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Russian and Chinese influence on Serbia's accession process to the EU

Assessing the influence of external actors on the effectiveness of EU conditionality

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To my mother,
my grandmother,
and my grandfather.

Abstract

This thesis examines how two powerful external actors in Serbia, namely Russia and China, influence the country's EU accession process. The enlargement policy of the EU is characterized by conditionality, in which the EU sets the conditions that need to be fulfilled for EU accession. According to the External Incentives Model by Schimmelfennig and Sedelmeier, these conditions can be challenged by other international actors in the candidate state. This so-called 'cross-conditionality' was introduced in the model quite recently, without further conceptualization. The present thesis develops the term further and provides a method to establish cross-conditionality. The main argument is that the effectiveness of EU conditionality is reduced where positions held by Russia or China conflict with positions incentivized by the EU. Furthermore, the thesis assumes that influence is possible where ties between the external actor and the candidate state are strong. Therefore, the ties between Serbia and the two external actors will be analyzed on political, economic and societal levels before establishing areas of cross-conditionality on each level.

Zusammenfassung

In dieser Arbeit wird untersucht, wie die beiden mächtigen externen Akteure in Serbien, nämlich Russland und China, den EU-Beitrittsprozess des Landes beeinflussen. Die Erweiterungspolitik der EU ist durch Konditionalität gekennzeichnet, d.h. die EU stellt Bedingungen, die vor dem EU-Beitritt erfüllt werden müssen. Nach dem External Incentives Model von Schimmelfennig und Sedelmeier können diese Bedingungen von anderen internationalen Akteuren im EU-Beitrittskandidat negativ beeinflusst werden. Dieser Aspekt wurde kürzlich unter dem Begriff "Cross-Conditionality" in das Modell aufgenommen, ohne weiter konzeptualisiert zu werden. In der vorliegenden Arbeit wird der Begriff weiterentwickelt und eine Methode zum Nachweis von Cross-Conditionality vorgestellt. Das Hauptargument ist, dass die Wirksamkeit der EU-Konditionalität reduziert wird, wenn die Positionen Russlands oder Chinas mit den von der EU geförderten Positionen in Konflikt geraten. Darüber hinaus geht die These davon aus, dass ein Einfluss möglich ist, wenn die Beziehungen zwischen dem externen Akteur und dem EU-Beitrittskandidat stark sind. Daher werden zuerst die Beziehungen zwischen Serbien und den beiden externen Akteuren auf politischer, wirtschaftlicher und gesellschaftlicher Ebene analysiert, bevor die Bereiche mit Cross-Conditionality auf jeder Ebene ermittelt werden.

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List of Abbreviations

BRI	Belt and Road Initiative
CEE	Central and Eastern European Countries
CEFTA	Central European Free Trade Agreement
CFSP	Common Foreign and Security Policy
EAEU	Eurasian Economic Union
EC	European Commission
EEC	European Economic Community (EEC)
EU	European Union
FDIs	Foreign Direct Investments
FTA	Free Trade Agreement
ICTY	International Criminal Tribunal for the former Yugoslavia
IMF	International Monetary Fund
LNG	Liquified Natural Gas
NATO	North Atlantic Treaty Organisation
NIS	Naftna Industrija Srbije
PCR	People's Republic of China
SAA	Stabilisation and Association Agreement
SEE	Southeast Europe
SFRY	Socialist Federal Republic of Yugoslavia
SOEs	State-owned enterprises
UN	United Nations
UNSC	United Nations Security Council
US	United States

1. Introduction

Serbia has been undergoing a democratic transition since the year 2000, which represents a turning point in the country's political orientation. The former socialist country is now constantly moving closer toward the European Union (EU). Despite the political problems that have arisen between the two actors since then, Serbia's goal to join the EU was partially fulfilled when the EU formally accepted Serbia's application for membership in 2012. As part of the Western Balkans, a term used to describe its neighbours in South-eastern Europe, the country is central to the EU's enlargement strategy. According to the EU Commission, Serbia's integration with the other Western Balkan countries is in the EU's own political, security and economic interests. Since Serbia was granted candidate status, the country has received the most EU funding among the Western Balkan countries to prepare for EU membership.

While Serbia affirms that its strategic orientation is turned towards the EU, it has simultaneously forged alliances with other external actors. China and Russia stand out as the most important allies of the country besides the EU. Within China's One Belt and One Road initiative, Serbia is one of Beijing's most important partners in the Western Balkans. As such, it has received loans for large-scale infrastructure projects, contributing not only to closer economic but also political ties. With Russia, Serbia has historic, language and religious ties. Moscow is Serbia's most vocal defender in the international arena when it comes to Kosovo independence.

Serbia's balancing of its foreign policy puts it at the heart of a geopolitical competition between these three powerful actors. The EU now openly expresses concern over the implications China and Russia may have for the country's reform agenda. High-ranked EU officials such as the former representative for the Union's foreign policy Federica Mogherini referred to the country as a chessboard of a big power game.¹ This inevitably means that the two external actors have the potential to challenge the EU's enlargement agenda in the country. The present work wishes to shed light on this aspect and will be guided by the following research question: How is the effectiveness of EU conditionality in Serbia affected by Russian and Chinese influence?

Conditionality is the guiding mechanism of the EU's enlargement policy and refers to the conditions which need to be fulfilled by the candidate state in order to join the EU. This 'carrot-and-stick' logic has been conceptualized in the External Incentives Model by Schimmelfennig

¹ Mogherini: Balkans can easily become one of chessboards where big power game can be played. (7 March 2017), *European Western Balkans*, accessed 15 May 2022.

and Sedelmeier. The effectiveness of EU conditionality is being measured on different levels, one of which concerns the influence of external actors. The so-called ‘cross-conditionality’ as defined in the model concerns ‘the potential conditions set out by other actors. The present thesis will draw upon this model to investigate the external actors’ influence on the effectiveness of EU conditionality. In order to answer the research question, the thesis will propose a conceptualization of the term cross-conditionality.

With the Ukraine war unfolding at the time of writing, Russia’s influence in Serbia has become a topic of great relevance. Likewise, China’s rise on the world stage has prompted much attention and suspicion about its intentions in the Western Balkans. Many reports, analysis and media articles on these topics have been published in the recent years. However, they all either treated fragments of the two actors’ involvement in Serbia or analysed their influence on the Western Balkan region as a whole. Furthermore, little research has systematically investigated their implications for Serbia’s EU path. This thesis aims to address this gap by identifying cases where influences of the two external actors run counter the EU’s conditionality. By offering an understanding of the broader logic at play in the biggest Western Balkan country, the thesis will contribute to the current state of research and hopes to inspire further investigation of this highly relevant topic.

The present work will be structured as follows. Chapter 2 will outline the current state of research on the EU’s enlargement policy and external influence in the Western Balkans and Serbia in particular. Chapter 3 will develop the analytical framework by conceptualizing the term cross-conditionality and will present the central hypothesis. The fourth chapter will give important background information on EU-Serbia relations and present the Union’s enlargement conditions for Serbia. Chapters 5 and 6 are the core of this thesis. They will analyse cross-conditionality between Serbia and Russia, and Serbia and China on the political, economic and societal levels. The findings will be summarized in chapter 7 in a transparent manner and discuss possible future research in this field. Finally, chapter 8 will present concluding remarks.

2. Literature Review

In order to examine external influence on Serbia's accession process, it is crucial to define the logic behind EU enlargement concerning potential new member states. In literature many terms such as 'EU external governance', 'Europeanization' and 'Conditionality' are identified as concepts to best grasp the EU's approach towards accession. In the following, these terms will be discussed and relevant models to measure progress and effectiveness of the accession process will be presented. Moreover, this chapter will identify relevant studies of Serbia's relation with the EU, China and Russia.

According to Lavenex and Schimmelfennig the term external governance is a conceptualization of the EU's international role in its attempt to integrate states and regions into the European system of values and rules below the 'threshold of membership'.² Reflecting its growing political impact, the EU has developed an external dimension in several policy fields in the last three decades. It is the extension of the so-called *Acquis Communautaire* beyond the own borders that the term external governance attempts to capture. The modes of external governance can differ across countries, regions and policy fields. Accordingly, external governance can take the form of a bilateral cooperation agreement, of an overreaching foreign policy instrument or it can spontaneously emerge when adoption of EU rules is based on a voluntary basis.³ The most prominent examples of external actions are the EU's neighbourhood policy and the EU enlargement policy, the latter being one of the most successful foreign policy tools according to the Commission.⁴

Enlargement and Europeanization are often used synonymously in literature. As noted by Economides and Ker-Lindsay, these two terms go hand-in-hand but can nevertheless be seen distinctively. While enlargement designates the mere adoption of rules set out by the EU, Europeanization is seen as a deeper process of change towards the incorporation of EU norms and values that go beyond the legal and political requirements. It is a process that can happen before, during and after accession.⁵ In scholarly literature, the use of Europeanization varies. In a broader sense, the term is used to designate 'the influence of the EU' or 'the domestic impact

² Lavenex, S., & Schimmelfennig, F. (2009). EU rules beyond EU borders: theorizing external governance in European politics. *Journal of European Public Policy*, 16(6), 792.

³ Ibid.

⁴ European Commission. (2003). *Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours*, COM (2003), 104 final, Brussels.

⁵ Economides, S. & Ker-Lindsay, J. (2015). 'Pre-Accession Europeanization': The Case of Serbia and Kosovo. *Journal of Common Market Studies*, 56(5), 1029.

of the EU'. In a narrower sense, especially in the context of enlargement, the notion of 'Europeanization' is used to describe the act of fulfilment of conditions for membership as demanded by the EU.⁶

This imprecise use of the term Europeanization can be explained by a shift in research from the mid-1990s. Previous studies of Europeanization were focused on the change in norms and values of EU member states triggered by their accession to the EU. As a result of regime changes in Central and Eastern European Countries (CEEs) and their subsequent application for an EU membership, the EU expanded its enlargement policy to the pre-accession phase. As the new candidate states were not capable of enforcing the *Acquis Communautaire* because they had not fully transitioned to liberal democracies and market economies, the EU extended its activities to regular monitoring and assessing of the adjustment process and included broader political and economic criteria as necessary conditions. This pre-accession conditionality, developed in the course of CEEs admission, subsequently became the new framework for EU enlargement for further candidate states.⁷ Ever since, the EU's accession process does not only demand the adoption of the *Acquis Communautaire*, but also the implementation of rules and principles that guarantee democracy and the rule of law. The focus of research of Europeanization has therefore moved away from the impact of EU integration and towards the accession process as a whole and the accession conditionality in particular.⁸

The current enlargement debate emphasizes the importance of conditionality as the driving force behind enlargement. Conditionality encompasses both the so-called 'democratic conditionality', which refers to the basic principles of the EU as laid out earlier, and the 'Acquis conditionality', pertaining to the regulatory alignment.⁹ Conditionality is characterized by the effort of the EU to enforce compliance by rewards. In other words, the EU defines norms and rules as conditions that the candidate states have to meet in order to receive a reward.¹⁰ Reversely, it means that if the target government does not comply with the conditions, the EU

⁶ Economides, S. & Ker-Lindsay, J. (2015), 1030.

⁷ Sedelmeier, U. (2011). Europeanisation in new member and candidate states. *Living Reviews in European Governance*, 6(1), 5-6.

⁸ Zhelyazkova, A. et al. (2019). European Union Conditionality in the Western Balkans: External Incentives and Europeanisation, in Dzankic, J. et al. (eds.), *The Europeanisation of the Western Balkans. A Failure of EU Conditionality?*, London: Palgrave Macmillan, 16.

⁹ Schimmelfennig, F., & Sedelmeier, U. (2004). Governance by conditionality: EU rule transfer to the candidate countries of Central and Eastern Europe. *Journal of European Public Policy*, 11(4), 669.

¹⁰ Schimmelfennig, F., & Sedelmeier, U. (2020). The Europeanization of Eastern Europe: the external incentives model revisited. *Journal of European Public Policy*, 27(6), 816.

withholds the rewards. The rewards can range from assistance, cooperation or association agreements to the ‘top prize’ which is EU membership.¹¹

Theoretical approaches to Europeanization examine the modes of EU rule transfer and the conditions under which EU impact is the most effective. Schimmelfennig and Sedelmeier have identified two dimensions of Europeanization, following either the rationalist or the constructivist logic. According to the constructivist thinking, Europeanization is a process of social learning and rules are adopted because they are considered as legitimate. Rule adoption is therefore seen as ‘appropriate’ and stems from an intrinsic motivation of the society. In contrast, the rationalist logic suggests that the implementation of reforms is induced by external incentives provided by the EU to the target government. The bargaining strategy of “reinforcement by reward” is what prompts compliance. Correspondingly, three models have been identified by the scholars that most accurately explain Europeanization. The External incentives model is considered to be the dominant theoretical model, while Social Learning Model and the Lesson-drawing Model are seen as alternative models.¹²

According to the external incentives model, the EU external governance is characterized by conditionality. This rationalist bargaining model assumes that the actors involved are driven by the maximization of their material and political power and cost-benefit calculations. The starting point of the analysis is a domestic status quo, which reflects the given distribution of preferences and bargaining power in the target country. This is where conditionality intervenes, by introducing incentives in favour of compliance with EU rules. The introduction of incentives can either affect the target government directly through intergovernmental bargaining or indirectly by empowering domestic actors which in turn would increase the pressure on the government. This theoretical framework identifies the target government as the central actor, assuming that it tries to strike a balance between international, EU and domestic pressures that guarantees the highest political benefits. Therefore, the following formula helps to predict the effectiveness of EU rules implementation:

“A state adopts EU rules if the benefits of EU rewards exceed the domestic adoption costs.”¹³

Schimmelfennig and Sedelmeier further operationalized the model on four levels, which helps to derive the cost-benefit calculation and thus the effectiveness of conditionality. Three of the levels depend on the EU, while one depends on the domestic government. The size and speed

¹¹ Schimmelfennig, F., & Sedelmeier, U. (2004), 663.

¹² Zhelyazkova, A. et al. (2019), 18.

¹³ Schimmelfennig, F., & Sedelmeier, U. (2004), 664.

of rewards, their determinacy, and their credibility are the three conditions that positively influence EU conditionality and hence the compliance of the candidate state. The fourth condition encompasses the government's readiness to implement reforms in view of the expected domestic adoption costs. If rewards are sufficiently 'sizeable and tangible', then the transformative power of EU rules will be stronger. The closer EU membership is, the more tangible the reward becomes. Determinacy describes the EU's responsibility of clearly defining the conditions which are necessary for the reward and engaging in systematic feedback toward the candidate state. The more the EU emphasizes the indispensability of the conditions, the more likely they will be implemented. The third condition that needs to be fulfilled by the EU is credibility. It refers to the threat of holding back the reward and, conversely, to the promise of yielding the reward. Credibility is associated, among other factors, with the consensus of member states on the desirability of enlargement but also with alternative options the candidate state may have next to an EU membership. Another important aspect for credibility is 'cross-conditionality', referring to incompatible conditions set out by other international actors in the candidate country. The last and fourth condition, which in turn is not in the hands of the EU, concerns the domestic costs of rule implementation. Adoption costs can have multiple sources. They can range from lack of expertise or financial capacity to potential veto players among societal or institutional actors. The higher the number of veto players, the higher the perceived adoption costs for the government. Conversely, the more popular the rewards among the electorate are, the fewer it will cost the government to comply.¹⁴

The social learning model, in contrast, takes a more constructivist approach to Europeanization. Following this logic, the model argues that the actors involved are motivated by norms, values, and internalized identities rather than by external incentives. Candidate states are more inclined to comply with EU conditions if they perceive them as legitimate and appropriate in light of their own collective identity. Correspondingly, the bargaining process will not be about conditions and rewards, but rather about the legitimacy and the appropriateness of the rules. Furthermore, persuasion and 'complex learning' replace the logic of coercion or behavioural adaptation, which was discussed in the more realist approach of the external incentives model. Several factors are identified as being central to the persuasive power of the EU in this model. The perceived legitimacy of EU conditions is likely to be higher if member states and international organisation follow the same set of rules and if the rule making process as well as the rule-transfer are accompanied by basic standards of deliberation. Additionally, the more the

¹⁴ Schimmelfennig, F., & Sedelmeier, U. (2020), 816-817.

EU rules, norms and values are similar to the domestic ones, the higher the likelihood of rule adoption.¹⁵

Similarly, the lesson-drawing model is derived from constructivist thinking. It assumes that states implement reforms not because of external incentives or the persuasive power of the EU but because they consider them as the most effective way to tackle domestic policy inefficiencies. The dissatisfaction of policymakers with domestic rules and policies, make them evaluate and consider a transferability of EU policies to the domestic arena. Whether the target country adopts EU reforms depends on the degree to which they are considered to be an effective way to remedy domestic challenges. Several conditions need to be fulfilled in order to initiate a process of lesson-drawing. First, the state in question needs to recognize its dissatisfaction with its policies and consequently start searching for external solutions. Second, the search should be oriented towards the political system of the EU or one of its member states by means of participation in EU-centered epistemic communities. Finally, the policies of the EU are found to represent appropriate solutions to internal challenges and the transferability of rules does not face the resistance of veto players.¹⁶

While the external incentives model was originally developed and applied to explain Europeanization of Central and Eastern European countries in the years 2004 and 2007, its relevance for the current candidate states of Southeast Europe (SEE) has been confirmed by recent studies. Schimmelfennig and Sedelmeier have researched the explanatory power of the model in the Western Balkans and Turkey in a comparative study with Central and Eastern Europe (CEE) ahead of their accession. Their findings show that ever since the SEE countries were signalled a membership perspective in 1999, their democratic development steadily improved until 2009. From 2009 further improvement stagnated. Furthermore, it was found that in comparison to their neighbouring region, the SEE countries have significantly remained below the level of democratization of the CEE countries. The main causes for this development were attributed to the lower starting point compared to EU standards as well as a distant and less certain membership perspective for the region. The combination of lower credibility and higher adoption cost of the EU's conditionality are therefore found to be the main reasons for the slower Europeanization in this region.¹⁷

¹⁵ Schimmelfennig, F., & Sedelmeier, U. (2004), 667-668.

¹⁶ Ibid., 667-668; Zhelyazkova, A. et al. (2019). European Union Conditionality in the Western Balkans: External Incentives and Europeanisation, in Dzankic, J. et al. (eds.), *The Europeanisation of the Western Balkans. A Failure of EU Conditionality?*, London: Palgrave Macmillan, 20-21.

¹⁷ Schimmelfennig, F., & Sedelmeier, U. (2020), 826-829.

Zhelyazkova et al. confirm the suitability of the external incentives model to explain the Europeanization process in the Western Balkans. The authors point out the challenges that are distinct to the SEE region compared to former accession candidates. First, the Western Balkan region faces stricter conditionality from the EU than what was demanded in the year 2000. Second, the ‘enlargement fatigue’ of member states contributes to a lower credibility of an accession perspective. Third, the Western Balkans region have a lower starting point compared to EU standards than their predecessors. Finally, many current candidate states have unresolved ethnic and territorial conflicts. Even so, the authors find that the slow but steady Europeanization progress is a result of EU conditionality. They assess that most of the conditions for effective conditionality are weaker in the SEE region, mainly because of lower credibility of accession and higher adoption costs.¹⁸

Studies on the Serbian Europeanization process are often associated with domestic conditions of the EU candidate state. Economides and Ker-Lindsay, for instance, see the Europeanization process of Serbia, as demonstrated by its decision to engage in a process of normalization with Kosovo, as a rational policy choice which serves economic purposes rather than a profound normative change in values – as Europeanization is conventionally understood.¹⁹ Bernhard Stahl examines the effectiveness of the EU’s conditionality on the stabilization and association process with Serbia based on identity theory. According to Stahl, the EU’s conditionality principle was reversed in the Serbian case, thus making it ineffective. He argues that due to the lack of constructive coping with its past, the projections of EU values in the Serbian domestic realm does not meet a positive resonance. In order to keep Serbia on the European track, the EU tends to offer new incentives to Serbia without previous conditions being met.²⁰ As such, the conditionality principle was reduced to mere inducement, characterizing its shift from hard to soft power in the region. This development, as argued by the scholar, reflects the EU’s own split identity, as strategic considerations are given priority over sustainable long-term civilizational gains.²¹ Similarly, Richter and Wunsch identify state capture by domestic elites as the main reason for limited impact of the EU’s conditionality in the region. Informal networks are found to be the driving factor in the decoupling of, on the one side, gradual

¹⁸ Zhelyazkova, A. et al. (2019), 16-33.

¹⁹ Economides, S. & Ker-Lindsay, J. (2015), 1027.

²⁰ Stahl, B. (2011). Perverted Conditionality: The Stabilisation and Association Agreement between the European Unions and Serbia. *European Foreign Affairs Review*, 16(4), 465.

²¹ Stahl, B. (2011)., 486-487.

improvements of formal compliance with membership criteria, and, on the other side, the stagnating or even declining progress towards democratization.²²

Given the growing presence of China and Russia in the Western Balkans, studies on the two external actors' influence and the implications for the region's reform process have recently started to emerge. Pepermans analyzes the economic and political influence of China in the CEE region based on the theories of economic statecraft and soft power.²³ While the economic statecraft theory describes the asymmetric trade relationship between two actors and its potential to be used as leverage of the economically stronger actor to the detriment of the economically weaker actor, soft power is understood to be "the ability to affect others and obtain preferred outcomes by attraction and persuasion rather than coercion or payment."²⁴ The scholar argues that China has the intention to increase the influence in the region based on positive economic statesmanship, meaning that it uses positive economic incentives and promises. Additionally, China engages in soft power activities, such as cultural, scientific, and diplomatic exchange. The political arena in which China is using its economic strength to gain economic and political influence in the region is the 17+1 forum. While Pepermans assesses that there is a considerable gap between China's promises and the actual results, EU member states such as the Czech Republic and Slovenia have already blocked EU positions in view of economic promises from China. Pepermans' research contributes to understand how China is increasing its political and economic clout in the region and the effects it can have on the unity of the EU.²⁵

Similarly, Jakimow demonstrates how China is using desecuritization as a soft power strategy to deploy its normative power in Central and Eastern Europe. Desecuritization is derived from the concept of securitization, which frames an actor or an issue as a security threat. China presents itself as a politically non-interfering actor in the European periphery whose interests are purely economic. While this desecuritization strategy is co-produced by CEE countries who profit from China's investments and use its economic involvement as a leverage to negotiate domestic interests with EU institutions, core European states perceive China's involvement as problematic. The different perceptions of China pose a risk for the political and normative

²² Richter, S. & Wunsch, N. (2020). Money, power, glory: the linkages between EU conditionality and state capture in the Western Balkans. *Journal of European Public Policy*. 27(1), 41-62.

²³ Pepermans, A. (2018). China's 16+1 and Belt and Road Initiative in Central and Eastern Europe: economic and political influence at a cheap price. *Journal of Contemporary Central and Eastern Europe*, 26(2-3), 181-183.

²⁴ Nye, J. (2017), cited in Pepermans, A. (2018), 183.

²⁵ Pepermans, A. (2018), 197-198.

cohesion of the EU, as well as for its enlargement policy. Jakimow points out that while this division between core and periphery in Europe are not directly created by China, they are systematically exploited thus contributing to a new regional dynamic.²⁶

Others focus on deeper vectors of Chinese influence on the CEE region and the Western Balkans. Pavlicevic for example, studies the Chinese-EU-Western Balkans triangular relations based on structural power. The concept of structural power refers to “the capability to shape and determine the structures, rules, and institutions within which other states operate”.²⁷ He argues that through institutional policy and financial resources, China has managed to develop structural power in the Western Balkan countries and exert influence over their institutions, actors and policy-making process in ways that reflect Beijing’s objectives and aims. Pavlicevic sheds light on how Brussels responds to China’s growing influence in the Western Balkans, namely by introducing the “Berlin Process”, through which the EU tries to bind the Western Balkans to its own policies in fields such as foreign policy, infrastructure and investment. Additionally, a new and more “credible” enlargement perspective for the Western Balkans was adopted in 2018 with more emphasis on conditionality. With these new initiatives, the EU tries to enhance its own structural power and impose a stricter framework, with the aim to reduce the marge of manoeuvre of future China-Western Balkan relations.²⁸

While China’s role in the Balkans is seen by many scholars as an expansion of its influence and as a new geopolitical competitor, Jian evaluates that China’s investments in the region serve only the goal of connecting its economy to the Western European markets with no intention to play a dominant geopolitical role. Even if the substantial economic investments in the region lead to political spill-over effects, Jian argues that China does not strive for political and military influence due to its diplomatic philosophy and culture. It is rather given the image of a geopolitical rival by players that seek dominance in the region, such as the EU.²⁹

Zoric addresses the Western Balkans Europeanization process with a focus on Russia as an external actor. The article suggests that the bilateral relations of certain Western Balkan governments with Russia have an impact on the implementation of the *Acquis Communautaire*,

²⁶Jakimow, M. (2019). Desecuritisation as a soft power strategy: the Belt and Road Initiative, European fragmentation and China’s normative influence in Central-Eastern Europe. *Asia Eur Journal*, 17, 369–385.

