls in several member states has had a destabilizing effect on the societies of the region. According to estimates by the Serbian NGO Group 484, more than 650,000 refugees registered in Serbia in the aforementioned period. The pivotal event was the EU-Turkey deal reached in March 2016, "which contributed to a significant decrease in refugee numbers, making it once again clear that stable EU-Turkey relations are of vital importance for the Western Balkans."⁶⁷

The Gulf States⁶⁸

The presence and influence of the Gulf States in the former Yugoslavia have been most visible during and after the war in Bosnia from 1992-5 and the war in Kosovo in 1999, during which Bosniak and Albanian leadership was forced to seek and accept help from any Muslim country willing to offer it. At that time the Gulf States, especially Saudi Arabia, provided financial assistance for the purchase of weapons, while the United Arab Emirates (UAE) – during and after the war in Kosovo – contributed over 1,000 troops to the NATO-led Kosovo Force (KFOR), but also played a significant role in humanitarian relief efforts by building an airport in Serbia and providing significant medical support to refugees.⁶⁹ This influence decreased significantly after the terrorist attacks on September 11, 2001 and the subsequent global war on terrorism, but the presence of the Gulf countries has again increased in recent years.

Relations between the Gulf States and Serbia intensified after 2012, when new political leadership opened the doors to potential investors from the Middle East in order

to address Serbia's severe economic situation. Some of the Gulf countries – especially the UAE – have increased their presence in the country more significantly, mostly through private investments. Serbia has sought to build a strong relationship with the UAE in particular because the Serbian government secured two soft loans for direct budget support from them in the amount of \$1 billion. The first loan in 2013 was directed to support the economic development of Serbia through the reduction of financing costs, improving the economic situation in the country, and for refinancing existing debts, and then to halt its public deficit in 2016. Provision of loans and close ties between President Aleksandar Vučić and Sheikh Muhammad bin Zayed ensured a privileged position to UAE as one of the most important investors in Serbia⁷⁰ despite the country's strong support for Kosovo's independence.⁷¹ In addition to securing loans, Serbia concluded profitable deals with UAE in aviation, urban construction, military technology and agriculture allegedly worth a few billion dollars.

Serbian politicians are keen to score political points by promoting the prospect of Arab investments in the media, especially during the last three election campaigns. The reality is, however, much less encouraging. The Serbian public is worried by the fact that the projects implemented by Emirati companies in cooperation with the Serbian government usually contain a confidentiality clause and are not subject to national laws.⁷² Moreover, secret deals between individual Islamic religious officials and Serbian leaders enabled Arab companies to buy agricultural land below market price, as well as some of the most attractive urban land and properties in Belgrade (a hotel, railway station, post office, etc.) as well as AP Vojvodina (a stable in Zobnatica), not to mention numerous other privileges.

Arab investments in Serbia are also controversial because most planned projects have never been implemented. Out of investments worth €15 billion announced by Serb authorities, only a few hundred million have been registered so far.⁷³ These unfulfilled investment announcements include the alleged \$4 billion plan with the UAE-based company, Mubadala Aerospace, to open a computer chip factory, and the aircraft parts factory in Pančevo, that would sell aircraft parts to Boeing and Airbus, or to the UAE

66 Predrag and Isidora, 'Western Balkans Extremism Research Forum - Serbia Report'.

67 Philippe Perchoc, 'Turkey's Influence in the Western Balkans', 2017, [http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_ATA\(2017\)607300](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_ATA(2017)607300).

68 This chapter draws on briefing papers about political and economic influence of the Gulf States published in 2018 on the website <https://www.balkancrossroads.com/>.

69 Will Bartlett et al., 'The UAE as an Emerging Actor in the Western Balkans: The Case of Strategic Investment in Serbia', *Journal of Arabian Studies* 7, no. 1 (2017): 94–112, <https://doi.org/10.1080/21534764.2017.1322753>.

70 Filip, 'The Impact of Turkey and the Gulf States'.

71 UAE was the first Arab state to recognize Kosovo in 2008. Since then all five other members of the GCC have recognised Kosovo: Saudi Arabia (20 Apr. 2009), Bahrain (19 May 2009), Qatar (4 Jan. 2011) and Kuwait (11 Oct. 2011). Oman didn't explicitly recognize Kosovo.

72 Dragojlo, 'Serbian Bilateral Agreements: Benefit Unknown, Detriment Paid by the Citizens'.

73 Velimir Ilić, 'Arapske Investicije u Srbiji: Više Euforije Nego Ekonomije', *Aljazeera Balkans*, 6 November 2016, <http://balkans.aljazeera.net/vijesti/arapske-investicije-u-srbiji-vise-euforije-nego-ekonomije>.

partners' notions to invest in developing new military technologies, primarily in NORA and ATLAS rocket systems. In some other cases, a project's implementation is delayed or never finished. In December 2012, the Serbian government took a 25 million euro loan from the Kuwait Fund for Arab Economic Development to "continue reconstruction of the Prokop train station for the purpose of increased international traffic, replacing the central Belgrade railway station and freeing up land in the city center for urban re-development."⁷⁴ Six years later, the central Belgrade railway station was closed for good but the railway station in Prokop has never been finished and opened.

Another problem with Arab investments in Serbia is that the biggest deals actually being implemented are those in which Arab companies are given large benefits, and even then they usually do not invest the agreed amounts. Instead, the real investment comes from the Serbian state budget. An illustrative example of such a controversial case of the UAE's "investment" is the lease of agricultural land in Serbia, "for which the UAE company Al Rawafed has not paid a single cent for years."⁷⁵ Recently, the government has transferred a huge piece of land in the country to an Abu Dhabi-based agricultural investment company, and sold out one of the biggest agricultural giants, PKB, for only 50% of its estimated value.

One of the biggest affairs related to the Gulf States' investments emerged in April 2015, when the government of Serbia signed a contract worth 3.5 billion euro to build a business, residential, and commercial area along the run-down riverfront of Belgrade. The Waterfront project has come under intense criticism from a grassroots social movement "Ne davimo Beograd" ("Let's not drown Belgrade") "on the grounds of architectural incompatibility with the surroundings, the non-transparent nature of the contract, the cost to the local government for site preparation, and the illegal demolition of buildings to make way for the development."⁷⁶ The project has sparked a series of public protests in Belgrade after a group of unidentified masked men demolished several disputed buildings in 2016 during the night ahead of a parliamentary election. Police and prosecution did not respond to the act, except a report published by the city Ombudsman⁷⁷ proving the involvement of state and city authorities in this crime. Four years later, the

project is in its initial phase, and many doubts have been raised about the credibility of the investor and the sustainability of the project.⁷⁸

The only successful large-scale Arab investment in Serbia was made by the UAE's state-owned national carrier Etihad's acquisition of 49 % of the Serbian national airline JAT in 2013. Etihad turned its loan of 40 million dollars into ownership of 49 % over Air Serbia, and promised to give an additional 60 million dollar loan to the indebted company. The assumption that Etihad will divest from the Serbian carrier after January 1, 2019, when its five-year investment and management agreement expires, has become true. Etihad Airways has not renewed its management contract with Air Serbia, and the management of Air Serbia will be returned to the Government of Serbia.⁷⁹ Etihad is expected to maintain its 49% stake in a joint company. On January 10, 2019, Etihad canceled an order for 10 Airbus A320neo aircraft that were supposed to become the primary aircraft for the Air Serbia fleet, replacing Air Serbia's existing aging A319s and A320s. This is bad news for Air Serbia, because it leaves the airline with no new planes on order.

Although the UAE has invested in aviation, urban construction, and agriculture, the backbone of cooperation with the Gulf States is likely the export of Serbian ammunition and weapons. Based on an agreement with the Ministry of Defense and the state-owned company "Yugoimport SDPR," the Gulf States have purchased large quantities of weapons, re-exporting some of this weaponry to various armed groups in the Middle East. High-level officials are also involved in arms deals, such as the father of Serbian Interior Minister Nebojša Stefanović, who recently mediated a lucrative weapons trade between a Serbian company and a buyer from Saudi Arabia.⁸⁰ The lucrative arms deals with the Gulf States have thus indirectly contributed to the escalation and perpetuation of military conflicts in the Middle East and North Africa, with an ironic spillover effect being the increasing number of refugees transiting through the Balkan route on their way to the EU.

Islamic extremism in Serbia is still a taboo and makes ordinary people feel uneasy whenever it is publicly mentioned because of the legacy of foreign Islamic fighters, NGOs and preachers from the Gulf States in the region that date back

74 Bartlett Will et al., 'The UAE as an Emerging Actor in the Western Balkans: The Case of Strategic Investment in Serbia', June 2017, <https://doi.org/10.1080/21534764.2017.1322753>.

75 Jelena Janković, 'Serbia's Committee for Monitoring UAE Investments Not Formed after Three Years', *Insajder*, 18 May 2017, <https://insajder.net/en/site/news/4745/>.

76 Will et al., 'The UAE as an Emerging Actor in the Western Balkans: The Case of Strategic Investment in Serbia'.

77 Zaštitnik Građana, 'Utvrdjenje i Preporuke Zaštitnika Građana' (Zaštitnik građana, 2016), <http://www.ombudsman.rs/attachments/article/4723/savamala.pdf>.

78 Filip, 'The Impact of Turkey and the Gulf States'.

79 Tatjana Ostojčić, 'Vlada Novi Menadžer Air Serbia Od 2019', *PC Press*, 12 June 2018, <https://pcpress.rs/vlada-novi-menadzer-air-serbia-od-2019/>.

80 Filip Rudić, Slobodan Georgijev, and Aleksandar Djordjevic, 'Serbian Minister's Father "Mediated Saudi Weapon Sales"', *Balkan Insight*, 22 November 2018, <http://www.balkaninsight.com/en/article/serbian-minister-s-father-mediated-weapon-sales-to-saudis-11-22-2018>.

to the Yugoslav wars of the 1990s. Recent developments in the Middle East in the context of the emergence of the Islamic State and other jihadi groups that managed to recruit Serbian citizens to their ranks have returned Serbia to international focus. According to the estimates of Serbian authorities, 49 Serbian citizens (37 men and 12 women) from the Sandžak region have left Serbia to join the conflict in Iraq or Syria.⁸¹

Geographically, Islamic extremism in Serbia is predominantly linked to the Muslim-majority Sandžak region along the Serbia-Montenegro border, despite the Islamist extremists' efforts to spread their influence outside this region by targeting Muslim populations in other parts of Serbia.⁸² The Sandžak region has attracted a lot of public attention because over the last decade people in the region, particularly young Bosniaks, have turned to religion in large numbers. One of the explanations for why young Bosniaks from Sandžak "became more religious than they were before" is that a large number of young people from Sandžak go to study abroad at Islamic universities in Turkey and Saudi Arabia.⁸³ Many people believe that "the increased religiosity of people from Sandžak is not a driver per se of Islamist extremism," however, it is seen as increasing the potential for radicalization.⁸⁴

The Muslim community in Serbia is also concerned about the spread of a radical Salafi interpretation of Islam.⁸⁵ In recent years, militant Salafi ideas are spreading especially among the Ashkali Roma community that immigrated from Kosovo after the Kosovo war. Although most of the Salafi Roma are peaceful, eleven Roma are reported to have travelled to Syria and Iraq, some of them taking their families with them.⁸⁶

However, what is very clear in terms of Saudi Arabia's impact on the Muslim community is the existence of small extremist groups, such as Salafi groups in the Sandžak region, that provide ample reasons for concern and vigilance. Within less than two decades these cells have become a recruiting ground for foreign fighters from the Middle East, but also Europe.

Iran

Serbia has a history of close ties with Iran. The Socialist Federal Republic of Yugoslavia had good cultural links with Iran both before and after the Islamic Revolution, largely thanks to the non-aligned policy of President Tito. Based on an agreement concluded between Iran and Yugoslavia in 1963, the Cultural Center of the Islamic Republic of Iran was opened in Belgrade in 1990 with the aim of promoting cultural cooperation between the two countries and introducing the Yugoslav public to elements of Persian culture. Despite activities of the Iranian Cultural Center that range from publishing and organizing courses for learning the Persian language, to organizing annual film festivals, exhibitions and various cultural events, many Serbian citizens remain unaware of their country's cultural links with Iran.

Following the weakening of the EU prospect in Serbia, the engagement of Iran has increased somewhat as Serbian politicians began to rebuild those ties. After a gap of nearly 30 years, bilateral political relations were re-established in 2015. Although relations among the two countries have been resumed, the involvement and influence of Iran in Serbia is still marginal. Serbia decided to abolish visas for Iranians in a bid to improve growth and reach out to non-European markets. Yet, Serbia's re-rapprochement with Iran has not yet yielded any tangible economic benefits, although economic interests are the main drivers of Serbia's good relations with Iran. Official statistics show that total trade of Serbia and Iran in the period from 2011 to 2016 consistently decreased. Not even Iran's non-recognition of Kosovo's independence helped Serbia to significantly develop the country's economic cooperation with Iran.

The limits of Iranian influence became visible in October 2018, when the Serbian government voted in favor of re-introducing a visa regime for Iranian citizens.⁸⁷ Little more than a year earlier, the establishment of direct flights between the two countries and the signing of the visa-liberalization agreement with Iran improved mutual relations. However, due to the visa-free travel regime and the establishment of direct flights between the two countries the number of migrants from Iran has increased, resulting in sharp criticism from the EU and pressure to abolish the visa-free regime. According to official data, 16,268 Iranian citizens came to Serbia during the visa-free regime, out of which around

81 Predrag and Isidora, 'Western Balkans Extremism Research Forum - Serbia Report'.

82 Predrag and Isidora.

83 Predrag and Isidora.

84 Predrag and Isidora, 10.

85 Predrag and Isidora, 'Western Balkans Extremism Research Forum - Serbia Report'.

86 Predrag and Isidora.

87 'Serbia Ends Visa-Free Travel For Iranians, Citing "Abuses" By Some', *Radio Free Europe*, 12 October 2018, <https://www.rferl.org/a/serbia-abolishes-visa-free-travel-iranians-citing-abuses-by-some-migrants-to-eu-/29539329.html>.

1,100 have officially sought asylum and registered in migrant reception centers, and a smaller number are believed to illegally end up in the EU.⁸⁸ Serbian authorities were not allowed to return Iranian citizens to their homeland since Serbia did not sign a readmission agreement prior to the decision to abolish visas for Iranian citizens. Realizing that Iran has little to offer the country in comparison to the economic and security benefits they might gain from European integration, the Serbian government finally revoked the visa-liberalization agreement with Iran.

Iran's space to maneuver in Serbia is narrow because the Serbian predominantly Sunni Muslim community has closer ties with Turkey and the Gulf countries such as Saudi Arabia and Qatar. Nevertheless, the Muslim community in Serbia is concerned by the recent fact that there has been a spread of Shia Islam. "Although there are no more than 2,000 Shia Muslims in Serbia, but given the fact that there were under a few hundred only a couple of years ago the fast increase is considered worrying."⁸⁹

Conclusion

There is sizable and growing political and economic presence of non-Western countries in Serbia as the result of the failure, by both the EU and the United States, to articulate a cohesive and consistent approach to the region, but also as the result of both supply and demand from political elites. Local policymakers have been keen to exploit their relations with non-Western countries to achieve their own goals—avoid bankruptcy, attract foreign investments, consolidate political power or resolve internal problems. On the other hand, countries like Russia and China have cultivated links to the country in order to balance and compete against the West or to penetrate the European market. While pursuing their own agendas, Russia, China, Turkey the Gulf states, and Iran have clearly demonstrated that they are less interested in offering Serbia a long-term viable alternative for

achieving good governance, stability and economic prosperity compared to European Union membership.

Russia and Turkey are two countries with significant historical, cultural and religious ties with the country, while the presence and engagement of China and the Gulf States in Serbia is a somewhat new phenomenon. While the EU is spending far more cash in Serbia in terms of total aid, investments and trade, the perception of the general public is that the presence of Russia, China, Turkey and the Gulf States is more penetrating. Out of all non-Western countries, China and the UAE are the two key investment partners of Serbia and the biggest buyers of indebted state-run companies. On the other hand, Russia maintains a strong presence in the country's energy sector and amplifies its commercial and political influence through a network of local players who push Russian-friendly stories or anti-Western narratives, repeatedly make high-level international visits, and create robust information campaigns and partnerships with local media outlets and Kremlin media. Leaders of non-Western countries, such as Putin, Erdoğan and Xi Jinping, who have acted to concentrate significantly more power in their own hands than their office enjoyed upon their arrival, enjoy great popularity among the Serbian population. However, many Serbian citizens still perceive Russia, Turkey and China as "remote" countries with little cultural appeal. It is Western countries where most, especially young, people flee in search of better education and economic opportunities.

The influence of non-Western countries in Serbia will not simply disappear even if the country makes progress in EU integration or resolving the Kosovo dispute. Russia and other non-Western powers will remain deeply involved in Serbian politics as long as there is a strong network of colluding local officials and favorable local conditions, such as poor governance, weak institutions and state capture, limited media freedom, nationalism and resentment against the West.

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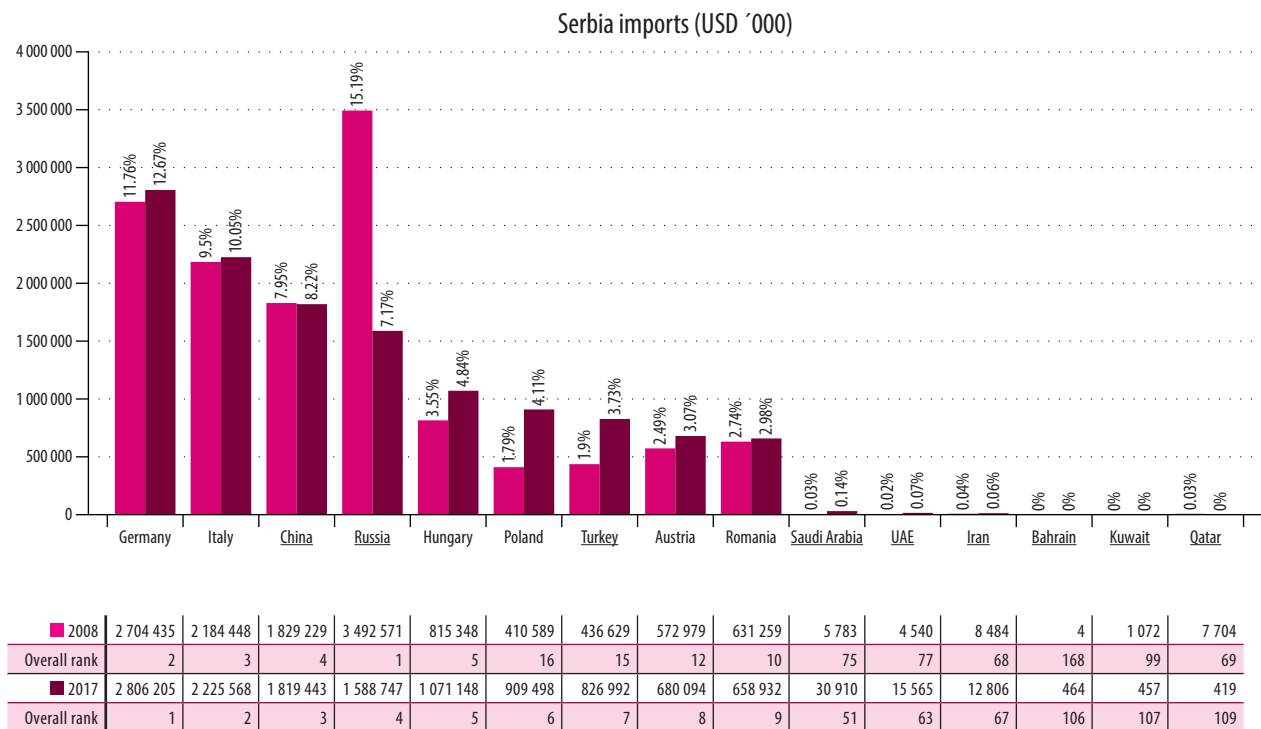
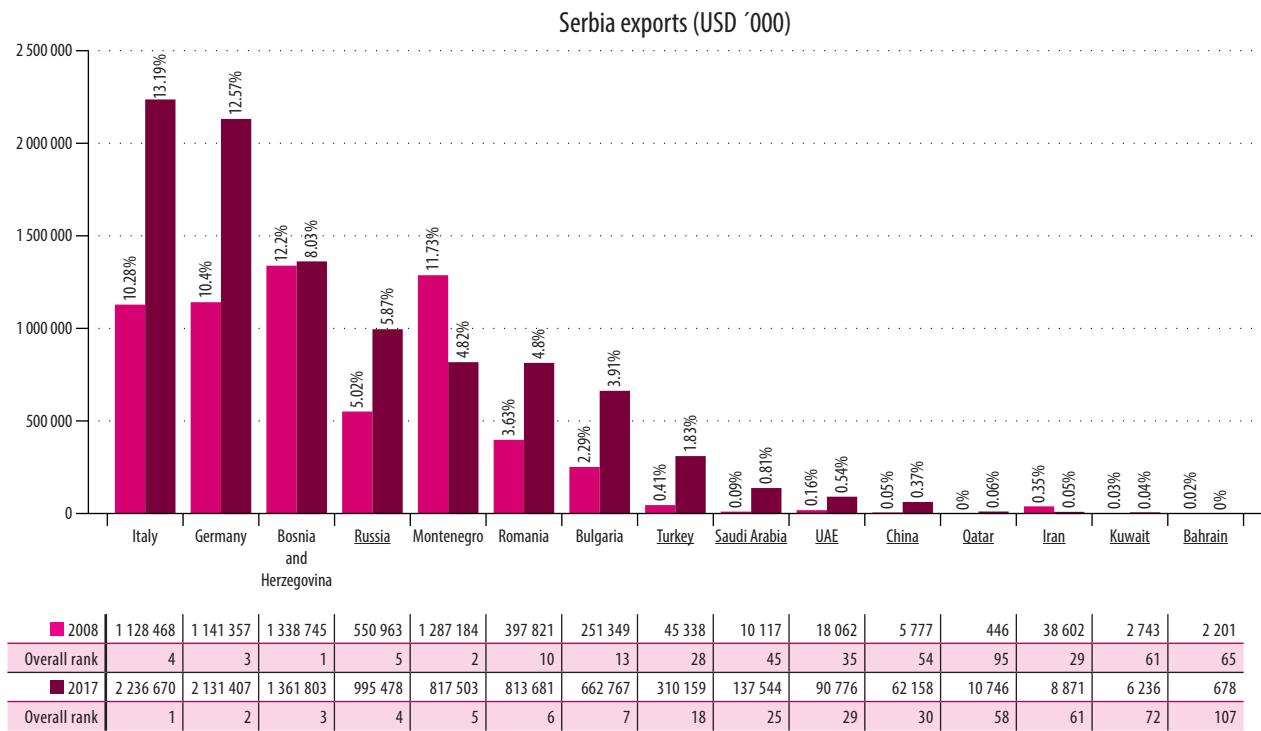
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Serbia – Foreign Trade by Countries



* The graph includes countries whose influence in the Balkans this publication explores—Russia, China, Turkey, Saudi Arabia, Iran, United Arab Emirates (UAE), Qatar, Kuwait, Bahrain—and six most important trade partners other than them to put the data in a comparative perspective.
 Source: World Bank, World Integrated Trade Solution (<https://wits.worldbank.org/>)

Country Report 2

Bosnia and Herzegovina



Country Report 2 – Bosnia and Herzegovina

Author: Srećko Latal

Introduction

In recent years, Bosnia and Herzegovina (BiH) has been steadily sinking into a crisis which transcends the country's traditional political, security, economic, and social problems. The country's complicated institutional setup established by the Dayton Peace Accord is based on the distribution of all key positions at the state level on an ethnic basis, and a decentralization of power between two entities (the Federation of BiH and Republika Srpska), the Federation's ten cantons and the Brcko district. This complex setup has failed to satisfy the needs of any of the BiH's three main ethnic groups. Today, political leaders of the Bosniaks (Bosnian Muslims), the Bosnian Croats (who are predominately Catholic), and the Bosnian Serbs (most of whom are Orthodox) seem to be abandoning the Dayton political project and focusing on their own narrow ethnic interests. As a result, following the last general elections in October 2018, the country's political scene seems on the verge of collapse as governments, parliaments, and other institutions on almost all levels are blocked by endless political quarrels, populist and nationalist rhetoric, and a zero-sum mentality. BiH's administration remains divided along ethno-political lines, ruled by patronage networks, and infested with wide-spread corruption. Ethnic and political tensions are widespread also at local media, social networks, NGOs and among ordinary citizens.

Amidst this prolonged political crisis, BiH's path to EU membership is effectively blocked. Preoccupied with numerous internal and external challenges such as Brexit, uncertainty over NATO's future, and growing global tensions between the USA, China and Russia, the EU seems unaware of the extent of the BiH crisis, and clueless as to what to do about it. The country's economy is stable only on paper, with a growth rate of some 3% of GDP, and a slim but steady increase in industrial production and exports. And yet, localized consumption and more stringent collection of tax revenues from overburdened companies represent a poor basis for economic and social stability in the face of the potential global economic downturn.

The country is also facing a migration crisis, one which has hit BiH hard since the beginning of 2018, when migrants

from Africa, the Middle East, and Asia opened a new corridor towards the EU, partially traversing BiH. More than 20,000 migrants—including at least 500 children—were registered in the country last year. The BiH Ministry of Security issued a warning that a new wave of migrants is expected to hit the country in the spring.

As a result of these mounting problems and a gradual loss of hope for political, economic, and social stability, BiH is facing a new wave of brain-drain. More and more people—including entire families—are leaving the country and seeking a better future abroad. According to different NGOs,⁹⁰ more than 150,000 people have left BiH over the last three years.

In the first post-war decade, BiH was effectively an international protectorate, managed by the executive powers of the Office of the High Representative, OHR, and dominated mostly by the US. This lasted until 2006, when the US effectively pulled out of BiH's daily politics and transferred its responsibility to the EU, which was supposed to oversee the stabilization of BiH through the process of EU integration, along with other Balkan countries. Yet, the weakening of US influence in the country, and the fact that the EU never assumed strong enough political role in the Balkans, created fertile ground for a new political and economic downturn. Some 13 years later, it is clear that the EU's inconsistent and overly bureaucratic approach has enabled the new destabilization of BiH.

Negotiations on BiH's Stabilization and Association Agreement (SAA) started in 2005 and BiH's SAA entered into force on June 1, 2015, despite the deepening political crisis. Against advice of EU leaders, the Bosnian government submitted a membership application on February 15, 2016 and the country received the EU questionnaire in December 2016. BiH submitted its reply in February 2018, as well as a reply to subsequent questions at the end of March 2019, while leaving some questions unanswered. The EU is expected to release its opinion on the BiH application by June 2019, but it will likely be very critical, given the fact that the establishment of new governments is still unfinished more than seven months after the 2018 elections,

⁹⁰ According to the Union for Sustainable Return and Integration in BiH, the total of 151,101 person has left BiH between 2013 and 2017. <http://www.uzopibih.com.ba/> While exact data for the last year and a half is still unavailable many experts say that by spring 2019 this number is significantly higher. .

and that the reform agenda remains completely blocked. In this situation, BiH's eventual candidate status—let alone membership—remains uncertain.

The fading EU perspective and dwindling US influence, as well as changes at the global scene, have in recent years enabled the strengthening of other foreign influences in BiH, just like in the rest of the Balkans. Opinion polls in BiH in recent years show a steady decline in pro-EU sentiments. For example, the last survey conducted by the BiH Directorate for EU Integration in June 2018 shows that support for joining the EU has dropped from 76% in 2016 to 56.5% in 2018.⁹¹ While the majority of the population still remains relatively positive about eventual EU membership, the continued absence of a coherent EU initiative will continue pushing BiH, and the rest of the region, towards greater destabilization and alternative arrangements, including possible rapprochement with other foreign powers, especially Russia, Turkey, and China.

Russia

Russia has been building its presence in the region almost exclusively based on its close links with the Serbs, both in Serbia and BiH, many of whom see Russia as their historical ally.⁹² After World War II, the Soviet Union tried to expand its area of influence in Eastern Europe by including Communist Yugoslavia, but this move was in the late 1940s rebuffed by the late Yugoslav leader, Josip Broz Tito, who insisted on keeping the country non-aligned with either the Eastern or Western bloc, yet at the same time close to both of them.

After the dissolution of the Soviet Union in December 1991, Russia did not play a significant role in BiH, or elsewhere in the Balkans, until the early 2000's. Its interest in the region increased after the US supported Kosovo's 2008 declaration of independence, and especially after the international debate about the status of Kosovo was moved from the UNSC to an EU-led dialogue between Kosovo and Serbia in 2011, thus circumventing Russian participation.⁹³ In subsequent years, Russia steadily increased its influence in BiH, almost exclusively working through the main leader of the Bosnian Serbs, Milorad Dodik. Throughout this period, Russia has shown an inconsistent approach towards BiH, suggesting that the Kremlin has no particular strategy towards BiH, but wants to use it as one of the pawns in its ongoing global chess match with the West.⁹⁴

The Russian "hot and cold" game dates back to November 2014, when Russia abstained from voting for the regular annual extension of the mandate of the EU-led peacekeeping mission in BiH, "Althea," in the UN Security Council. This was seen by the West as Russia's first serious signal suggesting that it could play a much more disruptive role in BiH. In early 2016, Russia supported the highly controversial referendum on keeping the National Day of Republika Srpska. The holiday, which was banned earlier by the Constitutional Court of BiH for its implicit discrimination against the non-Serb population, was called by Milorad Dodik despite strong opposition from the West and even Serbia.

However, Russia also has so far appeared careful to block Dodik from pushing for the full independence of RS, something which many experts thought would lead to a new conflict. This was signaled in December 2016 when Russia surprisingly signed up for a joint press communiqué that was issued after the meeting of the Peace Implementation Council (PIC),⁹⁵ stating that neither of BiH's two entities had the right of secession. The Russian position quickly stalled Dodik, who at the time seemed encouraged by the referendum on the Day of the RS holiday, and ready to move on with his separatist agenda. Russia also signed on in support of a similar formulation, rejecting any secessionist ideas in BiH again in the PIC communiqué in June 2018, and several of its senior officials publicly reiterated such positions. At other times, however, Russia assumed much harder positions during the regular biannual PIC meetings and frequently refused to sign their joint press statements. Some Western officials and experts therefore argue that Russia can have a much bigger "spoiler" effect in the future if it wants to do so and that through its links with Dodik it can easily, quickly and seriously destabilize BiH.

The Russian presence in, and influence over, BiH in the last decade has centered on the political marriage between the Kremlin and Milorad Dodik, the current Serb member of BiH's tripartite presidency and the undisputed leader of the RS's ruling party, the Alliance of Independent Social Democrats, SNSD. Dodik ruled the RS between 1998 and 2000, and again since 2006. Throughout this period, he steadily hardened his nationalist positions, eventually threatening the RS's secession from the rest of BiH. Close links with the Kremlin have been one of the key elements in Dodik's prolonged political reign.

91 'Istraživanje Javnog Mljenja: Stavovi Građana o Procesu Integracija i Članstvu BiH u EU', accessed 19 February 2019, http://dei.gov.ba/dei/media_servis/infografike/default.aspx?id=20054&langTag=bs-BA..

92 Leonid Savin, 'Руски Геополитички Интерес На Балкану', Geopolitica, accessed 15 November 2018, <https://www.geopolitica.ru/en/person/leonid-savin>.

93 Interview with Russian diplomats, Sarajevo, 2016.

94 Interview with Russian experts, Berlin, 2019.

95 PIC is an ad-hoc body made of countries and international organizations involved in the implementation of BiH's peace deal, which is overseeing the work of Bosnia's Office of the High Representative (OHR).

