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Will the EU lose the East?
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The following paper aims to analyse whether the EU might lose its East because of external pressure and competition by examining the approaches of the EU, USA, Russia, China and Turkey towards the three geographic areas of Central Europe, Western Balkans and Eastern Europe.

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1. Introduction

Major tectonic shifts have been emerging between Western and Eastern Europe in terms of politics, economy, and social issues. This emerging dividing line is being additionally affected by the actions and approaches of significant external actors on the old continent. Currently, there is a widespread perception among the political elites and the expert community that the EU has not been doing enough and even might lose its East if the external influence combined with the internal integration dynamics continue exerting pressure on Brussels and the member states without being properly addressed. External centrifugal forces have been emerging strong and are now aggravated by the launch of the Chinese grand ambitions in the area encompassing the former Central European countries, stretching across the entire Balkans, and reaching to ‘the grey zone of countries’ that separate the EU from Russia in Eastern Europe. From the EU perspective, there is a solid trend of external actors becoming more active and competitive in this geographic area of Europe.

The following paper aims to analyse whether the EU might lose its East because of external pressure and competition by examining the approaches of the USA, Russia, China and Turkey towards the three geographic areas of Central Europe, Western Balkans and Eastern Europe. In each chapter, the EU perspective will be presented at the beginning, followed by the analysis of common patterns as well as competitive strategies of the other main external actors from the last few years. In the case of the Visegrád countries from Central Europe, the purpose is to identify main challenges for the EU in dealing with these countries next to the assertive actions by competitors such as Russia and China. Moving from member states to EU candidates, the Western Balkans will represent a second case study, where most of the countries is still interested in joining the EU but must also face concerted actions by external actors. Eastern Europe is the third region, where countries are most of all split in their attitudes towards joining the EU or deepening the relations with the rest of the regional players.
Against this background, the paper seeks to evaluate the short-term issues and the long-term desired outcomes of these five external actors, which shall provide a broader picture about overlapping or conflictual agendas and dynamics regarding each of the three cases. Moreover, the driving forces behind the five actors’ approaches will be considered as a helpful source to identify drivers of change or status quo policies. In the end, a comparison of the five agendas will provide an answer as to whether the EU might lose its East and where exactly the danger might come from.

2. Current developments in Central Europe regarding the involvement of the main external actors

Livia Benkova

2.1 Introduction

Situated between Russia’s energy pressure in the east, and the economic and ideological influence of Brussels, to the west, Central European countries are currently living through difficult times of rising nationalistic tendencies, the relenting concept of the European identity, continuous irregular migratory flows and the impact of political pressures arising from power plays of different state actors. Moreover, Central Europe is experiencing opportunistic behaviour, that is hindering an effective European response to current challenges. There is a need for a unified policy towards the migration crisis and towards Russia, notably influencing the region, being geographically close to the potential conflict zone in the EU’s Eastern neighbourhood. Several Central European countries share deep historical ties under Soviet dominance and have experienced occupation by Moscow during the 20th century. After the fall of the Iron Curtain in 1989, relations among the Central European countries began to intensify. For the countries that were not yet members of NATO or the EU, the fall of communism was an urgent milestone, as these countries suffered from internal transition insecurities, for many, this move meant taking a step towards NATO and lead to the establishment of the transatlantic link to the hard power of the US – and then towards the EU. The numerous accessions of 2004, opened possibilities of enhanced integration within the Central European countries. Given these historical facts, it might have been clear that this region would react with a more unanimous response than other countries in the EU, however this is not the case, instead divided voices and reactions have been emerging from Central Europe. In the last years, it has become clear that Russia’s impact does not stop at the EU’s borders, the Ukraine crisis has revealed vulnerabilities to Russian interference in the politics. The conflict has highlighted the vulnerability of some countries to the influence through Russian media outlets or Russia-sponsored
information campaigns and its predominance as an energy supplier and export market and investments in the region’s economics and politics.\textsuperscript{4}

Moreover, the persisting migratory influx has brought light to numerous deficits in preventing, handling and resolving challenges within the Central European region. The countries, that oppose current solutions to the migration issue most vehemently are the V4 states, which try to push forward with strategies and capabilities to enhance security in Europe, without having to accept current solutions proposed by Brussels, that they don’t agree with.

Further, European countries are moving ahead in different speed and inequalities between the West and East are widening, therefore formats within Europe enhancing regional integration are gaining on popularity. The need to enhance infrastructural development and increase the effectiveness of economies lead Central European states to become part of a recently established formation-the Three Seas Initiative (TSI). This initiative brings together states of different integration levels and aims to erase economic and infrastructural inequalities between these states. Supported heavily by the United States, this format raised numerous questions and stirred divergent opinions in the Western part of Europe on its true aim and future outlooks. However, the US, is not the only one interested in the relatively new formation, which will aim at improving infrastructure in the region.\textsuperscript{5} The attention of China as an emerging global actor, was also drawn towards the Three Seas Initiative, due to its efforts of finding its own ways to Central Europe and is currently increasingly investing in the region.

\textbf{2.2 European key security challenges of the recent years}

Europe is nowadays divided between the need to adhere to its democratic values and freedoms, maintaining an area of freedom and justice and the need to counter the migratory issues. Hybrid terrorism, extremism, radicalization and populism are widely spreading across Europe, as the result of the numerous Central European country’s politics of fear. The refugee crisis, and the influx of millions of migrants fleeing war, or entering Europe for economic reasons, triggered the acceleration of a conflict of views among the European Member States. There is suddenly a sense of urgency in dealing with all kinds of pressures inside the EU.\textsuperscript{6}

In the EU, The Visegrád Group is an important forum for working meetings and exchanging views between the V4 countries (Slovakia, Hungary, Czech Republic and Poland). After entering the EU, the Visegrád cooperation has changed considerably, evolving from centralized cooperation to differentiation of interests of particular countries.\textsuperscript{7} Before joining the EU, the Visegrád countries were rather weak economies,
however with a huge potential of growth. Considering the population of more than 64 million representing 13% of the EU Member States, the economic output of the Visegrád group was only about 3.7% of the total EU28 output. This changed over the decade after the EU accession and the total GDP share within the EU28 has increased reaching 5.4% in 2013.\textsuperscript{8} The future progress of the Visegrád Group will depend on if the member countries will be able to overcome the differences between their interests and agree on mutual goals.

The increased influx of migrants resulted on the one hand in dividing the Member States regarding their views on this matter but on the other hand, brought the V4 countries closer together. The Visegrád group, united in its opinion, as the biggest opponent of the relocation scheme, doesn’t accept the assumption that the current migration wave cannot be controlled and reduced. They opposed the proposed measures of Brussels, to tackle the migration crisis and created a different concept as an alternative to the relocation scheme, known under the term “Flexible solidarity” under the Slovak Council Presidency.\textsuperscript{9} This concept enables the EU Member States to decide, on a voluntary basis, on different forms of contribution to the EU.\textsuperscript{10} According to the opinion of the V4 Ministers of the Interior, the main instrument for restoring of the control over the migration influx, is to lay focus on the external borders of the Union, including mechanisms for better identification and registration of all those arriving to the EU. The V4 was in favour of the planned “hotspots”, which would create an effective way to ensure, that migrants arriving to Greece and Italy are registered and that their fingerprints are taken. Due to ensure a functional response to the current challenge, “hotspots” must dispose with detention capacities.\textsuperscript{11}

The most notable opponent of Germany’s vision of the ways to tackle the refugee crisis is Hungary and its Prime-Minister Viktor Orbán, who refused any solidarity and proclaimed the demise of Schengen.\textsuperscript{12} Hungary, with its current government is slowly moving away from the European values, which could be seen in regard to its actions taken during the migration crisis, where Hungary’s measures resulted in the violation of human rights and international laws, as the country closed its borders and made several legislative changes to its asylum policy, making the irregular crossing of the border a criminal offense, sanctioned with up to eight years of imprisonment.\textsuperscript{13} Viktor Orbán has been expressing views opposing Brussels since he was elected in 2010. According to Orbán, the European Commission is responsible for the complex crisis in the EU in economic and political terms.\textsuperscript{14}

The Czech government was against the proposal of the European Commission relocation scheme from 2015 – alongside Hungary, Slovakia and Romania – and rejected the
proposed quotas, even though the mechanism was concerning a rather small number of refugees.\textsuperscript{15} Hungary, Austria and Poland refused to follow the scheme and other countries like Bulgaria, Croatia and Slovakia joined in the quota system to a very limited extent. Czech Republic has relocated less than 1\% of its allocation and Slovakia relocated between 1\% and 2\% of its allocation. The relocation scheme has been challenged by Hungary and Slovakia before the European Court of Justice in Luxembourg in December 2015. The two Central European countries supported the opinion that the EU’s 2015 mandatory scheme was unlawful. The final ruling of the ECJ in early September 2017 rejected the case of Bratislava and Budapest and ruled in favour of the scheme.\textsuperscript{16}

In the recent European elections, the far right has notably risen with an anti-immigration and anti-European sentiment in several countries breaching the pillars of democracy. In Poland the ultraconservative ruling Law and Justice party (PiS) recently proposed controversial judicial reforms that would result into abolishing the Supreme court’s independence and give the justice ministry the power to appoint judges. As a response to these developments, the EU threatened to put the country’s voting rights in the bloc to hold, in case it goes through with the controversial reforms and also warned, that it would pose sanction if Poland’s far-right-wing government gave itself the power to dismiss its Supreme Court judges.\textsuperscript{17}