²⁷ Keukeleire (2003), cited in Pavlicevic, D. (2019). Structural power and the China-EU-Western Balkans triangular relations. *Asia Europe Journal*, 17, 456.

²⁸ Pavlicevic (2019). Structural power and the China-EU-Western Balkans triangular relations. *Asia Europe Journal*, 17, 453-468.

²⁹ Junbo, J. (2018). China’s Engagement in the Balkans. *China’s Relations with Central and Eastern Europe*. Routledge, 1st ed. Vol. 1, 199-215.

especially in regards to the foreign, security and defence policy (chapter 31 of the *acquis*). A case in point is Serbia's refusal to adopt the Council's decision and EU sanctions on the illegal annexation of Crimea. As a result, the Europeanization process of chapter 31 stalled and hindered a further rapprochement with the EU in the period 2012-2016.³⁰

Szpala supports the view that Russia is trying to 'sabotage' Serbian transatlantic integration with soft power tools in order to preserve its 'hard interests', namely its energy supply routes and its dominance as an energy provider on the European market. While Serbia tries to keep a balance between Russian proximity and EU and NATO rapprochement, the author pinpoints the possible limitations of this approach. Szpala argues that a deepening of relations with both partners will be difficult to sustain from the Serbian point of view.³¹

Other authors, like Bechev, see the role of Russian influence as exaggerated. For him, Russia lacks the capacity and the motivation to establish itself as a hegemon in the region. Economically as well as from a military perspective, the EU and the US have stronger representation in the Western Balkans. Russia's role is therefore seen as an attempt to "mend" the balance of power to its favour by exploiting weak points in the region.³²

Larsen notes that among all the countries that exert influence in the Western Balkans, China and Russia stand out as being the most hindering to EU and NATO integration. Serbia, in particular, enjoys the closest ties with both actors. The support Russia yields to Serbia's territorial integrity over Kosovo, as well as its use of public diplomacy to strengthen the common Orthodox identity, are means that have the potential to slow down EU integration. China, on the other hand, makes inroads with large financial investments that enhance the geopolitical divide between the EU and EU candidate states. For him, the involvement of China and Russia in the region has two implications for the EU enlargement process. First, it has the potential to slow down or reverse the process of reforms that are required for accession. Second, it could lead to geoeconomic dependency. The challenge for the EU in this constellation is the fact that local elites use the engagement of external actors to soften EU conditionality.³³

³⁰ Zoric, B. (2017). Assessing Russian impact on the Western Balkan countries' EU accession. Cases of Croatia and Serbia. *Journal of Liberty and International Affairs*, 2, 9-18.

³¹ Szpala, M. (2014). Russia in Serbia – soft power and hard interests. *Centre for Eastern Studies*, 150, 1-8.

³² Bechev, D (2020). Russia. Playing a weak hand well. In: Bieber, F. & Tzifakis, N., *The Western Balkans in the World*. New York and London: Routledge, 200.

³³ Larsen, H. (2020). The Western Balkans between the EU, NATO, Russia and China. *CSS Analyses in Security Policy*, 263, 1-4.

For Marciacq, linkages between the EU and Serbia are more comprehensive than the engagement with non-Western actors. Even so, Serbia is following a “fence-sitting” approach. By allowing multifaceted linkages with non-Western actors, Serbia hopes to speed up its accession process with the EU. With the development of an asymmetric economic and political relationship, the former Yugoslavian republic could run the risk of losing control over its capacity to steer the desired strategic position among competing approaches.³⁴

This chapter provided an overview of the literature on Europeanization and geopolitical influences that Serbia faces with regard to external actors other than the EU. Within the Europeanization debate, EU conditionality is confirmed to be the leading mechanism in the reform process of EU candidate states. The applicability of the external incentives model was found to be the most accurate tool to assess the effectiveness of EU conditionality in candidate states, including the Western Balkans. Even though some scholars mention the rising impact of external actors and their possible interference with the Europeanization process of Serbia, no study has yet systematically examined and focused on this aspect. Given that economic and political influence of China and Russia are on the rise in Serbia, this thesis tries to address their impact on the Europeanization process and close the research gap that currently exists.

³⁴ Marciacq, F. (2020). Serbia. Looking East, going West? In: Bieber, F. & Tzifakis, N. *The Western Balkans in the World*. New York and London: Routledge, 77-79.

3. Analytical framework

The previous section shows that the driving force behind Europeanization is EU conditionality, in which the EU sets out the conditions that need to be fulfilled by candidate states in order to get the reward of EU membership. This rationalist bargaining model is based on the assumption that governments will implement EU rules if the incentives outgrow the domestic cost of rule adoption. The External Incentives Model helps to analyze this cost-benefit-calculation on four different levels: the determinacy of conditions, the size and speed of rewards, the credibility of conditionality and the domestic adoption costs (see Figure 1). Several studies have successfully used the model to analyze the effectiveness of EU conditionality in the Western Balkans³⁵, though only taking into account the previously mentioned levels of analysis. The initial model was developed in the beginning of the 2000s, when influences of external actors in the EU's neighbourhood were negligible. Schimmelfennig and Sedelmeier recently revised the External Incentives Model by making reference to this aspect in what they call "cross-conditionality", acknowledging that "conditions set out by other international actors who offer comparable rewards at a lower cost"³⁶ have the potential to decrease the effectiveness of EU conditionality and should therefore be included in the model.

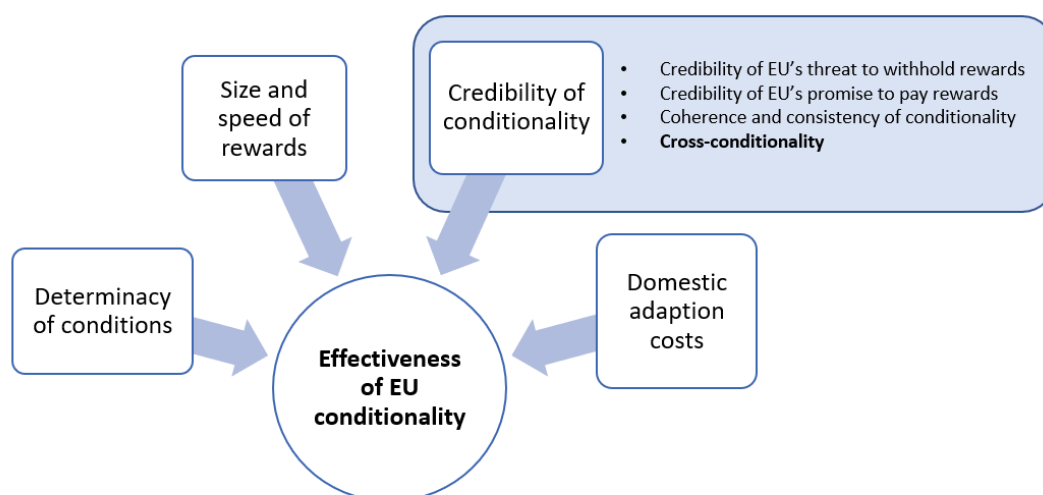


Figure 1: Conditions that influence cost-benefit-calculation of the targeted state (based on the External Incentives Model)³⁷

³⁵ For example Schimmelfennig and Sedelmeier (2020) and Zhelyazkova et al. (2019).

³⁶ Schimmelfennig, F., & Sedelmeier, U. (2020), 817.

³⁷ Schimmelfennig F. & Sedelmeier U. (2020). The Europeanization of Eastern Europe: the external incentives model revisited, *Journal of European Public Policy*, 27:6, 816-818.

The extension of this model comes at a time in which current EU candidate states, i.e. the countries of the Western Balkans, face growing involvement of global players such as Russia and China. However, the authors remain silent on how this aspect can be measured. The present thesis seeks to address this research gap by focusing on the newly introduced dimension ‘cross-conditionality’. The main argument is that cross-conditionality can be established in policy fields where the external actor’s positions conflict with positions incentivized by the EU. With this approach, the present thesis aims to shed light on how the influence of powerful external actors in an EU candidate state can impact the effectiveness of EU conditionality.

Given Serbia’s status as an EU candidate state and its political and economic importance in the Western Balkans, it was chosen for further analysis. With Russian and Chinese influence on the rise, the present work aims to examine their impact on Serbia’s accession process to the EU. The guiding research question therefore reads as follows:

How is the effectiveness of EU conditionality in Serbia affected by Russian and Chinese influence?

In order to answer the research question, concrete cases of cross-conditionality in Serbia will be identified and the implications for the country’s compliance with EU conditions will be discussed. Given the complexity of the topic, the following subchapter will conceptualize the term cross-conditionality and establish a structure for further analysis. The second subchapter will formulate the central hypothesis and outline how Russia’s and China’s impact on the effectiveness of EU conditionality in Serbia will be measured.

3.1. Conceptualizing cross-conditionality

Before identifying the core areas of cross-conditionality, it is crucial to shed light on existing relations between the external actor and Serbia. Based on the theory of Levitsky and Way, external influence can be seen through a lens of linkages. Linkages are defined as a multidimensional concept that encompass networks of interdependence between two states. They can facilitate the diffusion of ideas and norms but have also “a powerful impact on actors’ interests, incentives, and capabilities”.³⁸ Linkages therefore have the potential to affect both the external actor and the decision-makers in the target state.³⁹

³⁸ Levitsky, S. & Way, A. (2010), 45.

³⁹ Levitsky, S. & Way, A. (2010), cited in Tolstrup, J. (2014). *Russia vs. the Eu: The Competition for Influence in Post-soviet States*. Boulder: First Forum Press, 37.

It is therefore considered relevant to first outline the existing linkages before analyzing the cases where Serbia's relations with the corresponding actor poses a risk for its EU accession process, i.e. represent cross-conditionality. In order to reduce complexity, the analysis will take an actor-centered approach and will be discussed on several levels.

Based on Levitsky and Way's theory of linkages and inspired by the simpler categorization of Bieber and Tzifakis⁴⁰, the following analytical framework for the analysis of cross-conditionality will be applied:

- **Political cross-conditionality:**

Political cross-conditionality involves diplomatic, military and technocratic ties between Serbia and the external actor. These ties open up opportunities for external influence and can increase the domestic adoption costs when competing EU policy objectives are applied.

- **Economic cross-conditionality:**

Economic cross-conditionality includes flows of trade, investment and credit between Serbia and the external actor. High economic cooperation with the external actor has the potential to influence the cost-benefit calculation and as a consequence slow or reverse the EU rule adoption.

- **Societal cross-conditionality:**

Societal cross-conditionality encompasses social, informational, and civil society ties. Strong societal ties with the external actor can diminish support for EU enlargement among the public, societal and institutional actors.

3.2. Central hypothesis

The present thesis argues that cross-conditionality is established where positions of external actors compete with positions of the EU. It seeks to identify cases where EU and Russia, and EU and China, have conflicting views and discuss their relevance for the effectiveness of EU conditionality in Serbia. The main argument is that the two external actors encourage Serbia to take their position in a certain policy field. Russia and China offer incentives to Serbia which can influence the country's compliance with EU conditions. According to the External Incentives Model, the effectiveness of EU conditionality is affected when other international actors offer incentives equivalent to those of the EU. This means that the candidate country will

⁴⁰ Bieber, F. & Tzifakis, N. *The Western Balkans in the World*. New York and London: Routledge, 4-5.

weigh the potential benefits against each other and decide to follow the position of either the EU or the external actor, depending on the best value. While policy areas where the EU and the external actor take a similar position are less problematic, those with conflicting positions inevitably lead to a dilemma where the candidate state has to take a side. In order to measure cross-conditionality, the present thesis will compare positions of external actors with positions incentivized by the EU in Serbia on the three defined levels – on the political, the economic and the social level. The central hypothesis therefore reads as follows:

If positions by powerful external actors conflict with positions incentivized by the EU, the effectiveness of EU conditionality is reduced.

The dependent variable is the effectiveness of the EU enlargement policy, while positions of powerful external actors and positions incentivized by the EU are the two independent variables. The EU positions refer to three different kinds of incentives: political, economic and societal. The hypothesis will be tested by comparing Serbia's alignment to the two competing positions.

In some cases, partial alignment with both positions is possible. Therefore, the degree of alignment will play a crucial role in the evaluation. To evaluate the effectiveness of EU conditionality, the degree of adaptation to the EU position will be compared to the degree of adaptation to the position of the external actor on a case-to-case basis. If Serbia clearly takes the position of the external actor at the detriment of the EU, then the effectiveness of EU conditionality is negatively affected. If the balance tilts more towards the EU, it means that no negative impact on the effectiveness of EU conditionality can be established and that the external actors' influence is neutral. The findings of the cases will then be aggregated on the higher analytical level, namely on the political, economic and societal levels. This will allow to determine on which of the three levels cross-conditionality is the strongest. It is important to note that the identified cases were chosen based on their salience and potential to affect EU conditionality. Hence, they are not identical and can vary in number for each external actor.

The analysis will be conducted with qualitative research methods. To answer the research question, primary sources, mainly in the form of official documents of either the EU or the governments involved in the analysis, will be used. Journal articles, policy papers and scientific books will be drawn upon as secondary sources. As Serbia's relations with Russia and China are of great topicality, articles from English- and Serbian-language newspapers represent an important complementary source for the analysis.

4. Background

Before discussing how Russia and China interfere in Serbia's EU accession process, it is important to outline EU-Serbian relations and to understand what the EU expects from the candidate state. The following two chapters will give an overview of the development of their relations throughout the last decades and discuss EU conditionality for Serbia.

4.1. EU-Serbian relations

The relations between Serbia and the EU have been undergoing turbulent times in the last three decades. Since the year 2000, however, a constant rapprochement of Serbia towards the European Union can be observed. This chapter will give an overview of the political development of Serbia and its ties with the European Union.

Serbia's statehood has changed several times in its recent past. As one of the leading Socialist Federal Republics of Yugoslavia, Serbia and its capital Belgrade were the centre of power of the communist state. Under the leadership of its president Josip Broz Tito, from 1945 to 1980, Yugoslavia enjoyed a good status in the international community. Being one of the leading Non-Allied states, it took a position between the East and West and could mostly keep good relations with the Soviet Union as well as with its Western European pendants.⁴¹

As such, the Socialist Federal Republic of Yugoslavia (SFRY) had several agreements with the European Economic Community (EEC), the predecessor organisation of the European Union. In 1967, the two entities signed a political agreement for economic cooperation.⁴² This was followed by a more comprehensive agreement in 1980, which extended the cooperation in economy and trade, as well as in culture, tourism and science. In 1990, SFRY was included in PHARE, a program intended for Central and Eastern European countries and their reform activities.⁴³ However, as a result of the emerging conflict on the Yugoslavian territory in the same year, the promising relations deteriorated.⁴⁴

⁴¹ Sundhaussen, H. (2008). Der Zerfall von Jugoslawien und seine Folgen. *Aus Politik und Zeitgeschichte*, APuZ 32, 3-6.

⁴² Dragisic, P. (2008). Serbia and European Union: A view from Brussels. *L'Europe en Formation*, vol. 349-350, no. 3-4, 147.

⁴³ Gligorijevic, S. (2004). Serbia and European Union: a chronicle of hesitation. *Croatian International Relations Review*, 10, no. 36/37, 110.

⁴⁴ Ministry of foreign Affairs of the Republic of Serbia. (n.d.). *Chronology of relations between the Republic of Serbia and the European Union*, Website of the Ministry, accessed 22 January 2021.

The outbreak of the Yugoslav wars in 1991 and the Federation's subsequent disintegration froze the existing institutional and financial ties between the SFRY and the EEC.⁴⁵ By 1992 most of the Yugoslav republics gained independence and the new Federal Republic of Yugoslavia consisted of Serbia and Montenegro. In the same year, the European Economic Community also experienced an institutional transformation by becoming the European Union. While new states joined the EU, Serbia remained isolated due to international sanctions, imposed as a consequence of its role in the Yugoslav wars.⁴⁶

With the signing of the Dayton Peace Agreement in 1995, the Yugoslav wars ceased and international sanctions for Serbia were lifted. A new attempt for cooperation with the EU failed when tensions in Kosovo re-emerged.⁴⁷ The Serbian province is predominantly populated by ethnic Albanians who already back in the 1980s demanded more independence from the central government. With the president Slobodan Milosevic in power, these uprisings were brutally suppressed, leading to renewed international sanctions in 1996 and eventually a military response from NATO in 1999.⁴⁸ The Milosevic regime was characterized by a nationalist agenda and an authoritarian leadership, which led to the isolation of the country for most of the 1990s.⁴⁹

The year 2000, however, marked a turning point in the Serbian political orientation as well as the relations between Belgrade and Brussels. After losing the elections in September 2000, Milosevic tried to dispute the results and triggered a wave of demonstrations in the country. With the support of the international community the fragmented opposition parties formed a united front and ousted the Milosevic regime, leading to a new chapter in Serbian history. The Serbian government under Prime Minister Djindjic made a clear commitment to the European integration and to the cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY). The ICTY was set up by the UN to reconcile the region by prosecuting war criminals of the Yugoslavian wars. Under the auspices of the newly elected government, Milosevic was handed over to the ICTY where he could be prosecuted. Moreover, the newly elected pro-western coalition started a political and economic transition and marked a change in Serbian foreign policy towards the EU. The isolation and sanctions that the country was faced

⁴⁵ Calic M.-J. (2017). Kleine Geschichte Jugoslawiens. *Aus Politik und Zeitgeschichte*. APuZ 40/41, 16-23.

⁴⁶ Gligorijevic, S. (2004), 111.

⁴⁷ Sundhaussen, H. (2008), 3-6.

⁴⁸ Ibid.

⁴⁹ Djordjevic, V. (2012). A Troubled or a Troubling Candidate – Serbian Accession to the EU. *Przegląd Strategiczny*, 2, 83.

with were finally lifted and closer relations with the international community, most importantly the EU and the US, were made possible. The new pro-Western regime put the European integration front and centre for the country's foreign policy.⁵⁰

This was welcomed by the European Union with financial assistance and the initiation of the Stabilisation and Association Process in the same year.⁵¹ Furthermore, in November 2000 during the EU Council summit in Zagreb, the European Union expressed for the first time a clear European perspective for the Western Balkans. In 2003 this promise was put into concrete terms, in the so-called Thessaloniki Agenda, formulated at the first EU-Western Balkans Summit in Thessaloniki.⁵² Besides Serbia and Montenegro, still one country at that time, Albania, Bosnia, Croatia and North Macedonia were given the possibility of EU accession.⁵³

In 2005 Serbia and Montenegro were given the green light to start negotiations over the Stabilisation and Association Agreement. However, the negotiations were interrupted in 2006 due to Serbia's refusal to cooperate with the International Criminal Tribunal for the former Yugoslavia (ICTY).⁵⁴ The same year also marked the complete dissolution of SFRY, with Serbia and Montenegro becoming separate states. After the election of a new government, committed to fully cooperate with the ICTY, negotiations were resumed and concluded in 2007.⁵⁵

In 2008 a new crisis erupted, when Kosovo unilaterally declared its independence, leading to an immediate recognition by almost all EU Member States, except Greece, Cyprus, Spain, Romania and Slovakia. This led to a domestic political crisis and new elections, which were largely perceived as a referendum for or against the European future of Serbia. Despite a not fully satisfying cooperation with the ICTY, the EU decided to act at this critical moment by concluding the Stabilisation and Association Agreement with Serbia, while making its' implementation dependent on Serbia's compliance record. This positive sign from the EU led

⁵⁰ Djordjevic, V. (2012), 83-84.

⁵¹ Dragisic, P. (2008), 148.

⁵² Ristic, I. (2008). Serbien und die Europäische Union: Gründe für die Ambivalenz. *Südosteuropa. Zeitschrift für Politik und Gesellschaft*, 3, 339.

⁵³ Ministry of foreign Affairs of the Republic of Serbia. (n.d.). *Chronology of relations between the Republic of Serbia and the European Union*, accessed 22 January 2022.

⁵⁴ Dragisic, P. (2008), 150; Ministry of foreign Affairs of the Republic of Serbia. (n.d.). *Chronology of relations between the Republic of Serbia and the European Union*, accessed 22 January 2022.

⁵⁵ Ibid.

to the election of a new pro-European government, allowing the Serbian path towards European integration to be continued, resulting in an official application for EU membership in 2009.⁵⁶

However, the Kosovo independence and the cooperation with the ICTY remained main obstacles in the rapprochement of Serbia to the EU in the subsequent years. In the same year of the declaration of independence, Serbia started an active campaign against the recognition of Kosovo. For this purpose, the country sought political help from other international actors such as Russia and China, primarily with the aim to hinder Kosovo from becoming a UN member state. The European Union made clear that next to the fulfilment of the Copenhagen criteria,⁵⁷ Serbia would need to actively participate in a process of normalization of relations with the Kosovo. Under continuing EU pressure, Belgrade and Pristina engaged in an EU-led dialogue in 2011 which contributed to a significant improvement of their relations. The same year, the last war crimes fugitive on the list, Ratko Mladic, was extradited to the Hague allowing Serbia to become an official candidate state in 2012.⁵⁸

After the Stabilisation and Association Agreement entered into force, negotiations could finally start in 2014. Ever since, a total of thirteen intergovernmental meetings took place in Brussels.⁵⁹ At the time of writing, 22 negotiation chapters out of a total of 35 are being negotiated while two have been provisionally closed.⁶⁰

In the 2021 progress report on Serbia's accession process, the European Commission (EC) highlights that the commitment to implement rule of law reforms and to normalize relations with Kosovo remain paramount for the pace of negotiations. Serbia has already made significant progress in the implementation of the *acquis*, though further structural reforms are necessary with regard to the public administration, the private sector and the judicial system. Serbia is encouraged to continue progress in areas such as the fight against corruption and organized crime and guarantee that fundamental rights are upheld. While Serbia was found to declare the European integration as its strategic goal, the EC critically assessed the country's strategic partnerships with other countries, such as China and Russia. A case in point is Serbia's non-

⁵⁶ Dragisic, P. (2008), 150; Economides, S. & Ker-Lindsay, J. (2015). 'Pre-Accession Europeanization': The Case of Serbia and Kosovo. *Journal of Common Market Studies*, 56(5), 1032-1034.

⁵⁷ The Copenhagen criteria encompass political, economic and institutional requirements that every candidate state has to fulfil in order to be admitted to the EU.

⁵⁸ Economides, S. & Ker-Lindsay, J. (2015), 1034.

⁵⁹ Ministry of foreign Affairs of the Republic of Serbia. (n.d.). *Chronology of relations between the Republic of Serbia and the European Union*, accessed 22 January 2022.

⁶⁰ European Commission. (n.d.). *European Neighbourhood Policy And Enlargement Negotiations: Serbia*, EC Website, accessed 22 January 2022.

alignment with EU declarations concerning the common EU Foreign and Security Policy, which the EC strongly encourages in the last report.⁶¹

4.2. EU conditionality for Serbia

There are several official EU documents that allow to analyze EU conditionality for Serbia's accession process. Apart from the three Copenhagen criteria, various treaties concluded between the EU and Serbia are key to understanding what is expected from the country's political leadership. One such treaty is the Stabilisation and Association Agreement, which guides relations between several Western Balkan states and the EU up until their accession. The negotiation framework is more specific, in so far as it defines the guidelines and principles for accession negotiations between the EU and the candidate state. Lastly, the yearly progress report measures the alignment with EU values and policies and is drafted by the European Commission on a yearly basis. This chapter will draw on these documents in order to define EU conditionality on the three levels: political, economic and social. Furthermore, it will discuss the specific conditions set out for the Western Balkan states as well as conditions which need to be fulfilled by the EU.

Political conditionality is part of the enlargement policy of the EU. As stated in the Copenhagen criteria, aspiring states are expected to fulfil certain conditions before they are admitted to the EU. A candidate state has to adhere to fundamental values such as democracy and the rule of law as well as guarantee that these are upheld through a well-functioning institutional and administrative body. Furthermore, the state in question needs to have “the ability to take on and implement effectively the obligation of membership, including adherence to the aims of political, economic and monetary union”.⁶² This so-called ‘Acquis communautaire’ comprises all EU treaties, regulations and directives that a candidate state has to apply by the time of accession.⁶³

Although the foreign policy of candidate states is not within the competence of the EU, a certain alignment has become an important element of the accession process. The adoption of the Common Foreign and Security Policy (CFSP) of the EU is strongly encouraged in several key

⁶¹ European Commission. (2021). *Commission Staff Working Document: Serbia 2021 Report*, SWD (2021) 288 final, Strasbourg, 3-7.