In recent years, Russian officials tried to establish better relations with a few other RS officials but for different reasons that has not worked, as Moscow has consistently found Dodik to be the most politically capable actor in the RS and for that reason has relied almost exclusively on him. Some RS officials and experts believed that this was also partially because of Dodik's drive for the independence of the RS, which Moscow has not supported (so far), but found useful as a tool to intimidate Western officials. Russian support for Dodik also created a significant imbalance in RS politics - as it steadily strengthened Dodik's positions and weakened the RS opposition. Such undisputed Russian support probably also contributed to Dodik's gradual radicalization, but despite, or maybe exactly because of that, Moscow remained focused on him. The Kremlin's bias towards Dodik can be seen in the fact that Dodik is among the politicians who meet Russian President Vladimir Putin most often. The latest such meeting took place during Putin's visit to Belgrade on January 17, 2019, which was at least their ninth meeting in the past four years.⁹⁶

In addition to meetings with Putin, Dodik is a regular guest at many other international political, business, and cultural events organized in Russia. While Dodik himself bears much of the responsibility for his close links with Russia, the RS government and its residents have paid a high price for that relationship, since these links were paid for with tens of millions from the RS budget. Dodik's lobbying efforts in Russia were mostly organized by the RS government's representative office that was established in Moscow in March 2010. This office is run by Dusko Perović, one of the closest of Dodik's allies and also one of the most influential and well-connected foreigners in Russia.⁹⁷ As Perović's and Dodik's links in Russia expanded over the years, the RS government has since last year established a second representative office in Russia in Saint Petersburg. However, the RS has gotten very little in exchange for the millions spent on lobbying, since most projects which Russian businessmen have planned in the RS have so far failed.⁹⁸

Russian support for Dodik has, in recent years, also influenced the election processes and elections results in BiH. Some media and experts have suggested that Russia was engaged in election fraud or manipulation, such as claims that the Kremlin was behind the creation of a large number of accounts on social networks that became active

ahead of BiH's elections.⁹⁹ However, there were no independent sources or other evidence available to confirm and verify such claims. Meanwhile, Russian involvement in the election process and election results was mostly manifested through its support for Dodik and his SNSD party. In all of the last three elections—in 2014 and 2018 general and 2016 local elections—Dodik managed to secure meetings with Putin shortly before the elections.¹⁰⁰ While Russia remained very much present and influential in Republika Srpska for more than a decade, throughout this period, Russian officials had relatively decent but generally cold and sporadic relations with Bosniak and Bosnian Croat officials. Bosniak officials saw Russia as an exclusive partner and supporter of the Bosnian Serbs, especially of Milorad Dodik, and never tried to get any closer to Moscow, while often criticizing Russia—with or without merit—for its support of Dodik. Bosnian Croat officials have in the past mostly ignored Russia, but as Dodik and the Bosnian Croat leader Dragan Čović grew closer in recent years, the latter has also tried to improve his relations with Russian officials. Still, Russia shows little or no interest in BiH's other entity, the Federation of BiH. Besides the fact that both BiH entities depend on its supplies of natural gas, Russia has little or no political influence in the Federation.

The oil and gas industry has played an important role in Russia-BiH relations, as the beginning of the build-up of Russian engagement in BiH was marked by a major economic investment, which became a good stepping-stone for the expansion of Russian political influence, particularly in Republika Srpska. In February 2007, Russia's state-owned oil company Zarubezhneft purchased a majority stake in BiH's sole oil refinery Brod, motor oil plant Modrica, and fuel retailer Petrol—all located in RS—for 121.1 million euro. This investment in the indebted and outdated energy complex brought no profit, and it has kept accumulating debt, but it helped strengthen the position of Dodik, the RS Premier at the time. This relatively small investment and negligible financial loss helped Russia establish a firm political stronghold, and close ties with one of the most powerful and influential local leaders. Despite the fact that the Brod refinery continued amassing debt in subsequent years, Russia is still refusing to consider selling or closing it because Russian officials are aware that such a move would jeopardize Dodik's position in the RS, and therefore their own position in BiH.¹⁰¹

96 Danijel Kovačević, 'Putin-Dodik Comradeship Causes Uncertainty for Bosnia', *Balkan Insight*, 8 June 2017, <http://www.balkaninsight.com/en/article/putin-dodik-comradeship-causes-uncertainty-for-bosnia-06-07-2017>.

97 Interview with a RS official, Banja Luka, February 2019.

98 Ibid.

99 'Eko-Sistem Ruske Propagande', *Oslobodjenje*, 22 August 2018, <https://www.oslobodjenje.ba/vijesti/bih/eko-sistem-ruske-propagande-387299>.

100 Danijel Kovačević, 'Dodik to Meet Putin Ahead of Bosnia Elections', *Balkan Insight*, 28 September 2018, <http://www.balkaninsight.com/en/article/bosnian-serb-leader-will-meet-vladimir-putin-again-09-26-2018>.

101 Interview with a senior Bosnian Serb official, Banja Luka, March 2018.

This initial investment in the RS oil industry reveals the main characteristics of the Russian economic approach, according to which all of the Russian investments, whether they come from state-owned or private companies, are almost always based on a combination of political and business interests. This is one of the main reasons why Russian business endeavors in BiH get much greater attention and weight when compared to Western investments, which usually avoid the political realm. Russian investment in the RS oil sector followed another important characteristic of Russian investments in the region, their focus on the energy sector, which also always garners greater attention in local communities.

Apart from its investments in the Brod and Modrica oil industry, Russia has tried in recent years to engage in several other business deals—all of them in RS—such as the purchase of the company Energoinvest-Elektroenergetska oprema, or the negotiations about eventual construction of a new block in the Ugljevik thermo power plant, and three accompanying mines, or of construction of a hydropower plant Mršovo. Yet, all these deals or plans failed, most often due to the red tape and generally poor business climate in RS.¹⁰²

This shows that even Russian investments are not resistant to the omnipresent corruption in RS. As a result, the RS oil industry remains the only major Russian investment in BiH. Although Russia remains in fifth place on the all-time list of foreign investors in BiH for the period 1994-2016, its investments totaling 417 million euro lag well behind the countries that hold the first three places on the list: Austria (1.2 billion euro), Croatia (1.1 billion) and Serbia (1 billion).¹⁰³

Besides Russian investments in the RS oil industry, the only other business segment worth mentioning is BiH's export of fruits and vegetables to Russia. BiH profited from the fact that it did not join trade sanctions against Russia in the wake of the Crimea crisis and in 2017 started exporting some of its agricultural products to Russia. However, local governments and farmers have so far failed to utilize the huge needs of the Russian market and have only managed

to export limited amounts of produce. The total value of goods which BiH exported to Russia in the first eight months of 2018 was 59.3 million BAM (30,3 million euro) which is only some 0.76% of total exports over that period, which were recorded at a total of 7.8 billion BAM (4 billion euro). According to these statistics, Russia was not even among the top 20 export destinations for BiH (see graph on p. 47).¹⁰⁴

Despite its not so remarkable economic presence, but along with the strengthening of its political leverage, Russia has also gradually restored its cultural and religious influence among Bosnian Serbs over the last few years. "After a period of geopolitical retreat from many places in the world during the 1990's and early 2000's, Russia decided to come back to the Balkan peninsula. However, unlike during the 19th century, in the current state of affairs Russia can only count on Serbs as a reliable factor," reads an analysis published by Russian right-wing analytical outlet Geopolitica.ru, authored by its chief editor Leonid Savin, adding that "Russia has deep-rooted historical and cultural ties in the region."¹⁰⁵

These and other similar reports and analyses clearly show that in its approach to regional and global politics, Russia is strongly relying on its historical religious, cultural and ethnic ties with Orthodox Slavs. In the process of establishing its foothold in RS, Russia has been meticulously interweaving various religious, cultural and academic events together with political and economic ones. Such activities have included presentations of Russian academic publications and activities in RS,¹⁰⁶ regular cultural exchanges such as "Days of Republika Srpska" organized in Russia,¹⁰⁷ or Russian cultural days organized in RS,¹⁰⁸ as well as regular visits of the (in)famous, Kremlin-sponsored Russian biker gang Night Wolves to RS.¹⁰⁹ Most of these activities have usually appeared to be managed from Moscow directly and have had a regional character. One such example was a series of performances of the Imperial Russian Ballet in Banja Luka and Sarajevo in 2016 and 2018, as a part of its regional tour.¹¹⁰

102 'Ruske Investicije u RS-u: Propale Privatizacije, Dugovanja, Neuspješni Kameni Temelji', *Faktor*, 30 November 2017, <https://faktor.ba/vijest/ruske-investicije-u-rs-u-propale-privatizacije-dugovanja-neuspjesni-kameni-temelji-274362>.

103 'Direktna Strana Ulaganja (DSU) – Stanje i Performanse', Agencija za unapređenje stranih investicija u Bosni i Hercegovini, accessed 19 February 2019, <http://www.fipa.gov.ba/informacije/statistike/investicije/default.aspx?id=180&langtag=bs-BA>.

104 'Economic Statistics - External Trade', Statistical Office of Bosnia and Herzegovina, accessed 3 May 2019, [http://www.bhas.ba/index.php?option=com_publicacija&view=publicacija_pregled&ids=28&id=7&n=External trade](http://www.bhas.ba/index.php?option=com_publicacija&view=publicacija_pregled&ids=28&id=7&n=External%20trade).

105 Savin, 'Руски Геополитички Интерес На Балкану'.

106 'Zbornik "Rusija i Balkan u Savremenom Svijetu"', *Pale Live*, 26 December 2012, <http://www.palolive.com/zbornik-qrusija-i-balkan-u-savremenom-svijetuq/>.

107 'Otvoreni Dani Republike Srpske u Sankt Peterburgu', *Alternativna TV*, 11 May 2018, <https://www.atvbl.com/otvoreni-dani-republike-srpske-u-sankt-peterburgu>.

108 'Dani Ruske Kulture u Banjaluci', *Banja Luka.Net*, 17 December 2015, <https://banjaluka.net/dani-ruske-kulture-u-banjaluci/>.

109 'Najozloglašenija Ruska Motoristička Banda u Banjoj Luci: "U Misiji Smo Obnove "Duhovnih Veza" Sa Srbima"', *Dnevnik*, 21 March 2018, <https://dnevnik.hr/vijesti/svijet/ruski-nocni-vukovi-u-banjoj-luci-tvrde-da-obnavljaju-duhovne-veze-sa-srbima---510931.html>.

110 'Carski Ruski Balet Oduševio Publiku: Spektakl "Labuđe Jezero" Izveden u Sarajevu', *Klix*, 4 March 2016, <https://www.klix.ba/magazin/kultura/carski-ruski-balet-odusevio-publiku-spektakl-labudje-jezero-izveden-u-sarajevu/160304154>.

In recent years, Russia has intensified its activities by establishing special relations among local communities in Russia and RS, such as presentations of documentary films about relations established between local communities in Russia and RS.¹¹¹ A large part of these projects was carried out by some of the at least six associations of Serb-Russian friendship which operate in Republika Srpska, usually with financial support from the RS government. Some of these activities included construction of a Russian monastery and ethno-village near Doboj on June 14, 2013,¹¹² and a monument for the Russian Tsar Nicholas II on September 30, 2017 also near Doboj.¹¹³ However, these projects as well as these associations have so far had a very limited and localized impact.¹¹⁴

This was also the case with the work of the Russian cultural centre and library of the Russian Peace Foundation that were established at the RS National and University Library in Banja Luka since 2013 with the aim of promoting Russian language and culture. Some of these cultural activities have also sparked major controversies and concerns, such as the visit of an alleged Russian Cossack troupe at the beginning of October 2014. The group of Cossacks, which was promoted as a dancing troupe, toured RS in their traditional, picturesque costumes, but according to witnesses' reports they were not very good at dancing.¹¹⁵ This added to fears that the Cossacks, who arrived in RS only a few days ahead of the general elections, came in fact to show Russian support for Dodik.

The pinnacle of Russian cultural and religious presence in RS is supposed to be the establishment of the Russian cultural and religious center, whose construction has started in the heart of the RS administrative centre, Banja Luka, in September 2018, and is expected to last at least a year and a half. The official laying of the cornerstone of this complex, which took place just a few days ahead of BiH's 2018 general elections, was attended by top RS officials and representatives of the Russian Orthodox Church. "The (Russian Orthodox) temple is proof of the friendship of the Russian and Serb peoples," Dodik said on this occasion.¹¹⁶ RS officials seem to be working on boosting longer-term cultural

links with Russia as well. Since 2017, RS authorities have instructed all educational institutions in RS to focus school excursions and students' exchanges as much as possible on Russia, instead of Western countries.¹¹⁷

One of the key pillars of Russian influence in BiH is its media presence. Unlike in Serbia, where Russia and its state media have established or directly or indirectly supported dozens of print, electronic media and web portals, in BiH Russia did not need such large investments but relies on the mainstream RS media, which is under Dodik's tight control. Most of these media outlets frequently use reports from the Russian state-owned news agency Sputnik, which broadcasts regional news in local languages and has a regional editorial office in Belgrade.¹¹⁸ "As long as Russia can fully rely on RS's main public broadcaster RTRS, and as long as most of the other RS media are openly pro-Russian, Russia does not need to waste its money on opening additional local media organizations," a Western diplomat said.¹¹⁹

Another issue recently debated in relation to Russian influence in RS has become right wing extremism and radicalism. Yet while there is general consensus among local and international experts that the Kremlin is using Dodik and the RS to keep BiH out of NATO and perhaps even to halt EU integration,¹²⁰ there are major disagreements about alleged Russian influence on extremist groups in BiH. Some experts and media go as far as to accuse Russia of supporting Serb extremism, including the formation of Serb paramilitary troops in RS.¹²¹ If the currently available evidence is brought to bear on this debate, one can only conclude that there is little or no proof that Russia is in fact supporting extremists in RS. On the other hand, given the fact that Dodik himself is perceived as one of the most radical politicians in the region, with full control over the political and security structures in RS, one can also conclude that Russia does not need to support extremists in BiH since it could work through official channels to destabilize BiH at any moment, should that come to be in Russia's interest.

Reports and news articles about Russian support for extremists in BiH usually mention the occasional presence of

111 'Moskva- Premijera Filma "Kod Prijateljstva"', *RTRS*, 28 December 2017, <https://lat.rtrs.tv/vijesti/vijest.php?id=283580>.

112 'Ruski Manastir i Etno Selo u Republici Srpskoj', *Vesti*, 14 June 2013, <https://www.vesti.rs/Intervju/Ruski-manastir-i-etno-selo-u-Republici-Srpskoj.html>.

113 'U Dobojskom Selu Ritešić Napravljen Spomenik Ruskom Caru Nikolaju Drugom', *Blic*, 30 September 2017, <https://www.blic.rs/vesti/republika-srpska/u-dobojskom-selu-ritesic-napravljen-spomenik-ruskom-caru-nikolaju-drugom/vwsmg3z>.

114 Interview with a RS official, Banja Luka, September 2018.

115 Julian Borger, 'Russian Cossacks Leave Bosnia after "Cultural Visit"', *The Guardian*, 15 August 2014, <https://www.theguardian.com/world/2014/oct/15/russian-cossacks-leave-bosnia-banja-luka>.

116 'Dodik: Hram Dokaz Ideje o Prijateljstvu Ruskog i Srpskog Naroda', *Dnevni List*, 17 September 2018, <https://dnevni-list.ba/dodik-hram-dokaz-ideje-o-prijateljstvu-ruskog-i-srpskog-naroda/>.

117 Interview, with a RS government official, Sarajevo, September 2018.

118 'Eko-Sistem Ruske Propagande'.

119 Interview with a BiH-based Western diplomat, Sarajevo, September 2018.

120 Jasmin Mujanović, 'Russia's Bosnia Gambit', *Foreign Affairs*, 6 September 2017, <https://www.foreignaffairs.com/articles/bosnia-herzegovina/2017-09-06/russias-bosnia-gambit>.

121 Reuf Bajrović, Richard Kraemer, and Emir Suljagić, 'Bosnia on the Chopping Block: The Potential for Violence and Steps to Prevent It', 2018, <https://www.fpri.org/wp-content/uploads/2018/03/UPDATED-Bosnia-2018.pdf>.

alleged extremist groups—such as Cossacks or Russian bikers’ gang Night Wolves – in Republika Srpska. Some experts, NGOs and media have warned that the presence of these groups has sparked fears,¹²² as they were allegedly encouraging RS extremist groups.¹²³ Others, however, have said that these visits were mainly a part of cultural or humanitarian aid projects.¹²⁴ Concerns were also raised toward speculations about the possible opening of a Russian “humanitarian center” in RS, which is reportedly supposed to be similar to the controversial Russian humanitarian center which is already operating in Serbia near Niš. Despite occasional media claims that efforts aimed at the establishment of this center are already ongoing,¹²⁵ so far there has been no independent confirmation that any such project exists.

Another alarming phenomenon related to Russian influence on extremist groups in BiH has involved BiH citizens who have joined pro-Russian forces in Ukraine. One of the most detailed regional reports which addressed and analyzed this issue was entitled “A Waiting Game: Assessing and Responding to the Threat from Returning Foreign Fighters in the Western Balkans;”¹²⁶ it stated that by the end of 2017, local law enforcement agencies and the Prosecutor’s Office have investigated seven cases of BiH citizens who were suspected of fighting in Ukraine, only one of whom has thus far been arrested.¹²⁷ Yet there is no evidence that any of these individuals have any role or influence in RS.

Security-related concerns have been raised about cooperation between Russian and RS police forces. In 2016 Russian and RS officials signed a cooperation agreement, according to which RS special police units were to be trained in Russia.¹²⁸ These events have troubled US and EU officials, and this issue was even raised in a European Parliament resolution from April 14, 2016 on the 2015 Report on Bosnia and Herzegovina.¹²⁹ According to several RS government officials, since 2016 RS special police forces have been receiving training in Russia. The officials refused to provide further details, but stressed that these trainings were not part of RS policy but rather a technical capacity-building process equal to all those exercises which RS police had and still have with US and various EU police forces.

China

Like in the rest of the Balkans, China was almost completely absent from BiH until recent years. In 2012, it launched its ‘16+1’ sub-regional diplomatic initiative for 11 EU member states and five Balkan countries. A year later, Beijing launched its signature Belt and Road Initiative (BRI), aimed at developing infrastructure projects to better connect Asia to Europe, to help facilitate Chinese access to European markets, as well as to better export China’s excess capital and labor. In 2016, China set up a special 10-billion-euro fund to finance these projects.

So far, there is no clear evidence that Chinese officials have engaged in any specific political activities, expressed policy or other preferences, or established significant connections in Bosnian politics. In fact, Chinese involvement in the country is predominantly focused on the expansion of business opportunities for Chinese companies and is mostly perceived as oblivious to the political, ethnic, religious or any other background of its potential business partners. As a result, Chinese officials and firms appear to be open to cooperation with local actors regardless of their ethnic, religious or political affiliation as long as they can be used for furthering Chinese business interests. In the medium- to long-term this approach could give China an advantage in BiH compared to more divisive overtures from Russia or Turkey.

Chinese presence in BiH is still perceived relatively positively, mainly thanks to local officials who hail Chinese projects as something that may improve local infrastructure faster than similar EU-funded projects. However, there are more and more warnings, mainly from independent media and experts,¹³⁰ who stress that Chinese business involvement comes with strings attached. There is also growing awareness in the public about the absence of transparency in Chinese projects, which raises questions about the real long-term consequences of these projects.

The Chinese focus on Serbia and Croatia and the fact that most Chinese business deals do not actually fall into the category of foreign direct investments have contributed to China still not having a significant presence on the list of

122 Julian Borger, ‘Arrival of Russian Cossacks Sparks Fears in Bosnia’, *The Guardian*, 3 October 2014, <https://www.theguardian.com/world/2014/oct/03/arrival-russian-cossacks-fears-bosnia>.

123 ‘Inspirišu Ekstremiste: Noćni Vukovi Na Turneji “Ruski Balkan” Dolaze u Srbiju i BiH’, *Faktor*, 13 March 2018, <https://faktor.ba/vijest/inspiriu-ekstremiste-noni-vukovi-na-turneji-ruski-balkan-dolaze-u-srbiju-i-bih-287588>.

124 Advo Avdić, ‘Putinovi Noćni Vukovi: Za Obamu Teroristi, Za Dodika Humanisti!’, *Zurnal*, 17 January 2018, <http://www.zurnal.info/novost/20922/za-obamu-teroristi-za-dodika-humanisti>.

125 Mario Pušić, ‘Buduća Ruska Vojna Baza Gradi Se Na Lokaciji 150 Km Od Zagreba? Republika Srpska Ulaže 3 Milijuna Eura u Uređenje Golemog Napuštenog Vojnog Kompleksa’, *Jutarnji Vijesti*, 17 February 2018, <https://www.jutarnji.hr/vijesti/hrvatska/buduca-ruska-vojna-baza-gradi-se-na-lokaciji-150-km-od-zagreba-republika-srpska-ulaze-3-milijuna-eura-u-uredenje-golemog-napustenog-vojnog-kompleksa/7043924/>.

126 Vlado Azinović and Edina Bećirević, ‘A Waiting Game: Assessing and Responding to the Threat from Returning Foreign Fighters in the Western Balkans’, Regional Cooperation Council, 2017, <https://www.rcc.int/pubs/54/a-waiting-game-assessing-and-responding-to-the-threat-from-returning-foreign-fighters-in-the-western-balkans>.

127 Azinović and Bećirević.

128 Rodolfo Toe, ‘Russia to Train Bosnian Serb Special Police’, *Balkan Insight*, 19 February 2016, <http://www.balkaninsight.com/en/article/republika-srpska-police-to-get-trained-in-russia-02-19-2016>.

129 ‘2015 Report on Bosnia and Herzegovina’, *European Parliament*, 2015, <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&language=EN&reference=P8-TA-2016-0135>.

130 ‘Vlasti u BiH Šute Na Opasnost Širenja Kineskog Utjecaja’, *Vijesti.Ba*, 25 February 2019, <https://vijesti.ba/clanak/437769/vlasti-u-bih-sute-na-opasnost-sirenja-kineskog-utjecaja-5c742e3663f56>.

foreign investors in BiH. In terms of trade relations, BiH has very limited export to China—only 115.6 million BAM (59,1 million euro) in the first eight months of 2018—and somewhat more substantial import—863.8 million BAM (441,7 million EUR). This means that China is among the top five countries exporting to BiH, with its exports amounting to 6.82% of the total BiH imports of 12.7 billion BAM (6,5 billion euro) (see graph on p. 47).

However, like everywhere else in the Balkans, China seems to be advancing fast in BiH, especially in the energy sector. After the '16+1' Budapest summit in November 2017, the Bosnian electric power company Elektroprivreda BiH signed a 1.6 billion BAM (800,000,000 euro) loan from China's Exim bank to finish building the thermal power plant in Tuzla, which was hailed as the largest post-war investment in the country. This project faced a possible fiasco in the fall of 2018 when the consortium of Chinese companies that was supposed to implement the project¹³¹ announced they were withdrawing after the Parliament of the Federation entity had failed to approve the project for a year. The project appeared to be back on track after the FBiH Parliament on March 7, 2019, finally gave it a green light,¹³² despite the fact that EU officials warned that it may be a violation EU's Energy Community treaty, and questioned the choice of energy technology, environmental impact and cost-effectiveness of such a project.¹³³

Around the same time, in early March 2019, some local media mentioned a new project being prepared in BiH's main northern industrial center of Tuzla—construction of one of the biggest business centers in the region.¹³⁴ While local media provided only scarce details about this project without any mention of potential involvement of foreign investors, a senior government official, speaking on condition of anonymity, said that this project is also linked with Chinese companies.¹³⁵ According to this source, the new business center in Tuzla will be built with Chinese money and house Chinese companies, and will serve as one of the main distribution centers for Chinese goods in the region. This new

project, as well as the sudden breakthrough with the Tuzla thermo power plant project, is a result of steady increase in the lobbying of Chinese companies and officials in BiH, the official said.¹³⁶

BiH is still counting on China for at least four other projects: the thermal power plant Stanari, thermal power plants in Tuzla and Zenica, as well as the Banja Luka–Mlinišće–Split highway. In 2018, China Machinery Engineering Corporation and Emerging Market Power Fund are expected to invest in the thermal power plant Gacko 2 in Bosnia's Serb-dominated entity, Republika Srpska. Some experts¹³⁷ have argued that this apparent focus of Chinese companies on construction of thermo power plants in BiH, but also elsewhere in the region, is a result of Chinese strategic orientation to gradually switch to "cleaner" technologies domestically and to export its older, "dirty" technology, equipment and know-how elsewhere, and still profit from it.¹³⁸

Being aware of the importance of cultural ties, China has accompanied its business projects with strengthening of its presence in the cultural domain. Over the past year, it has launched a number of cultural events in BiH, which seem to be aimed at complementing China's record of aggressive, mainly economic initiatives in the country. Among other events, China started organizing celebrations of Chinese New Year in Sarajevo,¹³⁹ marked the Chinese Day of Love in Banja Luka,¹⁴⁰ and organized a summer camp of Chinese language and culture for BiH students.¹⁴¹

China has been building its cultural and academic presence in BiH mostly through its very active embassy and through the two Confucius Institutes which have been operating within the Sarajevo University since 2014 and in the Banja Luka University since January 2018. It also established the Association of Bosnian-Chinese Friendship¹⁴², which has been operating in BiH since May 2014 and which also includes a web portal Kina-Danas (China-Today)¹⁴³ covering China-related developments in BiH and Croatia. It also

131 The consortium includes China Gezhouba Group Company Ltd - CGGC, China Energy Engineering Group, and Guangdong Electric Power Design Institute Co. – GEDI.

132 'Parlament FBiH Ipak Dao Saglasnost Za Kineski Kredit Za Izgradnju Bloka 7 TE Tuzla', *Radio Sarajevo*, 7 March 2019, <https://www.radiosarajevo.ba/vijesti/bosna-i-hercegovina/predstavnicki-dom-dao-saglasnost-da-fbih-bude-garant-kredita-za-blok-7-te-tuzla/329188>.

133 Tweets from Johannes Hahn, European Commissioner for European Neighbourhood Policy and Enlargement Negotiations, March 12, 2019, https://twitter.com/JHahnEU?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor.

134 'U Tuzli Se Graditoranjveći Od 'Avaz Twist Tower-A', *BPortal*, 1 March 2019.

135 Interview with a senior BiH government official, Sarajevo, March 2019.

136 Ibid.

137 Interview with an international energy expert, Sarajevo, September 2018.

138 Ibid.

139 'Kineska Nova Godina Obilježena u Sarajevu Uz Bogat Program i Vatromet', *Klix*, 18 January 2017, <https://www.klix.ba/vijesti/bih/kineska-nova-godina-obiljezena-u-sarajevu-uz-bogat-program-i-vatromet/170118147>.

140 'Konfucijev Institut / U Banjoj Luci Proslavljen Kineski Dan Zaljubljenih', *Radio Sarajevo*, 17 August 2018, <https://www.radiosarajevo.ba/metromahala/teme/u-banjoj-luci-proslavljen-kineski-dan-zaljubljenih/309868>.

141 'Ljetni Kamp Kineskog Jezika Za Studente i Srednjoškolce', Sarajevo University Announcement, 2017, http://old.unsa.ba/s/index.php?option=com_content&task=view&id=3156.

142 'Bosansko-Kinesko Prijateljstvo', Bosansko-kinesko prijateljstvo, accessed 4 February 2019, <http://www.boskin.ba/>.

143 'Kina Danas', accessed 14 February 2019, <http://www.kina-danas.com/>.

founded a Center for Promotion and Development of the Belt and Road Initiative.¹⁴⁴ However, the visibility of these organizations in the general public remains very low and their occasional activities, promoting visits of Chinese journalists, businessmen and other officials and institutions, still have little impact.¹⁴⁵

Turkey

Turkey is for Bosniaks (Bosnian Muslims) what Russia is for Bosnian Serbs. After some 500 years of Ottoman rule over the Balkans followed by its retreat from the region during the 20th century, Turkey has recently attempted to re-establish close ties with the region as a whole, but especially with BiH and the Bosniaks. While the Turkish presence became less visible in modern Yugoslavia after World War II, it started increasing steadily during and after the breakup of the former Yugoslavia and especially during BiH's war. At that time, Turkey—like many other Islamic countries—provided Bosniaks with political support and funds, which the Bosniak leadership used for purchases of weapons and ammunition in most cases.

Modern Turkey started following a new, multidimensional foreign policy in BiH and the rest of the Balkans as of 2002, under the rule of the Justice and Development Party (AKP). The Turkish “soft power” approach to the region was largely developed and orchestrated by Ahmet Davutoglu, who was at the time Turkish Foreign Minister and eventually became Prime Minister. Yet the leading force behind this idea was Turkish Premier and now President Recep Tayyip Erdoğan, under whose reign Turkey strengthened its regional and global military, political and economic power.

Like the Russian presence in BiH, Turkey's engagement is also mostly of a political nature, but is backed up by diverse business and cultural activities. While Russia remains almost exclusively linked with RS and more specifically Dodik, Turkey—after initially being connected exclusively with Bosniak leaders, or more specifically with the Izetbegović family—has in recent years put special effort into strengthening relations with Serbia and Republika Srpska as well. Nevertheless, until now Erdoğan's influence in BiH has relied mostly on his close personal, political and some say even business links with the former Bosniak member of

the presidency and the leader of the main Bosniak Party, Democratic Action (SDA) – Bakir Izetbegović.

The AKP and Erdoğan himself threw their full political and financial support behind Izetbegović's 2014 bid to become the new leader of the SDA, and then again in the same year, when he ran for the Bosniak presidential position. Izetbegović and SDA returned the favor, supporting Erdoğan in the controversial 2017 referendum and snap elections of June 2018.¹⁴⁶ However, since the 2016 failed coup and subsequent repression of Erdoğan's political opponents and critics in Turkey and abroad, Erdoğan's regime has faced growing criticism in BiH, especially among independent media and experts. Around the same time, relations between Izetbegović and Erdoğan seemed to grow somewhat colder, as Bosnian officials failed to close down organizations which Turkish officials claimed to be associated with Turkish self-exiled preacher Fetullah Gülen, whom they claimed to be behind the attempted coup.

As Erdoğan's relations with the West grew sour and he moved towards (re)establishing Turkey as an independent regional if not global power, Turkey started strengthening its relations with Serbia, which confused and frustrated Bosniaks somewhat. At the same time, as Izetbegović faced increased criticism from his own party colleagues, Turkey established communication with several other senior Bosniak officials, which some analysts said was their search for a possible Izetbegović's replacement.¹⁴⁷ As the struggle for a new/old Bosniak leader is expected to intensify after Bosnia's October elections, Turkey and Erdoğan could play an important role in the race, which would ultimately further increase Turkish influence among Bosniaks.¹⁴⁸

By their political and financial support to Izetbegović and SDA, Turkey has been indirectly influencing the election process in BiH. More recently, political cooperation and mutual electoral influence between Erdoğan and his AKP and Izetbegović and his SDA was seen on May 20, 2018, when Erdoğan staged a showpiece rally in Sarajevo, where he appeared jointly with Izetbegović and other top SDA figures, just ahead of the snap elections in Turkey and the 2018 October elections in BiH.¹⁴⁹

144 'Pojas i Put', accessed 16 February 2019, <http://pojasiput.ba/>.

145 Interview with a former Bosnian official who is involved in some of these activities, Sarajevo, September 2018.

146 Turkey indirectly financially and politically supported SDA's pre-election activities in the elections in 2014 as well as Izetbegović's own race for the re-election as SDA leader at party congress in 2015, interviews with Bosniak and Turkish officials, Sarajevo, 2015-2017.

147 Interview with a Turkish expert, Sarajevo, September 2018.

148 SDA party is expected to hold its congress, including internal elections for new/old party leader by the end of 2019.

149 Firat Hamdi Buyuk, 'Erdoğan Stages Showpiece Election Rally in Bosnian Capital', *Balkan Insight*, 20 May 2018, <http://www.balkaninsight.com/en/article/erdogan-sarajevo-rally-is-the-sign-of-his-great-victory-in-coming-elections-05-20-2018>.

Investments, trade and business deals have also been a key part of the Turkish “soft power” approach to BiH. Over the years, most Turkish business efforts were focused on the areas populated predominately by Bosniaks. While Turkey has indeed established itself as one of the key business partners for BiH, statistics in recent years show that levels of Turkish investment in and trade turnover with Serbia and Croatia have been surpassing Turkish business relations with BiH.

Over the past several years, several major Turkish companies have ventured deeper into Bosnia’s business community. This includes Kastamonu Entegre Altunizade Istanbul and Hayat Kimya Sanayi Anonim Sirketi Istanbul, which in 2005 purchased BiH’s leading paper producer Natron-Hayat d.o.o. Maglaj, for 75 million euro; Sisecam Soda Lukavac d.o.o., which was originally purchased by Soda Sanayii A.E. Turkey in 2006 for 50 million euro, which in 2013 transferred its ownership to Sisecam Chem Investment B.V. Amsterdam, a Netherlands-based company from the same group as Turkish Ziraat Bank.