In Slovakia, 8\% of the voters chose the People’s Party-Our Slovakia, an anti-Western, extreme-right group with the leader Marian Kotleba.\textsuperscript{18} In Austria the far-right party, FPÖ ended up third in the recent parliamentary elections. In France, the pro-Russian oriented Marine Le Pen has been expressing a strong anti-European sentiment.\textsuperscript{19} In Germany, the far-right party opposing immigration -AfD won 13.5\% of the vote and gained 87 seats, becoming the first overtly nationalist party to sit in the Bundestag in 60 years.\textsuperscript{20} Europe needs to find a unique voice, not many independent and contradictory voices, if it wants to maintain a strong position in the new global environment. With the emerging geopolitical and hybrid threats, in order to remain united, compromises must be agreed on and implemented.\textsuperscript{21}

The rise of far-right nationalism is being countered by French President Macron, who wants to “give Europe back to its citizens”, by reducing inequalities across the EU.\textsuperscript{22} He called for a multi-speed Europe and stressed that the core of countries should lead the way in the deepening of the EU integration. More integration could be achieved by creating a budget for the 19-member Eurozone which would be overseen by a finance minister and a new parliament – a major institutional change. The Eurozone should press ahead with structural reforms for closer integration. German chancellor Angela Merkel
showed support and endorsed the idea of a European Monetary Fund, an idea initiated by her finance minister, Wolfgang Schäuble. Such a Fund would initiate from the European Stability Mechanism (ESM) – a rescue facility aimed at helping to defuse the Eurozone crisis. This fund should be turned into a European version of the International Monetary Fund (IMF).  

A multi-speed Europe is already reality and therefore the Member States should be aware of this fact. The multi-speed concept is part of the five scenarios included in European Commission President Jean-Claude Juncker’s White paper on how the EU could evolve by 2025. According to the Visegrád Group, this formation had diverse views on this matter. Even tough Slovakia and the Czech Republic are to a certain extent sceptical when it comes to the concept of Europe of different levels, they are ready to accept the proposals of Brussels in certain areas such as asylum, migration policy, and the digital agenda. Slovakia expressed the will to be at core of the integration in case of the event of a different speed Europe. In contrast Hungary and Poland would prefer if focus would be laid on certain areas in order to achieve more efficiency and in general oppose the idea of a Europe of different speeds. This is the option in which the EU would lay focus just on certain areas but would at the same time work more efficiently.

Regarding defence in Europe, there is a need for a Europe-wide “rapid-reaction force” which would be able to work with national armies and “a common strategic culture” of a joint European defence budget and policy. Recently agreed initiatives, such as the European Defence Fund and Permanent Structured Cooperation by the EU governments are being implemented. Europe should be able to act autonomously in case of need, complementing NATO’s territorial defence role, having the capacity to intervene abroad as well.

On 23rd June 2016, the UK voted to leave the European Union (EU), known as Brexit. The Brexit referendum and the election of Donald Trump have triggered EU efforts to boost support for European defence, to increase the share of the burden of European security. In response to Trump’s critical comments regarding NATO the European leaders are willing to increase their military spending. With Brexit, possibilities opened up for the EU to unblock some of the defence initiatives – such as an EU military headquarters – that the UK has vetoed in the past. The High Representative Federica Mogherini published the EU’s new ‘global strategy’ (EUGS) in 2016 and set out priorities in defence for the EU. In light of this changing security environment, the EU started a process of closer cooperation in security and defence, with increased investment in defence and cooperation in developing defence capabilities. This should be achieved through the Permanent Structured Cooperation on security and defence (PESCO), as
outlined in the Treaty of the EU, Articles 42 (6) and 46, as well as Protocol 10. PESCO should help the Member States to address security challenges.\(^\text{30}\)

2.3 The Three Seas Initiative’s impact on Central Europe and its relation to foreign state actors

The EU and the US have been allies for many years and share similar values and cooperate on various policy issues and various pro-democracy initiatives and security matters.\(^\text{31}\) The relationship between the United States and Europe is often known as the transatlantic partnership, which has one of the largest trade and investment relationship world-wide. The two of the world’s most significant economies have been negotiating a free trade agreement, the Transatlantic Trade and Investment Partnership (TTIP) aimed at boosting jobs and growth,\(^\text{32}\) however, with Great Britain leaving the European Union, the negotiations were left in uncertainty.\(^\text{33}\) The United States, produced $18.56 trillion in 2016, and the European Union produced $19.18 trillion, which amounted almost to a third of the world’s GDP (Gross Domestic Product) of $119.4 trillion. The success of the TTIP could have quadrupled the total traded amount, which is already at $1 trillion. It could have boosted EU’s GDP by 3.4 percent, by eliminating all tariffs and other trade barriers. It would have been the world’s largest trade agreement if completed.\(^\text{34}\) While under Barack Obama’s presidency critical steps to reaffirm America’s commitment to an enduring European defence and economic relationship were taken, with Donald Trump’s opposing view towards European Union’s shared policies like climate change and the criticism of NATO\(^\text{35}\), Europe might consider seeking more integration. This could on the other hand be a positive turn out for the divided European Union (EU), needed in order to progress in seeking closer ties within the Union and achieving a more democratic form of governance.\(^\text{36}\)

The USA, as one of the major global powers, is currently showing efforts to strengthen its position in Central Europe by supporting integration projects in this region. The formation aimed at increased integration, the Three Seas Initiative, received the support of the US President Trump, who welcomed stronger ties of trade and commerce and announced commitment to ensure the access to diverse sources of energy, in order to reach energy diversification in Central Europe, that would have a positive impact and would result in a decrease of energy dependency of some countries on a single supplier of energy-Russia.\(^\text{37}\) Poland has been striving for a great “Międzymorze” Federation of the countries of Central and Eastern Europe to balance the hegemony of Soviet Russia already between the two World Wars.\(^\text{38}\) The current formation of the Three Seas Initiative, does not aim at harmonizing foreign policies, it is rather aimed at strengthening regional cooperation in the fields of transport, telecommunications,
energy and environment, however, the TSI could have a positive effect on Europe and to a certain level balance the influence of the German-French coalition in Western Europe and of Russia in the East.

The TSI was formed on pragmatic bilateral projects, that will help to bridge the differences between the Central European countries regarding some underdeveloped regions exploited by Moscow, due to the many decades under communist rule. With the exception of Austria, all the members of the TSI were under the rule of Soviet Russia. All of the countries are part of the European Union, however some of these remain less rich and developed than Western Member States, as most of the main roads, pipelines and rail services run on the east-west corridor. Moreover, due to the lack of diverse gas links, the region is highly dependent on Russia, as the single supplier of energy. A domination of such kind can lead to monopolistic practices, can cause supply disruptions and political pressures. Some of the most important projects to be carried out under the TSI format are the LNG terminals connecting pipelines, leading from Croatia to Poland, with the first part planned to be finished in 2019. A further project is the construction of the pipeline connecting the Black Sea with Bulgaria, Romania, Hungary and Austria. Projects planned under this initiative will result in better connections of energy, transportation and digital communications along the north-south axis and will bring more mutual exchanges and investments.

The Europe of different speeds is currently a reality, and the Three Seas Initiative brings together states belonging to different integration levels, meaning, countries that are part of the Eurozone and those that are not, countries in Schengen or still trying to join and countries belonging to different EU macro-regional strategies. Since the launch of this new formation, critics have risen their voices, stating that the TSI would become an extension of the V4 group and strengthen its position and would lead the EU to split even more. Others see this new project, as a way to achieve regional domination with the support of the USA. However, the TSI is just one of the many political groupings in the CEE region and is far too new, for one to predict, what this formats impact will bring to the region and the states concerned.

With Trump as President, the US relations with Visegrád Group (V4) may improve, as their interests won’t be harmed by Trump’s decisions. Poland and the US have a historically strong relationship and Poland has been the most pro-American country in the V4. Michał Baranowski, Director of the Warsaw Office of the German Marshall Fund of the US, sees Trump as a chance for strengthening the Polish-American relations, with the security issue taking priority. The influence of Russia has been growing in the past years and Warsaw is therefore keen on maintaining security guarantees from
Washington. Poland increased American investment in the country even further by buying its new fighter jet, the F-16, from the US. At the NATO summit in 2016 held in Warsaw, the US agreed to deploy troops to Poland as a part of the so-called Eastern Flank. As to Slovakia, this country’s reaction to the victory of Donald Trump was optimistic but cautious at the same time. Prime Minister Robert Fico welcomed the prospect of the “balance of powers between the superpowers”, regarding the US and Russia. President Andrej Kiska’s reaction was polite and welcoming, he expressed that NATO will represent the same values with Trump being President. However, the research done by the Institute for Public Affairs (IVO) in 2016 showed that the level of distrust regarding the US in Slovakia is the highest in the Central European region, with only 27 % of respondents trusting America. In regard to Hungary, the Hungarian Prime Minister Viktor Orbán expects improvement of the US-Hungarian relations under the leadership of Trump and was the first to support the Republican candidate.  

2.4 The growing Russian influence in Europe

Pro-Russian structures have in the recent years increased their activities in Central European countries such as Slovakia, Czech Republic and Hungary. The individual Russian policies towards the countries of the V4 format depend on their level of economic and energy dependence on Russia.

The political issue dividing the Visegrád group most, is its opinion on Putin’s regime, which makes these countries most vulnerable to Russian influence.