⁶² European Commission. (n.d.). *European Neighbourhood Policy and Enlargement Negotiations – Accession criteria*, EC Website, accessed 14 February 2022

⁶³ Brasche, U. (2013). *Europäische Integration. Wirtschaft, Erweiterung und regionale Effekte*. Munich: Oldenburg Verlag, 413.

documents. In the Stabilisation and Association Agreement (SAA) Serbia agreed to contribute to “an increasing convergence of positions of the Parties on international issues, including CFSP issues [...] and [...] in particular, on those issues likely to have substantial effects on the Parties”.⁶⁴ Moreover, a political dialogue between the two actors should promote a “common view on security and stability in Europe, including cooperation in the areas covered by the CFSP of the European Union”.⁶⁵

Additionally, political conditionality is enshrined in the negotiation framework. For Serbia, it foresees that “in the period up to accession, Serbia will be required to progressively align its policies towards third countries and its positions within international organizations with the policies and positions adopted by the Union and its Member States.”⁶⁶ The annual progress report clearly addresses this aspect in the so-called External Relations cluster. Two out of 35 negotiation chapters are dedicated to the implementation of the EU’s foreign policy “acquis”. While chapter 30 covers the external relations in regard to trade and development policies, chapter 31 refers to the Common Foreign, Security and Defence policy, assessing the alignment with EU statements, the participation in EU actions and the implementation of sanctions and restrictive measures.⁶⁷ Aligning with EU CFSP positions can therefore determine if a candidate state will advance in the accession process or not.⁶⁸

In the progress report of 2021, Serbia was given the assessment of being “moderately prepared” as regards this principle. In sum, the alignment pattern remained at the same level as in the previous years. The EC report highlights that Serbia’s alignment rate with relevant CFSP statements and decisions was 61% and that an improvement in this respect should remain the highest priority. Additionally, the report states that positions that were not adopted mainly concerned Russia and China. Furthermore, the EC critically highlighted that Serbia continues to develop intense ties and strategic partnerships with both Russia and China, stating that frequent high-level diplomatic contacts and bilateral meetings were conducted.⁶⁹

⁶⁴ Official Journal of the European Union. (2013). *Stabilisation and Association Agreement between the EU and the Republic of Serbia*, L 278, 20.

⁶⁵ Official Journal of the European Union. *Stabilisation and Association Agreement between the EU and the Republic of Serbia*, 20.

⁶⁶ Council of the EU. (2014). *Negotiation framework for Serbia*, CONF-RS 1/14, Brussels, 12.

⁶⁷ European Commission. (2021). *Commission Staff Working Document: Serbia 2021 Report*, 123-126.

⁶⁸ Hillion, C. (2017). Adaptation for autonomy? Candidates for EU membership and the CFSP, *Global Affairs*, 3:3, 265-275.

⁶⁹ Hillion, C. (2017), 265-275.

Similarly, economic conditionality can be found in the official Copenhagen criteria, referring to the requirement to demonstrate “a functioning market economy and the capacity to cope with competition and market forces in the EU”⁷⁰ by the time of accession. The European Union offers pre-accession assistance through different funds in order to support reforms in this respect. Since 2001, the EU has provided more than 3 billion Euros in grants to the Republic of Serbia through various instruments, not only for the development of its economy, but also for other key areas such as rule of law, democracy and socio-economic development. As such, the EU accounts for the largest donor in the country.⁷¹ Economic relations between Serbia and the European Union are guided by the Stabilisation and Association Agreement, which allows for free trade based on European standards. Its purpose is to prepare the candidate state for a full integration into the EU’s single market.⁷² However, as indicated in the SAA, the gradual application of provisions should “not preclude the maintenance or establishment of customs unions, free trade areas or arrangements for frontier trade except in so far as they alter the trade arrangements provided for in this Agreement”.⁷³ In other words, Serbia is free to develop agreements on trade, investment and economic cooperation with third states. However, this applies only as long as Serbia has the status of a candidate state. Trade policy being under the EU’s exclusive competence, new member states are obliged to withdraw from all trade agreements upon accession and implement the EU’s policy. Therefore, a certain alignment with the EU’s common trade and commercial policy is already expected ahead of accession.⁷⁴ As the Commission has critically underlined in the 2019 progress report for Serbia, newly concluded free trade agreements “will need to comply with Serbia’s obligations under the Stabilisation and Association Agreement and will have to include an exit clause, which guarantees that Serbia can denounce the agreement by the date of its accession to the EU.”⁷⁵ Additionally, Serbia needs to ensure that all economic, trade and investment agreements are compatible with the EU acquis.⁷⁶

⁷⁰ European Commission. (n.d.). *European Neighbourhood Policy and Enlargement Negotiations. Conditions for membership*. EC website, accessed 9 March 2022.

⁷¹ Government of the Republic of Serbia. (n.d.) *EU funds*. Ministry of European Integration website, accessed 14 March 2022.

⁷² EU Delegation to the Republic of Serbia. (n.d.) *Stabilisation and Association Agreement*, EU in Serbia website, accessed 14 March 2022.

⁷³ Official Journal of the European Union. (2013). *Stabilisation and Association Agreement between the EU and the Republic of Serbia*, L 278, 26.

⁷⁴ Simic, J. (2019). Medvedev confirms support for Serbia as it readies free trade deal with Eurasia. *Euractive*, accessed 9 March 2022.

⁷⁵ European Commission. (2021). *Commission Staff Working Document: Serbia 2021 Report*, 91.

⁷⁶ Ibid.

Compared to political and economic conditionality, societal conditionality is more difficult to grasp. In the pre-accession documents, several references are made to civil society and society dialogue. In the annual progress report, civil society is discussed under the chapter on the functioning of democratic institutions and public administration reform. The European Commission highlights that “an empowered civil society is a crucial component of any democratic system and should be recognised and treated as such by state institutions”⁷⁷. Serbia’s government is encouraged to engage in a systematic cooperation with civil society and actively develop an enabling environment for civil society organizations. Another reference to societal conditionality can be found in the negotiation framework with Serbia, where the EU highlights that “parallel to the accession negotiations, the Union will continue its civil society dialogue and cultural cooperation with Serbia, with the aim of bringing people together and ensuring the support of citizens for the accession process.”⁷⁸ The consent of citizens, both from EU member states and candidate states is crucial for enlargement. As an expanding union is considered to touch upon core interests of existing member states, all decisions on accession are taken by unanimous vote.⁷⁹ The ratification of the accession treaty, may, depending on the states’ constitutional requirements, be subject to a referendum before giving the final approval for enlargement.⁸⁰ Similarly, the European Union defines the approval for accession by the citizens of the aspiring member state as a pre-condition, which will need to be gained either by referendum or by a vote of the national parliament.⁸¹ Important vectors for citizens support in candidate states are objective communication of public authorities and freedom of expression. In the latest progress report, the EC points out that communication on Serbia’s strategic choice of EU membership is not sufficiently communicated in the public. A more pro-active and unambiguous commitment to the EU in the public debate is being demanded. The government is for example urged to put “further efforts [...] to promote EU values in public debate and in practice”⁸² and to “contribute to a political dialogue on EU-related reforms”⁸³. Additionally, the EC prompts Serbia to establish a secure environment for journalists in which they can enjoy

⁷⁷ European Commission. (2021). *Commission Staff Working Document: Serbia 2021 Report*, 12.

⁷⁸ Council of the EU. (2014). *Negotiation framework for Serbia*, CONF-RS 1/14, Brussels, 13.

⁷⁹ Brasche, U. (2013), 413.

⁸⁰ European Parliament. (n.d.). *The Enlargement of the Union*, EP website, accessed 14 March 2022.

⁸¹ European Commission. (n.d.). *European Neighbourhood Policy and Enlargement Negotiations. Conditions for membership*. EC website, accessed 9 March 2022.

⁸² European Commission. (2021) *Commission Staff Working Document: Serbia 2021 Report*, 11.

⁸³ *Ibid.*, 4.

freedom of expression without being victims of verbal attacks by politicians as well as ensure a higher plurality of political views in Serbian media.⁸⁴

Apart from conventional negotiation chapters, the EU has defined specific conditions for the accession process of the Western Balkans. These regard good neighbourly relations, regional cooperation and in Serbia's case the normalization of relations with Kosovo. Due to the conflicts of the 1990s, Serbia is expected to "constructively engage in inclusive regional cooperation and strengthen relations with neighbouring countries"⁸⁵ as well as "resolve outstanding issues and legacies of the past, in line with international law and relevant Council conclusions, and [...] if necessary, the compulsory jurisdiction of the International Court of Justice or arbitration mechanisms."⁸⁶ Furthermore, Serbia is encouraged to take part in a process of normalization of relations with Kosovo "in the form of a legally binding agreement by the end of Serbia's accession negotiations with the prospect of both being able to fully exercise their rights and fulfil their responsibilities."⁸⁷ As stated in the negotiation framework, "this process shall ensure that both can continue on their respective European paths, while avoiding that either one can block the other in these efforts [...]"⁸⁸.

For this purpose, the European Union has established the Belgrade-Pristina Dialogue, in which it takes the role of a facilitator. The dialogue was initiated in 2011 and led to a series of agreements on technical issues, such as exchange of information on administrative level, mutual recognition of diplomas and customs. In 2018 the negotiations stalled, but resumed in 2020.⁸⁹ However, a comprehensive normalization of the relations could not be achieved so far. The European Commission reiterated in its 2018 strategy for the region that the normalization of relations is crucial for the region's stability and key element in their respective paths towards a European integration.⁹⁰ Although the Commission remains silent on what this entails, the EU special representative for the dialogue Miroslav Lajcak stated in a recent interview that the Belgrade-Pristina talks were not about the political status of Kosovo but about their relations and that it is for the two parties to define their relationship.⁹¹ The lack of a clear EU position

⁸⁴ European Commission. *Commission Staff Working Document: Serbia 2021 Report*, 36.

⁸⁵ Council of the EU. (2014). *Negotiation framework for Serbia*, CONF-RS 1/14, Brussels, 6.

⁸⁶ Ibid.

⁸⁷ Ibid., 10.

⁸⁸ Ibid.

⁸⁹ Stanicek, B. (2021). Belgrade-Pristina dialogue: The rocky road towards a comprehensive normalisation agreement. *EPRS European Parliamentary Research Service*. PE 689.371, 2.

⁹⁰ European Commission. (2018). *A credible enlargement perspective for and enhanced EU engagement with the Western Balkans*. COM (2018) 65 final, Strasbourg, 7.

⁹¹ Lajcak: Belgrade-Pristina dialogue not about status of Kosovo. (2 February 2022). *N1*, accessed 4 March 2022.

most likely results from the fact that five out of 27 EU member states⁹² do not recognize Kosovo as an independent state.⁹³ Belgrade and Pristina have, in fact, different interpretations of the outcome of the dialogue. While Kosovo expects its statehood to be recognized, Serbia's interpretation of the process is that of an 'economic normalization'. Serbia's officials repeatedly highlight that the dialogue must remain within the limits of the Serbian Constitution, which defines Kosovo as part of Serbian territory, as well as the United Nations Security Council Resolution 1244.⁹⁴ This resolution foresees a political process between the two parties in order to determine Kosovo's status in future, while also affirming Serbia's territorial integrity and sovereignty.⁹⁵ The declaration of independence of Kosovo in 2008 is therefore interpreted by Serbia as being against international law, a view that is not shared by the international community.⁹⁶ Indeed, Serbia filed a request at the International Court of Justice about the legality of Kosovo's declaration of independence in 2008. The court's advisory opinion was that the declaration did not violate the resolution 1244, therefore not breaching international law.⁹⁷ As the advisory opinion is not binding, the Kosovo questions remains a contentious issue between the parties involved.

Good neighbourly relations and regional cooperation are part of conditionality for all Western Balkan states. The conflicts on Yugoslavian territory have demonstrated the Western Balkans' importance for the European Union's security. Due to its geographic position and the potential security threat, the EU's policy approach since the 2000s has been stabilization and reconciliation through integration.⁹⁸ In several official documents, the EU integration of the Western Balkans has been described as "essential for fostering reconciliation and stability"⁹⁹ and representing "a geostrategic investment in a stable, strong and united Europe".¹⁰⁰ Good neighbourly relations for Serbia concern, among others, the relations with Republika Srpska, one of the two entities forming Bosnia and Herzegovina. The entity, mainly inhabited by ethnic

⁹² These are Cyprus, Spain, Slovakia, Romania and Greece.

⁹³ Turp-Balazs, C. (2021). The EU's Kosovo awkward squad. *Emerging Europe*, accessed 4 March 2022.

⁹⁴ Stanicek, B. (2021), 1.

⁹⁵ United Nations Security Council. (1999). *United Nations Resolution 1244*, United Nations New York.

⁹⁶ Ladjevac, I. (2019). Serbia external relations briefing: Serbia and Russia – brothers by history? *China-CEE Institute*. Vol 22, No 4, 2.

⁹⁷ International Court of Justice. (2010). *Accordance with international law of the unilateral declaration of independence in respect of Kosovo*, accessed 15 March 2022.

⁹⁸ Western Balkans. (n.d.). *European Union Institute for Security Studies*, accessed 8 March 2022.

⁹⁹ European Commission. (2018). *A credible enlargement perspective for and enhanced EU engagement with the Western Balkans*. COM (2018) 65 final, Strasbourg, 1.

¹⁰⁰ European Commission. (2018). *A credible enlargement perspective for and enhanced EU engagement with the Western Balkans*. COM (2018) 65 final, Strasbourg, 1.

Serbs, has shown secessionist tendencies under its current leadership.¹⁰¹ Therefore the support for Bosnia and Herzegovina's regional integrity as defined in the Dayton Agreements, which ended the Yugoslav wars, constitute one of the EU conditions for Serbia.¹⁰² Regional cooperation, in contrast, concerns mainly economic aspects. The economic integration of the Western Balkan states is seen as a stepping-stone into the EU single market. Currently, the economic relations within the region are guided by the Central European Free Trade Agreement (CEFTA), which includes all six Western Balkan states plus Moldova¹⁰³. In future, the EU expects all states of the region to take a constructive role in expanding CEFTA to a common regional market, based on the four freedoms and principles of the EU single market.¹⁰⁴

While the conditions discussed thus far concerned primarily the candidate states, there is one condition which depends on the European Union. The EU reserves the right to decide whether it has the capacity to absorb new member states without jeopardizing its ability to act and work efficiently. This criterion refers to the impact that enlargement could have on the functioning of institutions and the decision-making process.¹⁰⁵ The European Union's widening and deepening of integration since the 2000s, coupled with several internal and external crisis, have led to a reluctance from member states towards further enlargement. This so-called 'enlargement fatigue' was in particular visible in 2014 when the new European Commission under President Jean-Claude Juncker ruled out any further enlargement of the union for the five subsequent years.¹⁰⁶ In the same manner, French President Emmanuel Macron blocked the opening of negotiation talks with North-Macedonia and Albania in 2019, demanding a more "reformed enlargement process, a real credibility and a strategic vision of who we are and our role"¹⁰⁷. He commented that accession talks could not continue unless a reform of the complex decision-making process of the EU happened.¹⁰⁸ The European Commission responded to French claims by introducing a new methodology in 2020, putting a greater emphasis on fundamental reforms. The chapters were regrouped in clusters, with chapters on fundamental

¹⁰¹ Hajdari, U. (2022). Secession threats and nationalist strife shock Bosnia as EU offers limited response. *Politico*, accessed 18 March 2022.

¹⁰² European Commission. (2021). *Commission Staff Working Document: Serbia 2021 Report*, 76.

¹⁰³ Commission européenne. (n.d.). *Elargissement*, EC website, accessed 21 March 2022.

¹⁰⁴ European Commission. (2021). *Commission Staff Working Document: Serbia 2021 Report*, 75-76.

¹⁰⁵ European Commission. (n.d.). *European Neighbourhood Policy and Enlargement Negotiations. Integration capacity*, EC website, accessed 17 March 2022.

¹⁰⁶ Erebara, G. (2014). Fatigued EU Downgrades Enlargement Portfolio. *Balkan Insight*, accessed 17 March 2022.

¹⁰⁷ Emmott R., Guarascio F., Pannetier M. (2019). France under fire for 'historic error' of blocking Balkan EU hopefuls. *Reuters*, accessed 17 March 2022.

¹⁰⁸ *Ibid.*

reforms remaining open until the end of negotiations so as to prevent eventual backsliding.¹⁰⁹ While these rather formal changes to the enlargement process were made, internal reforms that could allow for a more efficient decision-making process have not materialized so far. Despite candidate states fulfilling all formal criteria on their side, the condition on the EU integration capacity makes the enlargement perspective somewhat unpredictable for aspiring member states. Therefore, this condition has the potential to undermine EU conditionality in the Western Balkans all together.

To sum up, EU conditionality is based on the Copenhagen criteria which need to be fulfilled upon accession. In order for a candidate state to become an EU member, it has to demonstrate its willingness and ability to adhere, implement and uphold EU values, principles and obligations. From an economic standpoint, it is supposed to build a functioning market economy, allowing an integration into the EU single market. Although EU policies only become obligatory once the state gains membership, a gradual alignment is expected throughout the accession process. For example, the EU's foreign policy is supposed to be implemented by the candidate state, including political positions and restrictive measures. This aspect has been addressed in several pre-accession documents and is also evaluated on a yearly basis. In the same manner, the candidate state's trade policy has to respect the EU acquis and allow for withdrawal from trade agreements once the state becomes an EU member. On the social level, it is important that democratic values are properly implemented and that the country's citizens are well informed about the process, so that public support for the country's EU path is guaranteed. Additionally, the EU has defined specific conditions for the Western Balkans which mainly concern good neighbourly relations and regional cooperation. Serbia is expected to contribute to regional stability by supporting Bosnia and Herzegovina's statehood as defined in the Dayton Agreements as well as to engage in a political dialogue with Kosovo. For this purpose, the EU facilitates the Belgrade-Pristina talks that should lead to a normalization of relations, though leaving questions about a concrete outcome open. However, even if all conditions are met by a candidate state, the EU reserves the right to decide unanimously about the actual enlargement, which contributes to unpredictability of the accession process as a whole.

¹⁰⁹ European Commission. (2020). *Enhancing the accession process - A credible EU perspective for the Western Balkans*. COM (2020) 57 final, Brussels, 4.

5. Russia

This chapter will scrutinize the relationship between Russia and Serbia on three levels. It will examine political, economic and social links and analyze their potential to undermine EU conditionality. The relations between the two states can be analyzed from a multitude of perspectives; however, for the purpose of this thesis only salient issues to the EU enlargement process will be presented.

5.1. Political cross-conditionality

Russia and Serbia are often portrayed as being traditional allies by officials from both sides. Their relations can be traced back to the 19th century, when imperial Russia philosophically, financially, and militarily supported Serbia in its fight against the century long occupation by the Ottoman Empire and the country's final liberation.¹¹⁰ Therefore, Russia is often viewed as having substantially contributed to Serbia's renewed statehood. During the two World Wars, Russia and Serbia fought on the same side. Russia came to Serbia's aid when the Austro-Hungarian empire declared war on Serbia, leading to a great power conflict and World War I. Likewise, both sides continue to highlight their common fight against Nazi occupiers and the liberation of Belgrade during World War II. Even though the two countries were on the same side in these major historical events, their relationship has not always been cordial. The 19th century was characterized by alternating rule between the Karadjordjevic and Obrenovic dynasties, who had different orientations towards the East and the West. While the Karadjordjevics followed a pro-Russian stance, the Obrenovics in contrast were turned to the Austrian-Hungarian Empire.¹¹¹ Also during the post-world war period, relations between the two countries were strained. Despite a common socialist orientation, disputes about different strands of communism led to a split between the Yugoslav leadership under Tito and his Soviet counterpart Stalin in 1948, which persisted for several decades. As a consequence, Yugoslavia took the lead in the establishment of the Non-Alignment Movement, which allowed it to enjoy its status between East and West.¹¹²

It was only in the 1990s that Russia started to reappear as an international actor in the Balkans. After the outbreak of the Yugoslav wars, Russia supported the Western-led UN sanctions

¹¹⁰ European Parliament (2017), 10.

¹¹¹ Vuksanovic, V. (2018). Serbs Are Not "Little Russians". *The American Interest*, accessed 24 March 2022.

¹¹² Samorukov, M. (2019). A Spoiler in the Balkans? Russia and the Final Resolution of the Kosovo Conflict. *Carnegie Endowment for International Peace*, accessed 21 February 2022.

against Yugoslavia and engaged with its Western counterparts in diplomatic efforts to end the war.¹¹³ The year 1999, however, represented a turning point in the foreign policy of the Kremlin. Due to Serbia's role in the Kosovo conflict, NATO decided to lead a military mission against the country without seeking approval from the UN Security Council (UNSC), where Russia would have had a right of veto. With this move, Moscow saw itself deceived by the West and subsequently became one of the most vocal defenders of Serbia's interests in the international arena. In what it saw as a breach of international law, Russia firmly condemned the use of military force against Serbia.¹¹⁴

The years following 2000 proved no different. Russia was diplomatically involved in the attempt to find a Kosovo status solution. It strictly opposed possible independence of the breakaway region, which in contrast was supported by the US and a majority of EU states. When diplomatic solutions failed to materialize, Kosovo declared its independence in 2008. The new state was immediately recognized by most states of the Euro-Atlantic alliance, with only a few exceptions (five of them are EU member states).¹¹⁵ Russia's perception was that the declaration and its subsequent recognition by the international community violated UN resolution 1244 and hence international law. The resolution foresaw a political process to resolve the Kosovo question with increased autonomy for the region but not independence per se. By displaying support for this resolution, Russia once more affirmed its role as a protective power of Serbia.¹¹⁶

The NATO military operation against Serbia and the recognition of Kosovo's independence, coupled with several NATO enlargement rounds in the post-soviet space were indications for Russia that it was losing its global power.¹¹⁷ As an arena in which the growing disagreements between the Kremlin and its western counterparts were gaining ground, Serbia became the core of Russia's desire to establish a multipolar order.¹¹⁸ For this reason, Russia's presence in the region has been increasing. As Bechev argues, the essence of Moscow's Balkan policy is "to

¹¹³ Samorukov, M. (2019).

¹¹⁴ Vuk Vuksanovic (2018).

¹¹⁵ European Parliament. (2021). *Fact Sheets on the European Union – Western Balkans*, accessed 2 April 2022.

¹¹⁶ Samorukov, M. (2019).

¹¹⁷ McGlynn, J. (2022). Why Putin Keeps Talking About Kosovo. *Foreign Policy*, accessed 30 March 2022.

¹¹⁸ Garcevic, V. (2019). NATO's Intervention Changed Western-Russian Relations Forever. *Balkan Insight*, accessed 24 March 2022.

compete and gain equal standing with the West.”¹¹⁹ Using its power in the UN security council is a way “to gain support and influence [...] cheaply” in the region.¹²⁰

For Serbia, the reasons for having strong ties with Russia are manifold. First and most importantly, Belgrade relies on Russia’s weight in international organizations to prevent full international recognition of Kosovo. Moscow does not only openly oppose Kosovo’s status as an independent state, but Russian diplomats also lobby for Serbia to prevent Kosovo from becoming a UN member state.¹²¹ Furthermore, Serbia’s need to balance its foreign policy between the European Union and the Russian Federation stems from the lack of EU commitment to the region after 2008. The fact that the EU was focused on internal problems, such as the consequences of the global economic crisis, the migration crisis and Brexit, made Belgrade question if an actual EU accession was realistic at all. Belgrade has therefore been forging alliances with non-Western players, in an attempt to “pit Western and non-Western actors against each other to see from whom it can extract better political [...] benefits.”¹²²

Given these political ties Russia represents one of the ‘four pillars’ of Serbia’s foreign policy, next to the EU, the US and China, formulated as such by the former Serbian president Tadic in 2009¹²³. Although Serbian officials declare EU integration as being a strategic priority, Belgrade has been intensifying its relations with Russia. In 2013, the two countries signed a strategic partnership, the same year as the Stabilisation and Association Agreement came into force and the European Council approved the opening of accession negotiations.¹²⁴ It seems, paradoxically, as though the more Serbia moved towards the European Union, the more it tied the knot with Russia.¹²⁵

Belgrade and Moscow are also cooperating on a military level. They have been conducting bilateral military exercises since 2014 as well as trilateral exercises with Belarus under the ‘Slavic Brotherhood’ since 2015 on a regular basis.¹²⁶ At the same time, Serbia has purchased

¹¹⁹ Bechev, D (2020). Russia. Playing a weak hand well. In: Bieber, F. & Tzifakis, N., *The Western Balkans in the World*. New York and London: Routledge, 190.

¹²⁰ Vuksanovic, V. (2018).

¹²¹ Samorukov, M. (2019).

¹²² Vuksanovic, V. (2018).

¹²³ Tadić on Serbia's “four pillars of diplomacy”. (30 August 2009). B92, accessed 4 April 2022.

¹²⁴ Subotic, S. (2020). Serbia: The Hub for External Actor Involvement. In: *The Strategic Role of External Actors in the Western Balkans*, 81.

¹²⁵ Ibid.

¹²⁶ Ibid.

sophisticated weapons from Russia, such as the Pantsir air-defence systems while also receiving six MigG-29 fighter jets as a donation.¹²⁷

Although, Serbia's approach towards a seemingly high military cooperation with Russia comes as a characteristic of its foreign policy. The country declares to be militarily neutral, meaning in its strictest sense that it will not join any military alliance. However, this neutrality is being "equated with 'non-determination' for anyone in particular, or 'opting for everyone a bit'".¹²⁸ In other words, Serbia is cooperating with both military alliances, the Russian-led Collective Security Treaty Organization (CSTO) as well as with NATO. In the CSTO, Serbia enjoys an observer status, while in NATO it holds a membership in the Partnership for Peace (PfP) programme.¹²⁹ From the year it joined in 2006 until 2019, Serbia has had 150 military exercises with NATO states, making it one of the most active members of the PfP programme.¹³⁰ In comparison, out of 17 exercises in 2019, 13 were with NATO members while only four were with Russia.¹³¹ By conducting exercises with Russian military, "Serbia tries to maintain a semblance of balance [...]".¹³² Belgrade and Moscow are aware that Russia cannot use its military strength in the region. The geographic distance as well as the fact that Serbia is surrounded by NATO members limits the potential for a serious cooperation.¹³³ Even though there is a conflict potential in the Serbian strategy, "it seems that the aim [...] [is] to keep certain room for maneuver [sic!] in accordance with the logic of the moment"¹³⁴, while for Russia it is "a way to provoke the west"¹³⁵.