BiH’s meat, milk and dairy-producing companies have also benefited from their preferential treatment in exporting their produce to Turkey since 2012. According to the BiH Foreign Trade Chamber, this export grew from 24 million euro in 2013 to 57 million in 2014, 110 million in 2015 and to 140 million in 2016 (see graph on p. 47).¹⁵⁰ Despite all this, and many other business projects supported by TIKA development agency and Turkish Ziraat Bank in the past years,¹⁵¹ Bosnia’s Foreign Trade Chamber registered a trade deficit with Turkey for the past seven consecutive years. In the first four months of 2018 alone this deficit stood at around 100 million euro.¹⁵²

The list of BiH’s main business partners compiled by the BiH Foreign Promotion Agency showed that Turkey is currently ranked at 11th place, with business investments totaling 199.1 million euro, or only 3% of total investments in BiH. During his visit to Sarajevo in May 2018, Erdoğan reaffirmed his previous pledges that Turkey will provide some 3 billion euro to finance construction of the Sarajevo-Belgrade-Sarajevo highway. In addition, last year Turkish officials pledged to invest some 4.2 billion euro for construction of a major ski resort on Mount Vlašić in central Bosnia, with an accompanying airport and other infrastructure. Nevertheless,

these and many other major plans are threatened by the growing political and economic crises in both countries.¹⁵³

Besides fostering political and economic links, the Turkish soft power approach has paid special attention to cultural, religious and academic cooperation between Turks and Bosniaks. Its increasingly visible presence has been built on numerous institutions which the Turkish government established for this purpose, such as the Turkish Aid Agency, TIKA, Yunus Emre Institutes, and various universities and Turkish state-backed media outlets broadcasting in regional languages. These institutions and organizations—which in their number, financial and technical capacity have greatly overshadowed Russian academic and cultural institutions—have had a huge impact on the Turkish cultural and academic presence in BiH. Their engagement include running free Turkish language classes, frequent visits by top Turkish academics, and Turkish schools and universities which have, over the years, provided free education for tens of thousands of Bosniak pupils, thus exposing them to Turkish culture, ideology and politics. These schools quickly became the “school of choice” for the children of the Bosniak political, academic and business elite.

As such, these institutions were probably the single most important vehicle for the gradual “Turkification” of Bosniaks, perhaps second only to the myriad of Turkish soap operas, which were provided for free by Turkish media and production companies to local TV stations, thus entering the majority of homes and exposing local populations to the idealized Turkish way of life for several hours day after day.¹⁵⁴ Meanwhile, TIKA has renovated hundreds of mosques and other historical monuments in BiH, financed local projects, and organized large events designed to reinforce and revive bonds with Turkey. Among the most prominent and visible projects was Turkish participation in the reconstruction of the famous Old Bridge in the southern city of Mostar¹⁵⁵ and the reconstruction of the equally famous 16th-century Mehmed Paša Sokolović bridge worth some 5 million euro. Turkey was also one of the main donors behind the reconstruction of the famous Ferhadija mosque in Banja Luka, which was built in the 16th century, listed as a cultural heritage site by UNESCO in 1950, destroyed in the war on May 7, 1993, and rebuilt according to the original blueprints and officially reopened in 2016.

150 ‘Analiza Vanjskotrgovinske Razmjene Bosne i Hercegovine’, 2017, http://www.mvteo.gov.ba/attachments/hr_analiza-vansjotrgovinske-razmjene-bosne-i-hercegovine-2016.pdf.

151 Firat Hamdi Buyuk, ‘Turkey’s “Soft Power” Risks Backfiring in Balkans’, *Balkan Insight*, 26 February 2016, <http://www.balkaninsight.com/en/article/turkey-s-soft-power-risks-backfiring-in-balkans-02-25-2016>.

152 ‘Analiza Vanjskotrgovinske Razmjene Bosne i Hercegovine’.

153 Mladen Lakić and Firat Hamdi Buyuk, ‘Turkey-Bosnia “Love Match” Fails to Sway Investors’, *Balkan Insight*, 5 May 2018, <http://www.balkaninsight.com/en/article/turkey-bosnia-love-match-fails-to-sway-investors-06-02-2018>.

154 Interview with a Turkish expert, Sarajevo, August 2018.

155 Tutkış TIKA participated with 1 million USD in the 15.5 million USD-worth project for the reconstruction of Mostar’s 16th century old bridge and a part of the surrounding old town. The bridge was destroyed in shelling during the war in 1993 and was reconstructed in line with the original blueprints in 2004. The bridge was inscribed on the list of UNESCO’s World Heritage sites in 2005.

The Turkish Presidency of Religious Affairs, the Diyanet, is another instrument of Turkey's soft power. It offers religious education, theological guidance, direct financial assistance and even mediates disputes between regional governments and local Muslim communities. Recently Diyanet officials have been regularly visiting their counterparts in BiH's Islamic Community and organizing projects to support Bosniaks who actively practicing Islam.

However, the Turkish cultural and academic presence in BiH suffered a major blow over the last two years following the failed military coup against Erdoğan's reign in Turkey in July 2016, and the subsequent repression which Erdoğan unleashed against his political opponents and public critics. Erdoğan's oppression against alleged supporters of Turkish preacher Muhammed Fethullah Gülen—whom he blamed for orchestrating the coup—has confused and divided the Turkish community living and working in BiH, as well as many of their Bosniak friends and associates. Numerous purges in all Turkish governmental as well as educational, academic and cultural institutions in BiH have also affected their work and quality and raised questions about the merits and morality of such moves among local Bosniaks, thus turning many Bosniaks away from Erdoğan.¹⁵⁶

When it comes to influence on media and elections, Turkey relies mostly on its main state news agency, Anadolu, which has established its main regional office in Sarajevo and is broadcasting in local languages and providing free content to other local media. In its work, Anadolu relies on its popularity and frequent re-publications in the mainstream Bosniak media, especially those close to the SDA party. Through this cooperation with local media organizations, the Anadolu agency has contributed to the positive image of Turkey among Bosniaks, not only as a "trusted friend" of BiH,¹⁵⁷ but also as a leader among the Muslim community in the world.¹⁵⁸ Such an image, in turn, has contributed significantly to the gradual strengthening of Turkish influence among Bosniaks in both BiH and Serbia.

So far there are no clear indications that Turkey has been in any way involved in supporting extremist elements in BiH, yet the fact is that in recent years, besides pursuing links with the Bosniak leadership, Turkey has also been steadily building its own power base in BiH. This has included the establishment of a local branch of its ruling AKP party, as

well as civic groups for its supporters made up of both local residents and Turkish nationals, many of whom have attended some of the numerous Turkish academic institutions in the country and abroad. These groups—organized and managed directly by people from the local AKP branch office—have already been used in BiH in previous years for the staging of demonstrations in support of Erdoğan, as well as protests against Gülen and his supporters in BiH. Furthermore, according to different sources,¹⁵⁹ Turkey has in recent years also built up the presence of its secret police all over the region. Having in mind that Turkey has already used its secret police to carry out illegal arrests and deportations of alleged Gülenists in several countries in the region, many Turkish nationals living in BiH fear similar events could eventually happen in BiH as well.¹⁶⁰

However, Erdoğan—just like the EU, US and Russia—still does not place BiH or the rest of the Balkans on the top of his agenda, which creates additional uncertainty for BiH in the near future.¹⁶¹ The recent rapprochement between Turkey and Russia at the moment still has no concrete impact in BiH, but it continues to have a somewhat confusing effect on local actors, who were accustomed to the situation in which conflicts in Russo-Turkish relations were reflected in the fact that they were supporting ethno-political groups who were at odds with each other in the Balkans (Serbs and Bosniaks, respectively).

The Gulf States and Iran

The presence and influence of the Gulf States and Iran in Bosnia has historically been very limited, since Bosniaks have in recent decades been more oriented towards the West, and prior to that towards Turkey during the Ottoman occupation of the Balkans. The role of the Gulf States and Iran increased during and after Bosnia's 1992-5 war, during which Bosniak leadership was forced to seek and accept help from any Muslim countries willing to offer it. At that time the Gulf Countries, and especially Saudi Arabia, provided financial assistance for purchase of weapons while Iran—both during and after the war—held training camps for Bosniak police and military personnel.

As the war started in BiH in 1992, many radical or militant groups and individuals came to BiH from different Islamic countries to fight alongside their local religious brethren. A group of foreign and local Islamic militants, so-called

156 Interview with a Turkish expert, 2018.

157 'Susret Bećirović – Koc: Turska Je Pouzdan Prijatelj Bosne i Hercegovine', *Fokus*, 26 June 2018, <https://www.fokus.ba/vijesti/bih/susret-becirovic-koc-turska-je-pouzdan-prijatelj-bosne-i-hercegovine/1149187/>.

158 Zlatan Kapić, 'Erdoğan: Muslimani Neće Nikada Pognuti Glave i Nikada Se Neće Spustiti Na Nivo Tirana', *Anadolu Agency*, 15 March 2019, <https://www.aa.com.tr/ba/turska/Erdoğan-muslimani-neće-nikada-pognuti-glave-i-nikada-se-neće-spustiti-na-nivo-tirana/1419413>.

159 Interviews with a leading Turkish expert, as well as a senior BiH government official, Sarajevo, February – September 2018.

160 Ibid.

161 Interview with an international foreign policy expert, Sarajevo, May 2018.

Mujahideen, formed one of the most infamous military units in 1993, El Mudžahid, which as a part of the Bosnian army fought against Bosnian Serb and Croat forces in central Bosnia until it was disbanded shortly before the end of the war in 1995. The unit, numbering up to 1,700 soldiers, was blamed for numerous war crimes against non-Muslim soldiers and even civilians, but had a relatively limited impact on the situation on the battlefield.¹⁶²

The presence of Mujahideen significantly decreased at the end of the war, as most left seeking other wars to join, but up to 4,000 of them remained in the country, established families and applied for BiH citizenship. Some of them appeared to be fed up with war and seeking solace and peace in BiH, while others gathered local supporters and established groups in which they educated their local supporters in the ways of Salafism¹⁶³ and Wahhabism.¹⁶⁴ For majority of Bosnian Muslims—who are traditionally adherent to moderate Sunni Islam of the Hanafi school of jurisprudence and who were historically oriented towards Europe—these versions of Sunni Islam practiced in the Gulf countries, let alone the Shia Islam practiced in Iran, were unfamiliar and often caused confusion or even frustration and rejection by the public.¹⁶⁵

These renegade religious communities were often supported by different NGOs from Islamic countries, who provided followers with some pocket-money, food and clothing, which—at the difficult times immediately after the end of the war—were enough to draw attention and larger numbers of supporters from the local population. The involvement of Islamic countries decreased significantly following the September 11, 2001 terrorist attacks and the subsequent global war on terrorism, which saw many Islamic NGOs being shut down or reducing their activities in BiH.

Following the weakening of the US and EU presence in BiH in recent years, the involvement of the Gulf Countries and Iran increased again to a certain degree as Bosniak politicians used their contacts in the Muslim world to court investments for BiH, although many have suspected that it has been local Bosniak leaders who have benefited most from these projects. The Arab countries' presence is mostly reflected through personal and/or business links with key Bosniak officials, usually with the Izetbegović family, and through business, cultural and religious cooperation and

links with Bosniaks. Overall, Iran as well as most of the Gulf states have very limited political involvement and influence in BiH.

For many years, investments from and trade with the Gulf countries, Iran and other Islamic countries have been marginal and mostly limited to occasional business deals negotiated between individual Middle Eastern officials and Bosniak leaders. One of the first such projects was the construction of the Bosnian Bank International (BBI) shopping center, which opened in March 2009 in downtown Sarajevo as a result of a 35 million euro investment made by BBI Real Estate Ltd, a company established with capital from Saudi Arabia. The same company was subsequently involved in several other projects, in which they constructed several residential complexes and reconstructed Sarajevo's war-devastated Hotel Bristol. Another similar company, Al Shiddi Group, invested over 75 million euro in construction of another major shopping mall in the center of Sarajevo—the Sarajevo City Center—which also included a Swissotel hotel that was officially opened in September 2018. Both companies were suspected of being linked with some of the top Bosniak officials, but those claims were never officially verified.

Over the last three-four years, BiH also saw a sharp increase in the number of tourists from Gulf countries, which became an important factor in the development of BiH as a touristic destination that took place in recent years. Many of those tourists came to BiH as their traditional summer holidays resorts in Northern Africa or the Middle East became unsafe due to the general destabilization of this entire region. While in 2010, only 65 visitors from the Gulf countries came to BiH, by the first seven months of 2017 this number had reached 42,627. This touristic boom increased the need for appropriate accommodation and services, which encouraged construction of new, often elite hotels, tourist resorts and other accommodation and entertaining facilities and services. Many of these tourists purchased holiday homes and apartments and spent more time in the country, giving an additional boost to tourism, construction and real-estate businesses in the country.¹⁶⁶

This development has been reflected in the level of FDI from the Gulf countries. According to the data from the BiH Foreign Investment Promotion Agency and Central Bank,

162 'Bosnia's Dangerous Tango: Islam and Nationalism', *International Crisis Group*, 2013.

163 'Salafi Movement', *Wikipedia*, accessed 18 January 2019, https://en.wikipedia.org/wiki/Salafi_movement.

164 'Wahhabism', *Wikipedia*, accessed 24 January 2019, <https://en.wikipedia.org/wiki/Wahhabism>.

165 'Bosnia's Dangerous Tango: Islam and Nationalism', *International Crisis Group*, 26 June 2013, <https://www.crisisgroup.org/europe-central-asia/balkans/bosnia-and-herzegovina/bosnia-s-dangerous-tango-islam-and-nationalism>.

166 Giustina Selvelli, 'Bosnia and Herzegovina, the Influence of the Gulf States on Economics and Politics', *Mediterranean Affairs*, 22 November 2017, http://mediterraneanaffairs.com/bosnia-herzegovina-influence-gulf-states-economics-politics/#_ftn2.

in 2016 the United Arab Emirates were the country's third largest investor with 33.7 million euro, while Saudi Arabia with 17.2 million, Turkey with 15.4 million euro and Kuwait with 15.1 million euro were among the other significant investors. However, the national impact of this flourishing of business and tourism tied to various Islamic countries remains fairly limited, even in Bosniak-dominated areas, since widespread corruption, weak regulations and a lack of proper administrative oversight have enabled massive tax evasion.¹⁶⁷ There are also indications that the main tourism boom from the Gulf countries has already passed and that the number of visitors from the Gulf countries had started decreasing in 2018, but the exact numbers are still not available.¹⁶⁸

In the media sphere, the Gulf States are rather uninvolved, with the significant exception of Al Jazeera Balkans, a Qatari-owned TV channel headquartered in Sarajevo, which is one of the most well-established media outlets in the region. It broadcasts in the common language spoken in Bosnia, Croatia, Montenegro and Serbia and is usually seen as a balanced source of information in the otherwise nationalistic media landscape. Besides this media outlet, there are no other media organizations which operate in BiH that are linked with the Gulf States or Iran. Some experts say that at this stage, the Islamic countries do not seem to be interested in strengthening their political presence in BiH and therefore do not seem to have a need for any greater presence of Islamic media in the country.¹⁶⁹ In fact, some believe that Bosniak officials and their business partners from Islamic countries prefer to keep the media away from their usually well-hidden business deals.¹⁷⁰

With all this said, it must be noted that discussions about Islamic countries political and economic influence have been in the shadow of the most hotly debated issue related to their presence in BiH, which is their influence in the religious sphere and fears of their contribution to the spread of Islamic radicalism and extremism. Since the end of the war, the Gulf countries have been actively involved in construction or reconstruction of mosques. Until recent years, Bosniak authorities have reconstructed more than 450 mosques that were damaged or destroyed during the war and constructed at least 360 new ones.¹⁷¹ Many of these

projects were funded or co-funded by Gulf or other Islamic countries. This support, however, often came with "strings attached", as Islamic countries and their officials tried to keep control over mosques that were constructed or reconstructed with their funds. One of the most visible cases was the King Fahd mosque, constructed by Saudi Arabia in 2000 and advertised as the biggest mosque in the Balkans. For several years, this mosque and the attached cultural center—which enjoyed the status of Saudi Arabia's consular premises—were off limits to local religious and security authorities.¹⁷² BiH's Islamic community, facing growing disobedience and even threats from local radical Islamic groups in recent years moved to put them—including the King Fahd mosque—under its control. However, the King Fahd mosque is still perceived as a nest of radical Islam.¹⁷³

BiH has also seen the creation of a number of local religious communities, which were usually built in remote areas around radical Islamic preachers. These communities have little or no direct ties with specific Islamic countries, but they were usually established by individuals who were introduced to Salafi or Wahhabi teachings from Islamic NGOs during and immediately after the war. Some of these community leaders are also believed to have links with radical groups in Europe, especially in Vienna, and are suspected of drawing funding from them.

In this first post-war period, BiH also saw several terrorist attacks carried out by local or foreign Islamic extremists. The first one was recorded on September 17, 1998, in Mostar when four suspected insurgents detonated a car bomb in front of a police station, wounding over 50 people. Another major incident took place on October 28, 2011, in Sarajevo when Mevlid Jašarević fired at the U.S. embassy with an AK-47 rifle for over 40 minutes, wounding a local policeman. Jašarević had a criminal record and had spent some time in the Salafi community in the village of Gornja Maoča.¹⁷⁴ Although BiH has been mostly spared of terrorist acts in recent years, the Salafi communities have been a fertile ground for the recruitment of fighters for the battlefields of Syria and elsewhere, a development which began in 2013 and has raised serious concerns both in and outside of BiH. According to the RCC report,¹⁷⁵ some 240 adults from BiH are believed to have departed to Syria and Iraq between

167 Interview with a FBiH government official, Sarajevo, January 2019.

168 'Ove Godine Manji Broj Arapskih Turista u BiH, "Otimaju ih" Gruzija i Azerbejdžan', *Faktor*, 6 June 2018, <https://faktor.ba/vijest/ove-godine-manji-broj-arapskih-turista-u-bih-otimaju-ih-gruzija-i-azerbejdan-298725>.

169 Interview with an Islamic expert, Sarajevo, January 2019.

170 Ibid.

171 'Podsjećanje Na 614 Džamija Porušenih u BiH', *Aljazeera Balkans*, 7 May 2014, <http://balkans.aljazeera.net/vijesti/podsjecanje-na-614-dzamija-porusenih-u-bih>.

172 Mirza Čubro, 'Policija Ne Može Da Uđe u Džamiju Kralj Fahd', *Nezavisne Novine*, 27 August 2008, <https://www.nezavisne.com/novosti/bih/Policija-ne-moze-da-udje-u-dzamiyu-Kralj-Fahd/27971>.

173 Kremenović Mladen, 'Džemati Se Opiru Reisovom Poglavarstvu', *Politika*, 23 June 2018, <http://www.politika.rs/sr/clanak/406085/Dzemati-se-opiru-reisovom-poglavarstvu>.

174 'Bosnia's Dangerous Tango: Islam and Nationalism', 2013.

175 Vlado Azinović and Edina Bećirević, 'A Waiting Game: Assessing and Responding to the Threat from Returning Foreign Fighters in the Western Balkans', 2017, <https://www.rcc.int/download/docs/2017-11-A-Waiting-Game-29112017.pdf/e31186dab7f32945592bcbe10bd9b180.pdf>.

2012 and the end of 2017 out of which 112 citizens, both men (62) and women (50), remain there, as well as two men and three women who were born in BiH but now hold citizenship of other countries. Of the BiH nationals that have been identified as departing for the conflict zone, 71, including three women, have been killed; and four children are also known to have died there. So far, 53 Bosnian and Herzegovinians—including four foreign citizens of BiH origin, as well as three women and four children—have returned from Syria and Iraq, ten to countries other than BiH.

In order to discourage and halt these departures, BiH was among the first countries to adopt legislation that criminalizes association with foreign fighting forces. The law, which was adopted in 2014, allows for imprisonment for a minimum of five years for participation in foreign armed formations and further penalties for other activities related to foreign fighting, such as incitement, recruitment, financing, training, or organizing for a terrorist group. This law and the general hardening of security forces' positions towards such individuals—coupled with the gradual weakening of ISIS positions in Syria—have reduced or almost completely stopped this trend. Meanwhile, given this legislation, returning fighters are typically subject to investigation and prosecution when they re-enter BiH. For example, out of the former fighters who have returned from ISIS-held territory, 22 have already been convicted, and cases remain underway for many others. There are also two BiH citizens detained in foreign countries for activities related to foreign fighting in Syria and Iraq; one in Turkey and one in Iraqi Kurdistan.¹⁷⁶

This issue and the seriousness of the Islamic radicalization threat has been the subject of numerous media and analytical reports.¹⁷⁷ Most of these reports have confirmed that the threat of Islamic radicalization in BiH is evident, but have stressed that this threat is often exaggerated, deliberately misused by different media and officials, especially in RS and Serbia, and that it is in fact not much greater than in any other European country today. Most of these reports have also pointed out that the greatest obstacle for further expansion of Islamic radicalism in BiH is the moderate version of local Islam.¹⁷⁸

All the while, the involvement and influence of Iran remains marginal, among other things because of Western sanctions against Iran as well as religious differences between

Shia Islam, which is practiced in Iran, and Bosnia's traditional Sunni Islam.

Conclusion

The weakening of US and then EU influence in BiH has opened a vacuum which Russia, Turkey, China, and the Gulf States have used to establish or re-establish their links with the country's leaders. While the presence of these foreign actors is also visible in the rest of the region, in BiH it is especially strong and the actors are often conflicting with each other. This is so because unlike other Balkan countries, which are dominated by one ethnic group and thus usually prefer just one of these foreign actors, BiH's complicated institutional setup based on ethnic allocation of key positions often causes it to act as three or more countries in one. Different foreign actors target different areas and have different degrees of involvement. Therefore, the divergent positions and interests of foreign actors intertwine and often clash with the interests of different local political actors. For this reason, foreign influences in BiH have much greater impact, and run greater risk of causing tensions and incidents, than in the rest of the Balkans.

Russia is almost exclusively linked with the Bosnian Serb leadership and both sides derive political benefits from this marriage; Russian support is one of the main pillars of power of the Bosnian Serb strongman Milorad Dodik, while Russia can use Dodik and Republika Srpska to make life difficult for Western powers in their global game. This support comes relatively cheap for Russia, which invests very little money or concrete efforts in maintaining this relationship. Even those few business and cultural projects which Russia has supported in Republika Srpska have cost little and have mainly political connotations.

Turkey is to Bosniaks what Russia is for Serbs. Although it has attempted to expand the scope of its work in the region and build relations with other ethnic groups in recent years, the Bosniaks still remain Turkey's main partner in the country. Turkey has been actively engaged in post-war reconstruction, mainly through its development agency TIKA funding mosques and reconstruction of other Ottoman monuments. Overall, its presence in BiH has been more diversified than the Russian one and includes various business, cultural, academic initiatives and other projects and activities.

176 Azinović and Bećirević.

177 Vlado Azinović, Kurt Bassuener, and Bodo Weber, 'Assessing the Potential for Renewed Ethnic Violence in Bosnia and Herzegovina: A Security Risk Analysis', 2011, http://www.democratizationpolicy.org/pdf/DPC-AI_BiH_Security_Study.pdf.

178 'Bosnia's Dangerous Tango: Islam and Nationalism', 2013.

While Western powers and local experts were in the past years focused mainly on the Russian and Turkish presences in the country, China entered the arena almost unnoticed, and swiftly made giant steps thanks to its ample economic resources and simple, quick, and condition-free administrative procedures. Like elsewhere, China predominantly focuses on business projects. It has paid little attention to BiH politics and is still far from holding the leverage enjoyed by Russia or Turkey. However, with China's aggressive approach and huge resources, some experts fear it could quickly surpass both and become the main foreign player in the country.

Unlike the other three foreign players, the Gulf states and Iran have very limited presences and interests in BiH. Their role increased during and after Bosnia's 1992-5 war when they provided financial assistance, supplied arms and invested in post-war reconstruction. Their engagement was

accompanied by the spread of Salafism and creation of a small number of local religious communities in remote areas, in which some Bosnian Muslims were radicalized. Concerns about a more widespread process of Islamic radicalization, however, seem overinflated. Besides some business projects and the increasing number of tourists from the Gulf, the influence of the Islamic countries is unlikely to increase, if not to decrease further in the near future.

The EU remains the preferred option for the majority of Bosnian citizens, since EU membership is viewed as the only safe option for the gradual stabilization and transformation of BiH and the rest of the Balkans. However, unless the EU wakes up to the new realities and influences in the Balkans soon, it might find the region under the control of Russia, Turkey and China, whose divergent and often conflicting interests can only bring further destabilization of the country and the region in coming years.

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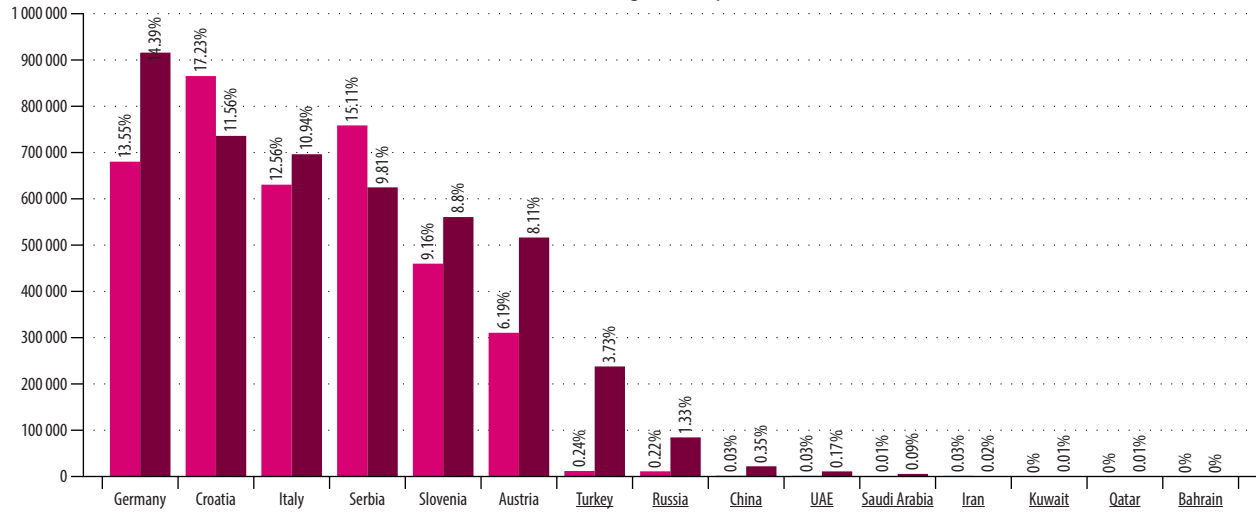
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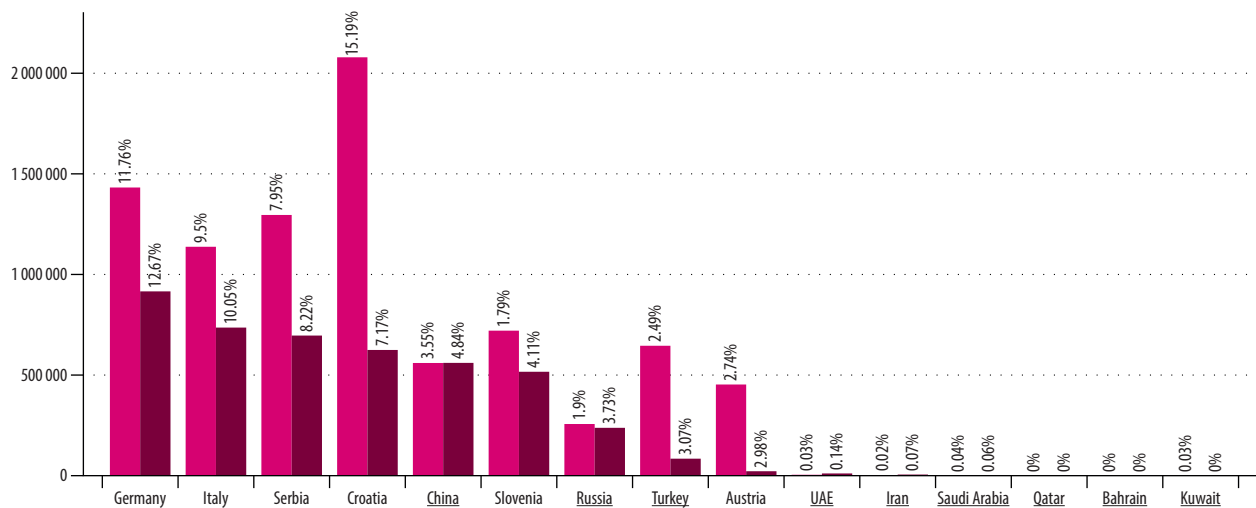
Bosnia and Herzegovina – Foreign Trade by Countries

Bosnia and Herzegovina exports (USD '000)



2008	680 282	865 245	630 595	758 592	459 917	310 560	11 856	11 199	1 692	1 485	586	1 422	220	216	171
Overall rank	3	1	4	2	5	6	29	30	41	44	55	45	66	67	71
2017	915 890	735 984	696 351	624 773	560 579	516 402	237 786	84 474	22 051	11 053	5 591	1 052	731	663	52
Overall rank	1	2	3	4	5	6	7	15	27	31	38	58	63	65	105

Bosnia and Herzegovina imports (USD '000)



2008	1 432 137	1 137 601	1 295 655	2 079 193	560 045	720 665	256 759	645 630	453 072	4 528	2 567	1 067	158	468	432
Overall rank	2	4	3	1	7	5	12	6	9	53	64	76	105	87	89
2017	1 211 358	1 186 526	1 166 366	1 053 001	683 168	525 103	493 055	441 181	356 291	8 431	6 914	3 008	2 641	1 387	293
Overall rank	1	2	3	4	5	6	7	8	9	54	58	69	72	82	96

* The graph includes countries whose influence in the Balkans this publication explores—Russia, China, Turkey, Saudi Arabia, Iran, United Arab Emirates (UAE), Qatar, Kuwait, Bahrain—and six most important trade partners other than them to put the data in a comparative perspective.
 Source: World Bank, World Integrated Trade Solution (<https://wits.worldbank.org/>)

Country Report 3

North Macedonia



Country Report 3 – North Macedonia

Author: Martin Naunov

Introduction

North Macedonia is at a critical juncture in its journey to Euro-Atlantic integration. The 2017 change in government from the Russia-friendly, increasingly authoritarian VMRO-DPMNE to the more Western-oriented SDSM resuscitated the country's Euro-Atlantic aspirations. The current government, led by SDSM and Prime Minister Zoran Zaev, ventured to solve what is perhaps the most sensitive issue in Macedonian international politics and one that has been a key impediment in the country's journey to EU and NATO accession: the Macedonian name dispute with Greece. The highly polarizing, identity-charged nature of the name-change issue has been exploited by foreign powers to influence North Macedonia's political sphere.

The name issue aside, the country also suffers from numerous vulnerabilities that present ripe opportunities for internal and external actors aspiring to foment disillusionment with the Euro-Atlantic values and principles. For example, with an unemployment rate of over 22%¹⁷⁹ and an average monthly wage of around \$450,¹⁸⁰ North Macedonia's economy is perniciously weak. Furthermore, the country is one of the most corrupt in Central and Eastern Europe, sharing with Kosovo the notoriously low 93rd place on Transparency International's Corruption Perception Index.¹⁸¹ Additionally, the country is highly polarized and, according to recent research, Macedonians are especially susceptible to fake news.¹⁸² All these factors make North Macedonia vulnerable to malign external influence.

At the same time, there are data points suggesting that Macedonians—although gullible and indigent—have made up their minds as to how they see the geostrategic future of the country. Namely, 65% of Macedonians say they would vote to join NATO compared, for instance, to only 6% of Serbians stating they would do the same. For Montenegrins and Bosnians, these figures are 33% and 49% respectively—still considerably lower than the support for NATO among Macedonians.¹⁸³ Similarly, compared to citizens of other

countries in the region, Macedonians are considerably more optimistic that their country would be able to reach its economic development goals as a result of maintaining the EU as the key trade and investment partner. Furthermore, compared to citizens of Serbia, Montenegro, and Bosnia and Herzegovina, citizens of North Macedonia are the least likely to support their country joining the Eurasian Economic Union, with only 29% of Macedonians indicating some support for that option.¹⁸⁴

It is worth noting, however, that when the aforementioned data is categorized by ethnicity, the perception that Macedonians are unswervingly loyal to the West shrinks. In reality, the country's ethnic Albanians are overwhelmingly pro-Euro-Atlantic while ethnic Macedonians are largely divided.

Russia

Because of the shared Slavic and Orthodox Christian identity, Russia has historically exercised a degree of influence in North Macedonia. The country was one of the first major powers to recognize North Macedonia's independence from Yugoslavia, under its then-constitutional name "Republic of Macedonia." Nevertheless, since its independence in 1991, North Macedonia has acted decisively to align itself with the Western community. In 1993, for example, the Macedonian Parliament voted unanimously to undertake the essential steps for joining NATO.

Greece's 2008 veto of Macedonia's bid to join NATO, however, encouraged a sizable minority of Macedonians (almost exclusively ethnic Macedonians) to start looking beyond the Western alliances. The prolonged suspension of North Macedonia's European Union accession over the country's name dispute with Greece was another driver of Macedonians' disillusionment with Western institutions. This is the vacuum that Russia swiftly jumped in to fill. However, the scope of Moscow's influence has been limited for at least two reasons.

179 'Unemployment, Total (% of Total Labor Force)', The World Bank, 2018, <https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS>.