The Vulnerability Index data developed by the GLOBSEC Policy Institute based on a measurable set of societal and political indicators, show the dynamics in Central European countries and their vulnerability to external actors. After pooling together data from the Central European experts, a rank of the region’s vulnerabilities was set up, resulting in the fact-based Vulnerability Index of Central European countries. The Vulnerability Index shows the vulnerability of a given country on a scale of 0 to 100, where the higher score represents the higher vulnerability to foreign influence.

According to this data, Poland is the least vulnerable country in the region to foreign influence reaching a score of 30 out of 100. Given the lessons learned by Poland given its historical experience and the current geopolitical situation, Polish society is the most stable in its pro-western orientation in the Visegrád Group. This country mainly holds anti-Moscow views and sees Russia’s geopolitical efforts as a potential threat to the Baltic states. Poland is sceptical when it comes to Russian military exercises and has strongly rejected the annexation of Crimea by Russia and saw this act as a violation of international law and was in favour of sanctions against Russia. Poland is on the other
hand the 12th most important trade partner for Russia and Russian gas and to a lesser extent oil, which are essential elements of the Polish energy supply.51 The Czech Republic is the third most vulnerable country among the Visegrád group with a vulnerability index of 38 out of 100. Even though, the Czech Republic is quite eurosceptic and the Czech President Milos Zeman supported Putin’s politics at several occasions, the Czech public rejects a pro-Russian stance in general.52 Recently, there have been increasingly serious efforts to fight disinformation and propaganda in the country, as according to opinion polls, the Czech society perceives, that news regarding Russia are unverified or unreliable. The Czech Ministry of Interior established a new Centre against Terrorism and Hybrid Threats, which should help tackle disinformation and propaganda in the country.53

The Slovak and Hungarian leaderships are significantly more pro-Russian in this regard. Slovakia is the second most vulnerable country towards Russian influence in the Visegrád region. It ranked, with an overall score of 51 out of 100. The reason is the cultural proximity to Russia, as well as the positive stance of the country’s political elites on Russian foreign policy.54 The Slovak public has traditionally had a relatively greater affinity towards Russia than any of their neighbours.55 Slovakia has a high energy dependency on Russia and the economic profit of being the transit for Russian gas into western Europe, is also a decisive factor in achieving such a high level of vulnerability. First and foremost, the existing security related public policies need to be updated, in order to be more effective in the use of hybrid warfare and disinformation arising from Kremlin. The Slovak National Security Strategy was adopted in 2005 and hasn’t seen any novelization since.56 Hungary, which is the most vulnerable country to the Russian influence ranked 57 points.57 The Hungarian government and its pro-Russian stance has a pragmatic reason, its goal is to secure cheap energy,58 Hungary seeks to extend cooperation on natural gas supplies with Russia beyond 2021.59 The Orbán government sees Hungary’s role as one of the “pillars” of restarting EU-Russia relations and therefore argued for lifting of the sanctions after the Ukraine crisis.60
The EU officials assume that Russia is spending $1bn (£801m) on state media outlets such as RT and Sputnik. Russian disinformation efforts are therefore being seen as a threat among the European countries and are an emerging security concern, which is being tackled on the European level as well, at which a group of eight officials in the European External Action Service is engaging against massive Russian propaganda. The European People’s Party (EPP) recently issued an open letter calling on the EU High Representative Federica Mogherini to start taking the Russian disinformation threat seriously and counter fake news that push Europeans away from the liberal notions of the EU.

The EU also set up its East Stratcom team, functioning since September 2015, in order to counter fake information coming from the Kremlin. The unit in place has 11 staff members, that try to fight Anti-Western disinformation, stemming from Russia and influencing other states.

Russia’s disinformation propaganda poses a threat not only to the V4 countries, but to the immediate neighbours- the Baltic states as well. The Baltic countries joined NATO in 2004, but remained geographically separated from nearly all of the NATO members. Considering the historical ties and the close neighbourhood to Russia, having small militaries, the Baltics have always been vulnerable. Therefore, it has been essential for NATO to defend the region from Russian invasion. Russia has never viewed the Baltic states as part of Central Europe and tensions have been rising in the region since Russia’s annexation of Crimea in 2014. Baltic countries show fear that Russia could interfere in their countries, especially after Moscow warned in 2014 that it would protect Russian speakers in the three Baltic states - Estonia, Latvia and Lithuania, which are NATO
members and therefore urged NATO to bolster defence on the Eastern flank. After enhanced Russia-organized propaganda efforts conducted in order to undermine stability in the Baltics, Russia started being viewed as a possible threat. As a reaction, in 2015, Lithuania reintroduced compulsory military conscription and NATO members and neighbouring countries started stepping up their military activities in Eastern Europe. To reliably avoid Russia’s future possible actions, NATO must ensure that Russia is unable to score a quick victory in the Baltics, which requires more resources for more troops, better equipment, and, above all, higher combat readiness.

The dependency of certain European countries on Russia’s energy is high. Russian gas imports equalled 58% in Czech Republic, 62% in Hungary, 64% in Poland and 84% in Slovakia. In case that, the Nord Stream-2 project proceeds, dependence on Russian gas in these countries could rise significantly. Russian energy companies have had several attempts over the last 25 years to use energy supplies to gain advantage over Russia’s neighbouring countries and push forward Moscow’s strategic priorities. Russian entities often use price and physical volume manipulation of crude oil or natural gas supplies to pressure consumers located in Central and Eastern Europe. Actions taken by Russia are hard to predict, and scenarios that may seem unlikely at the moment may occur in the future, therefore it is an important step for Europe to pursue a diversification of energy supply for its Member States. The US House of Representatives passed a bill which imposes sanctions against Russian companies and individuals regarding Russian energy projects. The bill states that Russia is misusing its energy exports to coerce the neighbouring countries, aiming at Nord Stream 2, a planned pipeline that would deliver natural gas from Russia to Germany. Nord Stream 2 would not result in new Russian gas resources; it would only create an alternative route for existing gas. So far, US LNG exports to the EU have struggled to build market share due to cheaper Russian gas but could eventually become more attractive and US LNGs could surely be a welcomed source to help Europe diversify from Russian imports and reduce Gazprom’s influence.

Europe showed efforts to become less dependent on Russian natural gas during the crisis of 2009, however is still after a decade even more dependent on the eastern supplier. Gazprom PJSC, Russia’s state-run export monopoly, shipped gas to the European Union amounting to about 34 percent of the trading bloc’s use of the fuel last year. It is expected that Russia will remain the main source of supply through 2035. It is one of the pivotal priorities for the Commission and the EU lawmakers to achieve diversification in supplies, efforts were made in regard to the liquefied natural gas delivered by tanker from the U.S. however those shipments have failed due to lack of firm contracts and higher prices outside Europe.
2.5 China’s focus on Central Europe as the entry point to reach Western European markets

Since 1989, when Sino-European relations were experiencing a low, relations have significantly improved, starting with the year 1994. Up until this year, the political dialogue between the European Union and China consisted of brief meetings on the side-lines of the United Nations General Assembly. After 1994, the EU has set up an agenda of regional foreign policy priorities and proposed a new framework to China. Chinese view Europe’s market as a safe, stable destination for investment, with sales of goods and services, as well as advanced technologies, an educated workforce. Chinese ODI has been increasing since the mid-2000s, the Chinese companies have been looking to access the European market to sell their goods and services, as well as to acquire technologies, expertise and brands through mergers & acquisitions (M&A) with European companies.

The current official Chinese cooperation with Central and Eastern Europe is conducted under the so-called 16+1 format. An initiative by the People’s Republic of China with the goal to achieve intensification and expansion of cooperation within 11 EU Member States and 5 Balkan countries in the areas regarding investments, transport, finance, science, education, and culture. Within this framework, China has determined three potential priority areas for economic cooperation: infrastructure, high technologies, and green technologies. China was lacking a cohesive geo-strategic orientation aimed at a deeper engagement with the CEE region, before the 16+1 was launched. With the new initiative in place, China’s CEE engagement can be viewed as part of the country’s “Go

Fig. 2: This graph shows the key natural gas suppliers to the European Union in 2016.
Out strategy” and, also as a way to strengthen the partnership with the EU. However, apart from the benefits of the Chinese investments for the EU, there are also risks arising from these interests. Meaning, that these could aggravate structural economic transformations already present inside Europe, and cause the widening of geo-economic divisions, escalating political tensions between countries like Germany, France and Italy. Germany is playing a leading role in trade relations with both China and the economically strongest CEE countries, Poland, Hungary, Slovakia, and the Czech Republic. In the year 2016, the Chinese companies invested 11 billion EUR in Germany. In regard to France, this state approved the entry of Chinese investments to its infrastructure for the first time in 2014, when it announced the selling of 49.9% shares of the airport in Toulouse to the Chinese consortium.

![China's infrastructure investments in the 16+1](image)

Fig. 3: This graph shows China’s investments in the infrastructure in the 16+1 between the years 2012-2016.