The official position of Russia towards Serbia's accession to the EU is somewhat ambivalent, which is undermined by Russian foreign minister Sergei Lavrov's statement from 2016:

"Serbia is currently holding talks with the EU about membership. To reiterate, we regard this as the absolutely sovereign choice of our Serbian friends and strategic partners. ... The most

¹²⁷ Vuksanovic, V. (2020). From Russia With Love? Serbia's Lukewarm Reception of Russian Aid and Its Geopolitical Implications. *LSE Ideas Strategic Update, London School of Economics*, 6.

¹²⁸ Igrutinovic, cited in Cuckic, N. (2019). Serbia's new national security and defence strategies: Balancing between NATO and CSTO. *European Western Balkans*, accessed 4 April 2022.

¹²⁹ Vuksanovic, V. (2020), 5.

¹³⁰ Anastasijevic, D. (2017). Serbia Should Beware of Russians Bearing Gifts, *Balkan Insight*, accessed 4 April 2022.

¹³¹ Cuckic, N. (2019).

¹³² Vuksanovic, V. (2020), 6.

¹³³ Ibid.

¹³⁴ Igrutinovic, cited in Cuckic, N. (2019). Serbia's new national security and defence strategies: Balancing between NATO and CSTO. *European Western Balkans*, accessed 4 April 2022.

¹³⁵ Vuksanovic, V. (2020), 5.

important thing is that in developing its ties with potential or associated members, the EU abandons the absolutely detrimental and destructive ‘either/or’ logic, forcing its colleagues, who are in talks with it, to make a choice: either with Russia or with the EU. As you know, this has already led to the profound crisis of Ukrainian statehood ... Unfortunately, these tactics show through in the EU’s approach towards a number of its other negotiating partners.”¹³⁶

While Russia is officially not opposed to Serbia’s EU integration, it condemns the policy of conditionality of the EU. ‘The ‘either/or logic’ here refers to the fact that a candidate state must adopt the EU acquis on the day of its accession, which comprises also political declarations and restrictive measures that the Member States of the EU have acted upon so far.

Indeed, in the period from 2008 to 2012, when relations between Russia and the EU were overall positive, there were no indications that Russia could negatively interfere in Serbia’s accession process to the EU. This changed with the year 2014. While Serbia’s alignment with EU’s Common Foreign and Security of the EU was at a relatively high 99% in 2012, it plummeted to around 51% in 2014. The reason for this regression is the increased number of EU declarations and restrictive measures taken against Russia due to the annexation of Crimea.¹³⁷ Serbia refused to align with these measures, losing its positive assessment of chapter 31. Ever since, Serbia’s alignment with the EU’s CFSP has oscillated around the rate of 50%.¹³⁸ Experts see this as a consequence of Russia’s leverage in international organizations when it comes to the Kosovo question.¹³⁹

On the other hand, Russia had hopes that Serbia, once it becomes an EU member, could find allies within the European Union and soften the stances that critical member states have towards Russia. Its aspirations that “Serbia could become a cultural and value bridge between the EU and Russia”¹⁴⁰ and that “it would promote peace and the development of the European continent from Brest to Vladivostok”¹⁴¹ seem as unrealistic as ever. It is indeed more than questionable

¹³⁶ Lavrov, Russian Foreign Ministry, 1 April 2016, quoted in Galeotti, M. (2018). Do the Western Balkans face a coming Russian storm? Policy Brief, *European Council on Foreign Relations*.

¹³⁷ Zivkovic, V. (2019). How much are Western Balkan countries aligning with the EU foreign policy? *European Western Balkans*, accessed 4 April 2022.

¹³⁸ European Parliament (2017). *Serbia’s cooperation with China, the European Union, Russia and the United States of America*. Study of the Directorate General for External Policies, PE 603.854, 6.

¹³⁹ Zivkovic, V. (2019).

¹⁴⁰ Gouillon, A. (2021). The Development of Serbian-Russian Relations in the Context of European Integrations, *Vladai Club*, 25 Juni 2021.

¹⁴¹ Gouillon, A. (2021).

whether Serbia could change the EU policy towards Russia, even more so after Russia's attacks on Ukraine.

While Moscow is aware that it cannot prevent Serbia from joining the European Union, it can have a negative impact on the EU led Belgrade-Pristina Dialogue. Here, the Kremlin also takes a rather ambiguous stance. As Lavrov stated on an official visit to Belgrade in October 2021 "President Putin has emphasized this several times, [...] we will accept any solution that suits Serbia and the Serbian people"¹⁴², while at the same time affirming that "Russia consistently advocates that the solution to the Kosovo issue must be based exclusively on Resolution 1244. [...] [The solution] must be found within the direct talks between Belgrade and Pristina and [...] be approved by the United Nations Security Council"¹⁴³. In other words, if Serbia agreed to a solution leading to independence of its former province, Russia's support would be highly uncertain. Holding a permanent seat in the UN Security Council, Russia could veto a possible deal with the argument that it breaches the controversial UN resolution 1244 and therefore international law. The fact that the Kremlin has frequently expressed that it sees Kosovo's independence as a threat to Serbian statehood shows that the outlook is rather negative.¹⁴⁴

Even though Russia has leverage over a final solution on Kosovo's status, it is not involved in the Serbia-Kosovo talks. The process is mediated under EU auspices, which Russia has repeatedly criticized as being ineffective. In the eyes of Russian leadership, Kosovo's attempt at gaining statehood has failed and should therefore be dropped. This argumentation is based on the fact that some states in Africa and Oceania have recently withdrawn their recognition of Kosovo.¹⁴⁵ However, Russia's opposition to the Kosovo question has to be seen in a wider context. In fact, Putin fears that the West could do the same with the country's autonomous republics. From 2008 on he started using the 'Kosovo precedence' as a case in point for the recognition of Georgia's breakaway provinces Abkhazia and South Ossetia.¹⁴⁶ This was repeated in 2014 in East Ukraine, when Putin used parts of the same wording of the Kosovo declaration of independence to declare the annexation of Crimea.¹⁴⁷ Therefore, Kosovo can be

¹⁴² Lavrov in Belgrade: It is time to form the ASM, a solution that suits Serbia and resolution 1244. (11 October 2021). *Kosovo Sever portal*, accessed 4 April 2022.

¹⁴³ Ibid.

¹⁴⁴ Samorukov, M. (2019).

¹⁴⁵ Ibid.

¹⁴⁶ McGlynn, J. (2022). Why Putin Keeps Talking About Kosovo. *Foreign Policy*, accessed 30 March 2022.

¹⁴⁷ Krastev, I. (2022). Putin Lives in Historic Analogies and Metaphors. Interview on Russia's Invasion of Ukraine, conducted by Gorris, L. *Spiegel*, accessed 4 April 2022.

seen as a “piece of a bigger puzzle to do with Russian pushback against what it sees as U.S. unilateralism.”¹⁴⁸

The Kosovo conflict was also invoked in February 2022 by Russian officials to justify their ‘military operation’ in Ukraine. Putin and his ministers have repeatedly made reference to the NATO bombings of Yugoslavia and the West’s support for the Kosovo independence as justification for Russian recognition of the Eastern Ukrainian regions Donetsk and Luhansk as well as their move to protect Russian citizens in the region.¹⁴⁹ By using Kosovo, where according to Putin ‘it all began’, Russia wants to demonstrate that it has regained its status as a great power and can therefore transgress international law, just as the West did in 1999.¹⁵⁰

Meanwhile, Russia’s invasion of Ukraine puts Serbia in a difficult situation. This was visible on the first day of Russian attacks. While all European countries and the European Union strictly condemned Russia’s actions, rapidly announcing sanctions, Serbia’s government withdrew from public for 24 hours in order to debate about its position.¹⁵¹ On the second day of the invasion, Vucic held a one-hour long press conference in which he declared with an apparent nervousness that “Serbia has been faced with enormous pressures”¹⁵² and that “Serbia is in a difficult position”¹⁵³. He went on to present the conclusions of the National Security Council meeting, stating: “Serbia supports the sovereignty and territorial integrity of Ukraine, but will not impose sanctions on Russia”¹⁵⁴. He also added that “of course, Serbia is following its European path, that is its strategic decision. At the same time, we will not detract from friendships because somebody else is asking us to do so”¹⁵⁵. He justified this position by declaring “Serbia [...] respects its traditional friendships and does not forget what happened [...] in 1999.”¹⁵⁶

In a verbal exchange between President Vucic and the President of the Parliament Ivica Dacic at the press conference, Dacic referred to the well-known ‘carrot and stick’ logic of

¹⁴⁸ Bechev, D (2020). Russia. Playing a weak hand well. In: Bieber, F. & Tzifakis, N., *The Western Balkans in the World*. New York and London: Routledge, 190.

¹⁴⁹ McGlynn, J. (2022).

¹⁵⁰ Ibid.

¹⁵¹ Official Belgrade silent, while the Serbian opposition is divided on the situation in Ukraine. (25 February 2022). *European Western Balkans*, accessed 25 April 2022.

¹⁵² Obraćanje građanima predsednika Srbije. (25 February 2022). *Tanjug News Agency Official*, Press Conference by the President of Serbia Aleksandar Vucic accessed 4 April 2022, 00:17:25.

¹⁵³ Ibid., 00:17:25.

¹⁵⁴ Ibid., 00:20.

¹⁵⁵ Ibid., 00:26.

¹⁵⁶ Ibid., 1:15:55.

enlargement, commenting: “if we impose sanctions on Russia [...], we would cut off the branch on which we are sitting and guarding our national interest. On the other hand, what ‘carrot’ do we obtain if we don’t do it? An EU membership in 2050 instead of let’s say 2030?”¹⁵⁷ He was interrupted by Vucic with the words: “We hope that it will happen before that”.¹⁵⁸ This sequence perfectly pictures the dilemma Serbian officials must be facing in the wake of the Ukraine war.

By stating that it supports Ukraine’s statehood in its original borders, Belgrade condemned Russia’s aggression indirectly. Though the Serbian leadership did not publicly use the words ‘aggression’ or ‘invasion’, it nevertheless voted in favour of the UN General Assembly resolution which deplores the Russian attack and demands immediate withdrawal of Russian troops from the country.¹⁵⁹ Even so, at the time of writing this thesis, Serbia remains, next to Belarus, the only European country not to have imposed sanctions on Russia.¹⁶⁰

To sum up, Serbia and Russia’s relations have been close for some major historical events in the last two centuries. Despite some periods in which the two countries did not cooperate as closely as in the present, they have revived their relations at the end of the 1990s. NATO’s intervention in Serbia and the consequences it had on Kosovo’s status have worried Russia. In an attempt to oppose what the Kremlin saw as US unilateralism, Russia’s role in the former Yugoslavian Republic became more important. By yielding support to Serbia in the UN Security Council, Russia is helping to prevent a full international recognition of Kosovo. As a consequence, Serbia declared Russia as being one of the four pillars of its foreign policy. Although EU accession is the country’s strategic priority, political and military ties with Russia remain, even strengthened over the past decades. However, Serbia’s approach is to have a balanced foreign policy by cooperating equally with the EU and its traditional ally. This has several implications for the effectiveness of the EU’s conditionality. While Serbia fully aligned with all CFSP declarations at the beginning of accession talks, the compliance rate fell sharply in 2014, the year of Russia’s annexation of Crimea. In the same manner, Serbia did not align with restrictive measures taken by the EU in response to Russia’s invasion of Ukraine, making it the only Western Balkan state not to have imposed sanctions thus far. Another aspect of EU conditionality is the normalization of relations with Kosovo. By being highly critical of an

¹⁵⁷ Obraćanje građanima predsednika Srbije. (25 February 2022). *Tanjug News Agency Official*, 1:00:51.

¹⁵⁸ *Ibid.*, 1:01:37.

¹⁵⁹ Milica Stojanovic, M. (2022). Serbia Backs UN Resolution Condemning Russian Attack on Ukraine, *Balkan Insight*, accessed 2 March 2022.

¹⁶⁰ Dragojlo, S. (2022). Serbia Resists EU Pressure to Impose Sanctions on Russia, *Balkan Insight*, accessed 16 March 2022.

eventual solution of the status question, Moscow negatively affects a possible compromise between the two actors. Due to its permanent seat in the UNSC, Russia has leverage over a final solution of the conflict. Although the EU has not defined the outcome of the Belgrade-Pristina talks, a possible recognition by Serbia would most likely not be accepted by the Kremlin. However, Serbia's reluctance to fully commit to the EU has also to do with the union's neglect of the region. Several internal and external crisis have contributed to a loss of EU credibility. Renewed attention to the region is the only way to convince Serbia's political leadership that its place is in the EU.

5.2. Economic cross-conditionality

Russia's economic power in Serbia is limited compared to that of the European Union. In terms of trade, Russia does not play a significant role. Compared to the EU with which Serbia exchanged 60% of its total trade in 2021, Russia's share accounted for only 4,7% in the same period.¹⁶¹ This means that in terms of trade the EU as a whole surpasses Russia. Similarly, Russian companies invested 10% of all Foreign Direct Investments in Serbia in the period 2010 to 2020, while the FDI's originating from EU member states take a share of almost 70% for the same period.¹⁶² Besides being the country's dominant trade partner and investor, the EU is also Serbia's main donor and lender. Therefore, the EU's economic power in Serbia overshadows that of Russia by far.¹⁶³

However, Russian investments and its trade are strongly concentrated in the Serbian energy sector.¹⁶⁴ Serbia is currently completely dependent on Russian gas. While it manages to meet around 13% of the needs from domestic production, the remaining 87% are exclusively imported from the Russian Federation.¹⁶⁵ Moreover, Russia has a foothold in the domestic gas and oil industry. In 2008, the Serbian state sold a controlling stake of 51% of its oil and gas company Naftna Industrija Srbije (NIS) to the energy corporation Gazprom Neft, a subsidiary of the Russian state-owned Gazprom. The sale was part of an interstate agreement on cooperation in the oil and gas industry, which provoked criticism over whether the price of 400

¹⁶¹ Serbian imports reached 64% while its exports reached 57% with the EU in 2021. With Russia, Serbian imports reached 5% and exports reached 4% for the same year according to EU in Serbia Website.

¹⁶² EU Delegation to the Republic of Serbia. (n.d.). *FDIs to Serbia 2020*, EU in Serbia Website.

¹⁶³ Vuksanovic, V. (2020), 5.

¹⁶⁴ Hartwell, C. & Sidlo, K. (2017). *Serbia's cooperation with China, the European Union, Russia and the United States of America*. Study for the European Parliament, EP/EXPO/B/AFET/2017/09 EN, 34.

¹⁶⁵ Based on data from Serbian Energy Agency Quoted in "Otvoren interkonektor za ruski gas od Srbije do Mađarske", *Radio Slobodna Evropa*, 30 September 2021, translated by the author.

million Euros was undervalued. Although Gazprom Neft committed to invest another 500 million in the company until 2012, critics say that the deal was way under its market value and could be seen as a present to Moscow for its diplomatic support against the independence of Kosovo, which was declared in that same year.¹⁶⁶ This means that as a majority holder, Russia has a monopoly in the production, import and refining of crude oil in Serbia. Through the investment in NIS, Russia also acquired a network of gas stations, storage facilities, and exploratory rights of oil and gas fields. These enterprises give Russia additional broad visibility in the region.¹⁶⁷ A part of the 2008 agreement was also the construction of the gas storage facility ‘Banatski Dvor’, the only one the country has, which shows the same ownership pattern of 51% and 49% in Gazprom’s favour.¹⁶⁸ As such, Russia enjoys not only high dependence of Serbia on its gas supplies but also controls substantial parts of Serbia’s energy infrastructure.

The implications of such deep ties in the energy sector have recently become evident. The EU sanctions against Russian companies include Gazprom as well as its subsidiaries in which it holds more than 50%. Even though the EU did not ban imports of Russian crude oil at the time of writing, commercial deals between European companies and Gazprom fall under these sanctions. As such, NIS was threatened to be cut out from oil supplies through the Adriatic oil pipeline Janaf, which would have left Serbia without oil imports from mid-May 2022. According to recent media reports, the European Commission has managed to find a solution in order to exempt Serbian oil imports from the sanctions.¹⁶⁹ However, there are fears that in case of a ban on Russian gas by the EU, Serbia could be affected even if it did not impose sanctions itself. This means that transit through EU member states such as Bulgaria could be suspended and consequently cut Serbia off from gas supplies. Even though this option is not discussed in Brussels at the time of writing, it means that oil and gas imports are becoming increasingly complex for Serbia and more expensive in the long run. This pressure on Serbia can be seen as a consequence of its non-compliance with EU sanctions on Russia.¹⁷⁰

Apart from the energy sector, the two states have also taken steps to intensify their trade in other areas. In 2019, Serbia signed a free trade agreement with the Russian-led Euroasian

¹⁶⁶ Stronski, P. & Himes, A. (2019). Russia’s Game in the Balkans. *Carnegie Endowment for International Peace*, 6 February 2019.

¹⁶⁷ Ibid.

¹⁶⁸ Maksimovic, S. (2021). Srbija, struja i gas: Da li se energetska kriza u Evropi prelijeva na domaće tržište, *BBC News*, accessed 22 April 2022.

¹⁶⁹ Srbija će biti izuzeta iz EU sankcija na naftu i gas. (8 April 2022). *Politika*, accessed 18 March 2022.

¹⁷⁰ Spasic V. (2022). EU sanctions against Russia threaten Serbia’s oil supply; gas deliveries secured, *Balkan Green Energy News*, accessed 23 March 2022.

Economic Union (EAEU). Besides Russia, the customs union includes Belarus, Kazakhstan, Armenia and Kyrgyzstan. Serbia already had previous bilateral free trade agreements with three out of the five members, therefore extending trade relations only to Armenia and Kyrgyzstan. Given their small markets, experts doubt that any benefits for the Serbian economy can be extracted from the Free Trade Agreement.¹⁷¹ Ahead of the signature, the European Union expressed criticism toward the Serbia-EAEU free trade agreement. Although Serbia is allowed to enter into free trade agreements with third countries before joining the bloc, a progressive alignment with the EU trade policies is expected. The Serbian decision is further problematic, as the European Union imposed trade sanctions on Russia due to its actions in East Ukraine in 2014, which were not adopted by Serbia.¹⁷² The fact that Belgrade chose to intensify its trade relations instead, has risen eyebrows in Brussels. In an interview with *Politico*, a Serbian official commented that “It doesn't seem likely we will be able to join the EU in the next 2-3 years [...] In the meantime, we have to look at our own interests. We have a good relationship with Russia.”¹⁷³

When the Russian ambassador in Belgrade announced that Serbia will conclude the EAEU trade accord, the European Commission spoke out to remind Serbia about its obligations.¹⁷⁴ The same statement was reiterated in the Serbian 2019 progress report, in which the Commission explicitly referred to the agreement by stating:

“The text of the FTA will need to comply with Serbia’s obligations under the Stabilisation and Association Agreement and will have to include an exit clause, which guarantees that Serbia can denounce the agreement by the date of its accession to the EU. [...] Serbia needs to ensure compatibility of all its agreements on trade, investment and economic cooperation and other relevant agreements with the EU *acquis*.”¹⁷⁵

As economic and trade policy is an exclusive competence of the European Union, new member states have to withdraw from all previously concluded bilateral agreements on the day of its accession to the EU and adopt the EU *acquis* instead. Several experts have therefore raised the

¹⁷¹ Vuksanovic, V. (2019). Serbia’s deal with the Eurasian Economic Union: A triumph of foreign policy over economics, *London School of Economics: EU Foreign Affairs*, accessed 9 March 2022.

¹⁷² Istrate, D. (2019). Serbia signs FTS with Eurasian Economic Union. *Emerging Europe*, accessed 9 March 2022.

¹⁷³ Von der Burchard, H. (2019). Serbia stands by plans to extend Russia trade ties despite Brussels’ warning. *Politico*, accessed 9 March 2022.

¹⁷⁴ Rettman, A. (2019). Serbia pact with Russian bloc to be short-lived, EU says. *EU Observer*, accessed 9 March 2022.

¹⁷⁵ European Commission. (2019). *Commission Staff Working Document: Serbia 2019 Report*, SWD (2019) 219 final, Brussels, 29 May 2019, 91.

question to why Serbia has entered such an agreement. In his capacity as foreign minister of Slovakia, Miroslav Lajcak referred to Serbia's actions as "confusing. [...] If you are serious about your European orientation then obviously you make political decisions that bring you closer to it. This is not one of them."¹⁷⁶

Vuksanovic argues that the deepening of economic ties came in a time where Serbia's accession prospects seemed very uncertain. France's veto against a start of accession negotiations with North Macedonia and Albania in October 2019, arguing that the enlargement process was flawed, was interpreted by Belgrade as a sign that an accession in the foreseeable future was unrealistic. Therefore, the signing of the free trade agreement with the EAEU just one week after Macron's statement can be seen as a message to the European Union. While Serbia is not considering fully joining the EAEU, their closer cooperation acts as a symbolic political act rather than a decision based on pragmatic economic calculations.¹⁷⁷

Similarly, Russia's interest in signing the deal was less economic than political, allowing to show the West that it is still a relevant player in the Western Balkans. As Russia's Ambassador to Serbia highlighted at the signing of the deal, "this is an example of Belgrade's balanced policy, an approach to conducting international affairs, taking into account its own national interests". This illustrates that Russia was not primarily guided by commercial considerations, which are minimal in this case, but rather by its geostrategic interests in the region.¹⁷⁸

Another aspect of Russia's strategy towards Serbia is its potential as an alternative transit country for natural gas. Russia explicitly made reference to this aspect in its foreign policy concept of 2013, stating that "Russia aims to develop a comprehensive pragmatic and equitable cooperation with Southeast European countries. The Balkan region is of great strategic importance to Russia, including its role as a major transportation and infrastructure hub used for supplying gas and oil to European countries".¹⁷⁹ After the Ukraine gas disputes in 2009, Serbia was envisioned as a transit country for the pipeline construction project South Stream, which would have allowed Russia to circumvent Ukraine as the main transport route for gas towards the European Union.¹⁸⁰ The gas pipeline intended to use a route through the Black Sea,

¹⁷⁶ Simic, J. (2019). Medvedev confirms support for Serbia as it readies free trade deal with Eurasia. *Euractiv*, accessed 9 March 2022.

¹⁷⁷ Vuksanovic, V. (2019). Serbia's deal with the Eurasian Economic Union: A triumph of foreign policy over economics, *London School of Economics: EU Foreign Affairs*, accessed 9 March 2022.

¹⁷⁸ Vuksanovic, V. (2019).

¹⁷⁹ Cited in Petrillo, E. R. (2013). Russian foreign policy towards the Balkans: which perspective? *Istituto Per Gli Studi Di Politica Internazionale*, 3.

¹⁸⁰ Bechev, D (2020), 188-193.

Bulgaria, Serbia and further EU countries up to Austria. However, Bulgaria was faced with an infringement procedure from the EU Commission, which found that the country did not properly apply EU legislation in rewarding the construction contracts. Indeed, the so-called Third Energy Package of the EU foresees a separation of the ownership of transmission networks and the gas supplier, which would not have been the case for South Stream. For this reason and in reaction to EU sanctions because of the annexation of Crimea, Russia officially cancelled the project in late 2014.¹⁸¹

Although, Russia has found alternatives to replace South Stream. A pipeline through the Black Sea up to Turkey, the so-called TurkStream, was announced by Russia and Turkey in 2014. The project involves an extension of the pipeline through Bulgaria, Serbia and Hungary, called Balkan Stream, which allows the Russian state-owned corporation Gazprom to supply Central and Southeast Europe with gas.¹⁸² Like the planned South Stream pipeline, this project has more geopolitical implications rather than commercial considerations, allowing Russia to cut Ukraine out of its gas transportation system.¹⁸³

While the construction of the Balkan Stream was under the responsibility of the countries involved in the project, Serbia's pipeline section was built by a joint Russian-Serbian corporation, called 'Gastrans', in which Russia's Gazprom holds a controlling share. The Energy Community, an EU regulatory body, issued an opinion about the compliance of the project with EU regulations. It stated that, according to the Third Energy Package, a third-party access to the pipeline has to be granted. This would allow competition and limit a monopoly of Russian Gazprom on the country's gas market, also invoking that energy dependence could be used for political pressure. Even so, the Serbian energy regulating body decided to exempt the Serbian Balkan Stream section from EU rules, not accepting conditions set by the Energy Community. With the construction of the new gas pipeline, the monopolistic position of Gazprom on the Serbian market is strengthened for at least the next 20 years, according to Dirk Bushle, the director of the Energy Community Secretariat.¹⁸⁴

At the official opening of the Balkan Stream section between Serbia and Hungary, the Serbian minister of interior Aleksandar Vulin emphasized that besides providing energy security for the economy and both countries' citizens, the gas pipeline was of great importance for Serbia,

¹⁸¹ Keating, D. (2015). Borisov asks for EU help to make Bulgaria a gas hub, *Politico*, accessed April 2022.