180 'Државен Завод За Статистика - Соопштение: Просечна Месечна Исплатена Нето-Плата По Вработен', State Statistical Office, 2019, <http://www.stat.gov.mk/PrikaziSoopstzenie.aspx?rbtxt=40>.

181 'Corruption Perceptions Index 2018', Transparency International, accessed 1 March 2019, <https://www.transparency.org/cpi2018>.

182 Martin Dimitrov, 'Balkan Countries Most Vulnerable to "Fake" News, Report', *Balkan Insight*, 30 March 2018, <https://balkaninsight.com/2018/03/30/report-balkan-countries-most-vulnerable-to-adverse-effects-of-fake-news-03-29-2018/>.

183 'Between East and West: Public Opinion & Media Disinformation in the Western Balkans', 25 January 2019, 14, <https://www.ndi.org/publications/between-east-and-west-public-opinion-media-disinformation-western-balkans>.

184 'Between East and West: Public Opinion & Media Disinformation in the Western Balkans', 16–17.

First, unlike other countries in Central and Eastern Europe, North Macedonia does not cherish a significant sense of historical kinship with Russia. In that regard, a 2018 poll conducted by the National Democratic Institute reveals that only 6% of Macedonians would prefer their children to work or study in Russia compared to 71% that would like to see their children reside in either the United States or the European Union.¹⁸⁵ Second, there is still a paltry number of Russian speakers in the country, even though the number of Macedonian students studying on scholarships at Russian universities is increasing, and equaled 40 students in the 2018–2019 academic year.

Still, these two constraints have not stopped Russia from attempting to expand its influence in North Macedonia. In the political landscape, Russia's influence attempts were particularly pronounced in the lead-up to Macedonia's 2018 name-change referendum, from Macedonia to North Macedonia. The highly polarizing, identity-charged nature of the name-change issue, in addition to its inextricable connection to North Macedonia's NATO accession, made the name change process a particularly opportune moment for non-Western powers—especially Russia—to butt into North Macedonia's socio-political developments.

Briefly, Greece's objections to North Macedonia's former constitutional name "Republic of Macedonia" have constituted a major obstacle to the country's Euro-Atlantic integration. On June 17, 2018, however, the Macedonian government agreed to change the country's name to "The Republic of North Macedonia," paving the road for NATO's invitation for North Macedonia to begin accession talks.¹⁸⁶ However, the invitation, which was extended during the 2018 NATO Summit in Brussels, was conditioned on the full implementation of the stipulations outlined in the Prespa Agreement, which included a name-change referendum set for September 30.

Both the Macedonian and Greek governments accused Russian individuals of conniving to sabotage the name deal. Athens expelled two Russian diplomats for conducting illicit activities aimed at derailing the name-change negotiations

with then-Macedonia,¹⁸⁷ and North Macedonia's PM Zaev claimed that Russian businessmen suborned Macedonian youngsters to protest and "commit acts of violence" ahead of the referendum.¹⁸⁸ According to the Organized Crime and Corruption Reporting Project (OCCRP), one of Russia's richest businessmen, Ivan Savvidi, disbursed at least \$300,000 to Macedonian politicians, far-right nationalist organizations, and soccer hooligans that were involved in the anti-NATO and anti-name change movement.¹⁸⁹

To be sure, ascertaining whether and which anti-Western or pro-Russian forces in the country liaise with, or work under the auspices of, the Kremlin often proves difficult. This is illustrated in—and partly explains—the change in Zaev's rhetoric regarding Russian influence in the country. For example, two months before the name-change referendum, Zaev rendered Russian meddling in North Macedonia's political sphere "obvious," adding that Russian representatives "are connected with media [and] encourage young people to protest in front of the Parliament, to attack police men, that kind of things."¹⁹⁰ Two months after, however, Zaev insisted that there existed "no evidence of Russian influence."¹⁹¹

While the exact role of the Kremlin in the referendum remains somewhat unclear, the role of pro-Russian forces is indisputable. The anti-referendum movement was led by Janko Bachev, the leader of *United Macedonia (Edinstvena Makedonija)*, a Russophile party whose name draws inspiration from the Kremlin's ruling party *United Russia* and that advocates for North Macedonia's reorientation towards the Eurasian Economic Union. Bachev and his party constantly promulgate hate speech. An illustrative example is a recent interview with Bachev by the second most-watched TV broadcast in North Macedonia, Kanal 5, where Bachev characterized Germany's Chancellor Angela Merkel and European Commission President Jean-Claude Juncker as "a bunch of faggots and dykes."¹⁹² Furthermore, *United Macedonia* has organized panels and workshops with several of Moscow's ideologues, including Alexander Dugin and Leonid Savin.¹⁹³ In May 2018, for instance, 50 *United Macedonia* members attended a three-day training by

185 'Between East and West: Public Opinion & Media Disinformation in the Western Balkans', 16.

186 Niki Kitsantonis, 'Macedonia and Greece Sign Historic Deal on Name Change', *The New York Times*, 17 July 2018, <https://www.nytimes.com/2018/06/17/world/europe/greece-macedonia-name-dispute.html>.

187 'Greece "Orders Expulsion of Two Russian Diplomats"', *BBC News*, 11 July 2018, <https://www.bbc.com/news/world-europe-44792714>.

188 Saska Cvetkovska, 'Russian Businessman Behind Unrest in Macedonia', *Organized Crime and Corruption Reporting Project*, 16 July 2018, <https://www.occrp.org/en/investigations/8329-russian-businessman-behind-unrest-in-macedonia>.

189 Cvetkovska.

190 J Lester Feder, 'Macedonia Suspects A Greek-Russian Billionaire Paid For Violent Protests To Prevent It From Joining NATO', *BuzzFeed News*, 18 July 2018, <https://www.buzzfeednews.com/article/lesterfeder/macedonia-russia-nato>.

191 'Завев: Немам Докази За Руско Влијание Во Македонија', *Nova Makedonija*, 17 September 2018, <https://www.novamakedonija.com.mk/makedonija/politika/zaev-nemam-dokazi-za-rusko-vlijanie-vo/>.

192 'Канал 5: Бачев Го Злоупотреби Просторот Кој Му Го Дадовме, Во Иднина Нема Да Има Место За Него', *Fokus*, 25 October 2018, <https://fokus.mk/kanal-5-bachev-go-zloupotrebi-prostorot-koj-mu-go-dadovme-vo-idnina-nema-da-ima-mesto-za-nego/>.

193 Fatima Tlis, 'Macedonia – To Be or Not To Be ... Russia's Satellite', *Polygraph*, 7 June 2018, <https://www.polygraph.info/a/macedonia-russia-meddling-disinformation/29278930.html>.

Leonid Savin, which purportedly expanded their knowledge on how to “take over the [Macedonian] government.”¹⁹⁴ While there is no hard evidence to substantiate the Kremlin’s involvement in, or even knowledge of, this training, Leonid Savin is deemed to be one of the most prominent Eurasianist ideologues in Moscow,¹⁹⁵ with close links to President Putin.

Moreover, the Russian state-controlled media portal Sputnik launched a disinformation campaign before the referendum,¹⁹⁶ whose impact was nevertheless likely diluted by the fact that it was conducted in English. Shrewdly, Sputnik and other pro-Russian media purveying disinformation about the Prespa Agreement largely utilized Facebook, while paying relatively little heed to Twitter. This decision was not surprising as only 16% of Macedonian internet users have Twitter accounts compared to over 95% that use Facebook.¹⁹⁷ As such, just before the referendum, spurious Vietnamese accounts assailed PM Zaev’s Facebook page by leaving negative comments and reactions aimed at challenging his image.¹⁹⁸ It is worth noting that although this scheme has not been directly linked to the Kremlin, it does bear a resemblance to Russian disinformation tactics elsewhere.

Of course, Russia’s fingerprints in Macedonian politics precede July’s name-change agreement. The most vocally pro-Russian MP has been Ivan Stoiljković from the Democratic Party of Serbs in Macedonia, a small coalition partner in the previous government led by Nikola Gruevski. To an extent, Stoiljković’s pro-Russian inclinations were eventually embraced by Gruevski’s government as a whole. The former administration’s veering, however, did not reflect a genuine foreign policy shift towards Russia but was rather opportunistic calculations by Gruevski who began to lose the Western support following a major wiretapping scandal in 2015. In any event, the Kremlin issued multiple press releases in support of Gruevski in the aftermath of the corruption scandal, trying to frame the growing anti-Gruevski sentiment in the country as “gross interference by the West.”¹⁹⁹

It is worth noting that, unlike the former administration, the current North Macedonian government is loudly pro-Western and does little to ingratiate itself with the Kremlin. As an illustrative example, in response to the Skripal attack, Zaev’s government expelled one Russian diplomat, displaying yet another gesture of commitment by North Macedonia to the Western alliance.²⁰⁰ This stood in stark contrast to Gruevski’s obstinate refusal—just a few years earlier—to join the EU and the West in imposing sanctions against Russia after the annexation of Crimea.²⁰¹ In any event, Zaev’s comments regarding Russian interference in the name-change referendum and his government’s expulsion of a Russian diplomat have started to irk the Kremlin. At a rally in front of the Russian Embassy in North Macedonia, the Russian Ambassador fulminated against the diplomatic expulsion and promised that Moscow would retaliate.²⁰²

The aforementioned rally was, in fact, organized by *United Macedonia* and *Christian Brotherhood (Hristijansko Bratrstvo)* a low-profile ultra-nationalistic group. This organization calls for the abandonment of secular politics and pushes for closer relations between North Macedonia and Russia, furthered by the countries’ shared Orthodox religion. These chants were met with a smile by Russian Ambassador Oleg Scherbak, signalling Russia’s nod of approval. Nevertheless, Russia’s role in these protests—and for the most part, in North Macedonia’s political sphere generally—appears to be largely symbolic. Moscow seems to serve as an inspiration rather than a direct instigator of non-violent extremism and similar forms of political activism.

Tangentially connected to politics, but equally important for understanding the features of the relations between the two countries, is North Macedonia’s energy dependence on Russia. Namely, Russia controls the TransBalkan Pipeline, the single gas route to Macedonia.²⁰³ On a related note, the former government sought to join the South Stream and the Turkish Stream pipeline projects. In fact, during North Macedonia’s political crisis between 2015 and 2017, Moscow blamed the West for attempting to overthrow

194 ‘Партијата На Јанко Бачев: Успешно Ја Минавме Руската Обука и Подготвени Сме За Преземање На Власта’, *Fokus*, 31 May 2018, <https://fokus.mk/partijata-na-janko-bachev-usheshno-ja-minavme-ruskata-obuka-i-podgotveni-sme-za-prezemanje-na-vlasta/>.

195 Leonid Savin, ‘Руски Геополитички Интерес На Балкану’, *Geopolitica*, accessed 15 November 2018, <https://www.geopolitica.ru/en/person/leonid-savin>.

196 ‘#ElectionWatch: Sputnik Misleading in Macedonia’, *Medium*, 23 September 2018, <https://medium.com/dfriab/electionwatch-sputnik-misleading-in-macedonia-bc8294aeebe2>.

197 ‘Media Consumption Survey 2018,’ USAID Macedonia, accessed March 1, 2019.

198 ‘#ElectionWatch: Inauthentic Activity Tested Ahead Naming Referendum’, *Medium*, 29 September 2018, <https://medium.com/dfriab/electionwatch-inauthentic-activity-tested-ahead-naming-referendum-1ff6b97cb5fb>.

199 Rick Noack, ‘Russia Blames the U.S. after Protesters Storm Macedonia’s Parliament’, *The Washington Post*, 28 April 2017, https://www.washingtonpost.com/news/worldviews/wp/2017/04/28/russia-blames-the-u-s-after-protesters-storm-macedonias-parliament/?noredirect=on&utm_term=.4387dd1fff2c.

200 ‘Macedonia Expels Russian Diplomat, Russia Calls the Move Hostile and Unwarranted’, *Meta*, 27 March 2018, <https://meta.mk/en/macedonia-expels-a-russian-diplomat-russia-calls-the-move-hostile-and-unwarranted/>.

201 Boris Goergievski, ‘Macedonia: A Pawn in the Russian Geopolitical Game?’ | Europe| News and Current Affairs from around the Continent’, *Deutsche Welle*, 26 May 2015, <https://www.dw.com/en/macedonia-a-pawn-in-the-russian-geopolitical-game/a-18476013>.

202 ‘Macedonians Protest against Russian Diplomats’ Extradition’, *Russkiy Mir*, 28 March 2018, <https://russkiymir.ru/en/news/239494/>.

203 ‘Russian Economic Footprint in the Western Balkans’, *Center for the Study of Democracy*, 2018.

Gruevski precisely because of his “support of the South Stream and...the Turkish Stream.”²⁰⁴

Russia’s involvement in North Macedonia’s realm of culture has also been significant. Over the last few years, Moscow has established over 30 Russo-Macedonian cultural associations,²⁰⁵ funded the construction of Orthodox churches,²⁰⁶ and has increased the number of its embassy personnel by 25%.²⁰⁷ In fact, the Russian Embassy in North Macedonia has hosted several cultural-historical events, most of which involve the commemoration of significant milestones in Russian history.²⁰⁸ In a style typical for Russia’s influence strategy, Russia has made sure to complement its concrete actions towards asserting its cultural influence in North Macedonia with symbolic ones, such as Putin’s expression of gratitude to North Macedonia’s President Gjorgje Ivanov for the fact that “our Cyrillic alphabet came from Macedonia.”²⁰⁹ In 2014, Moscow State University even awarded President Ivanov with an honorary doctorate.²¹⁰

The main channel through which Moscow’s rhetoric permeates North Macedonia’s information landscape is through sources like Sputnik News Agency and TASS, whose content is often republished in North Macedonian media. However, it merits to note that because few North Macedonians speak Russian—which is not likely to change as the study of Russian is rarely offered by primary or high school institutions in the country—Russian media are less likely to get through to a North Macedonian audience directly, even though the Russian national television RTR Planeta is offered by most cable TV operators in the country. The language barrier might apply to the influence of the Kremlin-owned Russia Today (RT) as well, which The Economist described as “weirdly constructed propaganda” marked by “a penchant for wild conspiracy theories.” The outlet does not have a local offshoot in the Balkans but is offered in its default, English-language version.

There is one notable exception to the absence of a Macedonian-language, pro-Russian content in the North

Macedonian media space. The web portal Russia Beyond the Headlines (RBTH), a spinoff of the Russian pro-government newspaper Rossiiskaya Gazeta,²¹¹ runs a Macedonian-language version, which is regularly updated with news reports on Macedonian, Russian, and global affairs, as well as on Russian cultural activities in Macedonia. Other famous Russian media outlets are absent in Macedonia. Sputnik, however, has a Serbian version, which is a language a lot more North Macedonians understand. Few North Macedonians, however, visit Serbian or regional web portals.²¹² Still, the availability of Russian media in Serbian does ease pro-Kremlin messaging in Macedonia as it allows North Macedonia’s Kremlin-friendly, non-Russian-speaking journalists more readily available stories for picking up.

Finally, the least potent tool of Russia’s influence has been in the economic sphere. Despite the recent increase in Russo-Macedonian trade, Russia comes nowhere near the EU in terms of economic presence in North Macedonia. According to a report published by the Center for the Study of Democracy, there are 78 companies in North Macedonia that have at least 25% of their shares owned by Russian actors. Even though the revenues of Russian companies have increased from EUR 63 million in 2006 to over EUR 212 million in 2015, “these companies make up a little over 1% of the total revenues in the economy.”²¹³

Half of the aforementioned revenue, however, is owned by a single company, Lukoil, which sells petroleum products. Russian foreign direct investment (FDI) in North Macedonia amounts to less than 1% of the FDI coming into the country. However, if we take into account third-party investments transmitted through tax haven countries, Russian investment in North Macedonia would likely be closer to 4% of the total FDI.²¹⁴ The import of Russian goods accounts for 1% of North Macedonia’s total import, while the export of goods to Russia accounts to 1.2% of North Macedonia’s total export (see graph on p. 63).²¹⁵

204 Elena Holodny, ‘A Tiny European Country Is Making Russia Extremely Nervous’, *Business Insider*, 22 May 2015, <http://www.businessinsider.com/russia-macedonia-turkish-stream-gas-pipeline-2015-5>.

205 Aubrey Belford et al., ‘Leaked Documents Show Russian, Serbian Attempts to Meddle in Macedonia’, *OCCRP*, 4 June 2017, <https://www.occrp.org/en/spooksandspin/leaked-documents-show-russian-serbian-attempts-to-meddle-in-macedonia/>.

206 ‘Assessing Russia’s Footprint in Macedonia’, Policy Brief, 2018.

207 Vera Zakem, Bill Rosenau, and Danielle Johnson, ‘Shining a Light on the Western Balkans Internal Vulnerabilities and Malign Influence from Russia, Terrorism, and Transnational Organized Crime’, 2017, <https://florianbieber.org/2016/07/04/the-western-balkans-after-the->

208 ‘Во Скопје Се Одржаа Настаниа По Повод 75-Годишнината Од Востанието Во Собибор’, Embassy of the Russian Federation to the Republic of Macedonia, 2018, https://macedonia.mid.ru/Web/Macedonia_Mc/Vesti-Od-Ambasadata/-/Asset_Publisher/Fywz9cyh1gt/Content/Vo-Skopje-Se-Odrzaa-Nastani-Po-Povod-75-Godininata-Od-Vostanieto-Vo-

209 Mariya Cheresheva, ‘Putin’s Homage to Cyrillic Makes Bulgarians See Red’, *Balkan Insight*, 25 May 2017, <https://balkaninsight.com/2017/05/25/kremlin-s-stance-on-cyrillic-origin-angers-sofia-05-25-2017/>.

210 Dimitar Bechev, *Rival Power: Russia in Southeast Europe* (Yale University Press, 2017).

211 Bechev.

212 ‘Media Consumption Survey 2018,’ USAID Macedonia, accessed March 1, 2019.

213 ‘Assessing Russia’s Footprint in Macedonia’.

214 ‘Russian Economic Footprint in the Western Balkans’.

215 Bechev, *Rival Power: Russia in Southeast Europe*.

Russia's low economic investment, however, is not surprising and is consonant with Russia's classic strategy of utilizing low-cost-but-high-impact influence tools.

China

China and North Macedonia established diplomatic relations in 1993. The Macedonian authorities expressly adopted the One-China policy, while in turn China became the first major power to accept the newly independent state under its then-constitutional name, "Republic of Macedonia". In 1999, however, allured by an aid package of over a billion US dollars, the Macedonian government extended Taiwan diplomatic recognition.²¹⁶ North Macedonia's initiation of formal diplomatic ties with Taiwan contravened the country's commitment to the One-China policy. As such, China's response was unforgiving—China vetoed a continued UN peacekeeping force in then-vulnerable Macedonia.²¹⁷ The withdrawal of the peacekeeping force constituted a key enabler for the 2001 armed conflict between the Macedonian army and Albanian paramilitary units. After the insurgency, North Macedonia realigned its foreign policy towards China and severed relations with Taiwan in order to reflect the country's renewed support of the One-China policy.

The above, however, is one of the rarely explicit political engagements by China in North Macedonia. Generally, the relationship between the two countries is chiefly economic and it reflects China's "burgeoning relationship" with Central and Eastern Europe (CEEC) fostered by the Belt and Road Initiative²¹⁸ as well as the CEEC-China '16+1' platform, aimed at deepening investment flows between China and 16 CEEC countries. As is the case with other countries in the '16+1' network, Chinese involvement in North Macedonia has focused on investing in construction and infrastructure.

As a recent study, conducted by the European Bank of Research and Development (EBRD), argues, China's decision to finance investment in the region's "port, railway, and highway infrastructure is part of China's wider effort to support its global trade."²¹⁹ Namely, in anticipation of the CEEC region eventually becoming fully integrated into the EU,

China is shrewdly positioning its companies to have better access to the EU markets.²²⁰

To be sure, the fact that China's involvement in North Macedonia—or the Western Balkans more generally—is of predominantly economic nature does not mean that it has no political motivation or effects. As Michal Makocki and Zoran Nechev note, even if China does not "aim to export its ideology[...] its economic expansion is[...] fostered by its domestic model of business relations, based on a balance between state and market forces which is in stark contrast with the governance reforms promoted by the EU."²²¹ China's economic expansion, for example, often abets unmitigated corruption, as is best illustrated by China's financing of two highways in North Macedonia.

Namely, in 2013, the former North Macedonian government and Chinese partners reached an agreement for the construction of two highways in North Macedonia that would cost around half a billion euro. The projects' financing was to be done with a loan from the China Exim Bank and carried out by the construction company Sinohydro, both state-owned Chinese enterprises.²²²

The specific companies were selected without an open and transparent bidding process. In fact, as evinced in leaked phone conversations between former government ministers, the agreement was marred by corruption from the very beginning. For example, in one conversation, the former Prime Minister and Minister of Transportation discuss earning a 5% commission—or 25 million euro—of the project's value.²²³ Based on these recordings, the Special Public Prosecutor opened an investigation, maintaining that the contract has caused a budget loss exceeding 155 million euro.²²⁴ Amidst this controversy, North Macedonia's new government has delayed the completion of the project. The full-frontal corrupt nature of the deal animated even China's Academy of Social Sciences, which encouraged the Chinese government to disclose the findings of their enquiry into this case and demonstrate readiness to ally with the EU.²²⁵ Their report averred that EU bidding rules should be

216 Paul Lewis, 'Continuation of U.N. Force in Macedonia Faces a Chinese Veto', *The New York Times*, 25 February 1999, <https://www.nytimes.com/1999/02/25/world/continuation-of-un-force-in-macedonia-faces-a-chinese-veto.html>.

217 Lewis.

218 Anastas Vangelis, 'China's Engagement with the Sixteen Countries of Central, East and Southeast Europe under the Belt and Road Initiative', *China & World Economy* 25, no. 5 (September 2017): 101–24, <https://doi.org/10.1111/cwe.12216>.

219 Oleg Levitin, Jakov Milatovic, and Peter Sanfey, 'China and South-Eastern Europe: Infrastructure, Trade and Investment Links', 2016, <https://www.ebrd.com/documents/comms-and-bis/see-china-investments.pdf>.

220 'China: EBRD Shareholder Profile', EBRD, accessed 17 May 2019, <https://www.ebrd.com/who-we-are/structure-and-management/shareholders/china.html>.

221 Michal Makocki and Zoran Nechev, 'Balkan Corruption: The China Connection', 2017, <https://doi.org/10.2815/53274>.

222 Makocki and Nechev.

223 Sinisa Jakov Marusic, 'New Tapes Show Macedonian PM Fixing Cuts', *Balkan Insight*, 26 March 2015, <https://balkaninsight.com/2015/03/26/tapes-macedonian-pm-entangled-in-large-scale-corruption/>.

224 Fadil Veseli, 'CJO Со Истрага, "Траекторија" За Двата Кинески Автопати', *Alsati-M*, 22 May 2017, <https://www.alsat-m.tv/mk/cjo-со-истрага-траекторија-за-дват/>.

225 François Godeмент and Abigaël Vasselier, *China at the Gates: A New Power Audit of EU-China Relations* (London: The European Council on Foreign Relations, 2017).

observed because North Macedonia's EU accession would benefit China as well.²²⁶

The corruption controversy surrounding the construction of these highways in North Macedonia has not hampered China's ambition to further its economic expansion in the country, and the CEEC region, through the financing of large-scale infrastructure projects. For example, the China Export-Import (Ex-Im) Bank will be a primary financier of the North Macedonian government's new infrastructure investment plan of over 272 million euro.²²⁷

In a recent press-conference, Zaev thanked Li Keqiang for assisting in North Macedonia's modernization.²²⁸ In another joint-press-conference between Zaev and Angela Merkel, however, Merkel struck a more nuanced note in relation to China's economic footprint in North Macedonia: "I have no objections to the fact that China wants to trade [...] and to invest," she said. "We are committed to free trade. The question is ... are the economic relations being linked with political questions?"²²⁹

This, in fact, hints at the second danger posed by Belt and Road Initiative projects: economic dependency is a political vulnerability. In fact, as the construction costs for the two highways have far exceeded the initial estimates, North Macedonia is already experiencing the aforementioned risk. Furthermore, as is typical for infrastructure projects that have China as a financier, the contracts envision Chinese courts as the bodies that arbitrate in disputes, effectively exempting China from any costs in unfavorable scenarios such as the one with the two highways in North Macedonia.²³⁰ Therefore, in order to finish the construction of the highways, the North Macedonian government is now compelled to plunge the country into further debt, something that could add North Macedonia to an already sizable list of states in different parts of the world that have fallen into this so-called "China debt trap."²³¹ Therefore, China's

economic engagement in the region—which gives off an impression of "a politically neutral force and a reliable business partner"²³²—belies a formidable strategy in the geopolitical and ideological power struggle with the West. This stragem is likely the reason behind EU Commissioner Johannes Hahn's identification of Chinese influence as a much greater danger to the Western Balkans than Russian influence.²³³

More generally speaking, China's economic influence in North Macedonia has been consistently growing (see graph on p. 63). In 2018, China became Macedonia's seventh biggest trading partner, despite not having been among the ten biggest trading partners ever before.²³⁴ Total trade exchange between the two countries in the first eight months of 2018 amounted to USD 316 million. The balance of trade with China has been increasingly negative, and between 2017 and 2018 it grew by 42.2%. The deficit now stands at USD 237 million.²³⁵ Still, the economic relations between China and North Macedonia appears minuscule when compared to those between China and neighboring Serbia, where Chinese investments are in the billions.²³⁶

China's cultural ties to North Macedonia are much weaker than their economic relations. Still, China has a similar kind of specialized cultural center in North Macedonia as that of Russia, with the Confucius Center having been formed as early as 2004.²³⁷ The Center operates under the auspices of the largest university in North Macedonia, Ss. Cyril and Methodius, and its most consistent activity is offering language courses. Annually, over 200 people in North Macedonia take Chinese language classes, many through the Center but some elsewhere.²³⁸ In addition to classes at the Confucius Center in Skopje, North Macedonian students from Shtip's Goce Delchev University can take part in a student exchange program with the Technology Department at Wuhan University in China.²³⁹ The partnership between the two universities began in 2016.

226 Godement and Vasselier.

227 Radomir Ralev, 'Macedonia to Invest over 270 Mln Euro in Road Infrastructure in 2018', *See News: Business Intelligence for Southeast Europe*, 24 January 2018, <https://seenews.com/news/macedonia-to-invest-over-270-mln-euro-in-road-infrastructure-in-2018-599363>.

228 'Merkel Warns against China's Influence in Balkans', *South China Morning Post*, 22 February 2018, <https://www.scmp.com/news/china/diplomacy-defence/article/2134196/merkel-warns-against-chinas-influence-balkans>.

229 'Merkel Warns against China's Influence in Balkans'.

230 'Има Ли Кина Тројански Коњи На Балканот?', *Deutsche Welle Macedonia*, August, <https://www.dw.com/mk/има-ли-кина-тројански-коњи-на-балканот/a-44952123>.

231 Tim Fernholz, 'Eight Countries in Danger of Falling into China's "Debt Trap"', *Quartz*, 7 March 2018, <https://qz.com/1223768/china-debt-trap-these-eight-countries-are-in-danger-of-debt-overloads-from-chinas-belt-and-road-plans/>.

232 'China: EBRD Shareholder Profile'.

233 Ryan Heath and Andrew Gray, 'Beware Chinese Trojan Horses in the Balkans, EU Warns', *Politico*, 27 July 2018, <https://www.politico.eu/article/johannes-hahn-beware-chinese-trojan-horses-in-the-balkans-eu-warns-enlargement-politico-podcast/>.

234 Мирјана Спасовска, 'Расте Трговската Размена Меѓу Македонија и Кина', *Radio Free Europe*, 22 September 2018, <https://www.slobodnaevropa.mk/a/29501938.html>.

235 Спасовска.

236 Maja Zivanovic, '\$3bn Economic Agreements Boost China's Role in Serbia', *Balkan Insight*, 18 September 2018, <https://balkaninsight.com/2018/09/18/new-agreements-boost-china-role-in-serbia-09-18-2018/>.

237 'Одбележан Светскиот Ден На Институтите „Конфуциј“, *АТон.Мк*, 24 September 2014, <https://a1on.mk/archives/386769>.

238 'Сè Повеќе Македонци Сакаат Да Го Изучуваат Кинескиот Јазик', *Nova Makedonija*, 19 April 2018, <https://www.novamakedonija.com.mk/pecateno-izdanie/cè-poveќе-македонци-сакаат-да-го-изучу/>.

239 '(Видео) Кинескиот Универзитет Вухан Доделува Стипендии За Студентите На УГД', *Life UGD*, 22 June 2016, <https://life.ugd.edu.mk/index.php/studenti-life/item/1072-kineskiot-univerzitet-vuhan-dodeluva-stipendii-za-studentite-na-ugd>.

Furthermore, in 2017, the Chinese and the Macedonian Ministries of Culture signed an Executive Program for Cultural Cooperation for 2018-2023.²⁴⁰ This program “envisages exchange of artistic groups and exhibitions, academic research, workshops in the field of literature [and] film, direct cooperation between cultural organizations and writers’ associations, [and] the cooperation between libraries and institutions dealing with preservation of cultural heritage.”²⁴¹ Moreover, in 2019, North Macedonia will be hosting the Fourth Ministerial Forum for Cultural Cooperation, part of the China-CEEC ‘16+1’ platform.²⁴²

Turkey

In 1991, Turkey was one of the first countries to recognize North Macedonia’s independence. In fact, earlier in the summer of 1991, the first Macedonian President Kiro Gligorov, took a covert trip to Turkey, supplicating the Turkish government’s support of Macedonia’s independence and safeguard the country’s survival in the face of a potential Yugoslavia collapse.²⁴³

Turkey, generally speaking, has consistently been an important player in Macedonian foreign and domestic politics. This is not particularly surprising, given North Macedonia’s long history under the Ottoman Empire as well as the country’s sizable minority of ethnic Turks that make up 4% of North Macedonia’s overall population.

Ethnic Turks in North Macedonia enjoy political representation through three Turkish minority parties: Turkish Democratic Party (Türk Demokratik Partisi, TDP), Turkish National Unity Movement (Türk Milli Birlik Hareketi, TMBH), and Turkish Movement Party (Türk Hareket Partisi, THP). Both TDP and THP each occupy one seat in the 123-member Parliament—TDP’s MP is Yusuf Hasani, who acts as independent, while THP’s MP Enes Ibrahim, is in coalition with the governing party SDSM.²⁴⁴ TDP’s current independence or THP’s current affiliation with the center-left SDSM, however, reveal little about these parties’ ideology, as they were both in government coalitions with the conservative VMRO-DPMNE when the party was in power.²⁴⁵ THP’s Vice President, Elvin Hasan, currently serves as the Minister

without Portfolio in the Government of North Macedonia in charge of foreign investments. He ascended to this position in December 2018, after THP discharged his predecessor, Adnan Qahil, from the party and urged Zaev to remove him as a Minister because of Qahil’s allegedly dishonorable conduct.

It is worth noting that while Minister Qahil published pictures with numerous Turkish politicians, including a photograph with the Turkish President Erdoğan on his private jet.²⁴⁶ In fact, THP’s summits are frequently attended by high-ranking Justice and Development Party (AKP) officials²⁴⁷ and the party appears to cherish a strong relationship with AKP and Turkish President Recep Erdoğan.

Another photograph of Erdoğan is prominently displayed in the office of the longest-serving mayor in Macedonia, Ismail Jahovski.²⁴⁸ Jahovski’s family business, the oil company Pucko Petrol, has been one of the top beneficiary of government contracts.²⁴⁹ At the same time, his municipality, Plasnica, is one of the most impoverished municipalities in Macedonia, with the unemployment rate being close to a staggering 90%.²⁵⁰ In the country’s poorest municipality, all but a few inhabitants identify as ethnic Turks.²⁵¹ The Turkish flag is displayed proudly and ubiquitously, including outside the new municipal building, the construction of which was funded by the Turkish government through the Turkish Cooperation and Coordination Agency (TIKA). TIKA also financed the renovation of the municipality’s school.

Centar Zupa is another municipality that has an ethnic Turk mayor: Arian Ibrahim. Here, too, most inhabitants—around 80% of the population—identify as ethnic Turks. However, while Ismail Jahovski is a member of the Albanian party DUI, Arian Ibrahim belongs to the Turkish minority party TDP.

The Turkish political influence in Macedonia is amplified by the presence of several Turkish media outlets, including Zaman Makedonya, Yeni Balkan, TRT, and the Ankara-run Anadolu Agency. In addition to publishing in Turkish, Zaman and Anadolu Agency also report their news in

240 ‘Macedonia, China Sign Executive Agreement on Cultural Cooperation’, *Mia*, 22 September 2017, <https://mia.mk/EN/Inside/RenderSingleNews/325/133869288>.

241 ‘Macedonia, China Sign Executive Agreement on Cultural Cooperation’.

