

GEOPOLITICS, REGIONAL COOPERATION AND SECURITY AND DEFENCE POLICY

# Between a rock and a hard place: assessing the prospects for Chinese influence in the Western Balkans after the 2024 EU elections

Ana Krstinovska



A billboard bearing Chinese President Xi Jinping's face, on March 30, 2020, next to the words "thank you, brother Xi"; a message paid for by a Serbian pro-government tabloid. Six Chinese doctors landed in Belgrade in 2020 to lead the Balkan state's COVID-19 strategy.

Photo: Andrej Isakovic/AFP via Getty Images

The recent European elections met the predictions of tilting the 'balance of power' to the right and exporting to the European level the already visible national trends of populist, far-right and Eurosceptic political parties becoming more prominent in many European countries. The elections happened during times of unprecedented geopolitical volatility and global polarisation, as the war in Ukraine continues unabated, the Middle East is simmering and tensions in the South China Sea and around Taiwan are rising. In such a context, the new European leadership will continue to face difficult decisions. One of the toughest ones: how to manage the multi-faceted relationship with the ever more assertive and omnipresent People's Republic of China.

The EU's cooperation with China has ramifications beyond their bilateral relationship. The

Western Balkan countries, as candidates to join the EU, are bound to alignment with the EU's foreign policy positions in terms of restrictive measures and with all the recently adopted acquis that implicitly targets China, including the FDI (foreign direct investment) screening mechanism, the anti-coercion instrument or the foreign subsidy regulation. While the Western Balkans are not at the EU table and have no agency when China-related decisions are adopted, they are, however, affected by the EU's policies, which have the potential to shape their own relationship with China, primarily by narrowing the scope of China's presence.

Unlike Russia or Turkey, which have been present and influential in the Western Balkans for centuries, China is a relatively new topic in the region's policymaking circles and public opinion. Most Balkan countries started to turn to China as a source of capital during and after the global financial and economic crisis (2008-2013), when their traditional Western partners faced a liquidity struggle and inward turn. During the subsequent period, following Croatia's EU accession in 2013, the Western Balkans experienced further alienation from the EU as it became clear that enlargement policy—the EU's strongest toolkit to engage the region—suffered a significant drop in importance on the EU's agenda. As the EU struggled to overcome the crises related to migration, Brexit and the COVID-19 pandemic, as well as to build an internal consensus for enlargement to continue, the accession of new members was put on hold, until Russia's attack on Ukraine in February 2022 disturbed the status quo.

China had never presented itself as a replacement for the EU nor actively sought to undermine the Western Balkans' EU accession but rather provided the region with an alternative market for goods and a competitive source of capital for loans, grants and investments. The economic offer helped China to expand its presence in all the countries in the region, although to a different extent. While Serbia has engaged in a comprehensive strategic partnership and a "community of shared destiny", on the other end of the continuum NATO ally Albania has been reluctant to develop any kind of strategic cooperation with China. Deteriorating US-China relations and the EU's efforts to shape its own, coordinated China strategy based on 'de-risking' have put the Western Balkans in a difficult position, leaving them to balance their EU accession process and allegiance to 'the West' with the desire to draw economic benefits in the bilateral cooperation with China.

Unlike Russia or Turkey, which have been present and influential in the Western Balkans for centuries, China is a relatively new topic in the region's policymaking circles and public opinion

Until now, China's presence in the Western Balkans has been addressed predominantly through the lens of the visible, domestic implications of specific Chinese activities, especially in the areas of environment or good governance. China's global footprint over supply chains, its support for Russia or relations with the EU and the impact they could yield on both the EU and the Western Balkans as candidate countries have seldom been

discussed in the region. Most of the initiatives aimed at reducing or countering China's potentially negative influence have been driven by the US. The EU has thus far closely monitored the situation but opted for silent competition: it has refrained from taking an overt anti-China stance and its criticism has been directed at the outcomes of concrete, isolated projects or investments. At the same time, both the EU and the Western Balkan governments have failed to hold China accountable on its promise to support the region's EU integration and to propose specific initiatives for China to contribute, as a test of its genuine commitment.