When taking into consideration the V4 stance towards China, both short-term as well as long-term perspective should be taken into consideration. For the short-term period the involvement of the Visegrád with China will present a hindering factor to the integration of these countries with the rest of the EU and their economic links to other EU countries, especially to Germany. For each of these countries, Germany is the main export market, whereas all the countries of the group largely base their economic development on exports. China would be an opportunity for the V4 countries to access an alternative market for their exports, therefore the V4 view China as a new investor. Regarding the
long-term perspective, the possibility arises, that in the future, the V4 countries will start to see China as a much more serious partner than the partners within the EU. In order for this scenario to be fulfilled, China would have to maintain dynamic economic growth and succeed in creating a stable geo-economics architecture in the form of The One Belt & Road. If these conditions would be met, the V4 countries could view their cooperation with China and the geo-economics architecture as a more profitable solution than the cooperation within the EU structures.\(^{82}\)

The V4 countries with growing economies are interesting for China in trade and investment, as they hold significant positions in the Central European politics and economy. Within the cooperation framework of the 16+1, the Visegrád countries represent the top four places in regard to bilateral trade. This accounts for more than 70% of the entire volume of trade between China and the 16 CEE countries. As former communist countries, the V4 group has undergone successful economic and social transformation, positively affected by the accession to the EU. It is the most representative and influential bloc in Central and Eastern Europe, therefore if China maintains a good relationship with these four countries, this can have a positive impact on the 16+1 cooperation.\(^{83}\)

Within the V4 group, Poland and the Czech Republic are China’s most important trading partners in the region, with Hungary receiving the biggest share of FDI. The V4 countries import high value-added manufacturing goods, like electrical machinery and parts and components from China more intensively than from other European countries, with one exception—Germany. The EU as a whole is still the largest receiver of the V4 exports, however the V4’s export and import trade with Asia is growing dynamically. Germany is facing an increasing dependency on Asian in particular on Chinese markets, which was clear from the year 2016, when China has become Germany’s first trade partner, putting the USA to second track for the first time. Therefore, Germany and the V4 group have become much more independent on intra-European trade, with the following factors pointing out the emergence of China’s role. China increased its trade with Germany and the V4, while the V4 sustained trade deficits with China and the region’s high trade exchange and trade surplus in regard to Germany. For example, Poland, continues to pursue strong economic ties with Germany as part of the “manufacturing core” might however, establish China as an alternative trade partner to Germany in the upcoming years. Countries which might follow a similar scenario are Hungary and the Czech Republic, which might prefer China as a political partner to Russia.

Even though there are risks, that China might carry for the EU and some of its countries,\(^{84}\) the primary goal of China is to use the region as an entry gate to Western
Europe’s markets, while concerning the best scenario and not dividing Central Europe. China’s interest in this region is highlighted by its attractive strategic position and ability to reduce transportation costs. One of the most important infrastructural projects, being the outcome of the Riga conference is the construction of the Belgrade-Budapest high-speed railway. This major infrastructure plan expects to decrease the transport time of Chinese products into Europe and will be funded by the Exim Bank (USD 2.5 billion) and implemented by China Railway and Construction Corporation. These investments in the high-speed railway connection between Serbia and Hungary (the so called Europe-China Land-Sea Express Line) should speed up operability of corridors and lead to the modernization of the rail, road, and port infrastructure in the Balkans and in Hungary as well as in Romania.

Formations as the TSI, as mentioned above are becoming increasingly interesting for external powers, not just for the US, but for the global power-China as well. For China finding ways to enter Central European markets and launching infrastructure, is high on the agenda, as it aims to take part in some of the improvements of the infrastructure, for both Central European and Chinese interests. In 2016, China and numerous Central and Eastern European countries signed the Riga Declaration, which ensured support for the TSI. The reason for the Chinese government to support the project is, the TSI’s contribution to a greater synergy between Central and Eastern European infrastructure and its assets to the One Belt and Road Initiative. The New Silk Road aims to connect China with the rest of Asia, Africa and Europe via a network of railways, highways, airports and ports and logistics hubs through land and sea routes. Western Europe is an important region for the Chinese market and China views the Three Seas Initiative as an entry possibility to Western European markets. While creating its own geopolitical and geo-economics project, China is not overlooking the efforts of the Central European countries aimed at deepening integration. It is clear, that the countries that are part of the Visegrád Group will aim for deepening their economic relations with China as a future trade partner. At the moment, it is hard to determine, if the Three Sea Initiative will work as a positive concept from the point of view of China’s interests. When taking into consideration the V4 countries, Hungary is in the lead, with 2 billion EUR invested between the years 2000-2016, with 5000 firms with Chinese capital registered in the country, with the biggest companies being Lenovo and Huawei. The V4 countries account for the leading trading partners of China among the 16 CEECs, with 73% of the total Sino-CEEC trade in 2016. China conducted twice as much exports as it did import from the V4 countries in 2016 –V4 countries are at search for new markets, due to the loss of the Russian market being the result of ongoing economic sanctions between the EU and Russia. Poland as the largest economy in the region is profiting from increasing
Asia-Europe Rail Traffic by developing itself into a rail logistics hub for Asia-Europe cargo trains. Hungary, is the first European country, that signed a memorandum of understanding (MoU) on BRI cooperation with China, leading the way in BRI cooperation. China’s investors such as, its leading electric automaker BYD has welcomed the country’s pro-Eastern policy stance and opened its first fully-owned bus plant in Europe in northern Hungary. The Czech Republic has one of the best flight passenger connections with China among the CEECs. It welcomes more Chinese tourists than any other country in the region, with 300,000 tourists in 2016. The Czech Republic has also attracted many logistic centres such as Foxconn and Amazon. In regard to Slovakia, this country has the highest per-capita car production in the world. It has been the main destination for auto-related investment in CEECs. The established car producers—Volkswagen, Peugeot Citroën and Kia successfully expanding their manufacturing plants and two other car producers Jaguar and Land Rover should start their production in 2018. In order to attract Chinese investments and increasing export to the Chinese market, the V4 countries will compete in their economic interests.

Brussels is pursuing a distanced stance in regard to China, as it fears Chinese efforts could undermine union rules and could increase the east-west tensions. There is a concern, that China is pursuing a divisive strategy and that the deepening involvement of China in the region, could nevertheless increase economic divergencies within Europe, in particular within the emerging trade triangle involving China, Germany, and the Visegrád countries. The worst scenario potentially excludes countries in the Atlantic and Southern Europe and benefits the “German-Central European manufacturing core.”

In order to avoid such risk, Germany should address this threat by developing a triple-edged strategy, which would be able to balance national interests, European cohesion, and engagement with China. To make this effort effective, working with the Visegrád 4 is inevitable, as well as with other European countries, and with the EU Institutions to build a deeper cooperation with China with enhanced transport connectivity. Further, Germany should increasingly push for China to open up the Chinese domestic market, to ensure mutual access within the framework of the EU-China investment agreement. Last but not least, it should pursue efforts to enhance a forward-looking European industrial policy focused on the digitalization of industry, value, and supply chains for the CEE region. The counterstrategy of Germany and the degree to which the CEE countries will be able to coordinate their efforts, will be decisive factors in regard to the impact of the 16+1 initiative on the EU.

The backbone of the European Economy consists mainly of Small and Medium-sized Enterprises (SMEs), around 20 million, SMEs represent 99% of European businesses.
According to a survey, carried out by TNS Political & Social network in all the Member States of the European Union and in the six non-EU countries that are part of the COSME programme between the 10th and 30th of June 2015, the larger the company the more likely it is to export to or import from countries outside the EU. Some 14,513 SME’s were interviewed in the survey, with the following results:

“More than one third of SMEs (36%) have imported from another country within the EU, while 30% have exported to another EU country. One in five (20%) have exported to a country outside the Internal Market, while 19% have imported from one. Complicated administrative procedures and high delivery costs are the most common problems faced by SMEs when exporting. The most common export destination was the European Union (81%), followed by the Middle East and North Africa (15%), Eastern Europe, Caucasus and the Balkans (14%), and the USA (13%). Around one in ten have exported to India and South-East Asia (11%), China, Russia or Latin America (all 10%)”.

Whereas, China with its large companies, is the largest export economy in the world, exporting $2.06T and importing $1.32T, resulting in a positive trade balance of $736B in 2016. “The top export goods of China are Computers ($136B), Broadcasting Equipment ($115B), Telephones ($84.3B), Integrated Circuits ($54.8B) etc. The top export destinations of China are the United States ($385B), Hong Kong ($287B), Japan ($129B), South Korea ($93.7B) and Germany ($65.2B). The top import origins are Hong Kong ($285B), South Korea ($124B), the United States ($115B), Japan ($113B) and Germany ($85.4B)”.

Therefore, Chinese large companies enjoy an advantage over the European SME’s, as the smaller companies in Europe have to consider the significance of the short time return investments and are unable to compete with the large Chinese companies.

The Central European countries are seen as a market for China’s own strategic industries, exports and as an entry point to Western markets. Central European products can hardly compete with Chinese cheap products. Through investments in central Europe, China tries to improve infrastructure in order to distribute more effectively Chinese products and boost East-West Trade.

To conclude, China can be regarded as the biggest winner of the globalization process, as the US is losing its leading position and will be sooner or later superseded by China. When comparing the investments of the EU and China and the EU and the US, the investments between China and the US are still higher. Till the year 2015 the volume of the FDI of the EU in China reached 168 billion. In contrary, the volume of the Chinese investments in the EU amounted to 35 billion euro. In comparison to this, the FDI of EU in the US in the same year, amounted to 26 000 billion EUR and investments of the US in the EU reached 24 000 billion EUR. Between the years of 2000-2016, the European companies invested 141 billion EUR in China. The Chinese
investments in the same period amounted to 110 billion EUR. Whereas, Chinese investments in the EU reached 40 billion EUR in 2016, the investments of the EU countries in China dropped to 8 billion EUR, which amounts to a 23 % decrease in comparison to the previous year.\textsuperscript{97} In the Annex, graphs can be found depicting the EU trade with the USA and the EU trade with China. The tables show trade flows and trade balance comparisons between the years 2006 and 2016.