242 ‘Macedonia Hosts China-CEEC Coordination Center for Cultural Cooperation’, *Mia*, 2 March 2018, <https://www.mia.mk/en/Inside/RenderSingleNews/289/134138774>.

243 ‘РЕФЕРЕНДУМОТ ЗА САМОСТОЈНОСТ И НЕЗАВИСНОСТ ЗАВРШИ ТРИУМФАЛНО’, *Denes Magazin*, 8 September 2016, <https://denesmagazin.mk/25-godini-nezavisna-republika-makedonija-referendumot-za-samostojnost-i-nezavisnost-zavrshi-triumfalno-georgi-ajanovski/>.

244 ‘Министерот За Странски Инвестиции, Аднан Кахил, Славел Историска Битка Со Ердоган’, *Mak Fax*, 29 August 2017, <https://makfax.com.mk/daily-news/министерот-за-странски-инвестиции-ад/>.

245 ‘Избрана Новата Влада На Република Македонија’, *Sitel*, 1 June 2017, <https://sitel.com.mk/izbrana-novata-vlada-na-republika-makedonija>.

246 ‘Министерот За Странски Инвестиции, Аднан Кахил, Славел Историска Битка Со Ердоган’.

247 ‘THP Genel Başkanlığına Enes Ibrahim Seçildi’, *Yeni Balkan*, 19 November 2017, <http://www.yenibalkan.com/gundem/thp-genel-baskanligina-enes-ibrahim-secidli-h11459.html>.

248 ‘ДУИ Ја Претстави Изборната Програма Во Општина Пласница’, *24.Mk*, 26 September 2017, <https://www.24.mk/dui-ja-pretstavi-izbornata-programa-vo-opstina-pplasnica>.

249 Vasko Magleshev, ‘Луцко Петрол’ и ‘Бауер БГ’ Ги Добиле Највредните Договори За Јавни Набавки Со Општините’, *Mak Fax*, 18 July 2018, <https://makfax.com.mk/ekonomija/луцко-петрол-и-бауер-бг-ги-добил/>.

250 ‘Протест Против Одлуката На Владата За Финансиска Помош На „Заман“’, *24 Info*, 30 January 2019, <https://24info.mk/протест-против-одлуката-на-владата-за/>.

251 Владо Апостолов, ‘Тивко и Сиромашно Предизборие Во Пласница’, *Prizma*, 29 September 2017, <https://prizma.mk/tivko-siromashno-predizborie-vo-plasnitsa/>.

Macedonian and Albanian, although their readership still predominantly consists of ethnic Turks. Zaman, to be sure, has also enjoyed some popularity among ethnic Albanians, but neither outlet has gained traction among ethnic Macedonians.

Importantly, the Turkish media companies in North Macedonia reflect the internal cleavage in Turkey between Erdoğan and Fethullah Gülen. While Zaman Makedonya is highly critical of Erdoğan and is often labeled “Gülenist,” Anadolu Agency and TRT usually extol the current Turkish government. The Erdoğan-Gülen skirmish in North Macedonia was particularly pronounced earlier this year, when the Macedonian government awarded Zaman with approximately 15,000 euro as part of a larger subsidies package to the printed press. The grant to Zaman provoked protests and an official reproof by the Turkish government. The demonstration was attended by the Turkish Ambassador to North Macedonia, Minister Elvin Hasan, MP Enes Ibrahim, as well as other leaders of Turkish-minority and Roma-minority parties in North Macedonia.²⁵² Turkish Ambassador Erkal Kara gave an impassioned speech and warned the Macedonian government of sanctions if it chooses to subsidize “the terrorist-funded” newspaper.²⁵³ A day after the protests, Zaman renounced its claim to a subsidy, citing the permanent smear campaign against the newspaper by the Turkish government as a reason.

Erdoğan himself has been increasingly vocal about Macedonian politics, especially with regards to the name dispute. Given Turkey’s strained relations with Greece, Turkey’s firm opposition to Republic of North Macedonia’s name change came as no surprise. However, even though Erdoğan proclaimed that “Turkey will never leave its [Macedonian] brothers alone,”²⁵⁴ Turkey’s state-run Anadolu Agency hurried to use the name “North Macedonia” even before the official name change.

A separate matter that, if true, would signal an attempt by Turkey to scale up its influence in North Macedonian politics is the emergence of the Albanian party BESA, which came second among the ethnic Albanian parties in the

2016 parliamentary elections.²⁵⁵ Namely, BESA has a strong religious component and has been widely rumored to be financed directly by the Turkish government. However, these accusations have not been substantiated and BESA leaders have fervently denied any such connections to the Turkish government.²⁵⁶

In the economic realm, Turkey was the 8th most significant trade partner to North Macedonia for the first half of 2016 and 2017 (see graph on p. 63).²⁵⁷ Turkish investment in North Macedonia totals 1.2 billion euro, which amounts to 35% of all direct investments coming into the country.²⁵⁸

There are over a 100 Turkish companies in North Macedonia. Two of the largest investors are TAV Airports Holding and Halk Bank.²⁵⁹ In 2010, TAV signed a concession contract to operate the two airports in North Macedonia, one located in Skopje and another in Ohrid. In 2018, PM Zaev announced that TAV is investing around 45 million euros in infrastructure projects in North Macedonia.²⁶⁰ Both the former administration led by Nikola Gruevski and the current administration have organized numerous summits aimed at strengthening economic cooperation between Turkey and North Macedonia.

Turkey’s influence has been even more notable in the realm of culture. The one arena of Turkish cultural relations that has dominated the headlines, partly due to the Erdoğan-Gülen conflict, is education. The first private high school in North Macedonia—Yahya Kemal College—is a Turkish school with alleged ties to Gülen’s Hizmet movement. The college has six branches in four cities in Macedonia and is widely considered as one of the most prestigious high school institutions in the country. In the name of the fight against terrorism, the Turkish government has tried to compel North Macedonia to clamp down on these schools, but the North Macedonian government has refused to fulfill this request. In May, the Turkish Ambassador to North Macedonia gave the keynote address at the opening of Maarif—a Turkish state-run education foundation—and insisted that parents who do not want their children to become “terrorists” ought to send their children to Maarif and not Yahya Kemal.²⁶¹

252 ‘Протест Против Одлуката На Владата За Финансиска Помош На „Заман“.

253 ‘Протест Против Одлуката На Владата За Финансиска Помош На „Заман“.

254 ‘Erdoğan: Macedonia Will Always Remain Macedonia’, World Macedonian Congress, accessed 15 January 2019, <http://www.wmc-a.com/Erdoğan-macedonia-will-always-remain-macedonia/>.

255 Ivana Sekularac and Kole Casule, ‘Macedonia’s Nationalists Win Election: Official Results - Reuters’, *Reuters*, 12 December 2016, <https://www.reuters.com/article/us-macedonia-election-result-idUSKBN1412L2>.

256 ‘Kasami: Беса Ке Ја Редифинира Македонија’, *Republika*, 19 December 2016, <https://republika.mk/703894>.

257 ‘Бектешии: Трговската Размена Со Турција Бележи Раст, Добредојдени Се Инвестиции Во Стратешките Сектори’, *Vecer*, 7 February 2018, <https://vecer.mk/ekonomija/bekteshi-trgovskata-razmena-so-turcija-belezhi-rast-dobredojdeni-se-investicii-vo-strateshkite-sektori>.

258 ‘Бектешии: Трговската Размена Со Турција Бележи Раст, Добредојдени Се Инвестиции Во Стратешките Сектори’.

259 ‘MPT’, *MRT*, 11 February 2018, <http://www.mrt.com.mk/node/46731>.

260 Ralev, ‘Macedonia to Invest over 270 Mln Euro in Road Infrastructure in 2018’.

261 ‘Turkish Ambassador Implies Gülen Schools in Macedonia Raise Terrorists’, *Turkish Minute*, 9 May 2018, <https://www.turkishminute.com/2018/05/09/turkish-ambassador-implies-gulen-schools-in-macedonia-raise-terrorists/>.

The North Macedonian Ministry of Foreign Affairs publicly rebuked this remark²⁶² but this has not changed Ankara's rhetoric regarding the Yahya Kemal schools.

At the level of university education, there are thousands of Turkish citizens studying in North Macedonia.²⁶³ However, the number of incoming Turkish students in North Macedonia has likely plunged in the past year following Ankara's 2017 decision to stop accrediting Macedonian academic certificates,²⁶⁴ arguably as a retaliation for North Macedonia's refusal to provide unqualified support in the suppression of activities that Ankara renders Gülenist. It is difficult to estimate the number of North Macedonian citizens studying in Turkey, but one interesting development was the North Macedonian government's inception of scholarships aimed at supporting 20 students of Ottoman Turkish language to study at Turkish universities.²⁶⁵

There are two well-established Turkish cultural organizations in North Macedonia: Yunus Emre and TİKA. Yunus Emre is mainly known for its language classes, which have been frequented by over 1,000 people since the organization's founding in 2010.²⁶⁶ The center also organizes activities such as various networking events, book clubs for adults, and storytelling with children throughout North Macedonia.²⁶⁷ TİKA, too, has been proactive, most notably in the (re-)construction of hospitals, mosques, and other institutions, including the Halveti Hayati Çullu Baba Tekke and Mosque in the city of Kicevo and the above-mentioned school and municipality building in Plasnica.

Finally, one additional area of Turkish cultural influence has been Turkish soap operas. In the last decade, almost every TV outlet has been broadcasting at least one Turkish soap opera at a time. In fact, with more than 62% of Macedonians watching at least one soap opera regularly, soap operas are the second most-watched type of content in the country, second only to central news.²⁶⁸ Turkish

soap operas, therefore, serve as a major gateway into idealized Turkish culture.

The Gulf States and Iran

The area of influence of the Gulf states in Macedonia that has attracted the most discussion is, unsurprisingly, the security landscape. As a recent report by the Kosovo Center for Security Studies (KCSS) explains, "the first signs of violent extremism and radicalization in Macedonia are traced to the early 1990s and is closely related to the sudden influx of non-governmental organizations funded by the Gulf States and the return of young imams from the Middle East."²⁶⁹ Particularly radical were those imams that attended Islamic schools in Egypt and Saudi Arabia. According to the KCSS study, the two most influential extremist imams are Rexhep Memishi and Shukri Aliu, both of whom were educated in Saudi Arabia, and other Middle Eastern countries such as Syria.²⁷⁰

A number of Gulf-funded charities, schools, media stations, and publishing houses are operating in North Macedonia. The effect of these groups is contested, but some contend that they play an important part in engendering religious extremism within Macedonia's Muslim population and were significant actors in facilitating ISIS recruitment in North Macedonia.²⁷¹ Since the 2011 outbreak of the Syrian War, North Macedonia has seen a number of its citizens, usually of Albanian ethnicity, travel to Iraq and Syria to join the battlefields.

As of June 2016, the Macedonian intelligence services had identified 110 citizens of North Macedonia fighting in Syria.²⁷² By this time, another 25 Macedonians in Syria had been killed while 86 had made a return trip back to North Macedonia.²⁷³ Still, there has not been a terrorist attack on North Macedonian soil as a result of these returns. This might partly be because most of these fighters are believed to have sided with a more moderate group, the Free Syrian

262 'МНР: Неодмерена е Изјавата На Турската Амбасадорка За „Јахја Кемал“ - Денес Магазин', *Denes Magazin*, 16 May 2018, <https://denesmagazin.mk/mnr-neodmerena-e-izjavata-na-turskata-ambasadorka-za-jahja-kemal/>.

263 'Турција Нема Да Ги Признава Македонските Дипломи, Студентите Исплашени', *Sakam Da Kazam*, 21 January 2017, <https://sdk.mk/index.php/makedonija/turtsija-nema-da-gi-priznava-makedonskite-diplomi-studentite-ispasheni/>.

264 'Турција Нема Да Ги Признава Македонските Дипломи, Студентите Исплашени'.

265 'Конкурс За Доделување На 20 Стипендии За Додипломски и Постдипломски Студии По Статотурски Јазик', Ministry of Education and Science, 26 January 2016, <http://www.mon.gov.mk/index.php/konkursi/1031-konkurs-staroturски>.

266 'Расте Интересот За Учење На Турскиот Јазик Во Македонија', *Anadolu Agency*, 24 September 2016, <https://www.aa.com.tr/mk/%25D0%25BA%25D1%2583%25D0%25BB%25D1%2582%25D1%2583%25D1%2580%25D0%25B0-%25D0%25/>.

267 'Расте Интересот За Учење На Турскиот Јазик Во Македонија'.

268 Нетпрес, 'Македонците Најмногу Уживаат Во Вести и Турски Серии', *Tocka*, 12 June 2013, <https://tocka.com.mk/vesti/97517/makedoncite-najmnogu-uzivaat-vo-vesti-i-turski-serii>.

269 Florian Qehaja and Skender Perteshi, 'The Unexplored Nexus: Issues of Radicalisation and Violent Extremism in Macedonia', 2018, 11, http://www.qkss.org/repository/docs/Extremism_in_macedonia_402663.pdf.

270 Qehaja and Perteshi, 12.

271 Qehaja and Perteshi, 28.

272 Kaltrina Selimi and Filip Stojkovski, 'Assesment of Macedonia's Efforts in Countering Violent Extremism, View from Civil Society', 2016, https://www.analyticamk.org/images/Files/extremism-en-updated-FINAL-web_ceb98.pdf.

273 Selimi and Stojkovski.

Army, and with the purpose of unseating President Assad rather than pursuing jihad.²⁷⁴ Another reason why there have been no attacks might be attributed to the efforts of Macedonian security services. The country's financial police consistently monitor the bank accounts of at least 170 suspects for financing terrorist organizations.²⁷⁵ In February 2019, the North Macedonian Ministry of Interior divulged that the country's security services foiled an ISIS terrorist attack, but refused to share any further details, and it remains unclear whether or not any arrests have been made in connection to this terrorist scheme.²⁷⁶ However, in two earlier operations, conducted in August 2015 and July 2016, "Cell 1" and "Cell 2" respectively, North Macedonian authorities arrested a total of 11 individuals for participating in, and recruiting for, foreign paramilitary organizations.²⁷⁷ Still, there are at least a few dozen former foreign fighters that are at large and currently residing on North Macedonian soil, posing a serious security threat to the country.

Furthermore, although North Macedonia has largely been omitted from allegations of harboring foreign-funded Salafi mosques, the practice of Salafism in the country is extant. In 2010, for example, the Islamic Religious Community, which is the highest representative body of North Macedonian Muslims, identified the presence of four Salafi mosques.²⁷⁸ Around the same time, one of the Salafi mosques saw a religiously motivated fight between a few of its followers—an event that brought the presence of Salafism into spotlight in North Macedonia.²⁷⁹ One mosque in the municipality of Gazi Baba has also been identified as a hotbed of takfiri practitioners of Islam, or Muslims that have a penchant for intolerance towards other denominations of Islam not to mention other faiths.²⁸⁰ Nevertheless, there is no available evidence that confirms funding, or any other concrete support of Salafism from Saudi Arabia, or the other usual suspects. Moreover, perhaps due to the infrequency of violent extremism on North Macedonian soil, the threat of Salafism has tended to receive scarce attention in North Macedonian media.

In terms of cultural influence, the relations between North Macedonia and the Gulf States are exiguous. There is

an Islamic Center associated with the Gulf States, which boasts over 2,000 members. However, its activities seem to chiefly revolve around religious preaching as opposed to some broader cultural engagement.²⁸¹ The other tool through which the Gulf States could arguably influence North Macedonia's socio-political sphere is the Qatari-owned, Sarajevo-based TV channel, Al Jazeera Balkans, which is available to all North Macedonians with a cable TV connection. The language of Al Jazeera Balkans' content, Serbo-Croatian, is accessible to the vast majority of the Macedonian public, and the channel has had regular Skopje-based correspondent since its founding. Still, Al Jazeera has gained little traction among the North Macedonian public, and only a handful out of over 1,600 respondents in a recent survey report using Al Jazeera as a news source.²⁸²

When it comes to Iranian influence in North Macedonia, the countries signed an intergovernmental agreement on strengthening cultural relations with each other, which dates back to 2001. Notwithstanding the Agreement, North Macedonian-Iranian cultural relations remain scarce although they do appear to be superior to the cultural relations between North Macedonia and the Gulf states. This, in reality, is a synergistic side-effect of the advancement in Serbian-Iranian relations rather than a manifestation of genuine Macedonian-Iranian connectedness, as the Belgrade-based Iranian Cultural Center has used the close proximity between Serbia and North Macedonia as a way to kill two birds with one stone.²⁸³ For instance, the Center publishes the Persian-language quarterly magazine on Islamic culture, NUR, and then distributes it across both Serbia and North Macedonia. Furthermore, the Iranian Embassy and the Cultural Center have periodically organized short film festivals in Skopje accompanied by follow-up discussions with Iranian filmmakers.²⁸⁴ Generally speaking, however, Iranian cultural activities in North Macedonia are sporadic and highly limited.

Politically, according to Erjada Progonati, Iran has tried to capitalize on the relatively poor interethnic relations in North Macedonia. Progonati claims that Iran has attempted

274 Selimi and Stojkovski, 11.

275 Ruzica Fotinavska, 'Македонија Под Закана Од Терористички Напад На ИСИС', *TV24*, 16 February 2019, <https://www.24.mk/details/makedonija-pod-zakana-od-teroristichki-napad-na-isis>.

276 'Спречен Терористички Акт Планиран Од ИСИС, Предупредување Издадоа и Од Амбасадата На САД', *TV21*, 15 February 2019, <https://tv21.tv/mk/sprechen-teroristichki-akt-planiran-od-isis-predupreduvane-izdadoa-i-od-ambasadata-na-sad/>.

277 Selimi and Stojkovski, 'Assessment of Macedonia's Efforts in Countering Violent Extremism, View from Civil Society', 23.

278 Срѓан Стојанчов, 'Во Македонија Има Вахабисти', *Slobodna Evropa*, 7 July 2010, <https://www.slobodnaevropa.mk/a/2093516.html>.

279 'Има Ли Кина Тројански Коњи На Балканот?'

280 Edina Bećirević, Majda Halilović, and Vlado Azinović, 'Literature Review: Radicalisation and Violent Extremism in the Western Balkans', 2017, https://kosovo.britishcouncil.org/sites/default/files/erf_literature_review_2017_radicalisation_and_violent_extremism.pdf.

281 Bećirević, Halilović, and Azinović.

282 "Media Consumption Survey 2018," USAID Macedonia, accessed March 1, 2019.

283 'За Нас', Културен центар на ИР Иран за Србија и Македонија, accessed 15 November 2018, <http://www.iran.mk/15-about-us>.

284 'Денови На Иранската Кинематографија Во Кинотека На Македонија', *Културен Центар На ИР Иран За Србија и Македонија*, accessed 15 October 2018, <http://www.iran.mk/news/news-kci/news-kci-006>.

to “bring the Albanian population of Macedonia under its influence, but...has not been very successful [at that].”²⁸⁵ In addition to Albanian parties, Iran has apparently sought to engender links with the Iranian Investigations Department at Tetova University, again unsuccessfully. However, as is the case with many allegations regarding malign foreign influence, no hard evidence exists to corroborate Progonati’s imputations.

Compared to political relations, North Macedonia’s economic ties to the Gulf States and Iran are clearer but still limited, albeit in the process of development (see graph on p. 65). For example, in 2014, then-Prime Minister Gruevski and several governmental ministers ventured on a much-publicized visit to Saudi Arabia in an effort to attract foreign investment from the Gulf state.²⁸⁶ More recently, Prime Minister Zaev welcomed a dozen Saudi businessmen that had voiced interest in investing in North Macedonia.²⁸⁷ In fact, in an effort to strengthen North Macedonia’s economic ties to the Gulf States, the Economic Chamber of North Macedonia plans to launch new offices in Kuwait, Iraq, and Oman.²⁸⁸

The current North Macedonian government is similarly attempting to change the scanty economic ties between Iran and North Macedonia. In April 2018, for example, the Deputy Prime Minister, Kocho Angjushev, hosted representatives of the Iranian Trade Association.²⁸⁹ Angjushev revealed that North Macedonia’s annual export of goods to Iran is around 400 thousand dollars, which constitutes a negligible 0.001% of Iran’s global annual import.²⁹⁰ Nonetheless, Angjushev expressed hope that economic relations between the two countries would improve, partly due to new investment incentives introduced by the Macedonian government, which include awarding foreign investors with a direct 10% return on their investment.²⁹¹

Conclusion

Since its independence, North Macedonia has firmly positioned itself on the path to Euro-Atlantic integration. As this chapter shows, however, North Macedonia’s aspiration to join the EU and NATO has not stopped—and in some instances it has actually further encouraged—involvement by large non-Western powers.

This involvement is particular to each power. Russia, for instance, has concentrated on the socio-political and cultural

spheres, while lagging behind in the economic sphere. Russia’s influence activities, therefore, have been of low cost but high impact, and have aimed at offering alternative narratives with the goal of fomenting confusion and disenchantment with the West. Russia’s strategy is in direct contrast to that of China, whose influence strategy relies almost solely on China’s economic preponderance, which China might use to hoodwink countries into both economic and political dependency. The Gulf States and Iran have largely circumvented North Macedonia, and their involvement has been through inspiring, and possibly directly financing, Salafi mosques and engendering religious extremism. Turkey—unlike the larger aforementioned powers, whose influence strategy in North Macedonia is channeled through selected spheres—has spread its influence across the majority of spheres of the Macedonians’ lives. North Macedonia is home to several Turkish schools, cultural centers, media outlets, businesses, and political parties, which in effect has turned North Macedonia into yet another battleground between Erdoğanists and Gülenists.

285 Erjada Progonati, ‘The Balkan Region as a New Target for the Iranian-Israeli Political Rivalry’, *Dergi Park Akademik* 1, no. 2 (2017): 208.

286 ‘Груевски Во Саудиска Арабија По Странски Инвестиции’, *MKD News*, 14 December 2014, <http://www.mkdnews.com/2014/12/gruevski-vo-saudiska-arabija-po-stranski-investicii-video/>.

287 ‘Шици Од Саудиска Арабија Заинтересирани За Инвестиции Во Земјава’, *Time.Mk*, 28 February 2018, <https://time.mk/c/fe765483e/seici-od-saudiska-arabija-zainteresirani-za-investicii-vo-zemjava.html>.

288 ‘Шици Од Саудиска Арабија Заинтересирани За Инвестиции Во Земјава’.

289 ‘Вицепремиерот Анѓушев: Постои Голем Потенцијал За Зголемување На Економската Соработка Помеѓу Иран и Македонија’, *Government of the Republic of Macedonia*, 2018, <https://vlada.mk/?q=node/14529>.

290 ‘Вицепремиерот Анѓушев: Постои Голем Потенцијал За Зголемување На Економската Соработка Помеѓу Иран и Македонија’.

291 ‘Вицепремиерот Анѓушев: Постои Голем Потенцијал За Зголемување На Економската Соработка Помеѓу Иран и Македонија’.

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- '#ElectionWatch: Inauthentic Activity Tested Ahead Naming Referendum'. *Medium*, 29 September 2018. <https://medium.com/dfrlab/electionwatch-inauthentic-activity-tested-ahead-naming-referendum-1ff6b97cb5fb>.
- '#ElectionWatch: Sputnik Misleading in Macedonia'. *Medium*, 23 September 2018. <https://medium.com/dfrlab/electionwatch-sputnik-misleading-in-macedonia-bc8294aeebe2>.
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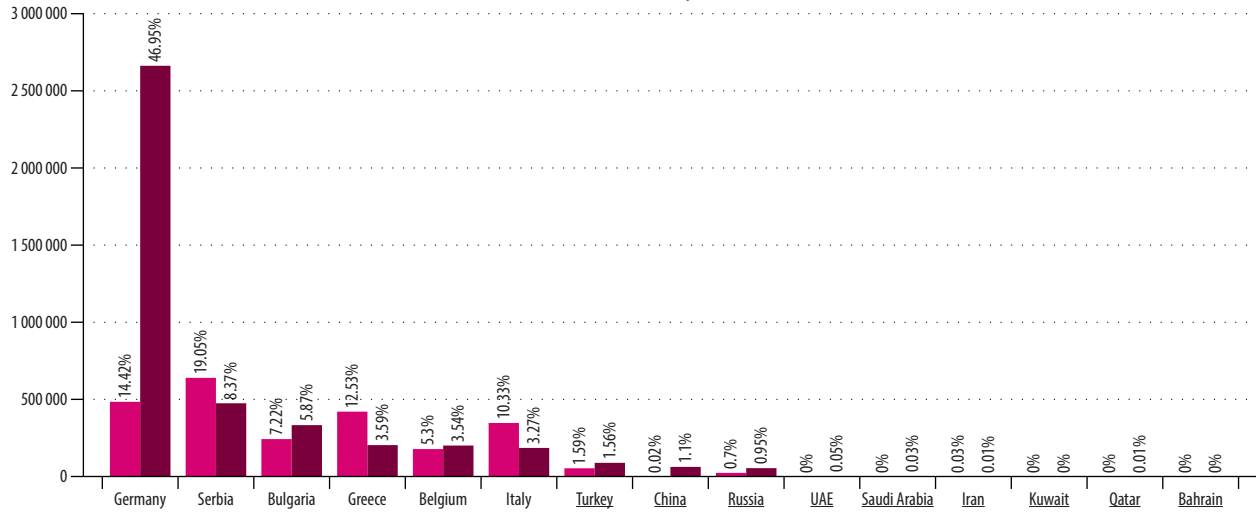
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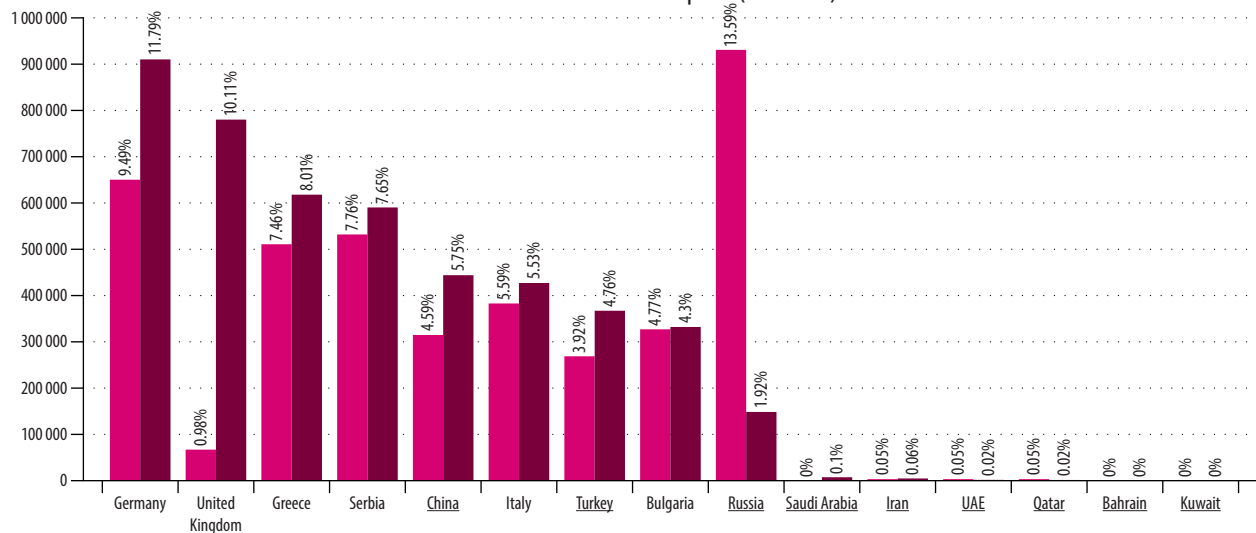
North Macedonia Herzegovina – Foreign Trade by Countries

North Macedonia exports (USD '000)



2007	484 024	639 415	242 463	420 409	177 833	346 769	53 249	576	23 572	161	69	1 163	35	0	61
Overall rank	2	1	5	3	6	4	14	47	17	57	72	38	80	157	73
2017	2 662 467	474 635	332 915	203 513	200 673	185 256	88 596	62 257	54 127	3 071	1 705	365	56	425	37
Overall rank	1	2	3	4	5	6	9	18	23	44	50	68	90	67	94

North Macedonia imports (USD '000)



2007	650 333	67 079	510 826	532 017	314 774	382 913	268 754	327 074	930 895	245	3 239	3 290	3 242	87	140
Overall rank	2	22	4	3	7	5	9	6	1	88	57	55	56	105	100
2017	910 252	780 176	617 953	590 390	444 004	427 154	367 197	332 081	148 494	7 396	4 762	1 754	1 537	26	5
Overall rank	1	2	3	4	5	6	7	8	15	51	58	72	75	115	134

* The graph includes countries whose influence in the Balkans this publication explores—Russia, China, Turkey, Saudi Arabia, Iran, United Arab Emirates (UAE), Qatar, Kuwait, Bahrain—and six most important trade partners other than them to put the data in a comparative perspective.
 Source: World Bank, World Integrated Trade Solution (<https://wits.worldbank.org/>)

Country Report 4

Montenegro



Country Report 4 – Montenegro

Author: Hana Semanić

Introduction

Montenegro is considered one of the frontrunners in the EU accession process. According to the European Commission's 2018 Enlargement Strategy, 2025 may actually be a feasible accession date for Montenegro, provided that there is strong political will, that reforms are real and sustained, and that there are definite solutions to disputes with neighboring countries.²⁹² Montenegrin officials and the vast majority of political parties, at least formally, seem to be committed to the European integration process. However, the country still suffers from a compromised judicial system, corruption, repressed media, weak rule of law, and declining civil and political rights. In 2018, Freedom House reported further declines in democratic standards, having already downgraded Montenegro from 'free' to 'partly free' in 2016.²⁹³ This is partially due to the ruling elite, Đukanović's Democratic Party of Socialists, which has been running the country since the 1990s as part of different coalitions. Troublingly, ruling elites use the state apparatus as a way to stay in power and frequent abuses remain unpunished despite the EU's presence on the ground.²⁹⁴ As in many other Western Balkan states, there is no strong political opposition to hold those in office accountable.

Montenegro has a small, open economy that is susceptible to external shocks, as it relies heavily on capital inflows from abroad to stimulate growth.²⁹⁵ The recent inflow of Chinese capital and the effects of large infrastructure projects seriously challenge its fiscal sustainability. As of 2015, around 90% of Montenegrin state-owned companies have been privatized, including 100% of banking, telecommunications, and oil distribution. Tourism, which is one of the main pillars of its economy, accounts for approximately 20% of Montenegro's GDP. The country is trying to profile itself as an elite tourist destination, featuring several new luxury tourism complexes along the coast, which are financed by external investors.²⁹⁶ When it comes to the unemployment rate, in 2016 it was 17.7%²⁹⁷ and it is estimated that

about 9% of the population lives below the absolute poverty line. Officials and civil society claim that one third of citizens are affected by poverty and call for concrete measures to be taken by the government to tackle the issue.²⁹⁸

Civil society in Montenegro is quite diverse. There are more than 5,000 registered non-governmental organizations (NGOs) and the number of political parties and NGOs is disproportionate to the total population.²⁹⁹ One would think that the number of civil society organizations goes hand in hand with democratic development, but many question these organizations' sincere motivation to enact positive change in their communities.

In terms of religious composition, Orthodox Christianity is the dominant religion in Montenegro, but there are also sizable numbers of adherents to Islam and Catholic Christianity. Nevertheless, the dominant church is the Serbian Orthodox Church, although the Montenegrin Orthodox Church is trying to have an equal influence within the country. The data from 2011 census confirm this, and show that 72.1% of people identify as Orthodox, 19.1% as Muslim, and 3.4% as Catholic.³⁰⁰

As for the Montenegrin position in the international arena, the EU's engagement in Montenegro goes back to the mid-2000s when the country began the process of accession in 2005 while still united with Serbia in the State Union of Serbia and Montenegro. After declaring its independence from this loose union in May 2006, Montenegro continued with negotiations separately and applied for membership in December 2008. At present, it has opened 32 of a total of 35 negotiation chapters and has provisionally closed three.³⁰¹ Public opinion is on the side of EU integration. The Delegation of the EU to Montenegro quoted the results of a public opinion poll from January 2018, according to which 80.9% of Montenegrin citizens would vote in favor of joining the EU in a potential referendum, while 63.7%

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297 'Labour Force Survey 2016', Statistical Office of Montenegro, accessed 16 February 2019, <http://monstat.org/eng/novosti.php?id=2211>.

298 Lela Šćepanović, 'Bogati Još Bogatiji, Trećina Crne Gore Gra u Siromaštvu', *Radio Slobodna Evropa*, 9 August 2016, <https://www.slobodnaevropa.org/a/trecina-siromasnih-u-crnoj-gori/27910905.html>.

299 mondo.me, 'U Crnoj Gori Registrovano Više Od 5.000 NVO', *Mondo*, 22 July 2018, <http://mondo.rs/a/1120282/Info/Ex-Yu/Nevladine-organizacije-u-Crnoj-Gori-koliko-ih-ima.html>.