## Outlook after the 2024 EU elections

Although they did not participate in the ballot, the Western Balkan countries closely monitored the European elections in 2024, as they would need to cooperate with the new EU leadership to advance their accession prospects. The European Parliament does not wield significant decision-making power when it comes to enlargement policy. Still, it is responsible for approving the budget and the top jobs, including those of the European Commission as the institution responsible for guiding and preparing the candidate countries for membership. Hence, with the post-election shift to the right, the indirect ways to inhibit future enlargement rounds could potentially multiply. Moreover, the election outcome mirrors the public opinion in EU Member States where national parliaments need to ratify the accession agreements. Even before reaching that final stage, anti-enlargement sentiment could affect the legitimacy of policies pursued by national governments that have to approve, unanimously in the Council, every major step in the accession negotiations.

An analysis of voting patterns of political parties at the further-right end of the spectrum in the European Parliament in the period 2019–2023 showcases that foreign policy issues, including enlargement, are an area where national parties in the European Conservatives and Reformists (ECR) and Identity and Democracy (ID) political groups, as well as those not belonging to any group, tend to fundamentally disagree. [1] While the ECR parties have thus far been voting predominantly in favour, alongside the parliamentary majority on enlargement-related issues, most of the ID members are profoundly sceptical towards accepting new members. There are, however, notable exceptions, like the Italian or Hungarian parties that in principle tend to support enlargement regardless of their ideological leanings (like Lega or Fidesz, which was not a member of any group until 2023), which could point towards the country of origin and national interests as another significant factor. For the next parliamentary term, some of the prominent ID members, like the French National Rally, have teamed up with Fidesz to form a new, sizeable group in the European Parliament, Patriots for Europe, whose unity, actual power or position on enlargement is yet to be assessed.

With the shift to the right on the European political scene, EU Member States' domestic politics could potentially further interfere with the EU's ambition to become a geopolitical actor in its immediate vicinity. Due to the lack of tangible perspectives for new countries to join the EU in the past decade, support for EU integration in the Western Balkans had already been dwindling, presenting non-EU actors with an opening to engage or fortify

their presence in the region. Among them, China has seized the opportunity to become one of the region's top trade partners, investors and lenders, firmly anchoring its presence in all the countries –except for Kosovo, which does not have official relations with the People's Republic of China. Further delays and obstacles on the EU integration path for the Western Balkans could create space for closer ties with China.

China has seized the opportunity to become one of the region's top trade partners and investors. Further delays and obstacles on the EU integration path for the Western Balkans could create space for closer ties

This is best illustrated by the example of Serbia, China's main partner and ally in the region. Namely, in 2023 Serbia signed a free trade agreement with China that will need to be terminated once the country reaches the moment of joining the EU, a fact well acknowledged by the country's leadership. However, this milestone seems to still be very distant because of Serbia's slow pace in the negotiations, as well as a 'moving target' because of the current lack of appetite for enlargement on the side of the EU. In the meantime, Serbian President Vučić maintains that his country has a "legitimate right" to pursue close relations with China (and Russia) and denounces the EU's double standards, claiming that EU leaders' eagerly cooperate with China but criticise Serbia for doing the same. [2]

## China's stance on the region's EU accession

China, in principle, has nothing against the Western Balkans' ambition to join the EU. In the words of China's ambassador to Montenegro, the development of bilateral ties with China could help to accelerate the pace of EU integration by providing Montenegro with more opportunities for economic development. [3] The ambassador went on by citing projects funded with Chinese loans or implemented by Chinese contractors as examples of China's contribution to the country's EU accession, the likes of which can be found across the region. Contracts for road and railway construction, windfarms and thermo-power plants, major acquisitions in the extractive industries, greenfield investments – Chinese stakeholders have been using every opportunity to leverage their presence in the region in search of new market opportunities.

There seems to be, however, a mismatch between China's rhetoric on its willingness to support the region's EU integration and the actual outcomes of its activities. A number of Chinese projects and investments actually undermine the recipient countries' efforts to uphold EU values and demonstrate credibility in the reforms aimed to fulfil the membership criteria. Between 2014 and 2024, there were over 100 court cases and public protests in the five Western Balkan countries that feature Chinese investments and loan-funded projects, submitted both by individuals and civil society organisations. [4] While arguably

the cooperation with China is aimed at increasing economic growth and development, it comes at a high cost for human rights, good governance, the environment and climate, values that top the list of priorities when it comes to the EU accession criteria. In addition, Western Balkan politicians and officials at the central and local level often turn a blind eye to the shortcomings noted by civil society and citizens, putting into question the key “fundamental” in EU integration - rule of law.