¹⁸² Djurdjevic, M. (2020). Turski tok: Istorija ruskog gasnog monopola, *Radio Slobodna Evropa*, accessed 19 April 2022.

¹⁸³ Serbien schließt sich an Pipeline Balkan Stream an. (1 January 2021). *Handelsblatt*, accessed 22 April 2022.

¹⁸⁴ Djurdjevic, M. (2020).

because "from a country that paid for transit, it became a country that charges for transit".¹⁸⁵ Vulin was also reported to have said "thanks to the courage of Serbian President Aleksandar Vučić and Hungarian Prime Minister Viktor Orbán, their rejections of numerous pressures, sometimes even blackmail, today we have a gas pipeline, which many did not want us to have."¹⁸⁶

Meanwhile, at the beginning of 2022, Belgrade took the first steps towards diversifying its gas supply. As part of the Southern Gas Corridor, a broader EU initiative intended to reduce Europe's dependence on Russian gas, Serbia started the construction of a gas pipeline between its territory and Bulgaria. The project, which is co-funded by the European Union, will ensure supply of liquefied natural gas (LNG) from different sources.¹⁸⁷

However, Serbia's leadership remains sceptical to alternatives to Russian gas, such as LNG. In an interview in early 2022, Vucic stated that the current prices of gas "are absolutely unbearable for us. Therefore, I hope we can reach a more favourable deal. I don't know who in Europe is capable of paying this price, but without Russian gas, it is not possible. The current debate about LNG is empty tales, this can only partially meet the current demand of gas."¹⁸⁸

During a state visit in November 2021, Vucic secured a preferential gas deal with his counterpart Putin. As the 10 year contract with the Kremlin expired, which pegged the price for Russian gas deliveries to Serbia based on a preferential formula, Vucic announced to the Serbian media that he would plead a deal for a similar rate. The price per 1.000 cubic meters stood at \$ 270 for Serbia in November 2021, while the gas prices on the European stock markets reached highs over \$ 900 for the same amount.¹⁸⁹ Serbian president Vucic managed to secure a price at the same rate of \$ 270 for the subsequent six months and an increase in the amount of gas deliveries, which is considered to be 'a present' from Putin ahead of the Serbian parliamentary and presidential elections in April 2022. However, the renewal of a long-term contract is still outstanding, leaving uncertainty over the terms of a new delivery contract

¹⁸⁵ Otvoren interkonektor za ruski gas od Srbije do Mađarske. (20 September 2021). *Radio Slobodna Evropa*, accessed 20 April 2022.

¹⁸⁶ Ibid.

¹⁸⁷ Počela izgradnja gasovoda između Srbije i Bugarske. (1 February 2022). *Radio Slobodna Evropa*, accessed 22 April 2022.

¹⁸⁸ Vucic: Uskoro avio-linija Beograd-Nica. (22 February 2022). Press interview by the President of Serbia Aleksandar Vucic, accessed 15 April 2022 on the official Youtube channel of Aleksandar Vucic, 3:00.

¹⁸⁹ Cvetkovic, L. (2022). Srbiju za Rusiju vezuju gas, nafta i zajednički stav o Kosovu, *Radio Slobodna Evropa*, accessed 23 April 2022.

beyond those six months.¹⁹⁰ After Vucic's visit, the Kremlin announced that a solution would be found, which would "certainly be acceptable to our Serbian friends."¹⁹¹ In light of the current Ukrainian war, it remains to be seen if Russia is still ready to grant Serbia a preferential price, a policy that Russia is using to 'reward' friendly states.¹⁹²

This chapter has shown that in terms of trade, the EU is clearly more important for Serbia than Russia. However, Russia is the dominant economic partner in terms of energy. Not only does the Serbian economy depend on imports of Russian gas, but Russian state-owned enterprises also have controlling stakes in the Serbian gas and oil industry. By taking such a dominant position, Russia has high economic leverage in the country, which it can use to put political pressure on the country's leadership. In terms of trade, Serbia has taken steps towards a stronger economic integration with the Russian-led Eurasian Economic Union, an EU pendant on the Asian continent. As major economic benefits are not expected from this deal, the EU sees it this step with scepticism. One of the EU's conditions being to renounce all economic agreements on the day of accession, Serbia's decision seems to be contrary to its declared aim of EU integration. The energy sector is another arena in which EU conditionality and Russia's interests intersect. Serbia plays a central role as an alternative gas transit country, which would allow Russia to circumvent Ukraine. Despite warnings from EU authorities, Serbia went on with the construction of the Balkan Stream gas pipeline section without taking EU legislation into account. With this step, Russia has further strengthened its monopolistic position on the Serbian energy market.

5.3. Societal cross-conditionality

Besides their political alliances throughout history, Serbian and Russian people share a sense of common identity, which is based on the idea of Slavism and the Eastern Orthodox religious community. Both populations have the same ethnolinguistic heritage, visible today in the similarity of the two languages as well as the Cyrillic alphabet. Although independent, the Serbian and the Russian Orthodox Churches are both members of the Eastern Orthodox communion. This common political, religious and ethnic heritage has contributed to a sense of

¹⁹⁰ Vuksanovic, V. (2021c). Russia's gas gift to Serbia comes with strings attached, *Euronews*, accessed 25 April 2022.

¹⁹¹ Cvetkovic, L. (2022).

¹⁹² Maksimovic, S. (2021).

belonging to a larger spiritual and cultural community among the Serbian and Russian populations.¹⁹³

However, decades of communist rule in both countries led to a dormant religious relationship between the two Orthodox Churches. The religious ties, like the political ones, were revived in the late 1990s. During the 1999 NATO bombings in Serbia, launched as a reaction of the West to the Kosovo war, the then Russian Patriarch Alexy II paid a visit to Belgrade as a sign of support for the Serbian population.¹⁹⁴ Similarly, the Serbian people also received support from the Russian Orthodox Church after Kosovo declared independence in 2008. The former Serbian province hosts some of the oldest monasteries of the country and is seen as the cradle of Serbian Orthodoxy.¹⁹⁵ Russian religious authorities have on many occasions supported the concerns of the Serbian Orthodox Church over the safety of these sacred sites.¹⁹⁶

The closeness of the two churches was also demonstrated when Serbia's religious authorities took sides in the split of the Ukrainian Orthodox Church from its Russian counterpart. In the aftermath of the annexation of Crimea and the war in the Donbass, the Ukrainian Orthodox Church expressed the desire to become an independent institution, a demand which was accepted by the leading religious authority in Constantinople in 2019. As a consequence, the Moscow Patriarchate decided to cut ties with the larger Patriarchate. The Serbian Patriarch Irinej sided with Moscow in what he called a 'catastrophic decision' taken by the Orthodox authorities.¹⁹⁷

Despite mutual support on the inter-church level, the Orthodox faith also plays an important role in politics. Large parts of the Serbian population embrace religion as part of their national identity, which is why religion and politics are often intertwined.¹⁹⁸ One case in point is the Russian Orthodox Church's close relationship with the Serbian political leadership. When on official visits to Moscow, Serbian politicians are often received by the Russian Patriarchate. Russian religious authorities also openly support Serbian political stances on the

¹⁹³ Goldblatt, H. (1986). Slavic Heritage and National Consciousness: Aspects of the East Slavic and South Slavic National Revivals. *Harvard Ukrainian Studies*, 10(3/4), 336.

¹⁹⁴ Samorukov, M. (2019).

¹⁹⁵ The Russian Orthodox Church. (2011). *Prayer for salvation of Serbs in Kosovo and Metohija said at Belgrade representation of the Russian Orthodox Church*, Department for External Church Relations, accessed 1 May 2022.

¹⁹⁶ Samorukov, M. (2019).

¹⁹⁷ Stronski, P. & Himes, A. (2019). Russia's Game in the Balkans. *Carnegie Endowment for International Peace*, accessed 19 April 2022.

¹⁹⁸ Aleksic, M. (2020). More Than a Church – New 'Hagia Sophia' is Big Deal for Serbia. *Balkan Insight*, accessed 11 April 2022.

protection of Serbian monasteries in Kosovo and the unity of Serbia and Kosovo. This political and religious support is seen as a brotherly act by the Serbian population.¹⁹⁹ Therefore Russian Patriarch Kirill as well as the Russian President Putin enjoy high popularity among Orthodox people in Serbia.²⁰⁰

While Serbians and Russians genuinely see each other as ‘brothers by religion’, critics argue that the common faith is used by both governments for political gain.²⁰¹ One such example is seen in the Russian state’s support for the construction of the largest Orthodox cathedral in Belgrade, the Saint Sava. The cathedral, whose construction began in 1935 but had to be stopped as a consequence of German invasion in World War II and the subsequent communist rule, is seen as a symbol of the Serbian people’s resilience and strength. The cost of construction, which could only be resumed in the 1980s, amounted to 100 million Euros. One tenth of the sum was financed by the Russian energy giant Gazprom, which provided 10 million Euros for the laying of interior mosaics by Russian artists. Due to Saint Sava’s historical importance, the Serbian public see the Russian contribution as a significant act.²⁰² As a sign of gratitude, Russian Foreign Minister Lavrov was invited to the unveiling ceremony in 2020, accompanied by Serbian President Vucic.²⁰³

In Serbian domestic politics, religion and politics are also closely aligned. Although a secular state by constitution, Serbian politicians cultivate close ties with the Church in order to gain political support.²⁰⁴ When Serbian President Vucic announced Serbia’s position on Russia’s invasion in Ukraine, he made sure to have the support of the Patriarch of the Serbian Orthodox Church Porfirije. Vucic expressed that ahead of the press conference, he first presented the country’s position to the Patriarch asking him for his ‘blessing’ and support for the country’s decision.²⁰⁵

Russia’s popularity is not only a consequence of the common religious faith, but also of the government’s active role in promoting a pro-Russian narrative through media and tabloids. Media freedoms have been restrained in Serbia ever since Vucic, Milosevic’s former Information minister, took office in 2014. The ruling elite has indirect control over media and

¹⁹⁹ Samorukov, M. (2019).

²⁰⁰ Aleksic, M. (2020).

²⁰¹ Neuert, L. (2019). An Orthodox Approach to Soft Power, *Brown Political Review*, accessed 23 April 2022.

²⁰² Aleksic, M. (2020).

²⁰³ Lavrov Unveils Russian Mosaic For Serbia’s Church Of St. Sava. (2018). *Radio Free Europe Radio Liberty*, accessed 22 April 2022.

²⁰⁴ Aleksic, M. (2020).

²⁰⁵ Vucic razgovarao sa patrijarhom Porfirijem. (25 February 2022). *N1*, accessed 22 April 2022.

can thus use it to control public opinion.²⁰⁶ In 2021, the press freedom index published by Reporters Without Borders ranked Serbia 93rd out of 180 countries in terms of media freedom.²⁰⁷

The pro-Russian narrative of Serbian politics centers around two topics, Kosovo and Putin's popularity in the country. Vucic's government presents the close relationship with Russia as vital for the country, especially in regard to the support it receives for Kosovo in the UN Security Council. The popularity of Putin means that the current regime has to court pro-Russian voters. Therefore, forcing a positive image of Russia through media is seen as a way to consolidate power. However, high popularity of Russia can also have negative consequences for the current regime. If Vucic negotiates a deal for the Kosovo question with the West, the possibility of Russia sabotaging a solution is a realistic possibility. In this scenario, Serbian citizens could see a stronger protector of Serbian interests in Putin than in Vucic.²⁰⁸

Therefore, the ruling elite at times seeks to change the public opinion of Russia. In 2020, for instance, when protests against illiberal rule erupted in Belgrade, the Serbian press accused pro-Russian forces of having organized them. Interestingly, this change in media coverage coincided with Vucic's visit to the US. In a meeting with the Trump administration and Kosovo's Prime Minister Hoti, Vucic debated about a possible land-swap between Serbia and Kosovo which would have eventually led to a solution of the conflict. With the election of Biden and this scenario becoming increasingly unrealistic, Belgrade rapidly reactivated some of its old ties with Moscow. This time, Western influences were accused for environmental protests which hit the country in winter 2021. During a meeting with Russian National Security Secretary Patrushev, Serbian Interior Minister Vulin suggested that the protests could be 'coloured revolutions'. After their encounter, pro-government newspapers disseminated the news that according to Russian security information, the protests were initiated by the West and the Biden administration. This approach shows that the Serbian ruling elite has a high degree of influence on the domestic media and that it can change the narrative towards Russia in the direction which best suits their political needs.²⁰⁹

But Russia also deploys a series of soft power initiatives which strengthened pro-Russian attitudes in Serbia. Indeed, Russia's positive image is created by a network of Russian

²⁰⁶ Vuksanovic, V. (2022). *Rusija I Kina, Prijatelji I Braća Zarobljene Države. Beogradski centra za bezbednosnu politiku*, accessed 30 June 2022.

²⁰⁷ Reporters Sans Frontieres. (n.d.). *Press Freedom Index 2021*, accessed 28 April 2022.

²⁰⁸ Vuksanovic, V. (2022).

²⁰⁹ Ibid.

foundations, institutes and agencies operating in Serbia. Two branch offices of the organization Russkiy Mir (the Russian World) were established in the two biggest Serbian cities Belgrade and Novi Sad, as well as an office of the Russian Institute of Strategic Research and a Russian Cultural Centre.²¹⁰ Sponsorship of Serbian sport clubs and athletes have further contributed to the shaping of a positive image of friendly Russia. One example is Gazprom's sponsorship of one of the biggest Serbian football clubs Crvena Zvezda (Red Star).²¹¹ Another instrument of Russian public diplomacy is the indirect funding of Serbian NGO's and political parties that are either Eurosceptic or display the same ideological orientation as Moscow. Also, Russian news portals are available in the Serbian language, with large political sections representing Russia's views.²¹² Often, these are media outlets linked to the Russian state such as the Russian press agency Sputnik or the news broadcaster Russia Today, both of which were banned by the European Union in the aftermath of the Russian invasion of Ukraine.²¹³ Due to a lack of funding, many Serbian news portals cannot afford subscriptions for agencies such as Reuters, while content from Russia's Sputnik news agency is free of charge. This means that articles and analyses published in the Serbian media are prone to represent Moscow-sponsored content.²¹⁴ The extent of this influence was revealed by a 2016 study conducted by the pro-Western think tank Centre for Euro-Atlantic Studies, which found that more than 100 NGOs, associations and media outlets have direct ties to the Russian state.²¹⁵

Taking this into consideration, it is not surprising that mainstream Serbian media supported Russia's decision to recognize the independence of Donetsk and Luhansk in February 2022. On the day of the attacks, one tabloid even went as far as publishing the headline "Ukraine attacked Russia".²¹⁶ Serbian President Vucic commented a few days ahead of the Ukraine war, that 80% of Serbian media "are always, no matter what happens, on the Russian side", while the remaining 20% are being "a priori against the Russians" but claiming that they equally have "no impartial and objective approach".²¹⁷ Indeed, a study by the Belgrade-based Centre for Research, Transparency and Accountability showed that in 2019 Russia received mainly

²¹⁰ Szpala, M. (2014). Russia in Serbia – soft power and hard interests. *Centre for Eastern Studies*, 150, 4.

²¹¹ Marciacq, F. (2020), 75.

²¹² Szpala, M. (2014), 4.

²¹³ Charbonneaux, J. (2022). Comment l'interdiction de Russia Today et Sputnik par l'UE est devenue un problème français. *La Tribune*, accessed 26 April 2022.

²¹⁴ Sajkas, M. (2016). How influence of Russian media risks making Serbia a Moscow bureau, *Committee to Protect Journalists*, accessed 28 April 2022.

²¹⁵ Study quoted in Sajkas, M. (2016).

²¹⁶ Stojanovic, M. (2022). Serbian Pro-Regime Media Praise Russia 'Overrunning' Ukraine. *Balkan Insight*, accessed 25 February 2022.

²¹⁷ Quoted in Stojanovic, M. (2022).

positive reporting throughout the Serbian print media and TV shows, while NATO was portrayed negatively. At the same time, the EU, the US and China were presented in a neutral way.²¹⁸

To a certain extent Russia's strategy has been successful. Russia's view that the war was provoked by NATO is shared by many Serbian citizens who still resent NATO's military intervention in Serbia in 1999. The majority of Serbian society remains marked by this event, contributing to high unpopularity of NATO in Serbia.²¹⁹ In the days that followed Russia's invasion of Ukraine, pro-Putin supporters associated with far-right groups, gathered in Belgrade to protest against the government's attempts to distance itself from Moscow.²²⁰ Similarly, the fans of the football club Red Star displayed their support for Russia during a game of the Europa League. The 'ultras' of the club showed several banners naming military interventions by the American army and the message "All we're saying is give peace a chance."²²¹

Russia's strength is the ability to shape the perception of its role in the Balkans, something that the EU does not master to the same extent.²²² Indeed, the main thematic areas, which are promoted by Russian organizations and media, intend to discourage the integration into Western structures, such as the EU and NATO. Russia presents itself as an alternative to the EU, who's interests are closely aligned to those of Serbia, but Russia also uses more direct means to discourage the society's will to join the EU. By portraying the EU as a 'tormentor' who humiliated Serbia in the past, it criticizes Serbia's EU path as being to the detriment of the Serbian society.²²³

Another way to drive a wedge between Serbia and the EU is the intensifications of relations with the Serbian diaspora in the region. In Bosnia and Herzegovina, Russia has been very active in supporting the separatist tendencies of Milorad Dodik, the leader of one of the country's constituting entities Republika Srpska. By doing so, Moscow puts pressure on Belgrade and its policy of building regional cooperation and good neighbourly relations, which is one of the EU's conditions. A second example, though of lesser importance, is Kosovo. Here Russia has

²¹⁸ Study quoted in Presic, J. (2020). How Russia influences Serbian media, *Global Voices*, accessed 28 April 2022.

²¹⁹ Center For Insights in Survey Research. (2020). *Western Balkans Regional Poll, 2 February 2020 – 6 March 2020*. Accessed 1 May 2022.

²²⁰ Rally in support of Russia in Belgrade, protest against regime. (4 March 2022). *N1*, accessed 30 April 2022.

²²¹ Foot : Les ultras de l'Étoile Rouge de Belgrade affichent leur soutien à la Russie. (18 March 2022). *Le Figaro*, 30 April 2022.

²²² Hartwell, C. & Sidlo, K. (2017), 13.

²²³ Szpala, M. (2014). Russia in Serbia – soft power and hard interests. *Centre for Eastern Studies*, 150, 5.

undertaken several initiatives to support the Serbian minority. One of these was to send humanitarian aid convoys under the pretext that the region does not receive the deserved attention from Belgrade. Moreover, Russian officials supported a petition of 20.000 signatures from Kosovo Serbs who officially demanded a stop in negotiations of the EU-led Belgrade-Pristina dialogue, revealing Moscow's intent to torpedo a peace settlement.²²⁴

Among the groups that support Russia's intentions are those who profit from the status-quo, for example oligarchs active in the Serbian energy sector, who would be negatively affected by EU regulations. Another group is associated with the Serbian security sector and the former Milosevic regime, which dreads legal repercussions of an EU accession. But there are also conservative circles, often displaying proximity to the Serbian Orthodox Church, that see an integration into Western societies as being against Slavic values.²²⁵

However, large parts of Serbian society demonstrate affinity to the Western culture. A poll from 2013 of the Centre for Euro-Atlantic Studies revealed that young Serbians (between 18 and 35) would rather choose a Western state model than that of Russia. Western democracies are seen as efficient political systems with the ability to guarantee high living standards for their citizens. The aspirations of many young people to work and study in Western Europe leads to emigration of a high number of Serbian citizens with the primary destination being the European Union. According to numbers from the Serbian Ministry for Diaspora from 2007, Russia is not even enlisted among the top 10 countries with the largest Serbian diaspora, albeit the close religious and ethnic connections.²²⁶

This fissure in public opinion is also visible in opinion polls regarding the European integration. While at the beginning of Serbia's EU path a large majority was in favour of EU integration, the population's support for EU accession has been dwindling throughout the last two decades. In 2009, the year in which Serbia submitted its membership application, public support was as high as 70%. By 2011, the year in which the EU announced that a normalization of relations between Serbia and Kosovo was a condition for accession, this rate fell to 46%. Ever since, the approval rates have oscillated around 50%, with those opposing the path of EU integration being at around 30%. Indeed, many of the respondents see the EU-policy of 'constant conditioning and blackmailing' that the EU applies towards Serbia as the main hindering factor

²²⁴ Szpala, M. (2014), 6.

²²⁵ Ibid., 5.

²²⁶ Garcevic, S. (2017). Serbsplaining the West, *Balkan Insight*, accessed 20 April 2022.

in the country's EU accession. What is more, between 2019 and 2020, those who blamed EU conditionality for the country's slow EU integration have doubled from 26% to 52%.²²⁷

While the rates in favour of an EU accession have always exceeded those being opposed to it, a poll from Ipsos conducted in April 2022 shows a new trend. For the first time, a large number of Serbian citizens would not vote for joining the European Union in a possible referendum. The numbers have reversed with 44% of respondents opposing and 35% being in favour of Serbia's EU path, while the remaining 21% did not have an opinion. This change in public opinion is seen as a consequence of what many regard as EU pressure to join the sanctions against Russia.²²⁸ However, analysts suggest that a fall in EU public support has always been measured in times of crisis, and that it remains yet to be seen if this trend will be a long-lasting one or just a temporary sentiment.²²⁹

In conclusion, this chapter shows that societal links are strong between Serbia and Russia. The strong Russophilia Serbian people experience stems first and foremost from their common Eastern Orthodox religious ties. This sentiment is reinforced by Russia's religious and political support for Kosovo, which has deep historical significance for Serbian people. Therefore, Putin and the Russian patriarch Kirill enjoy high popularity in Serbia. However, the current government also actively promotes a pro-Russian narrative through government-controlled media, in order to gain popular support. Additionally, Russia deploys a series of soft power initiatives, which further strengthen pro-Russian sentiments. The implications of this policy are that the Serbian population is confronted with Russia-related media content more often than with that of the EU. In the progress reports, the EC also regularly points out that there is a lack of objective media coverage and active policy to inform Serbian citizens about the European Union's contribution to the country's development. Due to Russia's high popularity and its public diplomacy efforts, Serbia's popular support for an EU accession is in danger. Ever since the Ukraine war broke out, opinion polls show that public opinion has changed in favour of Russia. If sanctions were to be imposed, the results reveal that more Serbian citizens would vote against an EU accession. For the first time, the EU seems to be losing support from the broad public.

²²⁷Serbian Ministry of European Integration. (2021). *Public Opinion Poll European Orientation of Serbian citizens*, accessed 1 May 2022.

²²⁸ Mastilovic-Jasnic, M. (2022). Prvi put u istoriji većina građana Srbije protiv ulaska u EU, *Blic*, accessed 20 April 2022.

²²⁹ Dartford, K. (2022). For first time a majority of Serbs are against joining the EU, *Euronews*, accessed 30 April 2022.

6. China

This chapter will examine relations between Serbia and China on the political, economic and societal level. Each subchapter will identify concrete areas where EU conditionality is threatened by China's presence in the country and discuss their relevance for Serbia's accession process to the EU.

6.1. Political cross-conditionality

Serbia's and China's diplomatic relations were stable throughout the 20th century. The Socialist Federal Republic of Yugoslavia, that Serbia was part of, was among the first states worldwide to recognize the People's Republic of China (PCR) after the communist victory in October 1949. When Yugoslavia and the Soviet Union broke ties in 1950, China retained good relations with the Federation, a trait pursued in post-Yugoslav Serbia. In 1999, when Serbia saw NATO military intervene with force, the People's Republic of China took Serbia's side and condemned the intervention. The political bond was further strengthened when US forces accidentally launched a missile attack on the Chinese embassy in Belgrade during the NATO operation.²³⁰ Moreover, China is one of the countries that opposed Kosovo's declaration of independence, seeing it as a dangerous precedent which could strengthen the secessionist tendencies of its own regions Xinjiang and Tibet. Beijing sided with Belgrade's position that the independence would break UN Resolution 1244 and thus international law.²³¹ Based on these common interests, the relations of these geographically distant partners were reinforced.

Currently the Chinese and Serbian partnership is at a historic high, a development that started in the year 2008. According to Vuksanovic, two moments crucial to Serbia were responsible for this. First, the Kosovo independence where China unexpectedly supported Serbia's position in the UN. As China is one of the five members of the UN Security Council, Serbia welcomed the veto against the recognition of Kosovo as a sovereign state. The second moment was during the global financial crisis. The consequences of the crisis diverted the EU's attention from the Western Balkan region and thus reduced important investments originating from EU member states, which were indispensable to Serbia's economy.²³² These developments were an

²³⁰ European Parliament (2017). *Serbia's cooperation with China, the European Union, Russia and the United States of America*. Study of the Directorate General for External Policies, PE 603.854, 10.