300 'Population of Montenegro by Sex, Type of Settlement, Ethnicity, Religion and Mother Tongue, per Municipalities' (Podgorica, 2011), [http://www.monstat.org/userfiles/file/popis2011/saopstenje/saopstenje\(1\).pdf](http://www.monstat.org/userfiles/file/popis2011/saopstenje/saopstenje(1).pdf).

301 'Montenegro and Serbia to Open New Negotiating Chapters with EU on Monday', *European Western Balkans*, 7 December 2018, <https://europeanwesternbalkans.com/2018/12/07/montenegro-serbia-open-new-negotiating-chapters-eu-monday/>.

of respondents hold positive attitudes toward the EU.³⁰² On June 3, 2017, Montenegro succeeded in its pro-Western path and joined NATO, becoming its 29th member.³⁰³ Analysts agree that the smallest of the former Yugoslav republics will not only benefit from the Alliance in military and security terms, but it will also make Montenegro's EU accession easier. However, this process has been at the center of heated political debates in the country, dividing the public between those who view the Alliance positively and have been in favor of joining NATO, and those who are rather indifferent or against the country's membership. Russia also attempted to sabotage the process with two Russian security service officials engaging in a failed coup in Podgorica during the October 2016 elections.

Montenegro's relations with its neighbors—Albania, Bosnia and Herzegovina, Croatia, Kosovo, and Serbia—are essentially satisfactory. It has recently reached an agreement on the border issues with Bosnia and Herzegovina, which emerged in 2014, but some border disputes are still pending with Croatia.³⁰⁴ A debate remains on the ethnic identification of Montenegrins (whether they are Serbs or not) and the name of the national language (Montenegrin vs. Serbian). Montenegro recognized Kosovo's declaration of independence in October 2008, being the 48th state to do so. This announcement sparked outrage in Belgrade, triggering Serbia to withdraw its ambassadors from countries which recognized Kosovo's independence. Montenegro, which was seeking membership in the EU and NATO at the time, was under pressure from the US and some EU member states to internationally recognize Kosovo, although the Montenegrin government has been denying that any state was forcing the country to make such a decision. Then Montenegrin Foreign Minister Milan Roćen stated that the independence of Kosovo was a 'political reality' in the Western Balkans.

Russia

Russia and Montenegro have strong cultural, religious and political ties dating back to the 18th century, primarily due to the shared Slavic and Orthodox Christian identity. In fact, Russia was one of the first countries to recognize Montenegro's independence from the State Union of Serbia

and Montenegro on June 11, 2006. The good relations, however, have considerably deteriorated because of changes in Montenegro's foreign policy over the past five years. The shift began when Montenegro joined EU sanctions against Russia in 2014 over its annexation of Crimea, and continued with a group of Serb nationalists and two Russian agents who intended to assassinate then prime minister and today's President Milo Đukanović during a coup attempt on the day of parliamentary elections in October 2016. The primary objective of this act was to prevent Montenegro from joining NATO. The deterioration of relations culminated with Montenegro actually joining the Alliance in 2017.³⁰⁵

In spite of Montenegro's pro-Western orientation and NATO accession, Russia continues to have substantial political and economic influence in the country. It persists in pressuring and influencing the political process in Montenegro through various sources, such as the Serbian Orthodox Church, pro-Serbian political parties in the country within the opposition, some several billion dollars offered for the construction of a naval base in Montenegro in 2013³⁰⁶ and numerous pro-Russian media outlets and news websites—Ujedinjenje, Sedmica, Princip, Nova Riječ, Magazin—many of which were created after Montenegro joined NATO.³⁰⁷

Strong political ties have generally been accompanied by economic ties between the two countries, making Russia one of the most significant investors in Montenegro, despite decreasing intensity in economic exchange as a result of Montenegro's Western-oriented foreign policy (see graph on p. 75). Contrary to some other Western Balkan countries, Moscow's economic influence in Montenegro does not rely solely on Russian energy resources—apart from Lukoil's expansion of gas stations throughout the country—but instead focuses mainly on sectors such as real-estate and tourism.³⁰⁸ According to the data from the Montenegrin Investment Promotion Agency (MIPA) for 2016, Russia was the second single largest direct investor in Montenegro, contributing €52.8 million in FDI.³⁰⁹ The data from the Statistical Office of Montenegro (MONSTAT) for 2015 show that 32% of foreign-owned companies in the country belong to Russian citizens. Russians also possess large amounts of property in Montenegro, and significantly contribute to Montenegro's

302 Radomir Ralev, 'Support for EU Accession in Montenegro at 80.9% - Poll', *See News: Business Intelligence for Southeast Europe*, 19 January 2018, <https://seenews.com/news/support-for-eu-accession-in-montenegro-at-809-poll-598888>.

303 Velina Lilyanova, 'Montenegro – a Lead Candidate for EU Accession', 2018, <http://www.europarl.europa.eu/thinktank>.

304 Elvira M Jukić and Dušica Tomović, 'Bosnia, Montenegro End Dispute Over Borders', *Balkan Insight*, 15 May 2015, <https://balkaninsight.com/2015/05/15/bosnia-montenegro-border-dispute-ends/>.

305 Aleksandar Vasovic, 'Frontrunner in Montenegro Election Wants Better Ties with Both West and Russia', *Reuters*, 12 April 2018, <https://www.reuters.com/article/us-montenegro-election/frontrunner-in-montenegro-election-wants-better-ties-with-both-west-and-russia-idUSKBN1HJ2LG>.

306 Srdjan Jankovic, 'Officials Dismiss Talk of Russian Military Base in Montenegro', *Radio Slobodna Evropa*, 10 February 2015, <https://www.slobodnaevropa.org/a/officials-squash-talk-of-russian-military-base-in-montenegro/26839898.html>.

307 'A Credible Enlargement Perspective for and Enhanced EU Engagement with the Western Balkans' (Strasbourg, 2018), https://ec.europa.eu/commission/sites/beta-political/files/roadmap-factsheet-tallinn_en.pdf.

308 'Montenegro Profile', Freedom House, 2018, <https://freedomhouse.org/report/freedom-world/2018/montenegro>.

309 Jovana Marović, 'The European Union's Strategy towards the Western Balkans – The Stairway to Nowhere?', *Western Balkans between Internal Transitions and the European Integration Process*, 2017.

travel and tourism industry. Thanks to visa-free travel, Russians are the second most frequent visitors, after Serbians.³¹⁰ In contrast, trade between the two countries is not significant, as Montenegro does not depend on Russian energy resources. Economic relations started being politically affected from the Russian side when Montenegro joined the EU's economic sanctions against Russia in 2014 over its annexation of Crimea. In response to this decision, Russia introduced a trade embargo on agricultural imports, banning the products of the Montenegrin state-owned wine company, *Plantaže*, allegedly because of poor quality.³¹¹

Around 72% of Montenegrins who identify as Orthodox Christians are today divided between the Serbian Orthodox Church and the Montenegrin Orthodox Church. The latter was founded in 1993 and it is followed by a small minority of Montenegrins. The Montenegrin Orthodox Church is not canonically recognized by any other Christian Orthodox Church, and consequently has not been able to establish its full independence. The newest survey by the Center for Democracy and Human Rights (CEDEM) from 2018 shows that 62.3% of respondents trust the Serbian Orthodox Church in Montenegro, while the unrecognized Montenegrin Orthodox Church has the lowest confidence of its citizens with 22.4%.³¹²

One of the key channels of Russian presence and influence in Montenegro is precisely the Serbian Orthodox Church and its leaders, who strive to influence domestic politics by supporting pro-Russian political parties and anti-EU and NATO voices.³¹³ Amfilohije Radović, the head of the Serbian Orthodox Church in Montenegro and Irinej, the Patriarch of the Serbian Orthodox Church, are for instance very vocal in their political stances, continuously backing up pro-Russian and anti-Western interests in Montenegro. The Serbian Orthodox Church in Montenegro (governed by the Metropolitanate of Montenegro and the Littoral) is an independent organization with legal status in Serbia. It is unwilling to subject itself to the laws of Montenegro for political reasons, and therefore refuses to legalize its presence and activities in the country.³¹⁴

The connection between Russia and Montenegro also manifests itself through the large presence of Russian tourists and nationals. The visa requirements between the two countries was lifted in 2008, and since then, Montenegro is one of the favored destinations among Russians. Despite a decrease in the number of visitors following Podgorica's decision in 2014 to join Western sanctions against Moscow,³¹⁵ the recent MONSTAT data show that Russians are still visiting Montenegro, and make up the majority of foreign tourists. After Montenegro's declaration of independence in 2006, mass privatization absorbed many of Montenegro's previously state-owned companies and enterprises. This was recognized by Russian citizens and some Russian officials, who were often buying property under controversial deals. The best known case was the privatization of the Montenegrin aluminum producer KAP (Kombinat Aluminijska Podgorica), bought by the Russian tycoon Oleg Deripaska,³¹⁶ who maintains very close ties to the Kremlin. Although the KAP is the biggest single contributor to the Montenegrin GDP and exports, it is heavily criticized for polluting the fertile Zeta plain and for consuming most of the electrical power of Montenegro at low prices, while Montenegrin citizens face frequent shortages of electricity and pay for it at much higher prices.³¹⁷

Russian citizens possess 32% of foreign-owned firms registered and operating in Montenegro³¹⁸ and there are about 3,600 Russian-owned properties only in Budva, the leading tourists resort. Nonetheless, over the last few years, more Russians are selling than buying property, mainly due to financial reasons.³¹⁹

Thanks to a large presence of Russian nationals in Montenegro, Russia has established numerous cultural and language-learning institutions throughout the country, such as the Russkiy Mir Foundation or the Bar cultural center. Their role is to offer language courses and workshops for foreigners, to improve cooperation, and to strengthen mutual cultural ties between the countries. In 2016, the Russian diaspora voiced a need for education in its native language, and the first Russian language school opened in

310 'Montenegro Overview', The World Bank, 2018, <https://www.worldbank.org/en/country/montenegro/overview>.

311 'Montenegro Economy Profile 2018', Index Mundi, 2018, https://www.indexmundi.com/montenegro/economy_profile.html.

312 'Labour Force Survey 2016', Statistical Office of Montenegro, accessed 16 February 2019, <http://monstat.org/eng/novosti.php?id=2211>.

313 Lela Šćepanović, 'Bogati Još Bogatiji', *Trećina Crne Gore Crca u Siromaštvu*, *Radio Slobodna Evropa*, 9 August 2016, <https://www.slobodnaevropa.org/a/trecina-siromasnih-u-crnoj-gori/27910905.html>.

314 *mondo.me*, 'U Crnoj Gori Registrovano Više Od 5.000 NVO', *Mondo*, 22 July 2018, <http://mondo.rs/a/1120282/Info/Ex-Yu/Nevladine-organizacije-u-Crnoj-Gori-koliko-ih-ima.html>.

315 'Population of Montenegro by Sex, Type of Settlement, Ethnicity, Religion and Mother Tongue, per Municipalities' (Podgorica, 2011), [http://www.monstat.org/userfiles/file/popis2011/saopstenje/saopstenje\(1\).pdf](http://www.monstat.org/userfiles/file/popis2011/saopstenje/saopstenje(1).pdf).

316 'Montenegro and Serbia to Open New Negotiating Chapters with EU on Monday', *European Western Balkans*, 7 December 2018, <https://europeanwesternbalkans.com/2018/12/07/montenegro-serbia-open-new-negotiating-chapters-eu-monday/>.

317 Radomir Ralev, 'Support for EU Accession in Montenegro at 80.9% - Poll', *See News: Business Intelligence for Southeast Europe*, 19 January 2018, <https://seenews.com/news/support-for-eu-accession-in-montenegro-at-809-poll-598888>.

318 Dušica Tomović, 'Russians Dominate Foreign Ownership of Montenegrin Companies', *Balkan Insight*, 18 August 2016, <https://balkaninsight.com/2016/08/18/russians-own-every-third-company-in-montenegro-report-08-17-2016/>.

319 Jasna Vukičević, 'Ruske Nekretnine u Crnoj Gori Na Prodaju', *Radio Slobodna Evropa*, 31 July 2018, <https://www.slobodnaevropa.org/a/ruske-nekretnine-u-crnoj-gori-na-prodaju/29399609.html>.

Budva.³²⁰ The two countries have also established substantial cooperation at the level of higher education. There are many agreements on cooperation between Russian and Montenegrin universities (e.g. between the University of Montenegro and the Russian New University, the Russian State Trade and Economics University or the Moscow State University of Lomonosov). The instigator of this initiative was the Association of Students of Soviet and Russian Faculties in Montenegro.³²¹ The University of Montenegro also offers programs of study in Russian Language and Literature, and there is a number of Russian language schools and centers that offer Russian language courses.

The majority of the previously discussed issues are covered by the Russian media in Montenegro, whose number has been increasing since 2014. They have been filling the void created by the shrinkage of EU and US financial assistance to independent media in the region, while supporting pro-Russian media in the local language. Their main objective is to disseminate Moscow's agenda by using local journalists and their own resources, with very little financial support coming directly from Russia. The pro-Russian media in Montenegro can be divided into three groups: online media, print media and radio. All three are dedicated to endorsing the Kremlin's political line, supporting opposition parties in Montenegro, and creating a positive image of modern Russia.³²²

Unsurprisingly, the number of pro-Russian media outlets increased at the time when Montenegro was negotiating its NATO membership. The Sputnik agency, an online outlet NewsFront, and the website Russia Beyond the Headlines opened their headquarters in Belgrade and engaged contributors from Podgorica around this time. Regardless of the fact that they are seated in Serbia, the content is interchanged on a daily basis between the media outlets in the two countries. Recent research covering four Western Balkan countries, including Montenegro, shows that a significant number of news outlets "lack clear sources and citations and feature biased reporting,"³²³ and very often convey pro-Russian and anti-Western messages.

These pro-Kremlin news outlets have always heavily used their media space for distributing information about activities of the radical pro-Serbian and anti-NATO/EU groups in the country. In the same fashion, they were covering events revolving around the attempted coup in Podgorica in 2016, led by the leaders of the Montenegrin opposition, Democratic Front, Andrija Mandić and Milan Knežević; and two Russian nationals and GRU officials, Eduard Shishmakov and Vladimir Popov.³²⁴ Their intention was to assassinate then Prime Minister Milo Đukanović, for which they are being tried in the High Court in Podgorica since September 2017. The unsuccessful coup was an attempt by the Montenegrin pro-Russian opposition to appoint a pro-Russian government, and prevent Montenegro's accession to NATO.³²⁵

A phenomenon that is a serious threat to the Montenegrin society and should not be overlooked is nationalist right wing extremism. In the name of pan-Slavic brotherhood, Montenegrin foreign fighters have fought alongside pro-Russian separatists in the Ukrainian conflict in Donbass. Official data on the exact number of foreign fighters vary, but authorities say that at least five Montenegrins have returned from fighting alongside pro-Russian forces in Ukraine.³²⁶ There are two ongoing proceedings against Marko Barović, who fought in battles in Ukraine, and against Hamid Beharović, who fought in Syria.³²⁷ Nevertheless, some research suggests that fighters returning from Ukraine usually remain exempt from prosecution and severe sanctions, unlike those coming back from the Middle East.³²⁸ In this sense, legal provisions are used selectively when it comes to the application of legal measures against foreign fighters in a way that those who went to Ukraine often get away with light sentences, while those who went to the Middle East get imprisoned for years for terrorism.³²⁹ Research also shows that the nature and perception of conflicts taking place in Syria and Iraq, or Ukraine are seen differently by the Western Balkan governments, as not all of them have introduced EU restrictive measures in the context of Russia's annexation of Crimea or events in Eastern Ukraine.

320 Jasna Vukićević, 'Prva Ruska Škola Pod Crnogorskim Suncem', *Radio Slobodna Evropa*, 28 September 2016, <https://www.slobodnaevropa.org/a/crna-gora-ruska-skola/28019196.html>.

321 'Aktuelnosti, Važna Obaveštenja, Manifestacije', *Asocijacija Studenata Sovjetskih i Ruskih Fakulteta IZ SCG*, accessed 20 January 2019, <http://www.ruskistudentiscg.org/aktuelnosti.html>.

322 Marija Šajkaš and Milka Tadić Mijović, 'Caught between the East And West: The "Media War" Intensifies In Serbia and Montenegro', *South East European Network for Professionalization of Media*, 11 March 2016, <http://seenpm.org/caught-east-west-media-war-intensifies-serbia-montenegro/>.

323 Tara Tepavac, 'Disinformation and Fake News as the New Normal: A Challenge for the Western Balkans', *European Western Balkans*, 11 January 2019, <https://europeanwesternbalkans.com/2019/01/11/disinformation-fake-news-new-normal-challenge-western-balkans/>.

324 Ben Farmer, 'Russia Plotted to Overthrow Montenegro's Government by Assassinating Prime Minister Milo Đukanovic Last Year, According to Senior Whitehall Sources', *The Telegraph*, 19 February 2017, <https://www.telegraph.co.uk/news/2017/02/18/russias-deadly-plot-overthrow-montenegros-government-assassinating/>.

325 'Montenegrin Court Confirms Charges Against Alleged Coup Plotters', *Radio Free Europe*, 8 June 2017, <https://www.rferl.org/a/montenegro-coup-charges-confirmed/28535744.html>.

326 Vlado Azinović and Edina Bećirević, 'A Waiting Game: Assessing and Responding to the Threat from Returning Foreign Fighters in the Western Balkans', *Regional Cooperation Council*, 2017, <https://www.rcc.int/pubs/54/a-waiting-game-assessing-and-responding-to-the-threat-from-returning-foreign-fighters-in-the-western-balkans>.

327 'Na Ratištima u Siriji i Ukrajini 20 Crnogoraca', *CDM*, 5 November 2017, <https://www.cdm.me/drustvo/na-ratista-u-siriju-ukrajinu-otislo-20-crnogoraca/>.

328 Jelena Beslin and Marija Ignjatijević, 'Balkan Foreign Fighters: From Syria to Ukraine', 2017, [https://www.iss.europa.eu/sites/default/files/EUISSFiles/Brief 20 Balkan foreign fighters.pdf](https://www.iss.europa.eu/sites/default/files/EUISSFiles/Brief%20Balkan%20foreign%20fighters.pdf).

329 Stefanija Agrotova et al., 'Returning from Violence: How to Tackle the Foreign Fighters' Problem in the Western Balkans?' (Budapest, 2018), https://kki.hu/assets/upload/kki_west_balkan_pdf_final.pdf.

Other examples of nationalistic pan-Slavic ideologies are the two pro-Kremlin groups: Russia's Night Wolves motorcycle gang, and the paramilitary Balkan Cossack Army. The latter is active in Montenegro, Serbia and the Republika Srpska. The commander of the Balkan Cossack Army is a Russian Cossack General Viktor Zaplatin, who was selected as their leader at the founding gathering in Kotor, Montenegro in 2016. The ceremony was led by Serbian Orthodox priest Momčilo Krivokapić and bikers from the Night Wolves, including their leader Aleksandr Zaldostanov, who has close ties to Vladimir Putin, and Aleksandar Sinđelić, one of the key figures in the election-day coup plot in Montenegro. The purpose of the group is vague, except for the fact that they aim to endorse pan-Orthodoxy for the Slavic peoples.³³⁰ The presence of the Balkan Cossack Army divides the wider public between those who see the Cossack's activities as a signal that Russia has not forgotten Russophiles in the Western Balkans, and those who think they are just inspired by Russia and see their activities as some sort of folklore nostalgia.

China

China recognized Montenegro's independence on June 14, 2006, less than a month after the country declared independence from the State Union with Serbia, and diplomatic relations were established in July the same year.³³¹ China's presence in Montenegro has visibly increased in recent years, but it has mainly focused on pursuing economic interests and creating business connections. Similarly to the other Western Balkan states, the Chinese are mainly interested in infrastructure projects such as highways, railways, and power plants, implemented in the framework of the One Belt and One Road Initiative (OBOR) and the '16+1' summit. The major infrastructure projects financed by the Chinese in Montenegro are the construction of the first section of Bar-Boljare highway connecting Serbia's capital Belgrade, and Bar, Montenegro's main seaport, the construction of the highway between Montenegro and Albania, and the construction of the Podgorica-Kolašin motorway section.³³² The motivation behind these financial initiatives is far from being transparent. The biggest lender is the Chinese EximBank, which in 2014 provided Montenegro with a loan of €800 million for building the

Podgorica-Kolašin highway and the China Road and Bridge Corporation (CRBC), the large, state-owned Chinese company, which is building the first section of the Bar-Belgrade highway.³³³

At the same time, bilateral cooperation between China and Montenegro is insignificant. The MIPA's data for 2016 show that China contributed only €441,000 in FDI and is the 47th foreign direct investor in the country. The current Montenegrin debt to China is around €800 million,³³⁴ which could eventually bankrupt this small Western Balkan country. As far as Chinese tourists are concerned, Montenegro introduced visa facilitations in 2017 and has opened its market to Chinese holidaymakers to compensate for the loss following a decline in Russian tourists from 2014.

Another means of Chinese presence is through the Confucius Institute in Podgorica that was opened in 2015. The initiative was based on an agreement between the two governments on Scientific and Technological Cooperation, and a bilateral agreement on cooperation between the University of Montenegro and Changsha University of Science and Technology. The institute's official objective is to promote Chinese culture and language, to improve understanding of China abroad, to connect individuals and institutions dealing with the Chinese language and culture, as well as to organize other cultural and educational activities between the two countries.³³⁵ In addition to the University of Montenegro, Chinese language courses are offered at the University of Donja Gorica³³⁶ and in kindergartens, primary, and secondary schools, not only in Podgorica, but also in several other towns. Around 700 students enroll annually. More people in Montenegro started studying Mandarin as some knowledge of the language is preferred when applying for Chinese scholarships and for participating in various competitions. At the same time this is their chance to visit China, which is still perceived as "exotic" in Montenegro and the Western Balkans in general.³³⁷

In addition, for several consecutive years, larger Montenegrin cities have hosted events and artistic performances celebrating Chinese New Year and the Spring Festival. Last year's event took place at the National

330 Jasna Vukićević and Robert Coalson, 'Russia's Friends Form New "Cossack Army" In Balkans', *Radio Free Europe*, 18 October 2016, <https://www.rferl.org/a/balkans-russias-friends-form-new-cossack-army/28061110.html>.

331 'Montenegro Activities', Ministry of Foreign Affairs of the People's Republic of China, accessed 18 January 2019, https://www.fmprc.gov.cn/mfa_eng/wjw_663304/zjjj_663340/xos_664404/gjlb_664408/Montenegro_664680/mahs1_664684/.

332 Plamen Tonchev, 'China's Road: Into the Western Balkans', *European Union Institute for Security Studies*, February 2017, <https://www.iss.europa.eu/sites/default/files/EUISSFiles/Brief%203%20China%20Silk%20Road.pdf>.

333 Noah Barkin and Aleksandar Vasovic, 'Chinese "highway to Nowhere" Haunts Montenegro', *Reuters*, 16 July 2018, <https://www.reuters.com/article/us-china-silkroad-europe-montenegro-insi/chinese-highway-to-nowhere-haunts-montenegro-idUSKBN1K60QX>.

334 Lida Filippakis, 'China and Montenegro's Expensive "headache" Due to a Very Dear Motorway', *Independent Balkan News Agency*, 20 July 2018, <https://balkan.eu.com/china-and-montenegros-expensive-headache-due-to-a-very-dear-motorway/>.

335 'Director of Confucius Institute at Um Milena Đukanović: We Are Planning to Introduce Chinese Language as Elective at Some Faculties', *Montenegro Magazine*, 2017, <https://mnemagazin.me/2018/10/15/director-of-confucius-institute-at-um-milena-djukanovic-we-are-planning-to-introduce-chinese-language-as-elective-at-some-faculties/>.

336 'Raspored Predavanja Za Strane Jezike Za Zimski Semestar 2018/2019', n.d., https://www.udg.edu.me/cfi/files/download/1537714273_3740.pdf.

337 Anonymous interview, October 2018.

Theatre in Podgorica, hosted by Chinese Ambassador to Montenegro, Cui Zhiwei. Such events are usually supported by the Chinese Embassy and regularly attended by Montenegrin officials. The Chinese use similar activities to reaffirm the already established economic relations and cooperation in connection with the construction of the highway, and emphasize their strong intentions of being involved in the construction the of the second phase of the highway. However, local analysts warn that Montenegro will not have any long-term benefits from Chinese money, only debts and loans. The same was reiterated at the 2019 Munich Security Conference where Montenegro was singled out as the country whose percentage of the external debt of 39% owed to China is the highest among the Western Balkan states.³³⁸

Turkey

After some 500 years of Ottoman rule in the Western Balkans, Turkey has maintained a close relationship with Montenegro. Along with customs, cuisine, and vocabulary, the Turks also introduced Islam, resulting in one fifth of the Montenegrin population identifying as Muslim today. This is particularly true in the Sandžak region, which is still predominantly populated by Muslims—both Bosniaks and Albanians – comprising 17% of the population.³³⁹ Turkey, just like Russia, was one of the first countries to recognize the independence of Montenegro on June 12, 2006 and establish diplomatic relations on July 3, 2006. Thanks to these historical and cultural ties, Turkey still considers the Western Balkans part of its natural sphere of influence and is steadily returning to the region through a cultural diplomacy and soft power approach. The increased number of Turkish soap operas and flight connections between Podgorica (and the rest of the Western Balkan capitals) and major Turkish tourist destinations are reinvigorating mutual relations on the societal and cultural levels.

Montenegrin officials, mainly the head of the Montenegrin Islamic Community, Rifat Fejzić, have established close ties with their Turkish counterparts. The Montenegrin government signed an agreement with the Islamic Community of Montenegro in January 2012, which gave legal and constitutional recognition to Muslims in Montenegro. This document gave the right to the Religious Affairs Directorate in Ankara, Diyanet, to become a mediator in cases of

disagreement between members of the Muslim community in Montenegro.³⁴⁰

Turkey is also focused on pursuing economic interests in Montenegro, but it is not among the top five investors, as it is preceded by Russia, Norway, Italy, Azerbaijan, Hungary, Switzerland, Serbia, the UAE, and Slovenia. According to the MIPA data for 2016, Turkey contributed with €17.7 million in FDI.³⁴¹ In 2015, bilateral trade volume between the two countries was \$46 million (around €39 million) (see graph on p. 75). In recent years, middle-class Turks began escaping the political situation in Turkey under Erdoğan, and began settling in Montenegro with the aim of setting up businesses, buying real-estate, or for recognition of their diplomas. In 2017, three companies and 441 Turkish citizens registered businesses in Montenegro, compared to 76 in 2016 and 50 in 2015.³⁴² There are also several large Turkish investment projects in the country: Tosçelik's purchase of the former Ironworks Nikšić (Željezara Nikšić) in 2012 for €15.1 million; the acquisition of today's Port Adria in 2013 for €8.08 million; Turkish NET Holding's management of casinos; public-private partnership between Podgorica Municipality; and the Turkish company Gintaş for the largest shopping center, Mall of Montenegro. The Turkish Ziraat Bank has also entered the market, making Montenegro one of 80 branches around the world, which may be a sign of new investment.³⁴³

In addition to economic cooperation, Montenegro and Turkey work together in the defense industry and exchange experiences and best-practices in this area. Their cooperation for now entails "production and trade of defense goods and services, maintenance, and logistical support"³⁴⁴ and could be a basis for the modernization of Montenegro's armed forces. Before, Montenegro was not one of Turkey's key partners when it came to arms trade, unlike the US, the UK or Norway, but today closer military cooperation is on the rise as Turkish business influence is growing in Montenegro.

Besides enhanced relations in the areas of economic cooperation and defense industry, the Turkish Cooperation and Coordination Agency (TIKA), and the Turkish cultural institute Yunus Emre, have been introduced as tools to generate the soft power of Turkey in Montenegro, as well as

338 Martin Dimitrov, 'China's Influence in Balkans Poses Risks, Report Warns', *Balkan Insight*, 11 February 2019, <https://balkaninsight.com/2019/02/11/chinas-influence-in-balkans-poses-risks-report-warns/>.

339 'Relations between Turkey and Montenegro', Republic of Turkey Ministry of Foreign Affairs, accessed 16 February 2019, <http://www.mfa.gov.tr/relations-between-turkey-and-montenegro.en.mfa>.

340 Abdullah Bozkurt, 'Turkey and Montenegro - Two Best Examples in Balkans', *Zaman*, 20 March 2012, <http://www.predsjudnik.gov.me/en/press-center/interviews/112824/Today-s-Zaman.html>.

341 'FDI Statistics: Inflow Montenegro 2010-2016'.

342 Milorad Milošević, 'More Turkish Citizens Buying Real Estate and Opening Companies', *Total Montenegro News*, 14 March 2018, <https://www.total-montenegro-news.com/business/629-more-turkish-citizens-are-buying-real-estates-and-opening-companies>.

343 Srđan Janković, 'Da Li Je Turska Spriječila Radikalizam u Crnoj Gori?', *Radio Slobodna Evropa*, 18 July 2016, <https://www.slobodnaevropa.org/a/podrska-turske-sprijecila-radikalizam-u-crnoj-gori/27865484.html>.

344 Dušica Tomović, 'Montenegro Deepens Defence Industry Ties to Turkey', *Balkan Insight*, 26 March 2018, <https://balkaninsight.com/2018/03/26/turkey-montenegro-to-enhance-defence-industry-ties-03-23-2018/>.

strengthen societal and cultural ties with Montenegrin society. TIKa is conducting social, cultural, and infrastructure projects in Montenegro, while the Yunus Emre institute offers Turkish language courses and undertakes cultural activities. The two countries also cooperate in the field of education and partnerships between universities, while student exchange programs on both sides have been established. There has been an increased number of scholarships for Montenegrin students in Turkey, and there are regular calls for scholarships provided by the Turkish government. According to 2017 data, 82 students from Montenegro have completed their studies with the help of these scholarship.³⁴⁵

Although Turkish companies express interest in Montenegro, and defense industry cooperation between the two countries is about to boost military relations with Ankara, the Turkish state-backed media outlets broadcasting in Montenegro are still marginal. Some leading Montenegrin TV channels broadcast Turkish soap operas, which keeps them highly-positioned when it comes to audience share. Turkish shows have replaced Latin American soap operas that were popular 15 years ago, and have taken over part of their audience share. Their broadcasting is related to the general popularity of Turkish soap operas from Albania to the Black Sea. Sociologists explain that the phenomenon is closely associated with realistic characters, intriguing plots, as well as the lack of violence and obscenities. Part of the viewers say Turkish shows are popular thanks to a system of family values that people in the region seem to have lost, but which is still alive in Turkey, at least in TV shows.

The Gulf States and Iran

The presence and influence of the Gulf States and Iran in the country, as well as in the rest of the region, have been historically very limited. They are not largely politically involved in Montenegro. In an economic sense, the United Arab Emirates (UAE) and Qatar have been the most significant investors of the Gulf States in the country. According to the data of the Central Bank of Montenegro for 2017, the UAE invested €92.8 million, primarily in companies and banks, building and construction, and the tobacco industry. The MIPA's data for 2016 show that the UAE contributed to Montenegro's economy with €21.4 million in FDI, which has risen by nearly 50% when compared to €11.8 million in 2014 and €11.5 million in 2013 in FDI. Looking at the data for 2016, of the foreign powers analyzed in this study, the

UAE is preceded only by Russia, occupying the second place among the largest investors with €52 million in FDI. However, the EU countries such as Austria, the Netherlands, the UK, or Italy have always ranked among the largest investors besides Russia for the past years, reaching high volumes, such as Austria investing €263.7 million in 2015.³⁴⁶

The development of Capital Plaza (by the Abu Dhabi Financial Group), and the announcement of Plavi Horizonti (by Qatari Diar) are some of the notable examples of luxury development projects in this for tourist attractive Balkan country by Middle Eastern groups. The most significant UAE projects are the aforementioned development of Capital Plaza Center in Podgorica by the Abu Dhabi Financial Group, and the acquisition of Porto Montenegro, a luxury yacht homeport and marina village in Tivat, by the Investment Corporation of Dubai.³⁴⁷ Saudi Arabia has less concrete investments for the time being, but there are talks about future developments, mainly in the area of elite tourism. Iran has been exercising a very limited economic presence in Montenegro. However, the two countries have recently lifted the visa regime and introduced flights on the Podgorica-Tehran route, which may mean more potential investors and people exchanges on both sides.

Common projects among the Gulf States, Iran, and Montenegro in the areas of culture and academia are still in the very early stages. As for the media outlets, Al Jazeera has correspondents from Podgorica, but besides that, there is no Gulf State or Iranian media presence in the country. Nonetheless, these, and other areas of cooperation, among these countries and Montenegro remain rather unexplored.