As all the countries in the region have privileged access to the EU single market through Stabilisation and Association Agreements, presence in the Western Balkans could potentially serve as a stepping stone for Chinese companies to penetrate the EU single market. A case in point: China Road and Bridge Corporation, the state-owned enterprise (SOE) that built the Mihajlo Pupin Bridge in Belgrade between 2011 and 2014 and the Smokovac- Mateševu Section of the Bar-Boljare Highway in Montenegro between 2014 and 2021, both with loans from the Chinese Export-Import Bank, also built the Pelješac Bridge in Croatia (2017-2022), a project that was entirely funded by the EU. This fact, however, did not prevent China from advertising the Pelješac Bridge as “a key project of the Belt and Road Initiative (BRI)” and a “landmark that will further brighten the prospect of China-Croatia and China-Europe relations and cooperation”, [5] a label that was probably unwarranted in the eyes of the EU.



Construction of a viaduct in Podgorica, Montenegro, on 2 September 2020, as part of the Bar-Boljare Highway, promoted by the Montenegrin government and financed through a loan granted by the Xina. The aim was to connect the port of Bar, in Montenegro, with the capital of the country and with Boljare, in the north of Serbia, but the project was stalled due to lack of funding. Now, as part of the Economic and Investment Plan for the Western

Balkans, the European Commission has decided to contribute to financing the infrastructure. Photo: Pierre Crom/Getty Images

In line with the goals set in the BRI, the Western Balkan region is geo-strategically located on the China-Europe Land-Sea Expressway, which connects the port of Piraeus, majority owned by the Chinese SOE COSCO, with Budapest and largely overlaps with the Pan-European Transport Corridor 10. A number of plans to improve the connectivity along this route were conceived both bilaterally, in China's dealings with Hungary, Serbia, North Macedonia and Greece, as well as multilaterally in the framework of the Chinese-led platform for cooperation with the Central and Eastern European countries (China-CEEC cooperation, originally referred to as the 16+1). [6] Some of the key plans, such as the mega-projects for the Athens-Budapest express railway or the inland waterway Danube-Morava-Vardar, failed to materialise, for different reasons –project feasibility, bilateral disputes, such as the name issue between Skopje and Athens, and/or opposition from the EU.

The EU saw the 16+1 as a 'Trojan horse', a Chinese attempt to undermine the EU's unity, and advocated for channelling the cooperation of all EU Member States with China through the EU institutions and other established mechanisms, such as regular summits and dialogues. However, for the Western Balkan countries that are not EU members, and thus do not participate in those fora, the platform offered –and still does– a unique and unprecedented opportunity to obtain, on regular basis, face time with the leadership of a global power to advocate for their own interests. Hence, even with the declining trajectory of the platform after the Baltic countries decided to leave, the Western Balkans remain engaged, despite US appeals to individual countries to leave the format. [7]

In addition to the (geo-)economic, China has also other, strategic reasons for supporting the Western Balkans' EU integration. Faced with a fallout in its relations with the US, China sees a united and stronger Europe as another 'pole' in its concept of a multipolar world. While expecting further deterioration in the bilateral relationship during the Donald Trump's second presidency, China hopes that the EU will move out of the American 'shadow' to devise its own policy towards China, which would be more constructive or at least less confrontational than that of the US.

Although the cooperation with China is aimed at increasing economic growth and development, it comes at a high cost for human rights, good governance, the environment and climate, values that top the EU's accession criteria

Having in the EU more countries with traditionally close ties and friendly views on China, such as Serbia, will certainly help to advance that goal, as seen in the examples of Hungary, Greece at some point and, more recently, Slovakia. Interestingly, while a European political

scene that is more to the right could make enlargement more difficult, it could contribute to renewed engagement with China, as far-right parties tend to oppose the EU mainstream stances. [8] This picture is likely to get even more complex given President Trump's hard stance, both on China and on Europe, which could potentially lead to diverging China policies on the two sides of the Atlantic. More positive, or less negative, attitudes on China in the EU could be seen as a 'green light' for the Western Balkans to continue their own cooperation with China, primarily hoping that it would bring them economic benefits.