²³¹ European Parliament (2017), 10.

²³² Vuksanovic, V. (2021a). *The Dragon Lands In Belgrade: The Drivers Of Sino-Serbian Partnership*. *LSE Ideas Strategic Update*, London School of Economics, 6.

indication for Belgrade, that it needed to diversify its economic and geopolitical alliances. At the same time, the power vacuum left by the EU attracted the interest of other global players.²³³

China's growing global importance was perceived by the Serbian political leadership as an opportunity to attract much needed financial resources as well as a new political partner in an increasingly multipolar world.²³⁴ The former Serbian President Tadic acted upon this change in world politics by adapting the country's foreign policy doctrine. He famously declared that the official Serbian foreign policy was based on four pillars, the EU, the US, Russia and China.²³⁵ This foreign policy orientation was solidified with the signing of a strategic partnership between China and Serbia in 2009, which was extended to a comprehensive strategic partnership in 2016.²³⁶

With this strategic partnership agreement, Serbia and China deepened and widened their traditionally friendly relations. Politically, both sides pledged their support for sovereignty and territorial integrity. While Serbia promised that it would continue to oppose Taiwanese claims for independence, China voiced support for a mutually acceptable solution to the Kosovo question.²³⁷ But most importantly, the two sides agreed on a stronger economic and technological cooperation, especially in terms of Serbian infrastructure projects.²³⁸ In this context, Tadic expressed that while the principal goal was to join the EU, "[there is] no doubt that in the years and decades to come, China will take the leading position in the world economy, and [...] [for this purpose] it's useful to have a strategic partnership with such a country".²³⁹

At first, China was not considered a major regional player but a state with whom Serbia had friendly bilateral relations. By the year 2012, it became clear that China had greater ambitions for Serbia as well as the wider region.²⁴⁰ In that year, Beijing launched a diplomatic platform called 16+1, involving five Western Balkan states and eleven states of Central and Eastern

²³³ Ibid.

²³⁴ Ibid.

²³⁵ Tadić on Serbia's "four pillars of diplomacy". (30 August 2009). *B92*, accessed 4 April 2022.

²³⁶ Ministry of Foreign Affairs of the Republic of Serbia. (n.d.). *China – Bilateral Relations*, accessed 25 June 2022.

²³⁷ Conley, H. et al. (2020a). Becoming a Chinese Client State. The Case of Serbia. *Center for Strategic & International Studies*, 6.

²³⁸ Government of the Republic of Serbia. (2009). *Serbia, China sign framework agreement on economic*, accessed 13 June 2022.

²³⁹ Tadić on Serbia's "four pillars of diplomacy". (30 August 2009). *B92*, accessed 4 April 2022.

²⁴⁰ Vuksanovic, V. (2021a), 7.

Europe, all of the latter being EU member states.²⁴¹ The framework foresees annual meetings of the heads of states in order to develop economic cooperation with China.²⁴² Although constituted as a multilateral forum, it is a way for Beijing to conclude bilateral deals with states that are important to its global infrastructure initiative called ‘Belt and Road Initiative’ (BRI).²⁴³

Formally announced in 2013 by Xi Jinping, the BRI facilitates infrastructure development on land and sea in order to connect Eurasian and East African countries to China’s massive market.²⁴⁴ For this purpose, Beijing substantially funds and invests in both infrastructure and industrial projects in countries that are in dire need of capital. The Balkans take an important role in this global strategy; the region is central to Beijing’s plan to logistically connect the Chinese-owned Port of Piraeus in Greece to Central Europe.²⁴⁵ Among the six Western Balkan states, Serbia stands out as the most important partner, receiving the largest share of Chinese loans and investments amongst those countries.²⁴⁶ However, the country is not only seen as a mere transit zone, but also as an opportunity to move China’s own production capacities closer to the EU market. Beijing also hopes to indirectly enter the European Union’s common market once Serbia becomes a member state.²⁴⁷

Therefore, China is not interested in dissuading Serbia’s EU path. According to Macocki, Beijing sees Serbia’s EU accession as a benefit to political stability in the country and by extension for its own economic interests in the region; it does not seek to offer an alternative ideology or political model.²⁴⁸ However, China’s economic involvement in the region is paradoxical, because it undermines the stability on which its initiatives are based.²⁴⁹ With large-scale investments and loans, China indirectly exerts normative influence; the strong economic links have the potential to transmit China’s norms and values and create a spill-over of its political system.²⁵⁰ The fact that China prefers state-led rather than market-based decisions,

²⁴¹ These are Serbia, Montenegro, Bosnia and Herzegovina, North Macedonia, Albania, Greece, Bulgaria, Romania, Hungary, Slovakia, Slovenia, Croatia, Poland, the Czech Republic, Estonia, and Latvia.

²⁴² Garcevic, V. (2018). China’s Stealthy Advance In Balkans Should Worry EU, *Balkan Insight*, accessed 25 June 2022.

²⁴³ Jonathan E. Hillman, J. E., McCalpin, M. (2019). Will China’s ‘16+1’ Format Divide Europe? *Center for Strategic & International Studies*, accessed 13 June 2022.

²⁴⁴ Vuksanovic, V. (2021a), 6-7.

²⁴⁵ Makocki, M. (2017). China in the Balkans: The battle of principles. *European Council on Foreign Relations*, accessed 14 June 2022.

²⁴⁶ Tonchev, P. (2017). China’s Road into the Western Balkans. *European Union Institute for Security Studies (EUISS)*, 2.

²⁴⁷ Vuksanovic, V. (2021a), 8.

²⁴⁸ Makocki, M. (2017).

²⁴⁹ Makocki, M. (2017).

²⁵⁰ Ibid.

can therefore negatively impact the EU's reform agenda for the region. While EU funding is attached to a sometimes painful process of democratic reforms, China offers an easy alternative to Serbian policymakers with no conditions attached.²⁵¹ This approach complicates the accession process and undermines a real democratic transformation, which would make countries such as Serbia eligible for a rapid EU integration.

At the same time, the Serbian government has understood that the arrival of yet another external actor can be used as a leverage to soften EU conditionality. The fact that EU enlargement has become a distant and unknown destination prompted the ruling elite to engage with China in order to attract renewed attention from the EU. By accepting Chinese economic advances, Belgrade has sought to reinvigorate its stalled EU accession process.²⁵² Given this new reality, the challenge for the European Union is to find a way to uphold its incentives so that democratic reforms are fully implemented and that the state remains on the EU path.²⁵³

Other experts offer an alternative view on China's involvement in the region. The Western Balkans are economically trapped in the European periphery, with few possibilities of emerging from this unfavourable structural position; their only chance to catch up with advanced economies of the EU is to pool as much funding together as possible, from both China and the EU.²⁵⁴ China is therefore seen as an actor who gives new impetus to the development of the region, which could help accelerate the accession process in economic terms. It provides additional funds for infrastructure and industry and is able to offer an alternative global economic vision for Serbia and its neighbours.²⁵⁵

Politically, however, their cooperation may have a negative impact on Serbia's rapprochement to the EU. Although the relations between China and Serbia are based on the conclusion of economic deals, the leverage it gains vis-à-vis Belgrade is used to support its own political goals.²⁵⁶ Given China's size and economic power, Serbia is entering into an asymmetric interdependence which is likely to put it in a vulnerable position.²⁵⁷ This is visible in Serbia's track record of alignment with the EU's foreign policy. Belgrade did not join any of the declarations of the EU aimed against China and its interest. In 2021, Serbia adopted a relatively

²⁵¹ Garcevic, V. (2018).

²⁵² Larsen, H. (2020), 4.

²⁵³ Ibid.

²⁵⁴ Vangeli, A. (2020). A New Geo-Economic Approach to the Balkans. In: Bieber, F. & Tzifakis, N., *The Western Balkans in the World*. New York and London: Routledge, 221.

²⁵⁵ Ibid.

²⁵⁶ Makocki, M. (2017).

²⁵⁷ Pepermans, A. (2018), 183.

low rate of 61% of EU foreign policy declarations²⁵⁸, which was at almost 100% in 2012, the year it gained EU candidate status.²⁵⁹ Though the relatively low alignment cannot only be blamed on China, it shows that Serbia is ready to support Beijing's foreign policy interests.²⁶⁰

One example where Serbia went contrary to the EU's position is Hong Kong. While the EU's High Representative declared concerns over the controversial national security law, Belgrade refused to condemn Beijing's actions.²⁶¹ During a meeting with Chinese Defense Minister in March 2021, President Vucic pledged the country's firm support for "the Chinese government's positions in safeguarding China's core interests including Hong Kong, Taiwan and Xinjiang."²⁶²

By displaying a favourable position vis-à-vis China, Belgrade might also look to replace Russia as guarantor of its territorial integrity in the UN.²⁶³ With growing Western pressure to distance itself from Russia due to the invasion of Ukraine, Serbia is inclined to shift its focus more toward China.²⁶⁴ Being opposed to Kosovo's secession and one of five permanent members of the UN Security Council, Belgrade hopes to gain an equally vocal defender of its interests in China.²⁶⁵ However, the communist party seems reluctant to actively engage in local disputes in the Balkans as this would go against one of its foreign policy ideals, namely non-interference in each other's internal affairs.²⁶⁶ Although a supporter of the UN resolution 1244, Beijing has repeatedly called on the EU-chaired Belgrade-Pristina dialogue as a forum for finding a peaceful solution to the Kosovo question.²⁶⁷ A China which were to actively lobby for Serbia's interests in the Kosovo dispute seems unrealistic from today's point of view. Unlike Russia, who uses it as active leverage for its policy in Serbia, China opposes the Kosovo independence mostly because of its own interests.

²⁵⁸ European Commission. (2021). *Commission Staff Working Document: Serbia 2021 Report*, 7.

²⁵⁹ European Commission. (2012). *Commission Staff Working Document: Serbia 2012 Progress Report*, SWD (2012) 333 final, Brussels, 62.

²⁶⁰ Makocki, M. (2017).

²⁶¹ Council of the European Union. (2020). *Declaration of the High Representative on behalf of the European Union on the adoption by China's National People's Congress of a National Security Legislation on Hong Kong*. Accessed 15 June 2022.

²⁶² Ministry of National Defense of the People's Republic of China. (2021). *Serbian President meets Chinese Defense Minister*, accessed 15 June 2022.

²⁶³ Vuksanovic, V. (2020). In Serbia, the Chinese Trojan Horse Tactic Works – For Now. *China Observers in Central and Eastern Europe*, accessed 18 June 2022.

²⁶⁴ Menshikov, M. (2022). Pressured by the West Over Russia, Serbia May Look To China. *Balkan Insight*, accessed 10 June 2022

²⁶⁵ Vuksanovic, V. (2021a), 6.

²⁶⁶ Vangeli, A. (2020), 207; Vuksanovic, V. (2021), 7.

²⁶⁷ Vangeli, A. (2020), 211.

Another area in which Serbia and China display growing ties is the security sector. Besides receiving substantial donations for its military from China, the Serbian government also purchased Chinese military and defence equipment, which is characteristic of its defence policy. Similar to its foreign policy doctrine, Belgrade tries to maintain a balance by acquiring military equipment from both its Western and non-Western partners. So far China has delivered one Chinese FK-3 air defence surface-to-air missile system, as well as six CH-92A drones.²⁶⁸ With the purchase of drones, China was able to export its military aviation equipment to a European country for the first time.²⁶⁹ The deal came along with a technology transfer, which will help Serbia develop its own drone project called ‘Pegaz’, possibly making it the first drone producer in the Balkans.²⁷⁰ While Belgrade is looking for new opportunities to modernize its outdated defence systems, Beijing is interested in gaining a foothold in the European defence market. Although China’s ambitions are limited by the European arms embargo following the violent suppression of the Tiananmen protests, it seeks to establish security partnerships in the region in the hope that this will eventually allow them to enter the European market; as an EU candidate state, Serbia is regarded as the perfect stepping stone for Beijing’s aspirations.²⁷¹ On the Serbian side, the growing military cooperation is also seen as a way to increase the government’s bargaining power vis-à-vis Brussels.²⁷²

Furthermore, the Serbian leadership cooperates with the Chinese leadership and technology enterprises for the establishment of a national security strategy. In 2019, the Serbian Interior Ministry announced that it had acquired some 1000 surveillance cameras from Huawei, which are expected to be installed in over 800 locations in Belgrade as part of the Safe City project.²⁷³ However, both Huawei and the Ministry of Interior remain secretive about the content of the agreement, the exact number and locations of the cameras.²⁷⁴ The use of this technology is highly controversial among EU member states as it is based on advanced facial and license plate recognition. Human rights organizations fear that public authorities could systematically

²⁶⁸ Vuksanovic, V. (2021a), 13-14.

²⁶⁹ Vuksanovic, V. (2021b). Chinese Drones in Serbian Skies. *Royal United Services Institute*, accessed 15 June 2022.

²⁷⁰ Sebastien Roblin, S. (2020). Missile-Armed Chinese Drones Arrive In Europe As Serbia Seeks Airpower Edge. *Forbes*, accessed 22 June 2022.

²⁷¹ Vuksanovic, V. (2022). Serbia’s Arms Deals Show It’s Tilting Away From Russia and Toward China. *Foreign Policy*, accessed 19 June 2022.

²⁷² Vuksanovic, V. (2021a), 14.

²⁷³ Vuksanovic, V. (2021a), 11.

²⁷⁴ *Ibid.*, 12.

spy on their population, which could threaten fundamental rights and political freedoms.²⁷⁵ Although there is a common EU approach towards Huawei, many member states remain very sceptical about the tech giant, especially in regard to the rollout of 5G networks. The fact that Huawei has strong links with the Chinese state is seen as a possible security threat.²⁷⁶ The company's presence in Serbia is strong, as demonstrated by the opening of an Innovation and Development center in Belgrade in 2020.²⁷⁷ While the extent of Huawei's involvement in Serbia's 5G network development is not yet foreseeable, further intensification of relations could become problematic for Belgrade if the European Union decides to adopt a common response to the perceived security threat.

In conclusion, China and Serbia have developed intense political relations since 2008. It was the year in which Kosovo declared its independence and the global economic crisis erupted. With the perspective of EU accession becoming more uncertain, Serbia entered into a strategic partnership with China and declared it as one of the four pillars of its foreign policy. For Belgrade it was a way to attract new capital and signal to the EU that it had other geopolitical options. The two states have managed to forge ties through the 16+1 platform, which acts as a multilateral forum for the implementation of China's Belt and Road Initiative. Serbia has become Beijing's key partner in the region, due to its attractive geographical position within the BRI. As such, Belgrade has implemented several large-scale projects in cooperation with the PCR. Given the economic interests at stake, Beijing sees Serbia's EU integration as a benefit for its political stability and has therefore no intention to dissuade it from integrating into the EU. However, with the large-scale investments China indirectly exerts normative influence. The spill-over of its norms and values have the potential to undermine democratic transformation and delay Serbia's EU accession process. The growing economic ties are also seen as the reason behind Serbia's refusal to align with EU declarations aimed against China. Belgrade openly supports Chinese positions in Hong Kong and Xinjiang, which are viewed critically by the EU. When it comes to Kosovo, Belgrade welcomes China's veto in the UN against the Kosovo independence. Even so, China does not use it as leverage in their political

²⁷⁵ Delbos-Corfield, G. (2022). Surveillance technology on the rise in Serbia – A threat to human rights? *European Western Balkans*, accessed 15 June 2022.

²⁷⁶ Noyan, O. (2021). EU countries keep different approaches to Huawei on 5G rollout. *Euractive*, accessed 15 June 2022.

²⁷⁷ Dragoljo, S. (2020). China's Huawei Opens Tech Centre, Consolidating Presence in Serbia. *Balkan Insight*, accessed 15 June 2022.

relations. Although Serbia might seek to replace Russia as defender of its territorial integrity, Beijing is reluctant to take such a position.

6.2. Economic cross-conditionality

China's and Serbia's economic relations have reached a historic high throughout the last decade. Their intense cooperation started in the year 2008 when the global economic crisis erupted. Given the repercussions the crisis had on the European Union, enlargement became an uncertain path for Serbia.²⁷⁸ By diversifying its economic partnerships, the country sought to attract new sources of investments and at the same time raise its leverage vis-à-vis the European Union.²⁷⁹ The formal foundation of Chinese-Serbian relations was set with the signing of a strategic partnership and an agreement on economic and technological cooperation in infrastructure development in 2009.²⁸⁰ With the Chinese announcement regarding the establishment of the diplomatic platform 16+1 in 2011 and the Belt and Road Initiative in 2012, the economic cooperation further intensified.²⁸¹

So far, China has extended its economic footprint in Serbia into the infrastructure, energy and industrial sectors.²⁸² One of the common projects was the construction of the Pupin bridge in Belgrade, completed in 2014. The bridge was substantially financed by loans from China's Export-Import Bank and constructed by the state-owned company China Road and Bridge Corporation.²⁸³ It was China's first major infrastructure project built on the European continent.²⁸⁴ Similarly, Beijing is currently financing and constructing parts of the Belgrade-Budapest railway in Serbia, which is considered as one of the most prestigious projects of the BRI in the region.²⁸⁵ In the energy sector, the Chinese state and development banks agreed to finance new units in two coal-fired power plants in Kostolac²⁸⁶ and Kolubara²⁸⁷. Belgrade's attempts to privatize some of the states indebted industrial companies also attracted Chinese

²⁷⁸ Vuksanovic, V. (2021a), 6.

²⁷⁹ Ibid., 5-6.

²⁸⁰ Barlovac, B. (2009). China and Serbia Boost Strategic Partnership. *Balkan Insight*, 21 August 2009, accessed 15 June 2022.

²⁸¹ Vangeli, A. (2020), 208-210.

²⁸² Hartwell, C. & Sidlo, K. (2017), 23.

²⁸³ Vuksanovic, V. (2021a), 7.

²⁸⁴ OECD. (2018). *China's Belt and Road Initiative in the Global Trade, Investment and Finance Landscape*. Accessed 15 June 2022.

²⁸⁵ Brinza, A. (2020). China and the Budapest-Belgrade Railway Saga, *The Diplomat*, 12 April 2020, accessed 15 June 2022.

²⁸⁶ Serbia, China Sign \$345 Mln Power Plant Deal. (8 December 2010). *Reuters*, accessed 15 June 2022.

²⁸⁷ China to Help Serbia Build 350 MW Coal-Fired Power Plant-Media. (14 December 2014). *Reuters*, accessed 15 June 2022.

interest. Two of Serbia's major industrial assets, the Steel Mill in Smederevo close to the capital, as well as the country's sole copper mine RTB in Bor in Eastern Serbia are now owned by Chinese state-owned enterprises (SOEs).²⁸⁸

As a geographically well-located country, its status as EU candidate state and being the biggest economy in the Western Balkans, Serbia fulfils several purposes for Beijing.²⁸⁹ First, Serbia acts as a logistical corridor in China's Belt and Road Initiative (BRI). By financing several infrastructure projects in Serbia, China seeks to connect the Chinese-controlled Piraeus port in Greece to Central European markets. Second, by being involved in large infrastructure projects, Chinese construction companies can build a reputation which can later be used to compete in the EU market; the Belgrade-Budapest railway for example will be constructed based on European engineering standards, whose conformity will be supervised by European certification bodies.²⁹⁰ This helps Chinese constructors gain important experience, which will boost its competitiveness in the EU market.²⁹¹ Third, the Serbian market is seen as an opportunity for China's overcapacity in the industrial sector. Using its own technology and work force helps China sell its domestic surplus in the steel, cement and coal industries.²⁹²

While the BRI is constituted as an infrastructure development strategy, the funding that the PCR provides to BRI-participating countries is not to be classified as development assistance per se.²⁹³ It is based on direct state-to-state lending on favourable terms, such as low interest rates, long repayment periods and is free of explicit political conditionality. This means that the loans involve repayment by the Serbian government.²⁹⁴ At the same time, the PCR is also present through direct foreign investments, meaning that Chinese SOEs acquire stakes in Serbian companies. Such was the case with the steel mill and the copper mine.²⁹⁵ For the Serbian government, Chinese loans are an easy alternative to credits from Western institutions like the International Monetary Fund (IMF) or the EU, which are often tied to painful reforms.²⁹⁶ Another major advantage is that Beijing's funding is less complicated to obtain.

²⁸⁸ Vuksanovic, V. (2021a), 9.

²⁸⁹ Vangeli, A. (2020), 210.

²⁹⁰ Makocki, M. (2017).

²⁹¹ Ibid.

²⁹² Tonchev, P. (2017), 1.

²⁹³ Hartwel, C. & Sidlo, K. (2017), 23.

²⁹⁴ Ibid.

²⁹⁵ Ibid.

²⁹⁶ Garcevic, V. (2018).

Although EU funding is overall cheaper, as it is often based on grants rather than loans, the bureaucratic rules to obtain them often challenge local administration.²⁹⁷

Chinese economic presence in Serbia raises several concerns with regard to its European path. Building on China's own developmental experience, which pledges that infrastructure is a prerequisite to economic advancement, the Western Balkan governments follow the logic 'borrowing from the future', a term created by China.²⁹⁸ But this approach is contrary to the neoliberal thinking, in which public projects also need to follow a logic of cost-benefit calculations. While development banks base their decision over grants and loans on feasibility studies, which need to be economically viable, this procedure is not followed when it comes to investments made by China.²⁹⁹ The projects are often decided on the political levels and are therefore based on the decision of the government rather than on profound feasibility studies. Often, Western Balkan states inflate traffic forecasts in order to legitimize railway and highway infrastructure projects, in some cases contrary to the traffic forecasts provided by the EU.³⁰⁰

This means that Serbia may find itself in a 'debt-trap', such as was demonstrated by neighbouring Montenegro, where the Chinese financed construction of a highway led to substantial fiscal problems.³⁰¹ A widespread concern is also that the Chinese government could pressure countries with repayment problems to transfer ownership of critical infrastructure. One frequently cited example by critics is the Sri Lankan case of the port of Hambantota. As the country faced an economic crisis due to high debt, it agreed to transfer a 70% share of the port to a Chinese SOE for a period of 99 years, in exchange for additional funding from Beijing.³⁰²

But there are also voices which refute the argument that China is systematically using a 'debt-trap diplomacy'. A study from the Rhodium Group shows that the seizing of assets is not part of China's economic policy per se.³⁰³ It is rather to be seen as a consequence of economic and political mismanagement of the given countries and their willingness to take large loans.³⁰⁴ Besides Sri Lanka, only one other case is suspected of having been subject to land transfer in

²⁹⁷ Makocki, M. (2017).

²⁹⁸ Vangeli, A. (2020), 216.

²⁹⁹ Makocki, M. (2017).

³⁰⁰ Ibid.

³⁰¹ Ibid.

³⁰² Tn, N. (2022). China's 'Debt-Trap Diplomacy' Played Role in Pakistan, Sri Lanka Crises. But It's Not the Cause. *ThePrint*, accessed 9 April, 2022.

³⁰³ Kratz, A., Feng A., Wright, L. (2019). New Data on the 'Debt Trap' Question. *Rhodium Group*, accessed 20 June 2022

³⁰⁴ Tn, N. (2022).

exchange for a debt release.³⁰⁵ In many cases, Beijing has shown willingness to renegotiate or fully write-off the debts.³⁰⁶ Even so, it is difficult to have a transparent picture of China's practices as open source documents are hardly available due to the opacity of the agreements.³⁰⁷

Another implication of Chinese funded infrastructure projects is that the loans are tied to the involvement of Chinese state-owned enterprises.³⁰⁸ Presenting the projects as being of strategic importance allows the Serbian government to pass special legislation which circumvents the country's public tender laws.³⁰⁹ Instead, contracts with Chinese construction companies are concluded in bilateral agreements which are rarely disclosed, leaving no room for transparency.³¹⁰ According to EU law, the implementation of projects financed with public money is supposed to pass a tendering procedure. Having the status of an EU candidate state, Serbia is not per se bound to abide by EU law for public spending and the European Union has no legal means to reinforce it.³¹¹ Although, Serbia is expected to align with the EU acquis. Chinese loans can therefore have negative implications for efficient government spending.³¹²

The opacity behind these mechanisms can also encourage corruption, as demonstrated in the case of the Kicevo-Ohrid highway in North Macedonia.³¹³ Leaked wiretaps of a conversation on in the highest political level suggested that China's state company Sinhydro was willing to pay bribes in order to gain the contract for the construction of the highway.³¹⁴ With these alleged practices, China is seen as an actor who could exacerbate the already high level of corruption in the region.³¹⁵

Beijing's financing of coal-fired energy sources also has the potential to hamper compliance with EU's environmental standards.³¹⁶ While the European development banks have refused to grant loans for the construction of new coal power plants, China has not hesitated to do so.³¹⁷

³⁰⁵ Tajikistan has given 1,158 square km of land to China in 2011, though the circumstances of the transfer are not clear.

³⁰⁶ Kratz et al. (2019).

³⁰⁷ Ibid.

³⁰⁸ Vangeli, A. (2020), 215.

³⁰⁹ Ibid., 216.

³¹⁰ Makocki, M. & Nechev, Z. (2017). Balkan Corruption: The China Connection, *European Union Institute for Security Studies*, accessed 25 June 2022.

³¹¹ Vangeli, A. (2020), 216.