It is also important to point out that, during the 1990s, Salafism began to spread in the Western Balkans. Montenegro has been less affected by this movement than its neighbors, especially Serbia, Bosnia and Herzegovina, Albania, and Kosovo, as the number of Salafis in the country is still relatively small. The National Security Agency in 2007 estimated there were around 100 Salafis in Montenegro.³⁴⁸ Their activities are monitored by the Montenegrin authorities, who work closely with the Islamic Community of Montenegro and its leader, Rifat Fejzić. Although the precise number of foreign fighters from Montenegro in militant Islamist groups in Syria and Iraq change, the Montenegrin National Security Agency stated in October 2015 that there are around 13 Montenegrins who have fought with the Islamic State, ISIS and Al Qaeda-affiliate Al Nusra in Syria

345 'Dogovoren Veći Broj Stipendija Za Studiranje u Turskoj', *CDM*, 14 December 2017, <https://www.cdm.me/drustvo/dogovoren-veci-broj-stipendija-za-studiranje-u-turskoj/>.

346 'FDI Statistics: Inflow Montenegro 2010-2016'.

347 'U.A.E. Considers Investments in Montenegro's Bar Port', *Montenegro Citizenship*, 31 January 2019, <https://montenegrocitizenship.co/f/uae-considers-investments-in-montenegros-bar-port>.

348 Kenneth Morrison, *Wahabism in the Balkans* (Shrinvenham: Defence Academy of the United Kingdom, 2008), https://www.files.ethz.ch/isn/50179/2008_March_Wahabism.pdf.

and Iraq. The same report says that six are still fighting and four are known to have been killed.³⁴⁹

Conclusion

Montenegro has been aspiring to join the Euro-Atlantic institutions from the early 2000s, particularly after becoming independent from the State Union of Serbia and Montenegro in 2006. This small Western Balkan state, with a population of about 630,000, is NATO's newest member, and is actively negotiating its future membership in the EU. Although the ruling Đukanović's Democratic Party of Socialists seems to be, at least formally, committed to the European integration process, the public remains divided on the issue of NATO/EU membership, as well as relations with Russia, which go back as far as the 18th century. Russia has been trying to influence the country for the past decade, especially in political terms. It has often done so through the influential Serbian Orthodox Church, which has been very critical and vocal about Montenegro's confrontation with Russia. The increasing number of Russian media outlets in the country serve as a solid platform for the dissemination of disinformation, propaganda and Russian political agenda.

Turkish and Chinese presence has grown over the years, but their focus has been on economic interests. China's agenda is set on the development of infrastructural projects, such

as highways or railways, usually under unclear financial projections. As for Turkey, the trade figures are not particularly high, but Turkey and Montenegro have started cooperating in the defense industry. The two countries also share religious and cultural bonds, which were created during the Ottoman rule of the Balkans for several centuries. Interestingly, China has also started establishing connections in culture and education through the newly established Confucius Institute in Podgorica. The Gulf States and Iran are not significantly politically involved in Montenegro, but there is economic cooperation with the UAE and Qatar.

In the context of different forms of radical extremism and radicalism, Montenegro has the lowest number of aspiring fighters to ISIS territory in Syria and Iraq and Eastern Ukraine among the Western Balkan states. There has been the spread of Salafism and their ultraconservative Islamic teachings in the country, but it remains a marginal phenomenon. However, the issue that should not be overlooked as a serious threat to the Montenegrin society is the nationalist right wing extremism. Montenegrin foreign fighters have fought alongside pro-Russian separatists in Ukraine in the name of pan-Slavic brotherhood, and the October 2016 Russian-backed coup was one of the most of evident examples of anti-Western activities to sabotage the country's plan to join NATO.

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349 Dušica Tomović, 'Montenegro Security Services on ISIS Alert', *Balkan Insight*, 25 March 2016, <https://balkaninsight.com/2016/03/25/montenegro-security-services-on-isis-alert-03-22-2016/>.

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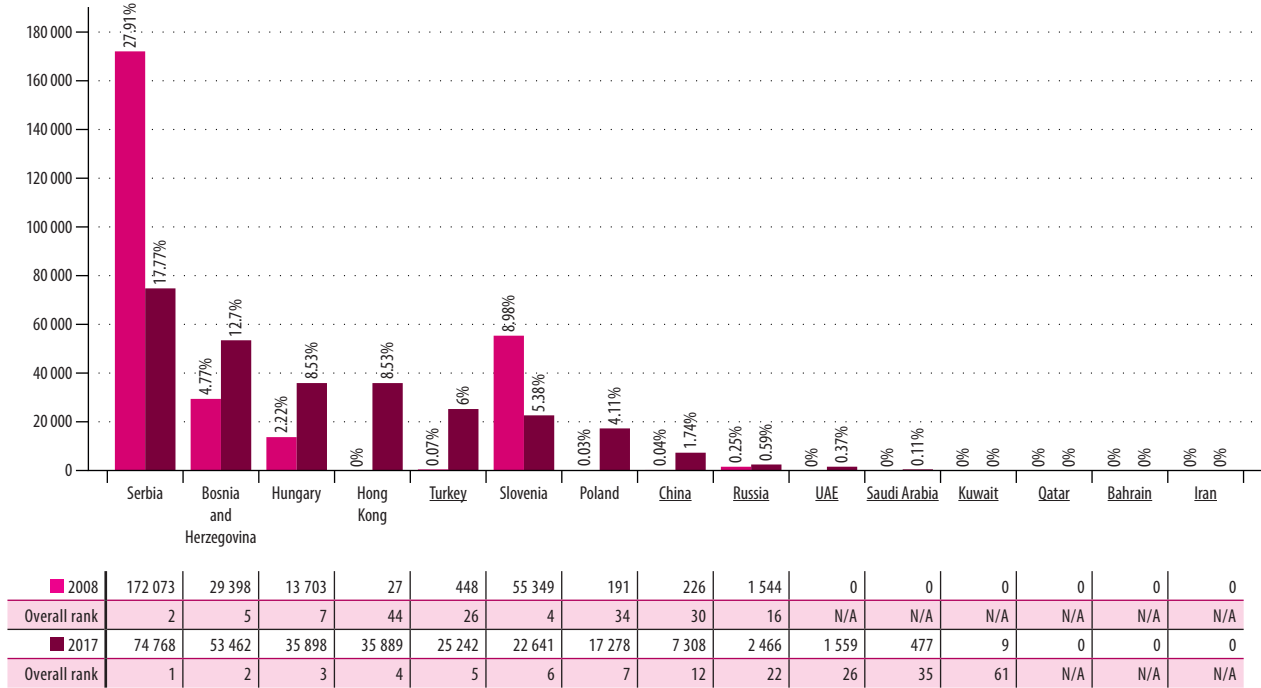
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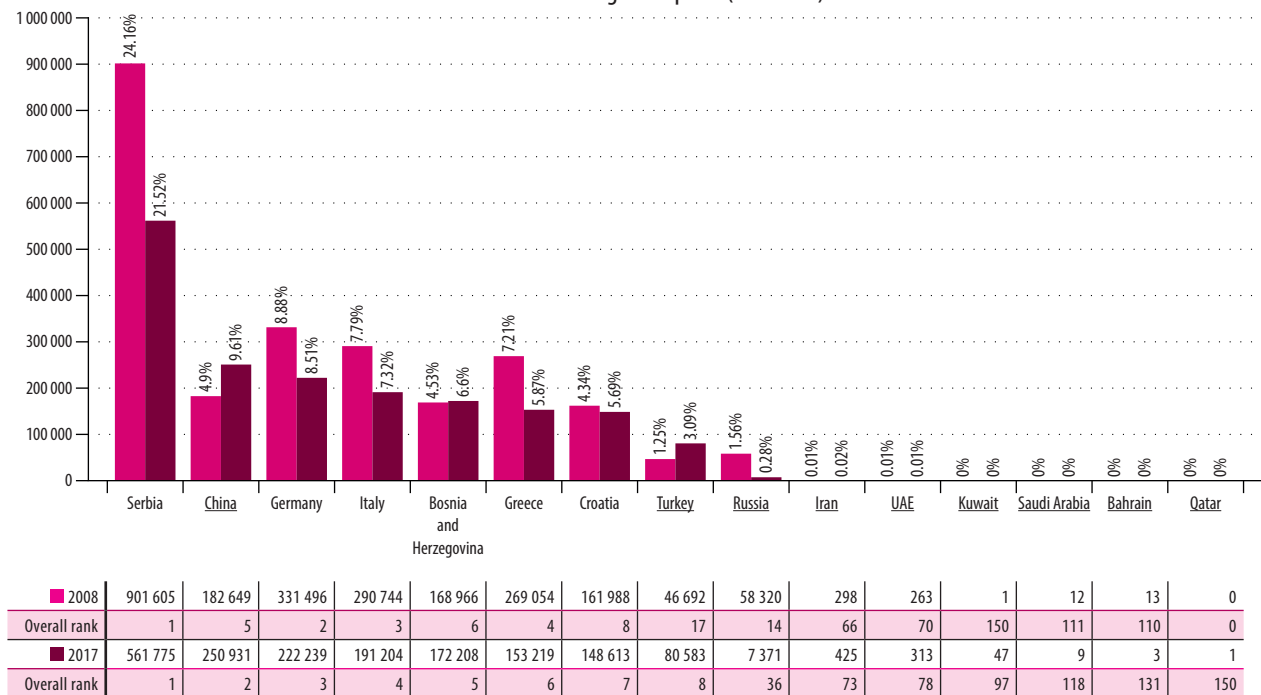
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Montenegro – Foreign Trade by Countries

Montenegro exports (USD '000)



Montenegro imports (USD '000)



* The graph includes countries whose influence in the Balkans this publication explores—Russia, China, Turkey, Saudi Arabia, Iran, United Arab Emirates (UAE), Qatar, Kuwait, Bahrain—and six most important trade partners other than them to put the data in a comparative perspective.
 Source: World Bank, World Integrated Trade Solution (<https://wits.worldbank.org/>)

Country Report 5

Kosovo



Country Report 5 – Kosovo

Author: Vesa Bashota

Introduction

Tensions between the Albanian majority population in Kosovo and Serbian government in Belgrade led to an armed conflict in 1998, despite the efforts of the Western community aimed at preventing the conflict. NATO members, concerned over the possibility that an ethnic cleansing will take place, launched air strikes against Serbia (Federal Republic of Yugoslavia - FRY) in 1999, based on the principle of humanitarian intervention. Following the Kosovo War in 1999, Kosovo was under the administration of the civilian United Nations Interim Administration Mission in Kosovo (UNMIK), the mission mandated to maintain and peace in the country. On 17 February 2008, Kosovo declared independence from Serbia.

Kosovo is a multi-party parliamentary republic, but its democratic institutions remain fragile, crippled by rampant corruption and characterized by challenges on political integrity (namely transparency and accountability) and sovereignty (in the majority-Serb enclaves) and a weak rule of law. Endemic corruption remains a serious problem for Kosovo as it not only poses a serious threat to democracy internally, but it also hampers Kosovo's efforts towards closer relations with, and eventual membership in, the EU. Without strong institutions in place, Kosovo becomes an easy target of foreign powers' interference.

Kosovo has a multi-ethnic population of 1.8 million, where Albanians make up the majority, 92.9%, and the other main ethnicities are Serbs, Turks, Bosniaks, Gorani, Roma, and Egyptians. Kosovo is a Muslim-majority country (95.6%), but 2.2% are Roman Catholics and 1.4% Serbian Orthodox. The percentage of the latter is low due to the Serbs' boycott of the census. However, according to estimates, there are 120,000 Serbian Orthodox believers in Kosovo, i.e. 6.3%.³⁵⁰ Although the rights of non-Albanian communities are enshrined in the Constitution, inter-ethnic relations between Albanians and Serbs remain strained. Kosovar institutions do not have a strong and consolidated presence in the North, where Serbia still maintains influence among the Serb-majority municipalities.³⁵¹ Serb parallel structures in the North supported by the Serbian government

endure and thereby constrain Kosovo's government functions, which makes the area prone to Serbian and Russian interference.³⁵²

Based on World Bank data, Kosovo is the third-poorest country in Europe, with a GDP of \$7.1 billion and a GDP per capita of \$3,877 in 2017.³⁵³ Economic development is among one of the most significant challenges that the country faces. The economy lacks a favorable investment climate and it is characterized by high unemployment rates, especially among youth. Unfavorable businesses conditions and weak implementation of laws scare investors away, besides those from Turkey who have invested heavily in Kosovo despite its fragile economy.

Priorities of Kosovo's foreign policy currently center around the international recognition of Kosovar independence and membership in key international organizations such as the EU, NATO, and the UN. To date, Kosovo's independence has been recognized by 116 countries in total, including the United States and the majority of EU countries (23 EU countries out of 28).³⁵⁴ Due to the extensive lobbying efforts of Serbia, Kosovo failed to join UNESCO and Interpol. Additionally, countries that do not recognize Kosovo further obstruct its ability to join the EU, NATO, and especially the UN, where Russia and China persistently oppose it.

Kosovo is undoubtedly one of the most pro-Western countries in the Balkans, where support for the West is greatly felt among the general public as well as among politicians who rely on key Western countries for support. The US is considered the strongest ally; it is a keen supporter of Kosovo's sovereignty, and its engagement in Kosovo via various organizations is significant. The US policy toward Kosovo has recently shifted: it wants to be involved in the most important process that Kosovo is currently in, the Dialogue with Serbia, which was formerly led by the EU.

Since 1999, NATO troops have continued to stay in Kosovo as part of a peacekeeping force known as KFOR. Although membership in NATO is a priority for Kosovo, due to non-recognition by four NATO members, Greece, Romania,

350 'Kosovo 2017 International Religious Freedom Report', 2017, <https://www.state.gov/documents/organization/281166.pdf>.

351 'Kosovo Profile', Freedom House, 2018, <https://freedomhouse.org/report/freedom-world/2018/kosovo>.

352 'Kosovo Profile'.

353 'Kosovo Overview', The World Bank, 2018, <https://www.worldbank.org/en/country/kosovo/overview#1>.

354 'Njohjet Ndërkombëtare Të Republikës Së Kosovës', Republika e Kosovës, Ministria e Punëve të Jashtme, accessed 17 January 2019, <http://www.mfa-ks.net/politika/483/njohjet-ndrkombtare-t-republiks-s-kosovs/483>.

Slovakia, and Spain, it does not even have a contractual agreement with NATO.³⁵⁵ The recent transformation of the lightly armed Kosovo Security Forces to the Kosovo Army, sparked negative reactions among NATO members and the UN. The US together with the UK, the Netherlands, and France, have supported the decision of Kosovo, whereas Russia and China have condemned it.

Kosovar political discourse, since the early 1990s, has continuously focused on Euro-Atlantic integration. Similarly, the population is very much EU-oriented and regards membership as a solution to the array of Kosovo's problems. In 2015, Kosovo and the EU signed the Stabilization and Association Agreement, and its implementation entails an advancement in Kosovo's EU path. Kosovo has not yet applied for EU membership and it is only an aspiring country. Progress in this regard has been slow, as Kosovo has to undergo a major transformation in order to fulfill the EU's criteria for membership. Kosovo remains among the most isolated countries in Europe, with no visa liberalization despite having received the positive recommendation from the European Commission in 2018. Primarily due to frustrations over the lengthy process of visa liberalization, the support for the EU within Kosovo seems to have slightly declined among citizens as well as political leaders. The dissatisfaction with the EU was expressed through small-scale protests organized by students,³⁵⁶ social media outrage, and the refusal to remove the 100% tax imposed on Serbian and Bosnian products. The tax was imposed by the government of Kosovo in November 2018 as a response to Serbia's lobbying efforts against Kosovo's membership in Interpol. Kosovo's internal issues and limited international recognition, coupled with the engagement of non-Western countries seeking to gain a stronger foothold in the Balkans, have made the country more vulnerable to external influences. A potential rise of anti-EU sentiments could undermine Kosovo's pro-European agenda and leave the country even more susceptible to non-Western meddling.

Russia

In the 1990's Russia was a major opponent to NATO's intervention in Bosnia and later in Kosovo.³⁵⁷ In June 1999, prior to the arrival of NATO troops in Kosovo, Russian troops, which were part of the international peacekeeping mission in BiH, entered Kosovo from Bosnia and seized the airport of Prishtina.³⁵⁸ The tension between NATO and Russia intensified and according to NATO's Spokesperson of that time, Jamie Shea, "there was a talk of a showdown, or even war" between NATO and Russia. According to Shea, NATO feared that Kosovo was about to be divided similarly to Germany in the Cold War between Russian and Western zones.³⁵⁹ However, the Russian contingent withdrew within a few months. Ever since the intervention in Kosovo in 1999, Russia strongly supports Serbia by condemning Western intervention and accusing the West of breaching international law.

To date, Russia is Serbia's most powerful backer against Kosovo's independence. It is an alignment of interests that both countries benefit from. By influencing Serbia and keeping it close by strongly opposing Kosovo's statehood, Russia positions itself as a great, relevant power in the Balkans; whereas Serbia uses its relationship with Russia to leverage the EU, threatening the Union to forge closer ties with Russia and consequently aid the expansion of Russian influence in the region.

Kosovo's ethnic Albanian leaders push for a pro-Western and pro-EU agenda, and they are under high American and European influence, therefore the impact of Russia among them is limited. However, Russia via Putin's United Russia, has established ties to the main Serbian political party, Srpska Lista, one of the parties in the ruling coalition in the Government of Kosovo.³⁶⁰ A sign of this close relationship has been Srpska Lista's attendance to the Congress of the United Russia in September 2017.³⁶¹ Moreover, after the national elections in Kosovo in 2017, United Russia endorsed Srpska Lista's decision to enter the coalition, framing it as a "guarantee" of Serbian sovereignty over Kosovo.³⁶² With direct links to a party in the ruling coalition, Russia increases its chances at undermining Western-oriented policies of the Kosovo Government and "supports pro-Russian political actors in Kosovo."³⁶³

355 'Avdiu: Anëtarësimi i Kosovës Në NATO Nuk Është Prioritet i Krerëve Të Institucioneve', *Telegrafi*, 28 July 2018, <https://telegrafi.com/avdiu-anetaresimi-kosoves-ne-nato-nuk-eshte-prioritet-krereve-te-institucioneve/>.

356 Fatlum Jashari and Bujar Tërstena, 'Studentët Protestojnë, Kërkojnë Liberalizimin e Vizave', *Radio Evropa e Lirë*, 10 January 2019, <https://www.evropaelire.org/a/studentet-protestojne-kerkojne-liberalizimin-e-vizave/29701560.html>.

357 'Avdiu: Anëtarësimi i Kosovës Në NATO Nuk Është Prioritet i Krerëve Të Institucioneve'.

358 Jeta Xharra, 'Jamie Shea: NATO Feared Russia Might Seize Kosovo', *Balkan Insight*, 22 February 2019, <https://balkaninsight.com/2019/02/22/jamie-shea-nato-feared-russia-might-seize-kosovo/>.

359 Xharra.

360 Pëllumb Kallaba, 'Russian Interference in Kosovo: How and Why?' (Prishtina, 2017), http://www.qkss.org/repository/docs/Russian_interference_in_Kosovo_finale_2_735070.pdf.

361 Kallaba.

362 Maja Zivanovic, 'Russia Backs Serb Party Joining Kosovo Govt', *Balkan Insight*, 14 September 2017, <https://balkaninsight.com/2017/09/14/putin-s-united-russia-supports-kosovo-serb-party-09-14-2017/>.

363 Zivanovic.

The stance of Russia towards Kosovo in the international arena is clear-cut, and so far unaltered. It acts in line with Belgrade's policies and invests its power into preventing Kosovo from membership in international organizations, to a degree which also subverts Kosovo's statehood. Russia's permanent seat in the UN Security Council poses a crucial challenge for Kosovo as the latter needs "a green light" from the former to join the UN, and this can only happen with Serbia's blessing.

The EU-brokered Dialogue between Kosovo and Serbia presents an opportunity at reaching a peaceful, final agreement between the two countries. The international community at large is supporting this process, although it is divided on its desirable outcome, by regarding it as key for sustainable peace in the Balkan region. However, reaching an agreement has become a more difficult hurdle. The Dialogue has, as of now, stalled due to the 100% tax that the Kosovo Government has imposed on Serbian and Bosnian goods, as a response to Serbia's lobbying against Kosovo's Interpol membership. While there is uncertainty surrounding the outcome of the Dialogue and unclarity on what a final agreement will look like, a territorial exchange between Kosovo and Serbia, and Serbian acknowledgement of Kosovo's independence without formal recognition have dominated the discourse on the potential outcome of the Dialogue. The involvement of the US in the Dialogue has paved the way for Russian involvement on the side of Serbia. The involvement of the US and Russia further heightens the challenge of reaching a viable agreement, and makes the Balkans a battleground for different and opposing geostrategic interests.

After signs that the US might join the initially EU-led dialogue, Serbia turned to Russia for support. Putin's visit in Belgrade in January 2019 once again reinforced Russia's role as Serbia's ally on contesting Kosovo's independence and keeping it as an unresolved case.³⁶⁴

It appears to be in Russia's interest to maintain the status-quo regarding Kosovo; this would enable Russia to continue justifying its policy toward Crimea whereby Putin uses Kosovo as a precedent for intervention, but it can also help Russia maintain close ties with Serbia. Informal recognition of Kosovo's independence by Serbia would open doors for Kosovo to join the UN and for both (Serbia and Kosovo) to

join the EU. However, the risks are that Putin might either undermine the efforts to reach a final agreement or use Russia's veto power in the UN to reverse "a deal that moves Serbia further along the path towards EU integration".³⁶⁵

The prevalence of Russian activities are not only bound to the political realm. Russian interference in Kosovo is realized by various instruments, i.e. the spread of propaganda through disinformation and fake news, and also by using religious sentiments and factors, which in turn prevent Northern Kosovo from further integration into Kosovo's political system and exacerbate ethnic tensions to a point that brings the country to the verge of an inter-ethnic clash.

Russia uses its shared religious background with Kosovo Serbs to enhance emotional ties among the Serbian Community and strengthens its influence by giving political, financial and religious support to the Serbian Orthodox Church presence in Kosovo (SOC).

Historically, the SOC and Russian Orthodox Church (ROC) have maintained close ties, where the former "played an important role in shaping Moscow's engagements and its relations with the West over the Balkans."³⁶⁶ Both churches have cooperated in activities aimed at promoting the revival of the Orthodox Church in the Balkans and have pushed forward the political agendas of Russia's and Serbia's Government.³⁶⁷

The Serbian Orthodox Church is an important pro-Russian factor that fiercely opposes Kosovo's independence, and hopes to continue the battle against Kosovo's statehood with Russia's help. Back in 2009, Serbia filed a request at the International Court of Justice (ICJ), on the legality of Kosovo's declaration of independence, where the advisory opinion in 2010 affirmed that the Declaration of Independence did not violate international law, the UN Security Council Resolution 1244, or the Constitutional Framework.³⁶⁸ However, Patriarch Kirill of Moscow expressed his support for Serbia's claim, and has been noted as saying: "we belong to a single world and we share the same spiritual values and moral tradition, which links our peoples very strongly. We care for what is happening in the life of the Serbian people. Therefore, we take the Serbs' grief over the loss of Kosovo close to our hearts".³⁶⁹

364 'Putin Bën Veprimin e Parë Ndaj Kosovës Pas Vizitës Në Serbi', *Bota Sot*, 19 January 2019, <https://www.botasot.info/aktuale-lajme/1015122/putin-ben-veprimin-e-pare-ndaj-kosoves-pas-vizites-ne-serbi/>.

365 Shaun Walker, 'Putin Gets Puppy and Hero's Welcome on Serbia Trip', *The Guardian*, 17 January 2019, <https://www.theguardian.com/world/2019/jan/17/putin-attacks-west-role-in-balkans-ahead-of-lavish-serbia-visit>.

366 Kallaba, 'Russian Interference in Kosovo: How and Why?'

367 Kallaba.

368 'Accordance with International Law of the Unilateral Declaration of Independence in Respect of Kosovo', International Court of Justice, 2008, <https://www.icj-cij.org/en/case/141>.

369 'Russian Patriarch Backs Serbia Attempt to Contest Kosovo Independence', *Interfax-Religion*, 1 September 2009, <http://www.interfax-religion.com/?act=news&div=6401>.

Elements of Russian influence over the SOC in Kosovo can be traced to the financial support that it provides. Russia has donated \$2 million to restoring four Serb Orthodox shrines, part of the UNESCO Heritage list.³⁷⁰ Furthermore, in 2012, Patriarch Kirill initiated a fund-raiser among Churches in Russia to provide financial assistance to the SOC in Kosovo.³⁷¹ Kosovar authorities have noted that the SOC refuses to undertake a financial audit based on Kosovo's law, thereby casting doubts on who the main donors are of the SOC.³⁷²

Another key instance of Russian interference has been regarding Kosovo's attempt to join UNESCO in 2015. Russia's fiery opposition to Kosovo's membership was linked to Serbian Orthodox monasteries and cultural heritage in Kosovo, mainly based on the request of the Russian Orthodox Church (ROC) to halt Kosovo's UNESCO membership. The ROC argued that UNESCO membership would enable the "transfer of the SOC monuments in Kosovo to those that destroyed them" and this would be a "total threat to the Orthodox shrines."³⁷³

In 2017, Patriarch Irinej of the SOC supported Serbia's attempts at continuing Dialogue with Kosovo and said that Serbia will be supported by Russia so that "we do not lose that which has always been ours," alluding to Kosovo.³⁷⁴ In the face of new developments regarding the Dialogue with Serbia, and discussions on territorial exchange and partition, Father Sava Janjic, the Abbot of the Decan monastery, spoke about the unfavorable position of the Serbian Church and communities in central Kosovo, in the case of a partition. He emphasized that it "would be absolutely devastating for their future security and safety," especially if the swapped lands are those from Northern Kosovo and Southern Serbia, where 70,000 Kosovo Serbs would be replaced with 70,000 Albanians from the Preševo Valley.³⁷⁵

Another pervasive form of Russian soft power tools that has been used against Kosovo, is that of propaganda and fake news activities conducted by Russian media outlets, such as Sputnik and Russia Today, which produce news in the Serbian language and reach the Serbian community

residing mainly in Northern Kosovo. Kosovo Serbs face language barriers in accessing Albanian language media, therefore they primarily rely on Serbian media as the main source of information. News by Russian channels portray a distorted image of Kosovo, by creating the perception that Kosovo is ridden with conflict and that it is an unsafe place to live, and thus it negatively affects the perception of the country among Kosovo Serbs. While the Albanian majority in Kosovo does not rely on Serbian media, Russian influence has brought additional problems to Kosovo's media landscape, as Sputnik-based news are being cited by Kosovo Albanian journalists, thereby spreading fake news and disinformation to a larger scale i.e. amongst the Albanian community. Journalists in Kosovo have told cases when they were contacted by Sputnik in Serbia as means of getting information for a specific article, and then when that respective article was published, the words of the Kosovar journalists were cited, but thrown in a different context in a way that lead to disinformation.

Lastly, Russian involvement in Kosovo can be linked to a few far-right radical organizations operating in the North, an area suitable for such activity, due to the lack of government control and the prevalence of inter-ethnic tensions. More specifically, the extremist groups are believed to be financially supported by Nasi - a group of conservative citizens and Obraz - the far-right Serbian Radical Party, which maintains relations with similar Russian organizations that share an anti-Western approach and far-right ideology.³⁷⁶ Far-right activity has also been realized by another organization that claims to have close ties to Russian intellectuals, and that is responsible for equipping Kosovo Serbs in the North with drones, communication equipment and links to powerful Russians in order to resist an attack.³⁷⁷ Furthermore, experts have pointed out that up to 27 Serbian nationalists have joined the pro-Russian forces fighting in Ukraine. However, there is no official estimate on this phenomenon, and there is limited knowledge amongst Kosovar authorities on the activities of far-right, radical organizations operating mostly in the North of Kosovo.

370 Kallaba, 'Russian Interference in Kosovo: How and Why?'

371 Kallaba.

372 Kallaba.

373 Kallaba.

374 'Patriku Irinej: Rusia Të Na Ndhimjë Në Ruajtjen e Kosovës', *RTK*, 17 September 2017, <https://www.rtklive.com/sq/news-single.php?ID=199640>.

375 Michael Rossi, 'Partition in Kosovo Will Lead to Disaster', *Foreign Policy*, 19 September 2018, <https://foreignpolicy.com/2018/09/19/partition-in-kosovo-will-lead-to-disaster-serbia-vucic-thaci-mitrovica-ibar/>.

376 'Strategy on Prevention of Violent Extremism and Radicalisation Leading to Terrorism 2015-2020' (Prishtina, 2015), http://www.kryeministri-ks.net/repository/docs/STRATEGY_parandalim_-_ENG.pdf.

377 Jelena Čosić et al., 'Serbian Monarchists, British Right-Wingers Plot Kosovo "Resistance"', *Balkan Insight*, 3 November 2017, <https://balkaninsight.com/2017/11/03/serbian-monarchists-british-right-wingers-plot-kosovo-resistance-11-02-2017/>.

China

During the Kosovo War in 1999, China keenly supported Serbia and condemned the NATO bombings, framing the war as a consequence of the ethnic-Albanian separatist movement within Serbia. China was also one of the strongest supporters of Slobodan Milošević, President of Yugoslavia at that time, whose forces were responsible for the killing and repression of the majority Albanian population.³⁷⁸ While the Kosovo bombing campaign was unfolding, China's official media "ignored reports of "ethnic cleansing" and other Serbian atrocities in Kosovo" and positively portrayed Milošević as the defender of national sovereignty.³⁷⁹

Chinese support further grew when US-led forces bombed the Chinese Embassy in Belgrade in May 1999, thereby killing three Chinese reporters, an incident claimed to be accidental, but one that China regarded as an intentional act of the United States.³⁸⁰ Consequently, when the International Criminal Tribunal for the Former Yugoslavia (ICTY) in The Hague indicted Milošević for war crimes in Kosovo connected with ethnic cleansing, the Chinese government described it "as an American-led political scheme,"³⁸¹ therefore relativizing the atrocious crimes that were committed against the Albanian population.

The declaration of Kosovo's independence in 2008 was met with harsh criticism from China, as it expressed concern for the potential of establishing a precedent that China's own independence movements (i.e. Taiwan, Xinjiang and Tibet) would follow.³⁸² China's stance on Kosovo has remained unchanged over the years. Along with Russia, these two countries pose the greatest opposition to Kosovo's independence, and their positions as permanent members in the United Nations Security Council challenge Kosovo's aspirations for UN membership. As a staunch supporter of Serbia, China uses its powers to oppose Kosovo on attempts to join international organizations, or the creation of the Kosovo Army.

To date, the mere presence of the Office of People's Republic of China in Kosovo does not indicate friendly relations between the two countries. The activities of the Chinese Office are unknown. Following a 2017 meeting between Kosovo's Deputy Prime Minister Enver Hoxhaj, and Zhang Wuzhuan, the Chief of the Chinese Office in Kosovo, Hoxhaj said to have exchanged ideas on how to intensify economic cooperation between China and Kosovo, and he also confirmed Kosovo's support for the "One China" policy. The deputy prime minister stated that in an attempt to build friendly relations with China, Kosovo has halted any type of relations with Taiwan.³⁸³ Nevertheless, efforts of the Kosovar leadership aimed at forging ties with China did not so far produce any success; Kosovo is excluded from the '16+1' Initiative, where other Balkan countries are already participating.

In the absence of direct Chinese efforts to gain any significant role in Kosovo, China's influence and interference is low and there is little traceable evidence of any Chinese activity within the country. China's relevance is mainly contained to the economic realm. According to the Kosovo Agency of Statistics, Kosovar exports to other countries (excluding exports to EU countries and those part of the CEFTA agreement) reached €100.7 million or 26.7% of the total exports in 2017. Out of these other countries, China ranks third (1.5%) right after India (13.9%) and Switzerland (5.6%).³⁸⁴ Imports (excluding imports from EU countries and those part of the CEFTA agreement) amounted to €878.6 million or 28.8% of the total imports, and China ranks second (9%), after Turkey (9.6%) (see graph on p. 87).³⁸⁵

The Kosovo Business Registry Agency, operating within the Ministry of Trade and Industry (MTI), reports that since 2010, the number of requests to register new businesses from China decreased significantly. From 2012-2016, the MTI had around 410 Chinese businesses registered, but from 2011-2015 only five new businesses were registered.³⁸⁶ The Head of the Business Alliance of Kosovo, Agim Shahini, attributed this drop in Chinese businesses to the fact that Kosovo is importing from China already.³⁸⁷

378 Erik Eckholm, 'Showdown in Yugoslavia: An Ally; China, Once a Supporter of Milosevic Against NATO, Sends Its Congratulations to Kostunica', *The New York Times*, 8 October 2000, <https://www.nytimes.com/2000/10/08/world/showdown-yugoslavia-ally-china-once-supporter-milosevic-against-nato-sends-its.html>.