2.6 What should the EU do in order to keep the foreign state-actors involvement in the region balanced?

The Central European countries share deep historical and geographical ties and have been increasingly striving for more political and economic integration. They are an inevitable part of the European Union and pursue the European values and adhere to the principles of the European Union. All are part of the Schengen area, some more integrated than the others, some yet to join the Eurozone. The foreign actor, having the greatest influence effecting this region is the immediate neighbour – Russia. Russia having its own interests trying to maintain its position in the region continues with its disinformation campaigns and uses its gas monopoly, as a tool to pursue its policy, as all the countries in the region in spite of various energy diversification attempts are and will be greatly dependent on cheap Russian gas supplies. Central European countries should continue in finding ways of how to tackle Russian propaganda and rising disinformation for the near future to avoid possible conflicts and to tackle the efforts of disrupting democratic systems. The European Union in order to reduce the impact of Russia on these countries should concentrate on energy diversification as well.

As given above, the European Union is facing major challenges and is constantly evolving with the need to adjust to the changing global environment. Currently with all the dynamic threats, it is essential that the EU continues to deepen its integration and in case of a multi-speed Europe, the Central European countries show efforts to stay in the core of the EU, in order to not be left behind. As to the migration crisis, the Central European countries should be willing to cooperate and compromise more with Brussels, as it has become clear that this long-term matter is only solvable with all the Member States cooperating unanimously. In order to avoid anti-European sentiments and rise of far-right parties Brussels should also continue with proposing new common solutions to the persisting migratory crisis.

Moreover, Central Europe will be more and more shaped by the emerging actor-China, which is pursuing increasing activities in the region and which will contribute with high investments in the near future. In order for Central European countries not to be split
on the Chinese activities in this region it is important to establish a joint approach towards China. In regard to the economic performance in the region, China is the main competitor. There is a fear that China’s involvement and investments in the Central European region might cause divides of a certain kind, which might happen, however this is in the end not the aim of China. Chinese interest in Central Europe are clear, it sees the region as a market for its own strategic industries, exports and as an entry point to the Western markets.

In regard to another major actor America, with Trump in the lead and his support for the Three Seas Initiative, the USA will keep its interest for the Central European countries in the near future, with the aim to decrease Russia’s influence and the energy dependency of the Member States on Russia by supporting the diversification of the needed energy supply. Central and Eastern European (CEE) countries have been fighting NS2 due to the increased dependency on Russian natural gas as well and therefore will support the energy diversification and LNG developments in the region. For the US the TSI is essential, as through this format it can push for greater energy diversification also in regard to its own LNG’s interests.

When it comes to defence, NATO stays the most important security group for the Central European countries, however after Brexit, the central European defence might see more integration efforts and more opportunities to new initiatives can arise. All in all, the Central European countries are core countries of the European Union and despite all the foreign pressures and interests, this region stays true to the European Union and its values.
3. Geopolitical machinations in the Western Balkans

Apolonija Rihtarić

This chapter examines current developments in southeastern Europe, a region commonly referred to as the Western Balkans. This geopolitical term was introduced during the November 2000 Zagreb Summit, when the European Union first time promised “the European perspective to the countries” in the region. The message to be sent was that the South East Europe belongs to the West. Despite a lack of consensus among experts if the Western Balkans is appropriate denomination, it is now ingrained and serves to describe a substantial part of what is known as the EU’s Enlargement Policy. The following countries of southeastern Europe are encompassed by it: Albania, Bosnia and Herzegovina, Croatia, Kosovo, Montenegro, Macedonia (provisionally known as the former Yugoslav Republic of Macedonia (FYR Macedonia) and Serbia. There is a widespread belief that in these countries, Russia, China, and Turkey work to increase their influence. Consequently, the EU could lose full control over its direct neighbourhood. Having said that, based on recent political developments identified as the most pertinent ones, an assessment of these claims will be offered. This will be done by firstly presenting a short historical perspective following the current EU endeavours in the region. Then, using the same pattern of analysis, American involvement and influence will be looked at. An analysis of the Russian, Chinese and Turkish relations with the region will follow. Finally, a conclusion will be offered.

3.1 Introduction

With the end of the Yugoslav wars, the active presence of the European Union in southeastern Europe provided a certain level of stability. To promote peace, security, economic development and to open a prospect of EU integration, became of utmost priority for the Union. In return, the prospect of EU membership motivated the countries in the region to undertake structural reforms. It also encouraged their leaders to cooperate with one another. Yet, many no longer view the EU as a rock of stability. The last state to join was Croatia in 2013. Since then, troubled by its own existential problems, the EU has cooled on expansion. The United States, detached already for a while, also continues to prefer status quo over change. Certain actions and statements of the US President Donald Trump show that little attention has been devoted, not only to the region, but also to the EU as a whole. In this absence of US-EU collaboration and leadership, the Western Balkans became susceptible to the influence of other players. With European and American interest fading, Russia, China, and Turkey have devised measures to boost their presence. In the EU’s enlargement commissioner Hahn’s words:
The accession of the Western Balkans is in the own interest of the European Union and it is more relevant than ever.\textsuperscript{101}

3.2 Relations with the European Union

In the aftermath of the gory Yugoslav wars, it dawned on the European Union to take a better care of its “own backyard” in the future. With that intention, the Stabilisation and Association Process (SAP), a mechanism for relations with the Western Balkans was launched in 1999. This EU policy was established with an aim of eventual EU membership. In 2003 during the Thessaloniki summit, the EU echoed its “unequivocal support” for the region, as “the future of the Balkans is within the European Union”.\textsuperscript{102} However once hailed “the most successful EU’s foreign policy”, the enlargement is now held up. On the 1\textsuperscript{st} of July 2013, Croatia was the first and until now the only of the seven countries to join.

Fifteen years after the Thessaloniki summit, each candidate and potential candidate of the Western Balkans is at different stage of the EU accession process. Each has its own road map to comply with. The FYR Macedonia was among the first to get a candidate status in 2005. Yet, country’s accession process has been put on hold. Moreover, the country’s EU prospect has been at its lowest during the 2015 political crisis. With wiretaps revealed pointing to PM Gruevski’s misgovernment and affiliation towards Kremlin, Macedonia became a focus of EU’s attention. Brussels’s response to the crisis was the Pržino agreement. As part of the agreement, the main political parties in Macedonia were to confirm “their commitment to the Euro-Atlantic process and democratic principles”.\textsuperscript{103} After the ten years of Gruevski’s rule and two years of a crisis marked by corruption, scandals and protests, with the EU’s help, Macedonia got a new government in June 2017. The new leadership now seems willing to remedy the situation and to continue country’s European path. A step forward in that direction has been a recent development concerning the long-standing dispute over the use of name “Macedonia” with Greece. This 27-year old dispute has always been a priori reason for country’s slow progress in the European integration process. After declaring independence from Yugoslavia in 1991, Macedonia decided to keep its name. This infuriated Athens which insisted it implies claims to a Greek province of the same name, as well as to Greek history. Ever since, country’s leadership has threatened to block Macedonian EU and NATO membership. Nonetheless, the authorities from both Athens and Skopje nowadays seem more willing to cooperate. In December 2017, at the World Economic Forum’s annual meeting in Davos, Greek Prime Minister Alexis Tsipras met with Macedonian Prime Minister Zoran Zaev. “To demonstrate, in practice, that we were committed to finding a solution”, the latter made a historic step forward by agreeing to
rename his country’s airport name. The issue is now to be settled over the course of 2018. At a later stage, this could pave the way for the relaunching of the accession negotiations.

After having reformed its judiciary system, Albania also expects a green light to start the accessions negotiations. If Tirana lives up to its end of the bargain, implements judicial reforms and tackles corruption and organized crime, formal talks could start in the spring of 2018. Kosovo’s impediments to join the EU are, on the other hand numerous, not least the fact that five EU Member States refuse to recognize its independence. However, the normalisation of relations with Serbia is for the EU of utmost importance. Mindful of that, in 2011, Belgrade and Priština decided to address some of the challenges that arose from 2008 secession from Serbia. Two years later, in 2013, under the auspices of the EU, the Brussels Agreement was negotiated and concluded, although not signed by either party. Notwithstanding that over the course of 2017, several incidents occurred between the two countries. One of them happened when the Serbian government sent a train from Belgrade to Mitrovica painted in Serbian colours declaring that “Kosovo is Serbian”. Although the train was halted prior to reaching the border, Serbia’s then Prime Minister, Aleksandar Vučić menaced to send military troops to the border to protect Serbs.

In August 2017, the President of Serbia and the President of Kosovo along with the EU’s foreign policy chief Federica Mogherini, decided to begin implementing a portion of the 2013 agreement concerning the rule of law. Moreover, after being stalled for more than a year, the EU-sponsored dialogue was due to resume in January 2018. On the 16th of January 2018, representatives of Serbia and Kosovo met in Brussels. When Serbian negotiators heard that the Kosovo Serb minority leader Oliver Ivanović was assassinated in the Serb-administered section of Mitrovica, in Northern Kosovo, they returned from Brussels and stopped the talks. To pour oil on troubled waters, President of the European Parliament Antonio Tajani visited Belgrade in February 2018. “Serbia and the Western Balkans are at the centre of the EU’s priorities” was a key message he delivered. The EU wants resumption of the dialogue. Serbia too seems ready to continue, especially since the country is, together with Montenegro, considered a “frontrunner candidate”. While Montenegro has opened 30 chapters and temporarily closed three, Serbia did 12 of 25, two of which were closed.