## China's transactional approach to linking economics and (geo-)politics

There seems to be a narrow correlation between the behaviour of political elites and the scope and extent of China's activities in individual Western Balkan countries. China's interest in the region has not been equally felt everywhere, with some countries, like Serbia, feeling the implications of China's presence –both good and bad– significantly more than others. According to data from the Observatory of Economic Complexity, in 2022 –one year before the conclusion of the free trade agreement– Serbia's imports from China already exceeded the imports in the other countries combined, while the value of its exports to China was four times higher than that of the other combined. In terms of direct investments, out of the 4.369 billion USD of Chinese investment stock in the Western Balkans at the end of 2022, 4 billion have been invested in Serbia, while in the other countries there is very little Chinese capital, both in terms of total value and size of the projects. [9]

Serbia is arguably China's privileged partner and the centre of its economic activity in the Western Balkans. It is also the country that supports and advances China's interests and positions in international fora, even when it means opposing the EU. The support, however, is reciprocal, as China also has Serbia's back in international organisations. The most recent example is the UN General Assembly resolution on the genocide in Srebrenica, when Serbian President Vučić openly asked for and obtained China's unwavering support. [10] The two countries are also normatively aligned on issues related to sovereignty and mutually support each other on regions that they consider inalienable parts of their own territory –namely Kosovo and Taiwan. Serbia does not miss an occasion to reiterate its support for the One China 'principle', as opposed to 'policy', explicitly supporting China's view of Taiwan as a province of the People's Republic. [11] For its part, after the war in Ukraine and with Russia being pre-occupied with its own (loss of) diplomatic acumen, China has stepped in as Serbia's staunchest partner on the Kosovo issue.

In comparison, the other countries in the region, who have received significantly less economic benefits compared to Serbia, have also been more reserved when it comes to their cooperation with and support for China on political issues. Four of them, the three NATO allies – Albania, Montenegro and North Macedonia – and Kosovo, boast 100% alignment with the EU's Common Foreign and Security Policy, in stark contrast to Serbia, whose alignment in 2022 stood at only 48%. [12] In Albania and North Macedonia, there has been a trend of disinvestment by Chinese companies, while Montenegro was the first

country that provided Taiwan with an opportunity to present its own version of China's rise, cross-Strait relations and presence in the Balkans. [13]

Serbia is China's privileged partner and the centre of its economic activity in the Western Balkans. It is also the country that supports and advances China's interests and positions in international fora, even when it means opposing the EU

In light of the above, when examining the example of Serbia's engagement with China against the rest of the Western Balkans, a pattern can be discerned: countries that support China (geo-)politically tend to be rewarded with economic benefits and/or vice-versa -those that open the door wide for China's economic presence can hope to enjoy China's (geo-)political support. This conclusion can be corroborated with evidence from within the EU, namely Hungary. China's closest political ally in the EU has been steadily increasing its share in the overall Chinese investments in Europe, to the point that in 2023 it climbed to the top of the list with 44%, overtaking the thus far "big three" -the UK, Germany and France. [14] Hungary's forthcoming presidency with the EU's Council of Ministers could be expected to derail, or at least delay, the EU's agenda on de-risking from China, while at the same time sustaining the momentum of enlargement towards the Western Balkans during the EU leadership transition and the finalisation of the next five-year EU governance structure.

## Conclusions

China's presence in the Western Balkans plays a double role when it comes to the region's EU accession. On the one hand, Chinese capital flows in the form of direct investments, and preferential loans have the potential to spearhead the region's economic development and directly contribute to its economic convergence with the EU. On the other hand, there are numerous controversies related to some Chinese activities in the region that undermine the achievement of key EU accession criteria, such as human rights, good governance, rule of law and environmental protection. Those shortcomings can be ascribed to omissions and poor implementation on the side of Chinese stakeholders, as well as to the national (and local) governments' failure to ensure compliance and impose on the Chinese side governance procedures in line with European standards and best practices.

The latter can be explained by the lack of capacity on the side of the Western Balkans, local clientelist networks seeking to maximise their own gains or lack of political will to do anything that may be viewed unfavourably by China. Any of these explanations is both a symptom of and a reason for the region's stalled EU accession process. The negotiation process aimed at making the Western Balkans fit for membership is intended to increase administration capacity as a precondition for the implementation of all other reforms, to strengthen rule of law and reduce corruption, and to make the countries align with the EU's

geopolitical vision and priorities. Cooperation with China has the potential to fuel the reform deficit unless the Western Balkan governments explicitly decide to implement it in line with the values and principles of EU integration. On the other hand, the protracted EU accession process could further encourage the Western Balkans' engagement with China, undermining the EU's ambition to become a geopolitical power.

