

THE CLOCK TOWER SECURITY SERIES



Balkans 360: A Regional Assessment ***By Matthew Rhodes and Zoran Nechev***

Introduction

In early 2018, the George C. Marshall Center and partners launched a Balkans 360 initiative as a year-long series of workshops offering a fresh look at emerging challenges in Southeast Europe and potential additional ways the United States, Germany, and allies and partners in the region might work together to address them. In December 2022, the Marshall Center and the German Council on Foreign Relations (DGAP) renewed the format with a workshop at the DGAP offices in Berlin on key developments and trends over the past five years. Twenty-five current and former officials and experts from Albania, Bosnia-Herzegovina, Croatia, Kosovo, North Macedonia, Montenegro, Serbia, and Slovenia as well as the United States, Germany, and Brussels-based institutions shared perspectives on intraregional dynamics, external actors, and Euroatlantic integration. This paper draws freely on those discussions to highlight major points.

Although views varied, an overarching concern was of the region's approaching a self-perpetuating tipping point of lost hope for positive change. Participants called for a sense of urgency against internal and external resignation to the status quo or worse.

Fading EU Credibility

Notwithstanding the onus for reform on aspirant countries themselves and positive news such as Croatia's adoption of the euro and entry into Schengen, the leading negative perceived change for the region has been the collapse of credibility of further European Union integration perspective. The serial "blockades" of the start of accession negotiations for Albania and North Macedonia in particular are seen to have betrayed difficult reforms and compromises by the latter under the 2018 Prespa Agreement with Greece. The French-brokered formula for initiating accession negotiations with North Macedonia in summer 2022 offered only limited relief and even a sense of deceptive solution in light of the delays, shifting goal posts, and challenging terms and continued veto threats for further talks. Postponed visa-free travel for Kosovo is another source of frustration. Conversely, the EU's recognition of Bosnia-Herzegovina as a formal candidate in December 2022 (six months after that for Ukraine and Moldova) despite minimal progress in addressing fourteen conditional priorities received mixed reactions. Many

welcomed this as a geopolitical decision to send a positive signal of EU interest, while others raised concerns of lowered standards and disconnection of integration from reform.

Nothing would be more broadly beneficial than the EU's "getting serious" about integration for qualified countries, even if this takes another decade or more and follows the regatta principle. Useful interim steps would expand opportunities for non-members from the region to take part in internal EU policy discussions and funding frameworks. These might be differentiated according to countries' preparation and interest.

Democracy-Demography Nexus

Receding EU prospects were seen both to reflect and reinforce tendencies toward illiberal rule and state-capture. Alongside broader negative global trends, cited headwinds for regional democracy include overreliance on informal decision-making channels, toleration of criminal and political violence, irregular property expropriation, misuse of COVID-19 authorities, media dependence on government advertising contracts, impunity for misconduct, and the spread of pollution-linked corruption. The latter's contribution to environmentally-focused civic engagement presents a partial silver-lining. Even so, disillusionment with democracy's potential to deliver positive change is viewed as accelerating the "exodus" of younger citizens to Western Europe or other places with stronger rule of law.

In the meantime, other factors have added complexity to the region's demographic decline. The COVID-19 pandemic brought globally high deaths rates but also temporary return of hundreds of thousands of citizens from abroad, some of whom may remain within the region with expanded opportunities for remote work. Arrivals of guest-workers from Asia and Latin America as well as of Ukrainians and Russians fleeing those countries' war have re-opened the sensitive issue of regional immigration. Serbia, for example, has recruited workers from Bangladesh, Nepal, Guatemala, and Vietnam and registered entry of more than one hundred thousand Russians in 2022. The recent spike in irregular transit migration has exacerbated concerns with longer-term stays for others in migrant camps.

Participants cautioned that such trends, as well as politically-driven and/or technically-deficient statistics about them, further challenge regional democracy. The self-displacement of pro-reform constituencies, unreliability of electoral rolls used to calculate turnout percentage requirements, and emergence of a disenfranchised long-term migrant population present examples.

Suggestions for addressing political backsliding included Western partners' avoidance of de facto backing of anti-democratic practice and the EU's joining U.S. counter-corruption sanctions. In regard to demography, external assistance could target strengthening regional education (one factor in family departures) and population data, both of which would also bolster economic development.

Europe's Next Crisis?

Participants also warned of the potential for renewed armed conflict or other escalated tensions in the region. The limited success of High Representative Christian Schmidt in addressing threats to state cohesion in Bosnia-Herzegovina as well as martial posturing between Serbia and Kosovo

over car license plates and other issues present the most prominent flashpoints. The political impasse in Montenegro, the potential resurgence of one in North Macedonia, and the low-level arms race between Serbia and Croatia also drew attention. More sanguine views emphasized established patterns of brinkmanship short of conflict, lower quantities of weapons and military-aged men compared to the 1990s, and positive steps toward regional trade and travel via initiatives such as the Common Regional Market and more contested Open Balkans.