The EU accepted Bosnia and Herzegovina’s membership application in September 2016. The country was ever since dealing with the EU Commission Questionnaire, a prerequisite for achieving candidate status. The answers however, came with delay. Some of the problems appeared to be 50 questions on the political criteria dealing with
transnational justice, dispute over terminology for the Bosnian language and population census not accepted by Republika Srpska. The 2016 ruling by Bosnia and Herzegovina’s Constitutional Court on the election system in Federation of BiH entity, just added fuel to the fire. The Court’s ruling addressed the enduring “Croat question”, and calls for negotiations to create a third, Croat-dominated entity. Due to complexity of the country’s internal structure and persistent ethnic and political divisions, the implementation of this decision is hard to imagine. However, if it wants to make progress in the EU negotiations, the country should find a way reform its electoral law before elections scheduled for October 2018. Despite these external and internal challenges, it seems as citizens of Bosnia and Herzegovina still largely support the entry into the EU. The latest 2016 public opinion poll conducted by a permanent body Directorate for European Integration of the Council of Ministers of Bosnia and Herzegovina, shows that overall 76% surveyed support the EU membership, out of which 91.3% from the Federation of BiH, 50.7% from Republika Srpska and 90% from the Brčko District.

The head of the EU delegation in Bosnia and Herzegovina, Lars Gunnar Wigemark once stated that the EU had failed to perform decisively in the Balkans in the 90s “because at the time it did not have the Common Foreign and Security Policy (CFSP)”. However, it was the EU’s failure to address the war in Bosnia and Herzegovina in the 1990s and again in 1999 that pushed for the institutional development of the CFSP. Together with the complementary Common Security and Defence Policy (CSDP), CFSP is at present one of the main pillars of the EU external action. The EU today conducts 16 missions and operation under the CSDP, out of which 10 are non-military. Although predominantly civilian, these missions are surely indications of the Union’s interest in the region. Within these frameworks, missions such as EUPOL PROXIMA/FYROM have been deployed in the Former Yugoslav Republic of Macedonia. Brussels retained a supporting role in Bosnia and Herzegovina through the EUFOR/Althea mission, launched back in 2004. In Kosovo, it still deploys EULEX, the EU’s biggest civilian mission aimed at helping the authorities to protect the rule of law.

As a temporary substitute for the enlargement, European leaders introduced several other political and economic projects to the Western Balkan states. One of them is Germany-led WB6 (Western Balkan 6) initiative, known as the “Berlin Process” Within this intergovernmental framework, aimed at promoting EU relations with the Balkan states, summits were previously held in Berlin (2014), Vienna (2015) and Paris (2016). In July 2017, the last Western Balkans 6 (WB6) Summit that took place in Trieste produced some positive results for the region. German’s ambitions materialized when the leaders
of Albania, Bosnia and Herzegovina, Kosovo, FYR Macedonia, Montenegro and Serbia committed to develop a common market, dubbed the Regional Economic Area (REA). Supported by the EU and the European Bank for Reconstruction and Development (EBDR), this single market of 20 million people should bring the region closer to the EU.\textsuperscript{116}

To reinforce the integration between the Western Balkans region and the EU, the Transport Community Treaty was also established. One of the key objectives of the treaty, aimed at fostering regional cooperation is “a deeper integration of the Western Balkans with the EU transport market”. In return, “the support for the accession process” has been promised.\textsuperscript{117} Second Berlin’s initiative is the so-called “mini Balkan Marshall plan” that should serve as a supplementary factor in the economic development of countries in the region: Reportedly, the idea is to link up the region through infrastructure connections such as highways, which would connect Serbia with Bosnia and Herzegovina or Belgrade with Tirana.\textsuperscript{118}

While waiting in line to join the EU club, the Western Balkans also witnessed production of several diplomatic documents that point to the EU’s commitment to the region. According to the 2016 EU Global Strategy, the EU will be guided “by a strong sense of responsibility” in the future and be “a responsible global stakeholder”.\textsuperscript{119} Under the current EU enlargement policy, credible accession process has been recognized as vital “for resilience of countries in the Western Balkans”. That it became aware of the implications if failed to integrate the Western Balkans, the EU has showed in February 2018. Brussels came up with the ground-breaking diplomatic document, the EU-Western Balkans Strategy. The strategy is all-encompassing. It envisages six flagship initiatives in the area of rule of law, security and migration, socio-economic development, transport and energy connectivity, digitalization, reconciliation and good neighbourly relations. Furthermore, according to the EU Enlargement Commissioner Hahn, “57 concrete actions” are to be undertaken over the period of 2018 - 2020. Added to EUR 1 billion of the precession money, additional EUR 500 million are promised. While presenting the document to the public, the High Representative of the European Union for Foreign Affairs and Security Policy Federica Mogherini and Commissioner Hahn, promised “a credible enlargement” provided that “every country does its homework” and “bilateral issues are solved”.\textsuperscript{120}

One the one hand, these are all laudable attempts to take a strategic view of the region’s problems. On the other hand, much is left to be desired. Not all European leaders share the same ambition for the region. The EU Commission President Jean Claude Juncker repeatedly said that there will be no further enlargement during the mandate of his
Commission, as no candidate seems ready. Moreover, as read from the new Strategy, the next country will not join before 2025. Above all, the European Union alone currently faces a range of economic, political and security challenges. Among them are the slow economic growth, high unemployment, the rise of populist parties with anti-EU sentiments and the increased terrorist threat as foreign fighters from the Middle East return home. Besides, the EU has to deal with ongoing migration pressures, cybercrime and the Brexit negotiations. With the United Kingdom, scheduled to leave in 2019, the Union is perhaps preoccupied the most. The relations between Turkey and the EU have become increasingly tense, with Turkey threatening to let a new migrant flow into Europe. When Catalan parliament unilaterally declared independence from Spain, Brussels faced criticism for being naïve to think it is none of its concern. Two other EU member states are the new troublemakers. Against both Poland and Hungary; which are said to be pulled in an “authoritarian direction”, Brussels took legal actions. Against Poland because it launched a controversial judiciary reform that puts into question the tripartite separation of powers. Against Hungary, because it passed a law which requires NGOs receiving foreign funding to be registered as “organisations supported from abroad”, thereby clearly echoing Russia’s infamous law from 2012.

Consequently, all this cripples the EU’s ability to live up to its promise and integrate the remaining Western Balkan countries into its orbit anytime soon. Some levels of development assistance to promote political and economic reforms are maintained, some new have been added, but the EU’s overall engagement deems insufficient. Although nominally committed, it appears that the Union is currently not capable to deal with its southeast neighbourhood. That, in turn, has created a power vacuum ready to be filled by the other parties.

3.3 Relations with the United States

The United States have had a long history of involvement in the Western Balkans, dating back to the wars of the 1990s. The US played a key role in ending the war in Bosnia and Herzegovina and backing up the Dayton Agreement in 1995. With the US as a mediator, the Washington Agreement, a ceasefire between Croatian and Bosnian Muslim’ side was agreed upon. Americans, along with the EU also brokered the 2001 Ohrid Framework agreement in the FYR Macedonia. They were behind the 1999 NATO campaign set against Serbia that ended armed hostilities in Kosovo. Then again, as other US geopolitical priorities emerged and the region gradually stabilised, the engagement of the successive US Administrations diminished. Following the 9/11 attacks, the US relocated much of its energies and resources from Europe on the Middle East and South Asia.
Forget China and the Middle East, the former Yugoslavia might emerge as “first real foreign policy headache” for the new American administration. This was a warning sent to Donald Trump when he assumed office in January 2017. Indeed, an incident occurred in the region in April 2017. The exchange of grave threats and harsh rhetoric took place between Belgrade and Tirana. The Prime Minister of Albania Edi Rama menaced to opt for a union between Albania and Kosovo if the EU membership prospect for the remaining countries of the Western Balkans fades. The official Belgrade responded with threatening of another war in the Balkans. With the proclaimed goal of preventing another war from happening, the US-led North Atlantic Treaty Organisation (NATO) was conducting numerous military activities in Albania, Bosnia and Herzegovina, FYR Macedonia and Kosovo.

NATO has always been a vital instrument of American foreign policy in the region. As a key architect and contributor to NATO’s initiatives, the US never stopped bolstering its military muscles in Europe, all in response to Russian pretensions. Attracted by the US’ security umbrella as well as the Organisation’s Article Five, most of the Western Balkan nations opted for the NATO membership. Back in 2006, Bosnia and Herzegovina, Montenegro and Serbia joined NATO’s Partnership for Peace (PfP). In 2009, during Obama’s first term Albania and Croatia became full-fledged members. FYR Macedonia was invited to join in 2008 but did not because of its ongoing name dispute with Greece. Bosnia and Herzegovina is working on its Membership Action Plan (MAP), but a dispute over defence property prevents progress. Because of the complicated past and constant public sentiment against NATO, Serbia remained the only country in the region not seeking full membership. Belgrade, however, closely cooperates with NATO. Between 2006 and 2016 the two conducted 1400 various military (yet technical) exercises. To put into perspective, out of 26 drills performed in 2016, only four were with Russia. Montenegro’s accession process was finalised in 2017 with Trump as President.