In that context, the EU should engage the Western Balkans in its China-related policy discussions. First, it would help the region to understand what is at stake at the European level and how it could support the community it aspires to join. Second, it would smooth out and accelerate the adoption and implementation of relevant EU acquis in the region, providing the EU with increased geopolitical and geo-economic leverage over China. Third, it would inform domestic debates about the Western Balkans' geopolitical positioning and foster a feeling of partnership with the EU, rather than an asymmetric relationship where one side dictates the conditions and the other can only choose to follow. Fourth, it would provide some reassurance to Western Balkan policymakers that they could count on the EU's commitment to support their countries should they face some pressure from China due to their increased alignment with the EU. Finally, it would recentre the focus on the importance of EU reforms and alignment as a basis for any relationship with external actors, thus providing the enlargement process with increased credibility.

#### REFERÈNCIES I NOTES

- 1 — Becker, M.; Von Ondarza, N. (2024). "Geostrategy from the Far Right. How Eurosceptic and Far-right Parties Are Positioning Themselves in Foreign and Security Policy". Berlin: German Institute for International and Security Affairs (SWP). [Available online](#).
- 2 — Jamieson, A.; Kumar, I. (2020). "Serbia president Vučić 'fed up of being lectured' over ties with Russia and China". Euronews. [Available online](#).
- 3 — Fan Kun, China's Ambassador to Montenegro (2023). "Evropska unija i Kina: Dva velika resursa i dva velika tržišta" (The EU and China: Two big resources and two big markets; author's translation). Analitika Portal. Podgorica. [Available online](#).
- 4 — Just Finance (2024). "Chinese investment in the Balkans leaves a trail of controversy". Just Finance International. [Available online](#).
- 5 — Zhongyu, S.; Cabric, N.; Xuejun, L. (2022). "BRI helps Croatia realize centuries-old dream as Peljesac Bridge opens to traffic". Beijing. Xinhua. [Available online](#).
- 6 — The nickname 16+1 refers to the composition of the multilateral grouping which involved, at its launch in 2012, China and 16 CEE countries, including: Albania, Bosnia and Herzegovina, Bulgaria, Czechia, Croatia, Estonia, Hungary, Latvia, Lithuania, Montenegro, (North) Macedonia, Poland, Romania, Slovakia, Slovenia and Serbia. Greece joined in 2019, once its name dispute with (North) Macedonia was resolved, transforming it into 17+1, while the Baltics left in 2021, reducing it to 14+1.

- 7 — Musabelliu, M. (2020). “Albania external relations briefing: Trump urges Albania to exit the ‘17+1’”. Budapest: China-CEE Institute. Weekly Briefing, Vol. 33, No. 4 (AI). [Available online](#).
- 8 — Němečková, K.; Karásková, I. (2024). “From the Fringes to the Forefront: How Extreme Parties in the European Parliament Can Shape EU-China Relations”. Prague: Association for International Affairs. [Available online](#).
- 9 — Skopje: Institute for Democracy – Societas Civilis (2024). “Western Balkans FDI 2012-2022 – Dashboard”. [Available online](#).
- 10 — Si, N. (2024). “Vučić asks China for help at the United Nations”. Euronews. [Available online](#).
- 11 — Republic of Serbia. Ministry of Foreign Affairs (2024). “Joint Statement of the President of the Republic of Serbia and the President of the People’s Republic of China”. [Available online](#).
- 12 — Vladislavljev, S. (2023). “Why Serbia Refuses to Stick to the EU’s Line on China”. Prague: CHOICE – China Observers in Central and Eastern Europe. [Available online](#).
- 13 — Nakhiengchanh, M. (2024). “Montenegro newspaper refuses to remove Taiwan official’s interview despite Chinese pressure”. Taiwan News. [Available online](#).
- 14 — Kratz, A. *et al.* (2024). “Dwindling investments become more concentrated – Chinese FDI in Europe: 2023 Update”. Rhodium Group and MERICS (Mercator Institute for China Studies). [Available online](#).

#### **Ana Krstinovska**

Ana Krstinovska is a sinologist, China scholar and specialist in EU affairs, focusing on China’s foreign policy and its relations with Europe, particularly the Western Balkans. She is the President of ESTIMA, a think tank based in North Macedonia, a research fellow at ELIAMEP, the Hellenic Foundation for European and Foreign Policy in Athens, and a research fellow at CHOICE, China Observers in Central and Eastern Europe. Between 2013 and 2018, she held positions in the Government of North Macedonia, working as advisor to the Prime Minister, first secretary in the country’s Permanent Mission in Brussels and state secretary for European Affairs. She holds a PhD in International Relations from Saints Cyril and Methodius University in Skopje, a Master of Arts in European Political Studies from the College of Europe in Bruges and a specialisation in Chinese Language and Culture from the Beijing Foreign Studies University.