³¹² Makocki, M. & Nechev, Z. (2017).

³¹³ Vangeli, A. (2020), 215; Makocki, M. & Nechev, Z. (2017).

³¹⁴ Vangeli, A. (2020), 222.

³¹⁵ Larsen, H. (2020), 3.

³¹⁶ Ibid.

³¹⁷ Vuksanovic, V. (2021a), 9.

As such, China increases the risk for Serbia, which relies on coal for 70% of its electricity production, to remain locked in high-emissions energy systems for several decades.³¹⁸ As an EU candidate state, the country is legally bound to align and implement the EU Energy acquis³¹⁹, involving the commitment to gradually reduce greenhouse gas emissions and achieve climate neutrality by 2050, among others.³²⁰ Although the energy development path remains in the hands of the Serbian political leadership, it can be argued that China's willingness to finance these types of energy sources conflicts with the EU's energy agenda and Serbia's obligations as an aspiring EU member state.³²¹

In the same manner, Chinese direct investments in the country are associated with violations of environmental regulations.³²² Ever since Chinese SOEs acquired the steel mill in Smederevo and the copper mine in Bor, the air quality in the two cities deteriorated drastically.³²³ Several civil society organizations have pointed out that the two facilities do not follow the EU pollution control standards and are subject to weak or non-existent environmental studies.³²⁴ While the two cities have always had problems with pollution due to heavy industries, the extent of such problems substantially increased ever since the new investors took over the assets.³²⁵ However, critics say that the pollution problems stem from the higher production capacity, which was promised to the Chinese investors by the Government of Serbia. In the same manner, Serbian authorities in some cases deliberately ignore the breaches of environmental laws, putting economic above environmental interests.³²⁶ Although this practice is generally used to please foreign investors in Serbia, it shows that Beijing is ready to use its privileged position in circumventing laws and regulations.³²⁷

³¹⁸ The debacle of Chinese financed Kostolac B3 coal-fired power station in Serbia. (21 February 2021). *Just Finance International*, accessed 29 June 2022.

³¹⁹ Ibid.

³²⁰ Energy Community. (2020). *General Policy Guidelines on the 2030 Targets and Climate Neutrality for the Energy Community and Its Contracting Parties* (MC_27_11_2020_Annex 20).

³²¹ Energy Transition in Serbia Kicks off - Challenges in Planning, Implementation. (3 June 2021). *Balkan Green Energy News*, accessed 25 June 2022.

³²² Makocki, M. & Nechev, Z. (2017).

³²³ Shehadi, S. (2021). My Laundry Turns Yellow Outside': How Chinese Investment Is Polluting a Serbian Town. *Investment Monitor*, accessed 20 June 2022.

³²⁴ Prtoric, J. (2021). Backing Serbian Coal, China Undermines Pledge to Combat Climate Change. *China Dialogue*, accessed 22 June 2022.

³²⁵ Prelec, T. (2021). Eco-Monsters & Eco-Fighters: China's Investments in Serbia's Heavy Manufacturing Industry as Seen through an Environmental Lens. Prague Security Studies Institute, 14.

³²⁶ Prelec, T. (2021), 14.

³²⁷ Radlovacki, G. (2021). Foreign Investments and Domestic Laws – the Case of Chinese Companies. *Masina*, accessed 22 June 2022.

However, when nationwide environmental protests emerged in April 2021, both the Serbian government as well as Chinese companies took some positive measures towards energy transition.³²⁸ While Belgrade cancelled the planned construction of one of the two coal power plants, Kolubara B³²⁹, Xi Jinping announced that China will stop building new coal energy systems.³³⁰ Also, a positive development can be seen in the recent announcement by the Zijin Mining Group to use more environmentally friendly technology in new copper mines in Bor in order to comply with EU standards.³³¹

There is another example of law adjustment that the Serbian government was ready to make in order to court Chinese investors. In 2018, as part of a bilateral agreement, Serbia agreed to suspend its labour law for Chinese workers for the first five years of their stay.³³² This puts workers employed in Chinese SOEs into an unfavourable position, which two examples demonstrate. The Balkan Investigative Reporting Network found that Chinese workers' rights were seriously breached in the RTB Bor copper mine.³³³ Similar claims were made by Vietnamese workers, who are in charge of building a Chinese tyre factory in the Serbian town Zrenjanin.³³⁴ There are allegations that labour and human rights are violated, by forced work, retention of passports and restriction of free movement.³³⁵ Workers employed in one of the two sites also claim to be experiencing difficult living conditions, with little space in their dormitories and insufficient hygienic conditions.³³⁶ Due to the suspension of the law, Serbia's labour inspectorate has limited rights to investigate the allegations.³³⁷ The European Parliament adopted a resolution in which it demands an investigation of these allegations and calls the EU candidate to comply with EU labour law and with obligations from International Labour

³²⁸ Massive Protests in Serbia against Rio Tinto's Lithium Mining Ambition, Pollution. (29 November 2021). *Balkan Green Energy News*, accessed 23 June 2022.

³²⁹ Energy Transition in Serbia Kicks off - Challenges in Planning, Implementation. (3 June 2021). *Balkan Green Energy News*, accessed 25 June 2022.

³³⁰ China Pledges to Stop Building New Coal Power Plants Abroad. (22 September 2021). *Balkan Green Energy News*, accessed 23 June 2022.

³³¹ Chinese Company Opens Massive Eco-Friendly Mine in Serbia. (23 October 2021). *Xinhuanet*, accessed 23 June 2022.

³³² Radlovacki, G. (2021).

³³³ Dragoljo, S. (2021). 'Like Prisoners': Chinese Workers in Serbia Complain of Exploitation. *Balkan Insight*, accessed 26 June 2022.

³³⁴ Vietnamese Workers at Chinese Factory in Serbia Cry for Help. (20 November 2021). *Voice of America News*, accessed 27 June 2022.

³³⁵ Dragoljo, S. (2021).

³³⁶ Ibid.

³³⁷ Ibid.

Organization conventions.³³⁸ With such methods, China is creating a loophole in Serbia's legal system, which negatively affects the country's compliance with EU norms and values.

Although China is increasing its economic footprint in Serbia, the European Union's economic importance for the country is considerably higher, when it comes to both trade and foreign direct investments (FDI). 60% of Serbia's trade flows are with the European Union, while China's share accounts for only 9%.³³⁹ At the same time, Serbia displays a relatively high trade deficit with the country. While 13% of Serbia's imports come from China, only 3,8% of Serbian exports go to its Asian partner.³⁴⁰ Though Serbian exports to China have risen since 2019, a substantial part of the rise in exports consists of copper from the mine in Bor, which is in Chinese ownership.³⁴¹ Other exported products are unprocessed raw materials such as wood and tobacco. As these products are further processed in China and not in Serbia, rising exports have a limited positive effect on the Serbian economy.³⁴² Imports from China, in contrast, concern rather high-value products such as machinery and telecommunication equipment³⁴³, which further contribute to a trade deficit.

The FDI's show a similar pattern. Over the past decade (2009-2020), almost 70% of foreign direct investment came from EU companies, while Chinese companies account for little above 4%.³⁴⁴ However, it is not Chinese FDI's that make up the majority of China's investments in Serbia, but the loans that it provides. While it is difficult to have an exact number of total loans, due to the opacity of the agreements, estimates suggest that it exceeds 7 billion Euros.³⁴⁵ Experts estimate that this sum represents 80% of China's total investment in the Western Balkans.³⁴⁶

However, China's investments in Serbia have a limited effect on the economy. Research from the Centre for Strategic and International Studies show that in the period from 2012 to 2020,

³³⁸ Dragoljo, S. (2021). Resolution Voices Concern over Forced Labour in Serbia, Environment Protests. *Balkan Insight*, accessed 27 June 2022.

³³⁹ Own calculations based on numbers from EU Delegation to the Republic of Serbia Website, FDIs to Serbia 2020.

³⁴⁰ Own calculations based on numbers from EU Delegation to the Republic of Serbia Website, FDIs to Serbia 2020.

³⁴¹ Janjic, M. (2021). Razvoj Trgovinskih Odnosa Sa Kinom Kao Odras Ekonomskog Napretka Srbije. *Centar za evropske politike*, accessed 28 June 2022.

³⁴² Janjic, M. (2021).

³⁴³ Hartwell, C. & Sidlo, K. (2017), 29.

³⁴⁴ EU Delegation to the Republic of Serbia. (n.d.). *FDIs to Serbia 2020*, EU in Serbia Website, accessed 17 April 2022.

³⁴⁵ Tamas, M. (2021). Chinese Investment in Central and Eastern Europe. *Central and Eastern European Center for Asian Studies*, accessed 29 June 2022.

³⁴⁶ Rankovic, R. (2021). China Grows Balkan Investments by Asking Less than EU, Say Experts. *Voice of America*, accessed 29 June 2022.

93% of projects in the Western Balkans involving Chinese funding were implemented by Chinese contractors or suppliers.³⁴⁷ Considering the fact that Chinese companies, workers, standards and materials are used for the construction, the involvement of local companies and workers is relatively low.³⁴⁸ Thus, the Serbian economy does not profit from construction of infrastructure to the extent government officials claim they do.

To sum up, economic relations between China and Serbia can be described as intense. Their economic cooperation started in 2009 and was further strengthened due to China's Belt and Road Initiative, in which Serbia takes an important role. As such, Serbia has received loans for large infrastructure projects in the country. Chinese funding represents an easy alternative to EU funds, as they are not tied to conditions. Although EU funding is provided on more favourable terms, it is also more difficult to obtain. For projects with Chinese funding, several EU conditions were not implemented or respected. Decisions about implementation are taken on the political levels and in bilateral agreements, which make the circumvention of laws possible. For example, no feasibility studies are carried out to assess profitability, which increases the risk of high debt-burdens and a possible loss of critical infrastructure. Contracts are also awarded directly to Chinese constructors instead of being chosen by means of public tenders. Chinese economic involvement has also been problematic in the environmental sector. Its readiness to provide funding for the extension of coal-fired power plants is seen as a contradiction to Serbia's commitment to transition to greener energies. Chinese foreign direct investments in the country are also associated with violations of environmental regulations and labour rights. Given the large sums involved, Serbia is ready to ignore EU legislation in order to court the foreign investor. Although the EU remains the most important trade partner and the largest source of foreign direct investment, China is expanding its economic footprint in the country, often so at the expense of EU conditionality.

6.3. Societal cross-conditionality

The political and economic links between China and Serbia have also spilled over into closer social and cultural ties. Within the 16+1 platform, China has also defined the aim of closer cooperation in culture, education, and tourism between the participating countries.³⁴⁹ While it

³⁴⁷ Conley, H., Hillman, J., Mccalpin, M., Ruy, D. (2020b). China's 'Hub-And-Spoke' Strategy in the Balkans. *Center for Strategic and International Studies*, 12.

³⁴⁸ Conley, H. et al. (2020a), 11.

³⁴⁹ University of Novi Sad. (2017). *16+1: Two International High-Rank Conferences at the University of Novi Sad*. Accessed 29 June 2022.

is praised to be beneficial to both parties, China's main intent with this policy is to increase its soft power in the region.³⁵⁰

China has been active in the education sector by financing research projects in the CEE countries participating in the 16+1 platform. In an attempt to spread a positive image in the region, Beijing is providing funds to think tanks with a geopolitical orientation in its favour. The country is also facilitating the participation of scholars in Chinese research networks and organizes regular expert conferences in CEE.³⁵¹ On the political level, Beijing created a higher education policy dialogue, which regularly brings ministers of education of China and CEE countries together in order to coordinate education policies.³⁵² Serbia was the host of such a conference in 2017, with the 5th Higher Education Policy Dialogue held in the Serbian city Novi Sad.³⁵³

Beijing is also expanding its network of language training centers. Belgrade and Novi Sad are now hosting two Confucius Institutes, opened in 2004 and 2014 respectively³⁵⁴. Additionally, the first Chinese cultural center in the Balkans is currently under construction in Belgrade. It is being built on the grounds of the former Chinese embassy, which was accidentally bombarded by NATO forces in 1999³⁵⁵, thus carrying large symbolic power.

Also, the exchange between Serbian and Chinese citizens has been growing. Due to the two government's decision to implement a mutual visa-free regime in 2017, Serbia saw a rise of 173% in Chinese tourists in the first year of its establishment.³⁵⁶ As a consequence, and because of the growing cooperation in the security sector, Serbian and Chinese police established joint patrols in Serbian cities in order to assist their citizens if needed.³⁵⁷

While China is attempting to build soft power through public diplomacy efforts, its positive image in the public is largely promoted by the Serbian political elite. Chinese funding of new projects is used to boost economic growth while helping the ruling elite to win elections.³⁵⁸ Due to China's flexible model, projects in cooperation with the second largest world economy are

³⁵⁰ Vuksanovic, V. (2021a), 16.

³⁵¹ Vangeli, A. (2020), 213.

³⁵² University of Novi Sad (2017).

³⁵³ University of Novi Sad (2017), Vangeli, A. (2020), 213.

³⁵⁴ Cvetkovic, L. & Zivanovic, M. (2021). China Deepens Its Balkans Ties Using Serbian Universities. *RadioFreeEurope/RadioLiberty*, accessed 30 June 2022.

³⁵⁵ The Chinese Cultural Center Is Being Built in Belgrade. (29 August 2017). *Belgrade Beat*, accessed 30 June 2022.

³⁵⁶ Vangeli, A. (2020), 213.

³⁵⁷ Vuksanovic, V. (2021a), 12.

³⁵⁸ Makocki, M. (2017).

often announced in line with political cycles.³⁵⁹ The promise of new investments and hence jobs are well received amongst the Serbian voters³⁶⁰, who struggle with high unemployment. Serbian media and politicians often present China as a generous donor to the public, not differentiating between investments and loans.³⁶¹ Many are not aware that large-scale projects also mean an increase of public debt. Instead, the positive image of China is reinforced. Although projects funded by the European Union are larger in number, those financed by China reach a wider public due to good marketing.³⁶²

This positive narrative about China is also used to cover the degradation of the rule of law.³⁶³ Due to lack of transparency of most of Serbian-Sino agreements, the public has no possibility to access information and get a complete overview. For instance, the price for the purchase of medical equipment and vaccines from China during the COVID-19 pandemic were never disclosed. Vucic depicted the purchases as being below the market price and argued that their scope could not be disclosed in order to protect China.³⁶⁴ At the same time, this mechanism helps the ruling elite to consolidate its power. Serbian President Vucic often portrays China's loans, investments and help as a consequence of his personal close relationship with Xi Jinping.³⁶⁵

The spread of a positive image of China by Serbian media and politicians reached new heights during the COVID-19 crisis. For the first time, the term "brotherhood", until then reserved for Russia, was used to characterize relations with China.³⁶⁶ These new narratives are not the result of an organized Chinese campaign but rather pushed by the Serbian political leadership through pro-government media.³⁶⁷ The ruling elite is associated with strong influence on the domestic media, which act as a transmitter of its political messages. A study of the Belgrade Centre for Security Policy found that in the period between March and August 2020, 54% of published articles on external medical help during the COVID-19 crisis mentioned China. In comparison, only in 20% of articles mentioned the help from the European Union in the same period. More

³⁵⁹ Ibid.

³⁶⁰ Conley, H. et al. (2020a), 5.

³⁶¹ Conley, H. et al. (2020a), 5; Vuksanovic, V. (2021a), 9.

³⁶² Makocki, M. (2017).

³⁶³ Vuksanovic, V. (2022). *Rusija I Kina, Prijatelji I Braća Zarobljene Države – Analiza Narativa U Funkciji Zarobljavanja Države. Belgrade Centre for Security Policy*, 9.

³⁶⁴ Vuksanovic, V. (2022), 10.

³⁶⁵ Ibid., 12.

³⁶⁶ Steric, L. & Bjelos, M. (2021). *Bajka Na Papiru I Čelično Prijateljstvo – Narativi O Spoljnopolitičkim Partnerstvima Srbije Tokom Pandemije. Belgrade Centre for Security Policy*, 4.

³⁶⁷ Vuksanovic, V. (2022), 12.

strikingly, two thirds of all published new stories used a positive tone when it came to Chinese help. The European Union, in contrast, was mostly depicted negatively, namely in two thirds of published articles.³⁶⁸ The negative reporting was connected to the EU's temporary ban on exports of medical equipment outside the Union.³⁶⁹ This was used by government officials and media to construct an image of Serbia being forgotten and deceived by its Western partners. As such, China was used to show domestically that the government was able to handle the health crisis by forging connections with a new ally from the East.³⁷⁰ No doubt, this was also done in an attempt to put pressure on the West.

In a widely broadcast press conference on 15 March 2022, in which Vucic announced a state of emergency, he criticized the European Union's lack of solidarity in the health crisis.³⁷¹ The announcement of export restrictions for protective medical equipment by the European Commission President Ursula von der Leyen the same day³⁷², caused an emotional reaction of the Serbian president. He declared that "European solidarity does not exist. That was a fairy tale on paper. I sent a special letter to the only ones who can help, and that is China".³⁷³ He continued "I sent a letter where for the first time [...] I officially called him not only a dear friend but also a brother [...] of this country"³⁷⁴. The Serbian president explained that in exchange for deliveries of necessary material and personnel to fight the pandemic, he promised Xi Jinping Serbia's "centennial and strong as steel friendship".³⁷⁵ Though he acknowledged that the EU Member States had a lack of medical equipment themselves, he made the ban responsible for Serbia's turn towards China.³⁷⁶

When the first airplane with Chinese experts and medical equipment landed in Belgrade's Nikola Tesla airport, it was greeted by the Serbian President Aleksandar Vucic³⁷⁷, who in

³⁶⁸ Steric, L. & Bjelos, M. (2021), 5.

³⁶⁹ Simic, J. (2020). Serbia Turns to China due to 'Lack of EU Solidarity' on Coronavirus. *Euractive*, accessed 30 June 2022; Walker, S. (2020). Coronavirus Diplomacy: How Russia, China and EU Vie to Win over Serbia. *The Guardian*, accessed 1 July 2022.

³⁷⁰ Steric, L. & Bjelos, M. (2021), 4-5.

³⁷¹ Walker, S. (2020).

³⁷² Bayer, L. i et al. (2020). EU Moves to Limit Exports of Medical Equipment Outside the Bloc. *Politico*, accessed 1 July 2022.

³⁷³ Simic, J. (2020).

³⁷⁴ Uživo - Obraćanje Naciji Predsednika Srbije Aleksandra Vučića O Uvođenju Vanrednog Stanja. (15 March 2020). *Tanjug News Agency Official*, Press Conference by the President of Serbia Aleksandar Vucic, accessed 1 July 2022, 40:00.

³⁷⁵ Simic, J. (2020).

³⁷⁶ Uživo - Obraćanje Naciji Predsednika Srbije Aleksandra Vučića. (15 March 2020), 40:35.

³⁷⁷ The Government of the Republic of Serbia. (2020). *Airplane with Medical Equipment from China Lands at Belgrade Airport*. Accessed 1 July 2022.

gratitude even went as far as to kiss the Serbian and Chinese flags.³⁷⁸ The medical packages delivered by China were labelled with the two country's flags in the shape of a heart as well as the inscription in both languages "Steel friendship, we share good and bad".³⁷⁹ Similar messages such as 'Thank you brother Xi', or "Iron Friends, Together In Good And Evil!"³⁸⁰ were put on large billboards all over Belgrade, often in the proximity of state buildings. These banners were financed by media close to the government and city authorities.³⁸¹

The EU's High Representative for Foreign Affairs and Security Policy Josep Borell expressed astonishment about the pro-Chinese messages in Belgrade, noting that "I have never seen a billboard saying 'Thanks to the EU for the help it has been providing us'. And we have been providing a lot of help to Serbia and other countries of the Balkans."³⁸² Indeed, the EU's assistance to Serbia in the health sector is much more important than that of China.³⁸³ Serbia has also been granted financial help by different EU initiatives in order to tackle consequences of the Covid-19 crisis.³⁸⁴

The subsequent vaccine policy was treated in a more balanced way, both from the media as well as government representatives. The media space and tone of reporting was much more subtle, indicating the government's effort to encourage vaccination and oppose anti-vaccination movements.³⁸⁵ Interestingly, the Serbian vaccine policy reflected its geopolitical balancing act. The Serbian government purchased vaccines from different global actors. In an interview with Serbian media, the President of the National Assembly Ivica Dacic commented that there was "an agreement that the President, the Prime Minister and I get different vaccines. I got the Russian [one]."³⁸⁶ Indeed, Serbian President Vucic opted for the Chinese Sinopharm vaccine³⁸⁷, while the Prime Minister was reported to receive the BioNTech/Pfizer vaccine³⁸⁸. However,

³⁷⁸Keith, Z. & Vasovic, A. (2020). To Belgrade and Beyond: Beijing Exports China Model of Virus Management. *Reuters*, accessed 2 July 2022.

³⁷⁹ The Government of the Republic of Serbia. (2020).

³⁸⁰ Chapple, A. (2020). Public Displays of Affection? Chinese Signage in Serbia Sparks EU Ire. *RadioFreeEurope/RadioLiberty*, accessed 2 July 2022.

³⁸¹ Walker, S. (2020).

³⁸² Borrell: It Is Funny How Only China Receives Billboards of Gratitude in Serbia. (21 April 2020). *European Western Balkans*, accessed 2 July 2022.

³⁸³ Conley et al. (2020a), 11.

³⁸⁴ European Commission. (2021). *EU Support to Western Balkans in Tackling COVID-19*. Accessed 2 July 2022.

³⁸⁵ Steric, L. & Bjelos, M. (2021), 9.

³⁸⁶ On Je Prvi Srpski Političar Koji Će Primiti Rusku Vakcinu. (5 January, 2021). *Informer*, accessed 2 July 2022, cited in Steric, L. & Bjelos, M. (2021), 11.

³⁸⁷ Vuksanovic, V. (2022), 13.

³⁸⁸ Stojanovic, B. (2021). Predsednica Vlade Srbije Primila Drugu Dozu Vakcine Protiv Koronavirusa. *Anadolu Agency*, accessed 3 July 2022.

some vaccines were promoted more than others. In several interviews with domestic and Western media, Vucic suggested that the Sinopharm vaccine had the least side effects among all vaccines and that some vaccines from the East were safer than those from the West.³⁸⁹

Ever since China is using its ‘mask diplomacy’ to win over hearts in Serbia, the EU has also been working on strengthening its public image in the country. The EU delegation in Serbia has sought to emphasize that the EU has provided 200 million in donations and 250 million in loans for the Serbian health care system throughout the last two decades.³⁹⁰ A European diplomat pointed to China’s growing image in Serbia by saying “In times of crisis, a plan with emergency materials may have a big public effect but the structural work in the health sector for many years is easily forgotten.”³⁹¹ Experts suggest that this public display of affection towards Xi Jinping and China in general is aimed more at the EU, showing that the country has other geopolitical options besides the EU.³⁹²

Vucic also had some praising words for the European Union’s work ever since his emotional speech, however, grand gestures in a crisis situation like this have the potential to leave a lasting effect on the public.³⁹³ An opinion poll conducted by the Serbian Ministry of European Integration in March 2020, showed that the government’s showcase of Chinese medical aid distorted public opinion in China’s favour. A majority of 40% believed that China was Serbia’s largest donor, while a much smaller number, namely 18%, indicated that it was the European Union.³⁹⁴ In reality, the EU has donated a total of 1.8 billion Euros to Serbia in the period 2010-2020, while China’s donations are estimated at only 6.6 million Euros (out of 56 million Euros pledged aid).³⁹⁵ Although the public opinion toward the European Union has changed in its favour ever since³⁹⁶, it shows that the rhetoric from public authorities and media can have an impact on citizens’ perceptions. A negative depiction of the EU, coupled with a strong pro-Chinese narrative can lead to a misconception of the EU’s importance for the country’s development.

³⁸⁹ Vuksanovic, V. (2022), 13.

³⁹⁰ Delegation of the European Union to Serbia. (2020). *EU Partnership with Serbia: EU Best Partner and Biggest Donor for 20 Years – and in the Front Line against COVID-19*. Accessed 3 July 2022.

³⁹¹ Walker, S. (2020).

³⁹² Chapple, A. (2020).

³⁹³ Walker, S. (2020).

³⁹⁴ Djurdjevic, M. & Bozic Kraincanic, S. (2020). Percepcija Gradjana vs. Fakti: Ko Su Najveci Strani Donatori Srbije? *Radio Slobodna Evropa*, accessed 3 July 2022.

³⁹⁵ Djurdjevic, M. & Bozic Kraincanic, S. (2020).

³⁹⁶ Serbian Ministry of European Integration (2021). *Public Opinion Poll European Orientation of Serbian citizens*, 17.

To sum up, China's public diplomatic efforts in Serbia are part of its soft power strategy for the region. Besides political and economic ties, it seeks to also extend them into the social sphere. For this purpose, Chinese funding in education and research are on the rise. At the same time, its presence through cultural and language centers have been growing. While this creates a positive perception of China among the Serbian public, the most important promoter of a pro-China narrative was the Serbian political leadership. The COVID-19 crisis was a case in point. Chinese medical help was disproportionately praised, while EU was depicted as being a passive and unreliable partner. This contributed to a distortion in the public perception of the EU's contribution to the country's development in the aftermath of the pandemic. However, with the waning of the Serbian government's critic, public opinion recovered to former levels and to the advantage of the EU.