Particularly in Kosovo, is Washington’s influence unparalleled. Since it declared independence in 2008, which the US recognized, Kosovo has been one of the largest recipients of American foreign assistance. A new $49 million threshold agreement that was signed between Washington and Priština in September 2017, is another proof of that claim. Along with other 800 military bases across 177 countries aimed at preserving American spheres of influences, it is in Kosovo where the US has its largest military base in the Balkans, Camp Bondsteel. Furthermore, the White House reiterated its largely military commitments in southeast Europe by advancing a NATO-led peacekeeping mission in Kosovo (KFOR). In May 2017, approximately 4000 troops from 29 countries
were contributing to the mission of which 600 were from the United States. This represents an important increase comparing to 2015 when there were around 378 US soldiers in Kosovo. Still, there are just under 200,000 American troops stationed throughout the world of which 39,345 are in Japan. Therefore, compared to elsewhere in the world, the US military presence in the region is modest.

The Dayton Agreement, that put an end to the war in Bosnia and Herzegovina in 1995, has always been of indirect concern for Washington. Today this peace accord no longer stands the test of time. What is more, some critics consider it the prima facie reason for the malfunctioning of the country. Others call Bosnia and Herzegovina “a fake US protectorate”. Whatever the case, the fact is that it cannot be changed without the US’ blessing. Meanwhile, the ethnic-based political divisions persist and youth unemployment hovers over 65%, one reason why the youth has become increasingly vulnerable to the ideas of radical religious extremism. Bosnia and Herzegovina reportedly has the highest number of foreign fighters per capita in Europe. What is more, of around 900 people from the Western Balkans who have joined ISIS in Syria and Iraq, around 250 have returned to their home countries, according to a report of an US-based NGO, the Soufan Centre. Moreover, fragile countries such as Kosovo and Bosnia and Herzegovina rank as the top two per capita contributors. According to another report, the one from the Croatian Security and Intelligence Agency, countries in the southeastern Europe are seriously affected by the rise of nationalist and religious extremism.

In this context, it is believed that a more conservative form of Islam is one of the reasons behind the high number of foreign fighters. Moreover, some of the Gulf States are suspected to have been funding an ultra-conservative doctrine of Islam in the region. Saudi Arabia is alleged to having the means and channels to do so since the country was active in the region during the 1990s war in Bosnia and Herzegovina. Riyadh then provided significant aid and financed Islamic volunteer fighters that formed the Mujahedeen brigade which fought on the Bosniak’s side. Driven by economic and cultural ties, Saudis remained more or less present ever since. As a result, Islamic humanitarian centres and NGOs were opened, schools and mosques funded, clerics educated to promote the Saudi version of Islam. Some believe that this fuelled religious fundamentalism and consequently prompted youth of the country to join ISIS: The Saudis denied such accusations pointing to deradicalization measures the country put in place, one of them being the creation of the Global Centre for Combatting Extremist Ideology opened during the President Trump official visit. However, because of a lack of adequate sources, the extent of the Saudi influence in the region is at this point in
time hard to examine. Also, behind the high number of foreign fighters are certainly other factors as well - political and socioeconomic ones, and a psychological need for identity. As Lilyanova puts it is “a sense of belonging, purpose and inclusion”, is what prompts young people to become radicalized and to join extremist groups.\textsuperscript{139}

This at least should have grabbed the US’ attention having in mind Washington’s proclaimed determination to fight the terrorism around the globe. However, the Western Balkans obviously do not rank high on the White House’ agenda. Moreover, it looks as if under Trump, the US is even less concerned with exercising global leadership in that part of the world. Numerous actions and statements from President Trump, encapsulated under a term “\textit{America First}”, have led to a belief that the US would adopt a more restrained role in world affairs. This view has been reinforced on a high-level meeting at the United Nations General Assembly (UNGA) in September 2017. In his speech-setting agenda President Trump has not dedicated a single word to the Western Balkans.\textsuperscript{140} This is particularly relevant since the annual General Debate of the UNGA is an occasion where leaders discuss central global issues and announce their grand strategies.

These are only a few reasons why some observers call for the reinstatement of the US leadership in the Western Balkans. Originally the EU was expected to take the lead role in the region. Seeing as it has fallen short, some analysts believe there is no alternative but renewed American leadership. However, Trump’s one year in the office has passed, and the Administration has yet to nominate a US ambassador to the EU. The President’s 2018 National Security Strategy (NSS) also points to a lack of interest. The strategy’s only mention of the European Union is to proclaim that the White House will work with Brussels to “\textit{ensure fair and reciprocal trade practices and eliminate barriers to growth}”. On top of that, President Trump almost entered a trade war with the EU member states; calling them “\textit{wonderful countries that treat the US very badly on trade}”\textsuperscript{141} At the same time, according to the NSS, the Administration recognizes that “\textit{China and Russia challenge American power influence and interests}”.\textsuperscript{142} However, the US seems to be loosening the ties with the EU. Apart from Kosovo, facts presented suggest that the US is also disengaging from the Western Balkans.

\textbf{3.4 Relations with the Russian Federation}

Since the collapse of the Soviet Union, the ultimate goal of Russian foreign policy has been to rebuild close ties with the neighbouring countries that were once part of the USSR. Russia-led organizations such as the Eurasian Economic Union were established to reintegrate Kremlin’s \textit{near abroad}. Without a doubt, Russia nowadays pursues more
diversified foreign policy. To minimize political and military influence of rival powers, it looks as interested in its far abroad, in this case - the Western Balkans.

In recent years EU policymakers have been paying close attention to Russia’s increasingly active foreign policy. With the illegal annexation of Crimea and the armed conflict in Ukraine the relations between Brussels and Moscow severed. Europe has been trying to achieve more energy independence ever since. This is one challenging task since Russia is the EU’s main supplier of natural gas and oil and fourth-largest trade partner. Moreover, the newest studies show that 13 EU member states import 70-75% of their gas requirements from Russia. In 2017, Russian gas export to the EU allegedly rose by 12%. Thus, a unifying EU approach in sanctioning Russia often proved difficult to find, given the EU member states different economic and historical relations with the country. In October 2017, Germany, one of the staunchest defenders of European unity, has succumbed to Russia’s business proposals. Kremlin’s latest energy plans envisage an energy pipeline Nord Stream II that should pass through Germany and the territory of the former Yugoslav republics and bypass Ukraine. Even though the European Commission opposed the initiative, Berlin insisted on calling it purely a commercial project. This is only one example how through “pragmatic strategic partnership” based on commercial and energy ties, Moscow proved capable of influencing European policy making. Russia went to great lengths to do same the across the Western Balkans. Through targeted investment, Moscow earned itself a say in the region’s matters.

In Serbia, Kremlin have had a voice at all times. This Belgrade-Moscow alignment goes back in history. It is rooted in the pan-Slavism of the 19th century and the Orthodox religion the two countries share. In addition, Russia also supported Serbian independence from the Ottoman Empire and entered the World War I on its side. However, it was a more recent event that led to a considerable rapprochement. The 1999 NATO intervention in Kosovo led by the US and supported by the EU, brought close the traditional Slavic allies. Having relations with the West deteriorated, Belgrade found in Moscow an unwavering support, especially in opposing Kosovar independence. Kosovo has been the main factor in Serbian national consciousness over the past seven hundred years. Recognized as the place where the Serbs were defeated by the Ottomans in 1389, Kosovo is considered the cradle of the Serbian nation. With the time, Russia became Serbia’s main arms supplier. In addition, in 2011 the two countries opened a joint “Russian-Serbian Humanitarian Centre” in Niš, Serbia. The centre is now suspected to be a hidden military base. Giving that the Russian government apparently wants to ensure its staff located there a diplomatic immunity,
suspicions seem to be grounded\textsuperscript{148}. Also, Kremlin’s energy influence in Serbia is the biggest. In return, Serbia has spared Russia the criticism for its actions in Ukraine and refused to follow the EU in imposing sanctions. In September 2016, the Serb-dominated entity Republika Srpska (RS) held a referendum to make January 9, the date that marks the 1992 declaration of independence by Bosnian Serbs, RS national day. The controversial referendum, initiated by the President of the Republika Srpska, Milorad Dodik was endorsed by the Russia’s ambassador to Bosnia and Herzegovina endorsed the referendum. In contrast, in early 2017 the US added Dodik on a black list of people and organisations prevented from cooperating with the US.