379 Eckholm.

380 Eckholm.

381 Eckholm.

382 Lindsay Beck, 'China Deeply Concerned over Kosovo Independence', *Reuters*, 18 February 2018, <https://www.reuters.com/article/us-kosovo-serbia-china/china-deeply-concerned-over-kosovo-independence-idU5TP34030820080218>.

383 'Hoxhaj Takon Shefin e Zyres Kineze, Diskutojnë Marrëdhëniet Ekonomike Dhe Politike', *Zëri*, 16 December 2017, <https://zeri.info/aktuale/176804/hoxhaj-takon-shefin-e-zyres-kineze-diskutojne-marredheniet-ekonomike-dhe-politike/>.

384 Ilir Berisha, Ismajl Sahiti, and Mensure Çeekiçi, 'Statistikat e Tregtisë Së Jashtme 2017' (Qershor, 2018), <http://ask.rks-gov.net/media/4085/tregtija-e-jashtme-2017-shqip.pdf>.

385 Berisha, Sahiti, and Çeekiçi.

386 'Kinezët Ikin Nga Kosova', *Zëri*, 27 February 2016, <https://zeri.info/ekonomia/78182/kinezet-ikin-nga-kosova/>.

387 'Kinezët Ikin Nga Kosova'.

Turkey

Turkey holds strong ties to Kosovo due to its 500 years of Ottoman rule in the region. The conquest enabled the Ottoman Empire to greatly shape the cultural and religious landscape of the country, leaving behind a legacy that even today allows Turkey to have an influential role in affecting Kosovo's internal affairs spanning cooperation in politics, economics, culture, and religion.

During the Kosovo War in 1999, Turkey, in the beginning, distanced itself from the conflict and was cautious not to cut off relations with the FRY. Turkish leaders were reluctant to invest militarily, but they did not oppose the NATO intervention, and also condemned Serbia's violence.³⁸⁸ The low level of initial Turkish involvement has been attributed by various scholars to the situation in South-East Turkey where Kurds, an ethnic minority with aspirations of independence, reside.³⁸⁹ However, eventually, Turkey joined the NATO air-strikes in 1999, and deployed roughly 1,000 Turkish soldiers as part of the international peacekeeping force in Kosovo.³⁹⁰

Since the war, Turkey's influence in the country has significantly increased. The goals of Turkish policy are straightforward and its aspirations to expand its influence are materialized via its expanded engagement in Kosovo, which manifests in various ways. Often times, Turkish activities and its approach have sparked the negative reactions of civil society. However, considering Kosovo's poor economic conditions and weak international position, Turkey has successfully positioned itself as one of the key foreign players in the country, and is considered an important ally.

Turkey was among the first ten countries to recognize Kosovo's independence and the two countries enjoy stable, friendly relations indicated also by the close relationship that both presidents share. For instance, President Thaci was among the few European attendees at the inauguration of President Erdoğan.³⁹¹

The existence of direct Turkish political interference was best exemplified by the arrest of six Turks in Kosovo. Following the failed coup in 2016, and the intensified chase of Gülen-linked individuals as a means of repressing Erdoğan's opponents domestically and internationally, six

Turkish teachers were arrested in March 2018 under the belief that they held ties to Fethullah Gülen. The arrests were made without informing Prime Minister Haradinaj, yet they were carried out by a joint operation of Turkish and Kosovar intelligence services. President Erdoğan has applauded the operation and criticized Haradinaj for condemning the arrests.³⁹² The Parliamentary Investigative Committee, created in Kosovo to investigate the case, found 31 legal breaches by Kosovo Institutions, but those who have violated the law and fallen prey to direct Turkish interference have not yet been held accountable.

Turkey's influence in Kosovo is mostly prevalent in the economic and religious realms. Despite the unfavorable business environment and internal economic challenges that potentially drive away foreign investors, Turkish businesses remain committed to investing in Kosovo. Turkey's investments in Kosovo amounted to €372 million since 2008, when the Kosovar-Turkish Chamber of Commerce became operational in Kosovo. These figures rank Turkey among the countries with the highest economic activity in Kosovo, other countries being Germany, Switzerland, Austria, and the United Kingdom. According to the Chamber, there are around 800 Turkish businesses registered in Kosovo, but only 200 are active.³⁹³

Some of the most notable projects are in the hands of Turkish companies or consortiums and span numerous sectors, e.g. banking, construction, education, energy, aviation, health, and more. Turkey controls some of the country's most important assets: it privatized the energy distribution network, it operates Prishtina International Airport, and it has been involved in the construction of key highways that connect Kosovo to Albania and Macedonia.³⁹⁴ However, not all of the aforementioned engagements were applauded in Kosovo. The privatization of the electricity distribution network has been largely criticized for its low privatization price of €26 million.³⁹⁵ Construction of highways triggered the harshest reactions among the general public; with paramount costs and secretive contracts, these investments often fell prone to corruption accusations.³⁹⁶ Turkish Development Agency (TIKA) is another governmental agency, operating in Kosovo since 2004. It has been involved in numerous

388 Sylvie Gangloff, *Balkanologie*, <http://journals.openedition.org/Balkanologie> (Balkanologie, 2004), <https://journals.openedition.org/balkanologie/517#ftn28>.

389 Gangloff.

390 Gangloff.

391 Die Morina, 'Thaci Firms up Kosovo's Alliance With Turkey | Balkan', *Balkan Insight*, 30 December 2016, <https://balkaninsight.com/2016/12/30/thaci-in-turkey-12-30-2016/>.

392 'Turkey's Erdoğan Slams Kosovo Criticism Of Deportation Of Gülen-Linked Turks', *Radio Evropa e Lirë*, 31 March 2018, <https://www.rferl.org/a/kosovo-investigation-arrest-deportation-turkey-teachers-gulen/29137309.html>.

393 Nadie Ahmeti, 'Investimet Milionëshe Turke Në Kosovë', *Radio Evropa e Lirë*, 29 November 2017, <https://www.evropaelire.org/a/investimet-milioneshe-turke-ne-kosove-/28886628.html>.

394 Ahmeti.

395 'KEDS-i u Shit 182 Milionë Euro Më Lirë', *Telegrafi*, 23 May 2017, <https://telegrafi.com/keds-u-shit-182-milione-euro-lire/>.

396 'Kontratat e Kosovës, Me Mungesë Transparence Dhe Profesionalizmi', *KOHA.Net*, 2018, <https://www.koha.net/arberi/102923/kontratat-e-kosoves-me-mungese-transparence-dhe-profesionalizmi/>.

projects in the health, education sectors, and specifically, in mosque restoration.³⁹⁷

The dependence on Turkish investments and imports not only strengthens Kosovo and Turkish relations, but it also aligns countries' interests and reinforces Turkey's strong position and sphere of influence within the country. Kosovo signed a free trade agreement with Turkey in 2013, which would eliminate tariffs between the two countries on industrial goods, and would lower tariffs of some specific goods, but it has not been ratified by the Assembly of Kosovo. Potential ratification of this agreement would further strengthen economic cooperation and promote deeper economic integration between the countries. However, the agreement is considered asymmetrical because of the high level of trade deficit between exports from Turkey to Kosovo (€250 million) and those from Kosovo to Turkey (€10 million) (see graph on p. 87).³⁹⁸ Government officials and representatives of civil society in Kosovo have raised concerns about the consequences that the ratification of such an agreement would have for local producers and for customs duty revenue.³⁹⁹

Turkey has tried to impose the view that there is a rationale for higher Turkish involvement in Kosovo, mainly due to the shared history and religion of the two countries. The most notable remark was made during President Erdoğan's Kosovo visit in 2013, where he asked for the past to be forgotten and said: "Turkey is Kosovo and Kosovo is Turkey."⁴⁰⁰ Different local and international sources have accused Erdoğan of using notions of 'brotherhood,' culture and a shared history as a means of pushing forward an 'Islamist agenda.' Turkey has largely been involved in building and constructing mosques through TIKA and the Presidency of Religious Affairs (Diyanet) funds. High investments in mosques appear to be Erdoğan's attempts at promoting his power goals in Kosovo. By restoring elements of the Ottoman Empire and supporting peoples' religiosity, a closer Kosovo-Turkey link can be forged based on a shared religion.

Turkey also has a significant impact on the education sector in Kosovo. There are already popular Turkish private

schools, cultural centers, and plans for opening the "most advanced Turkish university in the region," at the cost of €100 million.⁴⁰¹ To further bridge citizens and foster cultural ties between the countries, Yunus Emre Institute, a foundation created by the Turkish government in 2007, expanded to Kosovo and thus far has centers in Prishtina, Prizren, and Peja.⁴⁰² The foundation serves to promote Turkish culture, history, and especially language. On the Albanian-language website of the Institute, the main activities listed are those related to getting to know the Turkish culture and learning the language. Furthermore, numerous scholarships are granted to students to study Islamic theology at Turkish universities.

The Gulf States and Iran

During the pre-war period, the Gulf States and Iran did not play any significant role in Kosovo. Even during the conflict, Iran first condemned the acts of the Serb government and called for NATO and the Organization of the Islamic Conference (OIC) to act against Milošević in 1998. Soon after, Iran's policy towards Kosovo shifted and it held a neutral position similar to that of China and Russia: it blamed the NATO attacks for the high number of refugees and did not mention the role of Serbia.⁴⁰³ The Gulf States' role, however, increased immensely during and right after the War in 1999, at a time when the war-torn Kosovo was willing to accept any form of assistance. From the United Arab Emirates (UAE), 1,200 troops joined NATO's peacekeeping force (KFOR), and the UAE also brought personnel who provided medical support.⁴⁰⁴ Furthermore, Gulf States-based charities rushed to enter Kosovo and brought donations in the form of food and medical supplies to local organizations and people who desperately needed them. It is estimated that in addition to such items, more than \$20 million were brought in the country in cash during that time.

It is exactly this form of expansion of the Gulf States' presence that permeated during the late 1990's and early 2000's which has raised doubts about the Gulf States' role in creating an environment conducive to Islamist extremism and radicalization since 1999. Over the past few years, Kosovo has become one of the European countries most affected by Islamist extremism. As of March 2017, 316 citizens went

397 Arton Konushevci, 'Turqia Shtrinë Ndikimin Në Kosovë', *Radio Evropa e Lirë*, 2016, <https://www.evropaelire.org/a/27865384.html>.

398 Luljeta Krasniqi-Veseli, 'Kosova i Frikësohet Ratifikimit Të Marrëveshjes Për Tregti Të Lirë Me Turqinë', *Radio Evropa e Lirë*, 20 October 2016, https://www.evropaelire.org/a/28065384.html?fbclid=IwAR00KVI71_AhUSvOaMow1KLQa_ex9d_BgM2ekHUCfvGuR1qyxU-xmX03p9A.

399 Krasniqi-Veseli.

400 'Erdoğan: Turqia Është Kosovë, Kosova Është Turqi', *Telegrafi*, 23 October 2013, <https://telegrafi.com/Erdoğan-turqia-eshte-kosove-kosova-eshte-turqi/>.

401 Jeton Mehmeti, 'The Economic and Social Investment of Turkey in Kosovo', 2012, <http://www.vpi.ba/eng/content/documents/>.

402 'Insituti Junus Emre', Yunus Emre Enstitüsü, accessed 20 January 2019, <https://pristine.yee.org.tr/sq/content/insituti-junus-emre>.

403 Norman Cigar and Patrick Clawson, 'The Arab World, Iran, and the Kosovo Crisis', The Washington Institute for Near East Policy, 1999, <https://www.washingtoninstitute.org/policy-analysis/view/the-arab-world-iran-and-the-kosovo-crisis>.

404 'UAE to Keep Troops in Kosovo', *Global Policy*, 14 March 2000, <https://www.globalpolicy.org/component/content/article/192-kosovo/38539.html>.

to fight in Syria and Iraq, which is a high number relative to its population size.⁴⁰⁵

With no previous history of this form of extremism, Kosovar authorities often attribute the emergence of violent Islamist extremism to internal socio-economic challenges. However, they do not exclude external factors and foreign money, namely the inflow of Middle Eastern religious charities, which entered Kosovo under the guise of humanitarian aid after the War, as a contributing factor. It is estimated that these organizations have invested around \$800 million in Kosovo in ideology-driven projects aimed at expanding their influence and introducing a more radical interpretation of Islam, as well as capitalizing on the expansion of various Arabic investments made in the economic, cultural, education and health sectors.

The Gulf States do not rank among the countries with high economic activity in Kosovo (see graph on p. 87). However, that situation has the potential to change, as Kosovo leaders have openly called for Arab economic investment in Kosovo, and if the opportunities arise, Kosovo leaders would welcome them with open arms.

Qatar is one of the Gulf States that enjoys a presence in Kosovo, especially through its charity organization – Qatar Charity. It has extensively worked in Mitrovica, pouring over 260,000 euro for projects aimed at those most vulnerable, namely by providing water sanitation, educational scholarships, home construction, aid for orphans, and awarding grants for green houses.⁴⁰⁶ At different events, Enver Hoxhaj, the former Minister of Foreign Affairs; Atifete Jahjaga, former President of Kosovo; and Skender Reçica, Minister of Labor and Social Welfare, stated the need to further economic cooperation between the two countries, and asked for Qatari support towards Kosovo's membership into international organizations.⁴⁰⁷

Saudi Arabia is another country that has expressed an interest in investing in Kosovo, and this initiative has been praised by Kosovo leaders. During the Business Forum held in Kosovo in April 2018, under the auspices of Enver Hoxhaj, Deputy Prime Minister, 20 Saudi companies participated and discussed investment opportunities in the food

industry, agriculture, energy, waste management fields in Kosovo.⁴⁰⁸ Additionally, Valdrin Lluka, the Minister of Economic Development, expressed hopes of reaching a bilateral economic agreement with Saudi Arabia.⁴⁰⁹ Similarly, Prime Minister Haradinaj has also shown his support for Saudi investments during the meeting he held with Saudi representatives.⁴¹⁰

Kuwait is also one of the Gulf State countries that might get involved in the area of social welfare and vocational education. During his visit to Kuwait in 2018, Skender Reçica, Minister of Labor and Social Welfare, presented the need to build centers for the elderly and abandoned children in Kosovo and received support from the Kuwaiti government.⁴¹¹

Besides links to extremism and radicalism in Kosovo, the Gulf States have not yet played any relevant role in the country, especially in the economic sphere, where the countries have the potential to invest in, and cooperate with, Kosovo. Recent calls made by Kosovo leaders for economic investments have paved the way for a new form of cooperation to take place. Intensified cooperation would make Kosovo susceptible to the Gulf States' influence and would eventually position the Gulf States as strategic partners that Kosovo engages with, in efforts to improve its economic condition and foster development.

Conclusion

Kosovo is undoubtedly one of the most pro-American and pro-European oriented countries in the Western Balkans. This support is shared not only by the Kosovar leadership, but also by large parts of the general public, who view the US and key EU countries as the strongest and most trusted allies. American and European influence remains strong, since American and European-based organizations work directly with local actors, therefore these countries maintain a primary role in terms of involvement in Kosovo in various key sectors. Aspirations to join the EU have long been the focus of Kosovo foreign policy, since EU membership is viewed as a solution to the country's problems. Additionally, Kosovo remains committed to joining other international organizations in a way that further affirms its statehood.

405 Rita Knudsen Augestad, 'Radicalization and Foreign Fighters in the Kosovo Context', 2017, https://brage.bibsys.no/xmlui/bitstream/handle/11250/2442205/NUPI_Working_Paper_875_Knudsen.pdf?sequence=2&isAllowed=y.

406 'Mbi 260 Mijë Euro Projekte Të "Qatar Charity" Në Mitrovicë', *KOHA.Net*, 11 December 2017, <https://www.koha.net/kosove/62786/mbi-260-mije-euro-projekte-te-qatar-charity-ne-mitrovice/>.

407 'Hoxhaj: Kosova- Katari, Marrëdhëniet Të Shkëlqyera', *Telegrafi*, 14 October 2014, <https://telegrafi.com/hoxhaj-kosova-katari-marredhenie-te-shkelqyera/>.

408 Shpërndaje, 'Mbahet Forumi i Biznesit Kosovë – Arabi Saudite Nën Patronatin e Zëvendëskryeminitrit Hoxhaj', Zyra e Kryeminitrit të Kosovës, 2018, <http://kryeminitri-ks.net/mbahet-forumi-i-biznesit-kosove-arabi-saudite-nen-patronatin-e-zevendeskryeminitrit-hoxhaj/>.

409 'Lluka Fton Investitorët Nga Arabia Saudite Të Investojnë Në Sektorët Si Energjia, Uji Dhe Minierat', Ministria e Zhvillimit Ekonomik, accessed 22 January 2019, <http://www.mzhe-ks.net/sq/lajmet/lluka-fton-investitoret-nga-arabia-saudite-te-investojne-ne-sektorët-si-energja-uj-i-dhe-minierat-#.XKuzc5gzblW>.

410 'Diskutohet Për Investimet e Arabisë Saudite Në Kosovë', *Telegrafi*, 4 April 2018, <https://telegrafi.com/diskutohet-per-investimet-e-arabise-saudite-ne-kosove/>.

411 'Kuvajti Prenton Investime Në Fushën e Mirëqenies Sociale', *Telegrafi*, 5 May 2018, <https://telegrafi.com/kuvajti-prenton-investime-ne-fushen-e-mireqenies-sociale/>.

With pervasive internal, social, political and economic challenges on the one hand, and a fragile position in the international arena on the other, Kosovo has become more susceptible to non-Western interference. The pro-Western orientation of Kosovo's political representatives poses limits to non-Western influences gaining a stronger foothold in the country. But even now, the Kosovar state and non-state actors must have a greater awareness on the interference and influence of certain countries whose engagement can lead to democratic backsliding, and pose serious vulnerabilities and security risks in Kosovo's paths towards the EU and NATO.

Out of all the analyzed countries, Turkey tops the list in terms of its high activity in Kosovo, spanning economics, politics, culture, and religion. Turkish interests of reviving its sphere of influence in Kosovo are apparent, but Kosovo needs to be more aware of the potential consequences of such involvement. Russian influence and interference comes second, and it is mainly prevalent among Serb-majority areas in Kosovo, especially in the Northern

part. There are no mechanisms set in place capable of circumventing the destabilizing role Russia plays within the country. The Gulf States, currently involved primarily in the religious sphere, also have the potential to become a newly-emerging force, especially in the economic realm, if these countries start investing in different sectors. China, out of all countries remains largely uninvolved in Kosovo due to political reasons, and the lack of any relevant ties to the country. Similarly, as with the case of the Gulf States, Kosovar authorities need to keep an eye on Chinese involvement and interference prospects.

General awareness and information on non-Western countries' meddling is lacking, and the topic has not yet attracted extensive attention locally. Therefore, it is of crucial importance to bring the topic to the public discourse, as a means first of understanding the situation, and then for proposing concrete measures to counterbalance harmful influences that could potentially present serious challenges to the country.

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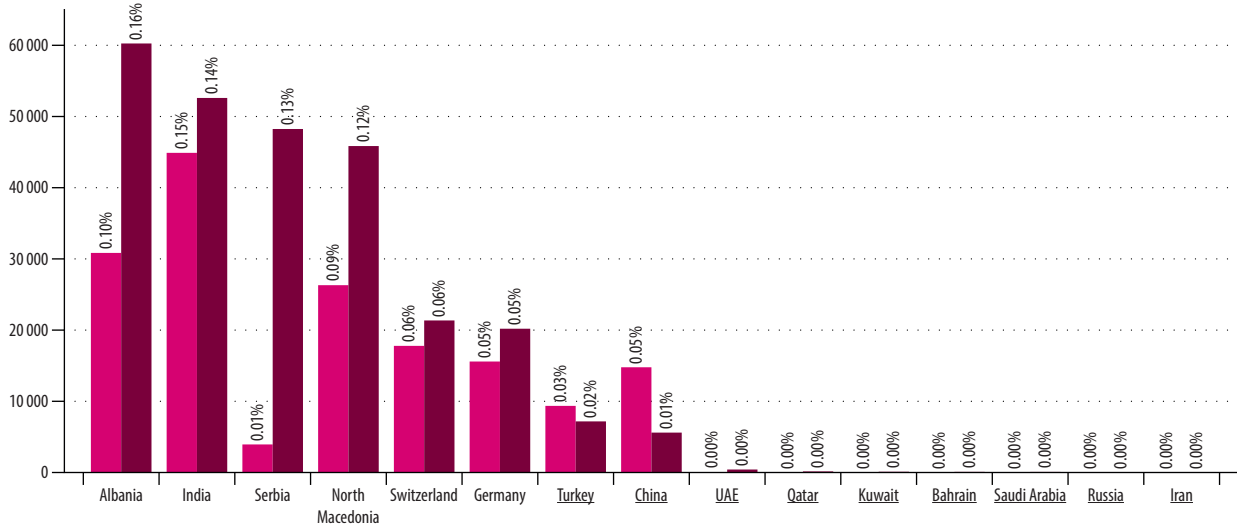
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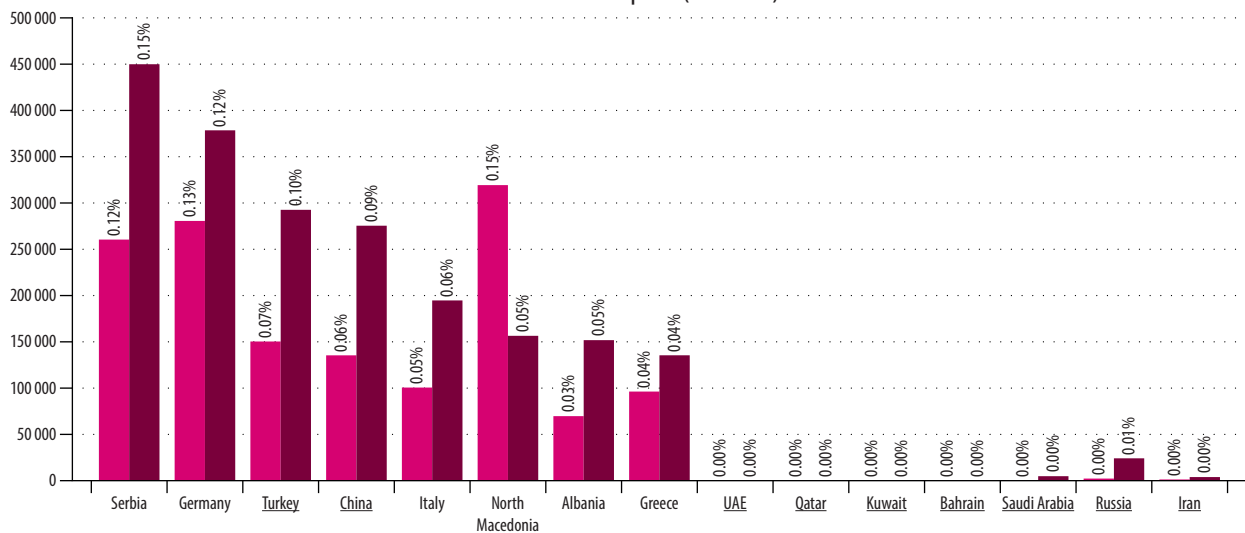
Kosovo – Foreign Trade by Countries

Kosovo exports (EUR '000)



2010	30 841	44 895	3 941	26 308	17 786	15 587	9 357	14 779	48	0	0	0	27	0	0
Overall rank	3	2	14	4	5	6	9	7	37	N/A	N/A	N/A	45	N/A	N/A
2017	60 257	52 606	48 246	45 850	21 355	20 194	7 177	5 603	419	153	107	89	84	18	0
Overall rank	1	2	3	4	5	6	13	16	34	37	42	47	50	70	N/A

Kosovo imports (EUR '000)



2010	260 471	280 617	150 360	135 406	100 603	319 313	69 714	96 267	426	350	117	161	250	2 262	1 293
Overall rank	3	2	4	5	6	1	9	7	67	71	87	82	73	46	53
2017	449 918	378 515	292 626	275 463	194 722	156 498	151 815	135 464	443	344	33	7	4 841	24 150	3 891
Overall rank	1	2	3	4	5	6	7	8	76	80	104	125	41	24	47

* The graph includes countries whose influence in the Balkans this publication explores – Russia, China, Turkey, Saudi Arabia, Iran, United Arab Emirates (UAE), Qatar, Kuwait, Bahrain – and six most important trade partners other than them to put the data in a comparative perspective. (Data for 2017 are preliminary). Source: Kosovo Agency of Statistics (<http://ask.rks-gov.net/en/>)

Conclusion

Conclusion

Author: Jan Lalić

After the Western Balkans emerged from the turmoil of the 1990s, Western countries—the US, the EU and its member states—established themselves as the main foreign actors in the region. After 9/11, the United States shifted its strategic orientation and gradually withdrew from the region, and the EU became the dominant driver of political and socio-economic transition, with the ultimate incentive being the integration of the Western Balkan countries into the EU. However, so far there has been only limited success in implementing EU norms. This slow progress, coupled with the internal problems the EU has been beset with in recent years, have meant that regional EU enlargement prospects have diminished and possible accession dates seem to recede ever further into a vague future. As a result, once-strong support for EU integration among the region's citizenry and mainstream politicians has started weakening and new questions have emerged: Is the Euro-Atlantic path of the Western Balkans threatened? Is there an alternative?

Many experts and EU officials have in recent years raised concerns over the growing presence of Russia, Turkey, China, and in some cases the Gulf States in the region. Their increased level of activity is often presented as a direct result of Western disengagement and the consequent shifting loyalties of local political elites, and is viewed as a potential threat to EU interests. What is neglected, however, is the fact that the above-mentioned countries do not form a unified bloc, but have different and often conflicting interests in the region. Furthermore, their positive influence tends to be exaggerated, especially when it comes to the effects of their presence on local economies. On the other hand, their interests may not necessarily always run counter to those of the EU, a fact which the Western countries might well make better use of over the long run.

The main source of EU concern tends to be Russian activities which rely on connections with local political elites, the spreading of anti-Western and pro-Russian narratives in local media, investments in strategic sectors such as energy and banking, and *ad hoc* political and quasi-political initiatives designed to further Russian interests. Concerns among Western officials and analysts were particularly heightened by the 2016 coup attempt in Montenegro, which was allegedly orchestrated by Russian intelligence operatives in order to prevent the country's accession to NATO. Coupled with recent interference in an effort to prevent a settlement of the name dispute between Greece and Macedonia, the

resolution of which effectively allowed North Macedonia to proceed in its NATO accession process, we can draw several conclusions about Russia's engagement in the Western Balkans. First, it is clear that Russia's main interest is to keep the region outside of Euro-Atlantic structures, primarily NATO and to a somewhat lesser extent also the EU, and thus to keep it in its sphere of influence. However, the lack of success in both of the above-mentioned influence activities shows that Russia's reach has its limits. The record suggests that Russian officials are willing to take significant risks in order to achieve Russia's objectives, thus close attention should be paid to its activities in the Western Balkans. At the same time, however, the West should be careful not to exaggerate Russia's actual influence because the inflated depiction of Russia's strength legitimizes its desired status as a superpower.

Turkish influence activities are nowadays often portrayed with similarly negative connotations as the Russian ones, mainly due to the increasingly poor relations between Turkey and the West, but are in the long run far less contradictory to Western interests in the region. Western perceptions of Turkey's engagement in the Balkans have grown more suspicious over time given the increasingly authoritarian tendencies of President Recep Tayyip Erdoğan, including repressions of his opponents following the failed coup in 2016 or the strengthening of state control over media. Yet Turkish strategic goals (contrary to Russian ones) are still best served if the Western Balkan countries join the EU, as it would stabilize the region with which Turkey has extensive economic, political and cultural ties. It would also make export to the EU, its main trading partner, easier and indirectly increase Turkish leverage with the EU.

While not interfering in the pro-Western geopolitical orientation of the Western Balkans, Turkey has been very actively engaged in strengthening its foothold in the region, especially in the realms of culture and religion, and by forging close ties to local political leaders. Recently, the Turkish soft-power approach, with its reliance on personal ties and improving trade relations, has been "enriched" by a more aggressive approach after Turkey started putting pressure on the Western Balkan countries to shut down Gülenist organizations and extradite Erdoğan's opponents. To Turkey's dismay, most otherwise-friendly Balkan leaders refused to comply with such severe efforts to interfere with domestic issues, showing the limits of Turkish power in the Western



Balkans. Nevertheless, the fight against Gülen is of great importance for Erdoğan and will continue to impact his policies in the Western Balkans in the near future. Furthermore, the Turkish government holds a significant card as a NATO member state—the power to effectively block any potential new members if they do not abide by Turkish wishes—should also be taken into account as a potential pressure tool for the future.

Compared to the Turkish and Russian presences in the Western Balkans, Chinese activity in the region is a relatively new phenomenon and revolves mainly around the economic domain. The region is a stepping stone to the broader European market due to its geographical location and a key transit route for Chinese goods, and therefore plays an important role in China's Belt and Road Initiative and will remain an area of interest for Chinese business activities in the foreseeable future. Although the Chinese political presence has been so far limited to the support of Serbia regarding the issue of Kosovo, its economic activities always have political strings attached (often through elite capture), and Chinese engagement in politics and culture is already noticeable. There are also several seeming downsides to Chinese economic involvement, especially its large infrastructure projects, which potentially threaten the Western Balkans in the long run. The first is the possibility for Western Balkan countries to fall into China's "debt trap," combined with the development of economic dependency. The second is that China's non-transparent business practices provide space for corruption to flourish. Since corruption is one of the region's biggest obstacles to its transition process and European integration, Chinese activities should be closely monitored.

The Gulf States' activity in the Western Balkan countries dates back to the 1990s, when it entered the region with the aid provided to Balkan Muslims during and after the war. The spread of Salafism, an ultraconservative interpretation of Islam associated with some of Gulf States' NGOs, foreign fighters and preachers had decreased in the early 2000s after the global crackdown on terrorist cells and NGOs linked to them. Even though Salafism in the Western Balkans has re-emerged as a topic of interest after a few hundred local Muslims recently joined terrorist organizations fighting in Iraq and Syria, fears of more widespread Islamic radicalization of the Balkan Muslim population have never materialized. Furthermore, there is no proof of the Gulf States' regimes' involvement in radicalization, except for some of the Balkan Salafis studying in Islamic universities in the Gulf. Although visible and carefully observed, Islamic extremism remains a marginal phenomenon in the Western Balkans and the Gulf States are currently mainly

active through (limited) trade and FDI, especially in Serbia and BiH, and their overall impact on the region remains marginal.

In conclusion, Russia, China, Turkey and the Gulf States have increased their presence in the Western Balkans in recent years, employing a wide range of means and targeting different areas to different degrees. Despite often being viewed positively by the local population, none of them is perceived as or provides a real alternative to the "European path" of the Western Balkans. Non-Western external interests in the region are often contradictory, and their influence tends to be exaggerated. Nevertheless, as the country reports featured in this publication show, global and local tensions feed into each other, and since non-Western actors can skilfully exploit regional vulnerabilities, many of their activities have the potential to slow down the Western Balkan countries on their way out of the disarray of the 1990s. To limit their potential field of action, the EU needs to take a more active approach, with more tangible and clearly-presented incentives. To achieve this, it is crucial to overcome the current "accession fatigue," which undermines the position of the West and leaves more space for other external actors' engagement.

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Srećko Latal covered Bosnia and Herzegovina, Kosovo and the rest of the Balkans during the wars in the 1990s as an Associated Press correspondent, and later as editor and Sarajevo bureau chief. He also served as an overseas correspondent for places such as Afghanistan and Pakistan in the 1990s. Since 2000, he worked as communications expert and political advisor for the EU and the World Bank, while at the same time still writing for various regional and international media and analytical organizations, like the London-based Institute for War and Peace Reporting (IWPR), Balkan Investigative and Reporting Network (BIRN), Oxford Analytica, Janes Defence, Economist Intelligence Unit, and others. In 2008, Srećko Latal joined the International Crisis Group (ICG) and served as its Balkan analyst until the renowned think-tank closed its presence in the Balkans in 2013. Then Latal established a new regional think-tank, Social Overview Service (SOS) and started working again for BIRN. Srećko Latal is currently working as a regional editor for BIRN and continues being involved in other media, research, and analytical projects across South-Eastern Europe.



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

Martin Naunov is an outgoing Research Officer on a USAID program in North Macedonia. In August 2019, he will begin a PhD in Political Science at the University of North Carolina - Chapel Hill. In the lead-up to North Macedonia's 2018 name-change referendum, he worked as a Data Analysis Consultant to the North Macedonian Minister of Foreign Affairs. Additionally, Martin has served as the 2017-2018 Media Litigation Fellow at the Hearst Corporation in New York, and has worked at Transparency International, and the Johns Hopkins School of Advanced International Studies. Martin is a graduate of Middlebury College in Vermont, where he was a research assistant to U.S. Presidency Scholar, Matthew Dickinson. Martin intends to pursue an academic career, and his research interests

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