Still, many shared a sense that “this time is different.” Intensified Russian efforts to destabilize the region to distract Western attention from war in Ukraine raise particular concerns. Turning that prospect on its head calls for both extending support for Ukraine’s self-defense and seizing Europe’s transformed security environment as an opportunity to move beyond the “firefighting” of recurrent crisis management for break-throughs on issues such as normalization of Serbia-Kosovo relations.

Peak External Influence?

Relatedly, participants viewed influence from Russia, China, and various Middle East-based actors as having continued to grow and adapt since 2018. Notwithstanding the dominant weight of European trade, investment, and assistance for the region, other countries and groups employ an opportunistic mix of non-transparent financial links and culturally-infused information campaigns to capture elites and manipulate public opinion. Russian and Chinese medical diplomacy at the outset of the COVID-19 pandemic illustrated the greatest success for such efforts where they fill a perceived void of Western disinterest. Opposition to Christian Schmidt’s appointment as international High Representative in Bosnia-Herzegovina in 2021 offered an example of cooperation between these powers in the region.

In the case of China, the celebratory opening of the EU-funded, Chinese state enterprise-built Peljesac bridge in Croatia in summer 2022 offered a twist on Chinese economic presence. Military drone sales, “safe city” surveillance systems, and police cooperation with Serbia extended China’s role into the security field. Russia’s hybrid campaigns against Montenegro’s and North Macedonia’s NATO accessions ultimately failed, but the opening of Belgrade-based RT Balkans in November 2022 added another disinformation platform. In late summer 2022 Russia and Iran also launched cyber-attacks on countries including Albania, Montenegro, and North Macedonia.

Even as such forms of influence have expanded, some participants detected signs they could be peaking. Most directly, Russia’s escalated war against Ukraine has projected an image of brutality and incompetence while indefinitely restricting channels of economic influence due to international sanctions. Meanwhile, China’s situation is being more subtly shaped by expanded awareness of its presence in the region, disappointment with debt-generating projects including highways in Montenegro and North Macedonia, and tightened Euroatlantic trade and investment rules.

Whether these tendencies lead to an inflection point may depend on Serbia. Sometimes considered a “black sheep” for not joining EU sanctions despite voting to condemn Russia’s aggression against Ukraine at the United Nations, its size and central location make it a key factor in the overall direction of regional developments and cooperation. Unambiguous commitment to its strategic priority of European integration rather than neo-nonalignment could be a game-changer. More generally, expanded near- and friend-shoring business opportunities with European and American companies would reduce the pull of non-transparent deals with autocracies.

Engagement Beyond Enlargement

Participants further highlighted that roadblocks to new near-term EU and NATO enlargement redouble the importance of complementary forms of transatlantic engagement. Simply “showing up” is important. Still, such engagement should not simply repeat past approaches ala Einstein’s definition of insanity but rather adapt to current conditions and experience.

One welcomed change is current U.S. and German governments’ greater perceived alignment compared to their predecessors’ public differences over potential Serbia-Kosovo border adjustments and a range of other issues five years ago. The countries’ geopolitical weight and general role as honest brokers make German-American unity a prerequisite for progress across major issues. High-level official visits as well as joint statements and consultations among special envoys (also from the EU) are noted. Mutual observer status or other formal coordination within frameworks such as the Berlin Process, Three Seas Initiative, and Adriatic Charter could also be useful in this regard.

In addition to providing residual reassurance through peacekeeping, the EU and NATO have also recently taken potentially positive steps to reenergize their roles. For the EU, this includes increased support for the region’s green energy transition including Germany’s commitment of approximately 2.2 billion euros to support the implementation of a portfolio of clean energy projects. For NATO, this includes new tailored assistance such as the modernization and good governance Defense Capacity Building package for Bosnia-Herzegovina which was offered at the June 2022 Madrid Summit along with reaffirmation of the region’s strategic importance in the Alliance’s new Strategic Concept.

Though not a panacea, more effective strategic communication that situates these types of activities within broader positive narratives is seen as still needed. This is a lesson long identified but not fully applied. Such efforts’ credibility would be strengthened by self-criticism of shortcomings and cases of corruption among the international community.

Conclusion

Recent years' bad news has not spared Southeast Europe. Regional resilience notwithstanding, many see limited time for addressing old and new challenges. International assistance and presence cannot solve these alone, but well-considered Euroatlantic engagement that helps positively incentivize local agency and forestall worst-case outcomes remains profoundly in demand. Facilitating robust communication with and among experts and others from the region will continue to play an important role. U.S. and German governments' alignment and engagement is needed more than ever. In order to fully succeed, the *Zeitenwende* era cannot leave the Balkans behind.

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