7. Findings

This thesis scrutinized influence from external actors in an EU candidate state and its implications for its accession process. It used the External Incentives Model, according to which the effectiveness of EU conditionality can be measured by comparing rewards given by the EU with the implementation cost of the EU acquis. In order to incorporate influence of external actors into the model, Schimmelfenning and Sedelmeier defined the term cross-conditionality, without developing the concept further. The present work proposed a conceptualization on three levels: the political, the economic and the societal. In order to determine how external influence impacts EU conditionality, the present study first outlined the existing linkages in the three dimension and then identified core areas in which cross-conditionality occurred.

To measure cross-conditionality, the following hypothesis was defined:

If positions by powerful external actors go against positions incentivized by the EU, the effectiveness of EU conditionality is reduced.

This approach was applied in the case study of the Serbian accession process to the EU. As Russia and China are the two most powerful external actors in Serbia besides the European Union, their influence in the country is likely to cause cross-conditionality. The hypothesis will be tested by scrutinizing Serbia's alignment with the two actors' positions. Where Serbia clearly aligns with the external actor and does not follow the EU's incentivized position, the effectiveness of EU conditionality is reduced. In cases where Serbia has a balanced position, a negative impact on EU conditionality cannot be assumed.

The following two subchapters will discuss the results and present the findings in a transparent manner. The last subchapter will shed light on this study's limitations and make suggestions about future research in this field.

7.1. Russia

Seven cases have been identified where cross-conditionality between the EU and Russia is given (see table below). On the political level, the Kosovo status question is of central importance. Brussels and the Kremlin promote different positions in Serbia when it comes to the region's recognition. The European Union's position in the Kosovo question is that normalization of relations between Belgrade and Pristina are a prerequisite for an EU accession. Although the EU remains silent on the final outcome, it incentivizes a peaceful dialogue through

the Belgrade-Pristina dialogue. While a large majority of the EU member states recognize Kosovo as an independent state, Russia takes an opposed position. Moscow regards the Kosovo declaration of independence as breaking international law and prevents the region's international recognition through its veto in the UN Security Council. As such, Russia has become Serbia's protective power and most important partner when it comes to the Kosovo status question.

The different interests at play regarding Kosovo show that the EU and Russian positions toward this topic are clearly conflicting. This has several implications for Serbia's EU accession process. First, Serbia's position is that Kosovo should not be recognized. Although it engages in the Belgrade-Pristina dialogue, prospects of a solution remain highly uncertain. Due to Russia's support for Serbia in the international arena, EU conditionality is clearly affected. Second, as a candidate state, Serbia should align with all positions and restrictive measures taken under the EU's Common Foreign and Security Policy. Here, Russia's annexation of Crimea and its invasion of Ukraine is the core area where positions compete. The EU imposed sanctions on Russia, which were not adopted by Belgrade. As a consequence of two different interpretations of international law, Serbia has to choose between two possible positions. Given the importance of Russia's support in the Kosovo status question, Belgrade has not aligned with EU's CFSP aimed against Russia, indicating another core area of cross-conditionality.

When examining economic cross-conditionality the pattern is similar. Russian presence in Serbia is defined by its dominance in the energy sector. Serbia is highly dependent on the import of Russian gas. 87% of Serbia's gas needs are imported from the Russian Federation on a preferential gas price scheme. Additionally, Russia owns a majority of the country's gas and oil industry NIS. This means that Russia has a monopoly over the country's production, import and refining of oil. At the same time, large parts of energy infrastructure are in Russian hands given the ownership of the NIS. While the European Union incentivizes the diversification of energy sources, Russia is tying Serbia to its gas deliveries and exercises control over Serbia's oil imports. However, Belgrade also shows a willingness to cooperate with the European Union on projects on diversification of energy resources. The country is currently building a gas pipeline under the EU's initiative 'Southern Gas Corridor' which will make gas imports of liquefied natural gas (LNG) from different suppliers possible. Although the positions of the EU and Russia in the energy sector oppose each other, Serbia's position correlates with that of both actors. Therefore, a reduced effectiveness of EU conditionality cannot be established.

This is different when it comes to the construction of pipelines intended for the import of Russian gas. The so-called Balkan Stream section is part of Russia's initiative to construct an alternative gas infrastructure which would allow it to circumvent the Ukrainian territory. The EU acquis foresees a separation between the ownership of transmission networks and the gas supplier. Serbian energy authorities exempted the construction of the Balkan Stream from this obligation. Instead, Russia's position was followed, to the detriment of EU conditionality.

The third core area where Russian and EU's positions in Serbia are opposed is trade. The EU represents Serbia's most important trade partner, and their economic relationship is characterized by high economic integration. Serbia's trade relations with Russia are low compared to the EU. However, Russia intended to closer attract Serbia to its Eurasian Economic Union (EAEU) by signing a free trade agreement (FTA) with Belgrade; a step for which the EU expressed critics. Although the candidate country is allowed to enter into free trade agreements with thirds countries, these have to be renounced once it becomes a full EU member state. Given the low economic benefit expected from this FTA, this step was perceived more as a political signal that both Serbia and Russia directed at the EU. As the effect of the FTA is not detrimental to Serbia's high economic integration with the EU, this case cannot be qualified as negative for its EU accession.

Societal ties between Serbia and Russia are based on the same religious belief, a common history and ethnolinguistic heritage. Given these similarities, Serbian citizens have a strong affinity for Russian people and their culture. Russia's support for the unity of Serbia and Kosovo has reinforced this bond. However, a pro-Russian attitude in great power politics was also deliberately bolstered by both Russian and Serbian media. As the ruling elite partly controls the Serbian media landscape, Russian content is often covered in order to court pro-Russian voters in the country. Russian views on geopolitics are also distributed through Russian TV channels accessible in Serbia and in Serbian newspapers. The dominance of Russia as an external actor in the Serbian public sphere leaves little room for EU-sponsored content. The EU has often expressed discontent about the lack of pro-active and objective communication on Serbia's side. The fact the Serbian ruling elite engages more with Russian views than those of the EU in the public sphere proves that EU conditionality is negatively affected.

When it comes to the content of media coverage, both parties have the objective to gain public support. For the EU it is a strong public support for Serbia's EU accession, while Russia's aim is to dissuade the Serbian public from EU integration. Russia often portrays Serbia's

geopolitical orientation through a zero-sum lens. Moscow seeks to present itself as an alternative to the country's EU accession. Its power on the public opinion in Serbia became visible in the aftermath of Russia's invasion of Ukraine. The results of an opinion poll conducted in April 2022, showed that only 35% would support an EU accession if sanctions were to be imposed on Russia. However, experts suggest that in a crisis situation public opinion can temporarily change but that high approval rates would return. Although large parts of the Serbian population are attracted by Western culture and many emigrate to European Union countries, it remains yet to be seen if support for the country's EU accession will remain high. When it comes to public support, the current crisis shows that opposed stances of the two actors reduce the effectiveness of EU conditionality in Serbia.

Out of seven identified areas of cross-conditionality, five have been found to have a negative effect on EU conditionality and two cases where this correlation could not be established. Political cross-conditionality and societal cross-conditionality are the strongest, with all identified cases showing a negative effect on EU conditionality. Economic cross-conditionality revealed a more balanced record. In conclusion, the hypothesis as defined above is confirmed: in cases where EU incentivized positions are competing with Russian positions, the effectiveness of EU conditionality is reduced.

Table 1: Cross-conditionality with Russia

	Incentivized EU position	Position of Russia	Effectiveness of EU conditionality	Position of Serbia
Political cross-conditionality	Normalization of relations between Serbia and Kosovo through the EU-led Belgrade-Pristina dialogue	Russia is using its UN veto against the international recognition of Kosovo and supports Serbia in the international arena in this regard	Reduced	Serbia relies on Russia as its most important international partner against Kosovo independence
	Alignment with the Common Foreign and Security Policy of the EU; esp. alignment with sanctions on Russia introduced in 2014 and 2022 following its actions in Ukraine	Russia's interpretation of International Law differs from that of the EU; Russia claims it is taking rightful actions in Ukraine.	Reduced	Serbia is not aligning with EU sanctions on Russia from 2014 and 2022. Given the support it receives from Moscow in its fight against Kosovo independence it does not want to alienate its ally.
Economic cross-conditionality	Diversification of energy sources	Russia is tying Serbia to its energy supplies through preferential gas prices. Russia also has controlling stakes in Serbia's gas and oil industry and therefore enjoys a monopolistic position in Serbia's energy market.	Neutral	Serbia welcomes Russian deliveries of gas for a price below the market value. The sale of the NIS implemented by the Serbian government, shows a willingness to closely cooperate with Russia in the energy sector. Although Serbia is cooperating with the EU on projects which intend to diversify energy sources, it remains sceptical towards alternatives such as liquefied natural gas (LNG).
	Separation of ownership of transmission network and the energy supplier as	Russia sees Serbia as an alternative gas transit country which allows Russia to circumvent	Reduced	Serbia exempted the construction of the Balkan Stream section from EU regulations which foresees a

	regulated in the Third Energy Package of the EU	Ukraine; Russia built the gas pipeline section Balkan Stream through Serbian territory which makes it owner of the pipeline and supplier of the gas.		separation of the ownership of transmission networks and the gas supplier. It allowed the strengthening of Russia's monopolistic position on the Serbian energy market.
	High Economic integration with the EU	High integration of Serbia with the Russian-led Eurasian Economic Union (EAEU).	Neutral	Serbia showed readiness to closer integrate with the EAEU by signing a free trade agreement (FTA) with the union. However, the FTA has no negative implications for Serbia's economic integration with the EU, which remains high.
Societal cross-conditionality	Pro-active and objective communication about the EU	Russia engages in multi-faceted public diplomacy initiatives which aims to distribute Russian political views among the Serbian public which are often contrary to those of the European Union	Reduced	Lack of objective media coverage and active police to inform Serbian citizens about the EU's contribution to the country's development. The Serbian public is confronted with Russia-related media content more often than with EU friendly content. In order to court pro-Russian voters in Serbia, the ruling elite intensifies a pro-Russian narrative through the use of government-influenced media.
	Strong public support for Serbia's EU integration	Russia presents itself as an alternative to EU integration and aims to dissuade the Serbian public from supporting Serbia's EU path	Negative	Although Serbian public support for the country's EU path has always been strong, Russian invasion of Ukraine and the EU's pressure to impose sanctions on Russia seem to have the potential to change public opinion in Russia's favour. A poll conducted in April 2022 showed that the

				alignment with the EU's sanctions against the Russian Federation would dwindle public support for EU accession to only 35%.
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7.2. China

Eleven concrete areas of cross-conditionality have been identified between China and the EU (see Table 2 below). Political relations between Serbia and China have been found to be a consequence of their growing economic cooperation. Although the two states had stable diplomatic relations in the last century, their significance was negligible. With the NATO operation in 1999, in which the Chinese embassy in Belgrade was accidentally bombed, the two states moved closer toward each other. However, it was the year 2008 that was pivotal; first, Kosovo declared its independence and second, the global economic crisis erupted. China opposes the independence of the Serbian province and uses its veto in the UN Security Council to affirm its position. Although Beijing is mostly acting in this way to protect its own interests in provinces with secessionist tendencies such as Xinjiang and Tibet. Therefore, China does not use its Kosovo position as active leverage in the country but rather emphasized the importance of the Belgrade-Kosovo dialogue as a way to settle the dispute. As such, it does not act counter to the EU's position of normalization of relations between Serbia and Kosovo.

With growing economic ties through the 16+1 dialogue and Serbia's central role in the Belt and Road Initiative in the Western Balkans, Serbia pledged to also support China politically. Given China's rising profile in world politics and the world economy, Belgrade has designated China as its fourth pillar of the country's external policy. With this step, Serbia seeks to diversify its geopolitical options in its uncertain European path. At the same time, China's large investments in the country are seen as a way to improve its structural position in the world economy. However, this brings Serbia into an asymmetric interdependence, visible in its political positioning vis-à-vis Beijing's controversial policies in Xinjiang and Hong Kong. By the time of accession, Belgrade is expected to align with all declarations and restrictive measures taken under the EU's Common Foreign and Security Policy. But, the Serbian leadership has refused to adopt the EU's declaration condemning China's actions in Xinjiang and Hong Kong. By following China's position rather than the EU's, a negative influence on EU conditionality becomes apparent.

When it comes to economic cross-conditionality, several areas where the EU's and China's positions run counter were identified. The European Union's enlargement policy is based on high economic integration with the EU, which seems to be challenged by China. The PCR is extending its economic footprint in Serbia through funding of and investments in large-scale infrastructure and industrial projects. This inevitably leads to a close economic cooperation.

However, China does not intend to dissuade Serbia from economically integrating with the EU, as the country's EU accession is seen as potential future benefit for its own economic aspirations. By building manufacturing bases in Serbia, China hopes to use the country as a stepping stone into the EU market. For Belgrade, the EU remains the most important economic partner, in terms of trade, investment and funds. Thus, no negative effect on EU conditionality can be detected in this area.

Several other cases show a different picture. As established before, China does not intend to challenge Serbia's EU path. However, its economic practices challenge several conditions which are incentivized by the EU. While the EU expects the candidate state to have sustainable public debt, several infrastructure projects conducted with China under the BRI do not take the projects' profitability into account. The tendency to grant construction contracts to Chinese companies means that Serbian companies are stripped of economic opportunities. By accepting Chinese loans with no strings attached, Serbia runs the risk of a 'debt trap' and possible detrimental concessions vis-à-vis Beijing. As these deals are made by the means of a bilateral agreement, Belgrade accepts to disregard important EU conditions such as compliance with EU tender laws. Additionally, the content of the agreements remains entirely or partly undisclosed, refusing to respect transparency and public accountability as expected by the EU.

Other cases concern compliance with labour laws and environmental standards. China demands the application of Chinese labour law for workers sent to Serbia, which Belgrade implemented via special legislation to court the foreign investor, while the EU expects Belgrade to comply with EU labour laws and commitments made under International Labour Organization conventions. Serbia chose to suspend national labour laws and limit rights of its labour inspectorate in order to court Chinese investors. Similarly, Serbian officials decided to turn a blind eye to violations of EU environmental laws and standards in Chinese held industrial assets. However, this state of affairs should be partly blamed on the Serbian authorities, who tend to promise exploitation of raw materials above environmentally compatible limits in order to attract investors and sustain jobs in the region. Another environmental concern is that Serbia is extending its coal-fired power plants with Chinese help, going contrary to the EU's position which incentivizes an energy transition to greener energies. With environmental protests emerging in the country, some positive developments have been observed from both Chinese and Serbian authorities. However, China's growing economic footprint has been found to correlate with a reduced effectiveness of EU conditionality in a majority of identified cases.

Through the increasing economic cooperation, societal ties have also experienced a rise. China is active with public diplomacy initiatives in Serbia in an attempt to increase its soft power. One such example is its ‘mask diplomacy’ during the COVID-19 crisis. Serbian politicians welcomed Beijing’s aid with enthusiasm, while criticizing the EU’s lack of medical help at the same time. A pro-active and objective communication about the EU’s longstanding financial contribution to Serbia’s medical sector failed to be adopted by Belgrade during the pandemic. This also led to a misconception resulting in a reduction of the EU’s importance in Serbia’s public opinion. However, public support for the country’s EU integration has recovered since, showing that China’s public diplomacy efforts do not challenge this EU condition over time.

Out of eleven cases where cross-conditionality of EU’s and China’s positions were identified, nine were found to have a negative impact on EU conditionality and three were found to be neutral. Economic cross-conditionality is found to be the strongest, while political and societal cross-conditionality occurred on less occasion and were weaker. Given the strong correlation between the conflicting positions and their negative effect on EU conditionality, the defined hypothesis can be confirmed.

Table 2: Cross-conditionality with China				
	Incentivized EU position	Position of China	Effectiveness of EU conditionality	Position of Serbia
Political cross-conditionality	Normalization of relations between Serbia and Kosovo through the EU-led Belgrade-Pristina dialogue	China is opposed to Kosovo's independence and uses its position as a permanent member of the UN Security Council to veto an international recognition of the breakaway region	Neutral	Serbia welcomes China's veto, but its political importance is minimal as China is reluctant to use it as active policy and highlights the importance of the Belgrade-Pristina dialogue.
	Alignment with the Common Foreign and Security Policy of the EU; alignment with EU declarations against China following its actions in Xinjiang and Hong Kong.	China contest allegations of human rights violations in Xinjiang and democratic principles in Hong Kong.	Reduced	Serbia does not align with EU declarations made against China's practices in Xinjiang and Hong Kong.
Economic cross-conditionality	High economic integration with the EU	China seeks to economically cooperate with Serbia due to its importance in the BRI. However, China does not actively discourage Serbia's economic integration with the EU. China needs stability for its investments in the country and an entry into the EU market for its products via Serbia.	Neutral	Chinese economic interest in the country is seen by Serbia as an opportunity to economically catch up with the EU countries and accelerate its accession. However, the EU remains Serbia's first economic partner.
	Sustainable public debt	China pushes infrastructure projects in Serbia as the country represents a logistical corridor within the Belt and Road Initiative.	Reduced	Serbia regards these infrastructure projects as necessary for the country's economic development and often qualifies them as being

		Chinese loans are therefore not based on the projects' profitability. As the loans are conditioned upon the implementation through Chinese companies, impulses for the Serbian economy are limited.		of strategic importance. With this approach the government justifies large investments without conducting feasibility studies.
	Transparency and public accountability	China favours bilateral agreements which lack public transparency. The content and clauses of the contracts often remain undisclosed, which can favour clientelism and corruption.	Reduced	Serbian government engages in secretive economic agreements in order to attract Chinese loans/investments.
	Compliance with EU public tender laws	China favours economic cooperation based on bilateral agreements, with arrangements that bypass national laws. In exchange for loans the country expects the construction contracts to be awarded to its state-owned companies instead of passing a tender procedure.	Reduced	Serbia is ready to bypass Serbian and EU laws in order to attract Chinese loans/investments.
	Compliance with EU labour law and Serbia's obligations to International Labour Organization conventions	China demands the application of Chinese labour law for Chinese workers sent to Serbia.	Reduced	Serbia suspended its labour law for Chinese workers for the first five years of their stay, limiting the rights of Serbia's labour inspectorate.
	Compliance with EU environmental laws and standards	China does not uphold environmental standards in Chinese-held or controlled industrial assets.	Reduced	Serbian authorities deliberately ignore or do not implement environmental laws in China-held or controlled industries in Serbia. Recent environmental protests have forced both Serbia and China to take

Societal cross-conditionality				environmental concerns more seriously.
	Energy transition to greener energies	China finances and implements the modernization and construction of coal-fired power plants in Serbia.	Reduced	Serbia's energy production is highly dependent on coal. The government continues to invest in modernization of existing and construction of new coal power plants. After environmental protests emerged in 2021, the country cancelled one project and declared plans to be climate neutral by 2050.
	Pro-active and objective communication about the EU	China sought to improve its reputation during the COVID-19 pandemic through public diplomacy measures. It delivered medical equipment and vaccines to Serbia in a time where the EU was not able to do so.	Reduced	China's medical aid was welcomed by Serbian politicians with enthusiasm. China's aid was praised in the media and by politicians. The EU was in contrast widely criticized for its lack of help during the pandemic, ignoring the Union's long-lasting assistance to Serbia's health sector.
	Strong public support for Serbia's EU integration	China seeks to raise its soft power in the country by winning public sympathies.	Neutral	Through the active promotion of Chinese medical help during the COVID-19 crisis, public perception about the EU's importance for the country's development was distorted but has since recovered to the advantage of the EU.

7.3. Limitations and future research

This thesis identified core areas where positions of Russia and China compete with positions promoted by the EU. The hypothesis assumes that EU conditionality is negatively affected when positions of Russia or China conflict with the EU position. This could be confirmed as such. However, the establishment of the relation between opposing positions and negative impact on EU conditionality is based on correlation. The establishment of causality was beyond the scope of this thesis but could be interesting for future research.

One approach to establishing causality in future research could be the closer investigation of incentives. According to the External Incentives Model, international actors intervene in the cost-benefit calculation by offering different incentives. If the third country offers higher incentives than the EU, the state in question is inclined to ignore the EU acquis. In contrast, if the EU reward exceeds the reward given by the other state, compliance with the EU's enlargement policy can be expected. Incentives provided by a third state also have the potential to raise the implementation costs. If a candidate state adopts an EU position which competes with a powerful external actors' position, possible negative consequences can increase the adoption costs. While this thesis identified the EU's and external actors' incentives on the political, economic and societal levels, further research could focus on the extent of these incentives. A possible hypothesis could be: If the incentives from external actors are higher than EU incentives, the effectiveness of EU conditionality will be negatively affected.

Future research can build on the case study of this thesis and measure cross-conditionality from the angle of incentives and adoption costs. Moreover, the concept of analyzing cross-conditionality developed in this thesis can be applied to other EU candidate states. The Western Balkans being the closest to an EU accession, it is crucial to devote more attention in research to this geographic area, where several powerful actors compete for influence.

8. Conclusion

The aim of this thesis was to scrutinize China's and Russia's influence on the Serbian accession process to the EU. The two external actors were chosen because their presence in the Western Balkans is on the rise. China's and Russia's most important partner in the region is Serbia, who embarked on the journey of EU accession in 2012. While declaring EU accession as its strategic goal, Belgrade is closely cooperating with both Moscow and Beijing on different levels. This inevitably means that the two powerful actors with different geopolitical orientations have the potential to negatively impact the effectiveness of EU's enlargement policy in Serbia. Recent developments in Ukraine have shown that Belgrade is reluctant to follow EU foreign policy. The same is also true when it comes to China, whom the EU designated as its 'systemic rival'.

The thesis drew on the External Incentives Model by Schimmelfenning and Sedelmeier as a theoretical framework. This rationalist choice model assumes that the accession process is associated with both, costs and benefits. In order to receive the benefit of EU accession, candidate states are obliged to implement the EU's norms and values. This reform process is often a costly one, but the EU tries to incentivize such reforms through different means. Thus, the candidate states' progress in the accession process will depend on a cost-benefit calculation. Previous research identified several factors which influence this calculation, though only taking into account bilateral relations. Given the rising influence of other external actors in the Western Balkan candidate states, this approach fell short of the current reality. In a recently revised version of the External Incentives Model, the two authors made reference to this aspect by acknowledging that other international actors also have the potential to incentivize a certain behaviour by possibly offering similar rewards at a lower cost. This so-called 'cross-conditionality' is found to negatively affect the effectiveness of EU conditionality.

Cross-conditionality was chosen as the central element of this study. By conceptualizing the term further, this thesis offers a structural approach to the analysis of external influence. Serbia's relations with Russia and China were analyzed on the political, economic and social levels. In order to establish cross-conditionality, cases where positions incentivized by the EU ran counter to the external actors' positions were identified. Serbia's alignment with the one or the other gave the indication whether the effectiveness of EU conditionality was reduced or not.

The findings have confirmed that in most cases where the EU and China's or Russia's positions were competing, Serbia did not entirely implement EU conditions. In case of Russia, the highest negative impact on EU conditionality was established on the political level. Russia's influence

in the country has been found to be based on the Kosovo status question. Russia offers a political incentive by not recognizing Kosovo's independence and by diplomatically supporting Serbia's efforts to fight its recognition in the international arena. Serbia in turn, does not align with EU sanctions aimed against Russia. As such, two important EU conditions are not implemented: the normalization of relations with Kosovo and the alignment with the EU's CFSP. In their economic and societal relations, cross-conditionality could also be established, though to a far lesser extent. In their economic relations, Russia shows strong presence in the country's energy sector. Serbia is de facto dependent on the Russian Federation's deliveries of gas and oil. Likewise, when it comes to societal ties, Moscow enjoys large public support which is based on historic and cultural ties. Although Russia has been found to have leverage on these two levels, its influence in Serbia substantially reposes on its position to the Kosovo question.

When it comes to China, its influence in Serbia has been found to be based on its economic power. Serbia welcomes Chinese investments and considers them as beneficial to its economic development. When it comes to Chinese infrastructure projects or Chinese acquisitions of industrial assets, Belgrade often either circumvents EU laws or deliberately ignores breaches of EU standards. This is where the effectiveness of EU conditionality is strongly challenged. While the societal ties are on the rise, they are less problematic. Apart from China's popularity in the country during the COVID19 crisis and its successful 'mask diplomacy', the PCR does not challenge the population's support for an EU integration. Politically, both partners support each other's claims in the international realm. While Beijing positions itself against the Kosovo independence, Serbia does not support critical EU statements with regard to China. However, the common political support comes as a side effect of Beijing's investments rather than a conviction.

Current international developments show that geopolitical competition has become fiercer. Serbia's reliance on 'four pillars' in its foreign policy will therefore be harder to sustain. In a time where Russia is breaking international law in Ukraine and China is economically and politically on the rise, a balancing act between the different geopolitical orientations will be difficult to uphold in the long run. Although Serbia's place should be in the EU, it remains to be seen who will win the battle of influence in the hearts of the Balkans.

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