One thing is however clear. Russia cannot offer the same trade presence to Serbia as the EU does. The EU is not only Serbia’s biggest trading partner, but also the largest provider of financial assistance. Only in 2016, the EU’s contribution to country’s total foreign direct investment (FDI) was 65%. What Moscow can is, however, to influence the perceptions of Serbian citizens as demonstrated by the recent polls conducted. The poll of the Belgrade Centre for Security Policy states that Serbs perceive Russia as a major political (70%) and military (79%) power\textsuperscript{149}. In addition, according to another poll, the one from the Balkan Barometer 2017, only 26% of Serbians consider EU membership to be a good thing.\textsuperscript{150} At the same time, data collected between June 2017 and December 2017 by the Ministry of European Integration of the Republic of Serbia, shows that the support for Serbia’s membership to the EU often varies between tight 48% and 52%.\textsuperscript{151}
In June 2017, leaked documents collected by Macedonian counter-intelligence suggested that Kremlin has been operating in FYR Macedonia since 2008. By methods of soft power, the Russian Federation works “to isolate the country from the influence of the West”. Firstly, in 2015 Russia eyed Macedonia by openly supporting a Macedonian right-wing leader Nikola Gruevski. Despite Gruevski being ousted from power amid allegations on eavesdropping its own citizens, one year later, Moscow managed to complete a $75.7 million section pipeline at full cost. This prompted current Macedonian President Gjorge Ivanov to criticize the EU for its failure “to engage and invest in the region” leaving the door open to Russia’s strategic investment. According to Macedonian intelligence, not only is Moscow seeking to step up its influence in FYR Macedonia, but also across the countries of the former Yugoslavia. Another event occurred in the region last year speak in favour of this claim. In October 2016, two Russians purportedly tried to assassinate Montenegrin President Milo Djukanović as part of an attempted coup aimed at preventing Montenegro from joining NATO. Kremlin repeatedly denied these accusations, but Montenegrin officials insist that that was an operation conducted by the Russia’s military intelligence agency.

When in summer 2017, a Croatian concern Agrokor d.d. came under threat of collapse, owing 1.3 billion euros to Russian banks, fear rapidly spread throughout the country that Moscow could use this debt to strengthen its presence.
this biggest company in former Yugoslavia was a Moscow state-controlled bank Sberbank. In response, the Croatian government hurriedly passed a law that allowed the state to step in and restructure the debt passing it to American creditors. Nevertheless, Russia’s apprehension needed to be ensured. For this purpose, Croatia’s President Grabar-Kitarović visited Vladimir Putin, in October 2017. “Croatia recognizes the international importance of Russia” - was one of the main messages delivered. Russia and Croatia have not had traditionally warm relations, but the visit was an attempt to reset “never worse bilateral relations”. Indeed, due to EU sanctions against Russia, Croatia reduced its economic cooperation with Moscow for almost 20%. To improve these bad commercial relations, the Croatian President was escorted with the biggest ever economic delegation to Russia.

Whereas Russia is isolated diplomatically by most of the Western European states, these few examples show that Kremlin has an intention to be present in the Western Balkans. Nevertheless, from the geo-economic point of view, in southeastern Europe, Russia simply does not have the means to substitute the West. The EU is still the most important trading partner of the Western Balkans. It accounts for over 76% of the region’s trade. Even with each individual Western Balkan country trade relations are superior to that of Russia, even with Serbia. Brussels is the major donor and in most of the countries the key source of FDI. Finally, although not on the current EU agenda, the bid for EU membership is still on the table. All western Balkan countries still aspire to join. This, however, does not prevent Kremlin to muddy the waters.
3.5 Relations with the People’s Republic of China

Fig. 5: China’s 16+1 Initiative and the Western Balkans (map generated by using Eurostat data and Excel Office 2016, own image).¹⁶²

In October 2017, China’s ruling Communist Party voted to elevate President Xi Jinping to the level of the country’s founder Mao Zedong. Mr. Xi Jinping thought has been enshrined in the country’s constitution without a single opposing vote. “The world’s most powerful man”¹⁶³, is a nickname Chinese President earned as a result. One of the principles of Jinping’s thought is assertiveness and expansion of Chinese interest overseas.

Certainly, in recent years China has shown significant interest in investing abroad, especially as a part of its Belt and Road Initiative (BRI). This multinational program has become a matter of utmost priority for Beijing. An integral part of the program is also a supporting initiative named 16+1.¹⁶⁴ Out of 16 countries, 11 EU member states and 5 Western Balkan countries, with exception to Kosovo, are part of the 16+1 cooperation framework. Moreover, even some EU countries, such as Slovenia have called for more cooperation under the framework.¹⁶⁵ By 2015, the European Union had been China’s
main trading partner for 11 years in a row.\textsuperscript{166} Now faced with its depressed market, China has found a new entry point into Europe - via central and eastern European (CEE)\textsuperscript{167} countries. Thirty consecutive years of economic growth have boosted Chinese confidence and played positive on Beijing’s world reputation. Economic achievements aside, China has also increased its defence budget by 150% over the past decade. Now a major world player, China shapes not only the international world order, but also the Western Balkans.

In hope that its economic engagement will produce wanted long-term political results, Beijing even sometimes provides economic and infrastructural benefits unconditionally.\textsuperscript{168} Understandably, China’s unconditional willingness to invest in Balkan’s infrastructure became very attractive for the Western Balkans. As a result, Beijing is lately often depicted as trying to divide the where other powers are fighting for their interests. On the one hand, countries of the region are trying to follow EU regulations. On the other, saturated with waiting for both the EU and the US to reassume responsibility, they have identified areas in which their and Chinese interests are compatible. This comes as no surprise considering socioeconomic challenges the Western Balkans countries face. Bosnia and Herzegovina has agreed on projects worth a total of 1.4 billion euros to be financed by China.\textsuperscript{169} Beijing has for example borrowed Montenegro hundreds of millions of dollars and thousands of its workers to build strategic highway between Belgrade and Montenegro’s Port of Bar on the Adriatic Sea.\textsuperscript{170} A EUR 170 million project Pupin Bridge on the Danube in Belgrade is apparently the largest Chinese investment in the region. Other big projects such as upgrading of a thermal power plant in Kostolac and the purchase of a steel plant in Smederevo were launched in Serbia, likewise.\textsuperscript{171} There is an increasing interest in Albania as well. Previously unrecorded, only in 2016, over 90 Chinese companies have visited Albania to seek for investment opportunities.\textsuperscript{172}

Chinese diplomacy is also very active in promoting Xi Jinping’s project. During a celebration of the 25th anniversary of China-Croatia relations, Chinese Ambassador HU used the opportunity to promote the platforms of Belt and Road Initiative and 16+1’ cooperation that will “\textit{bring new vitality to bilateral relations}”\textsuperscript{,173} In addition, some EU aspirants seem willing to further deepen the relations with Beijing. In September 2017, Serbian President Aleksandar Vučić and special envoy to Xi Jinping Meng Jianzhu agreed to deepen a pragmatic collaboration “\textit{in all fields}”.\textsuperscript{174} Then, one month later, Macedonian President expressed its full support to the Belt and Road Initiative recognizing that in difference to the EU “\textit{it offers opportunities to fund major infrastructural projects in the region}”.\textsuperscript{175}
Chinese ambitions in the Western Balkans have set up a potential clash with the European Union. Some analysts believe that Germany’s Berlin Process is actually an EU way to restrict China’s presence. Also, in response to massive Chinese procurements in the region, the EU started to sketch stricter competition rules for the existing EU member states that are part of the 16+1. The 350 km Belgrade-Budapest high-speed railway project, which China started building in 2015, has been slowed down by the European Commission’s investigation. The answer that now needs to be found is whether Hungary ignored the EU competition law. Hence, a justified fear exists that if China continues at this pace it will be on Beijing not the EU to impose “the rules of the game”. In consequence, future EU member states will have difficulties to easily implement the EU “acquis communautaire”. Given the China’s preference for state-led over market-based decisions, some EU rules could be circumvented.

3.6 Relations with the Republic of Turkey

Turkey’s incursion in the Western Balkans intensified with the break-up of Yugoslavia. Then, as a NATO member, Ankara supported Muslim communities in the region - Bosnian Muslims and Kosovo Albanians. To involve itself more deeply, as an aspirant EU country, Turkey also used the common EU accession process that both Turkey and the Western Balkans became a part of in 2003. In 2010, the European Commission acclaimed Turkey for “taking number of initiatives in the region and promoting peace and stability”. Today, Turkey is at odds with the EU. According to Erdogan’s late statements Ankara is clearly moving away from the EU membership. Some analysts think that, as a result, Turkish influence in the Western Balkans will decrease. However, Ankara’s late activities’ show the opposite.

With the arrival of the AKP to power in 2002, Turkey reinforced its economic activities in the Western Balkans. Turkey lately has a growing strategic interest in Albania. One of its latest projects consists of building an airport in the town of Vlora, the second largest in the country. Also in Bosnia and Herzegovina, Turkey always had more than a financial interest at stake, with mosques, schools and civil society organizations being continuously sponsored. In the Western Balkans, Bosnia and Herzegovina is a top destination for Turkish FDI. Turkey also expressed its willingness to act as a mediator in the region by offering its help to Croatia regarding Bosnia and Herzegovina. In April 2016, during an official visit to Croatia, President Erdogan introduced a possibility of establishing a trilateral cooperation between Croatia, Turkey and Bosnia and Herzegovina, to politically emancipate the torn country. To materialize these ambitions and to lobby for a better position of Bosnian Croats within Federation of Bosnia and Herzegovina, Croatian President Grabar-Kitarović, went to Ankara in January
In October 2017, Erdogan visited Serbian President Aleksandar Vučić, accompanied with some 150 business leaders. Although not a historic Turkish ally, Serbia is in dire need of infrastructural investments, therefore, extremely receptive to Erdogan’s offers. Closer ties with Serbia are undoubtedly beneficial for Turkey, especially since the relations between Ankara and Brussels have never been as tense as in the past two years.

In the wake of July 2016 coup attempt, Turkey’s President Erdogan organized a constitutional referendum in which he consolidated his power. On April 16, 2017, 51.4% of Turks voted for constitutional changes to establish a presidential system that strengthen his position, the changes that could apparently permit him to stay on power till 2034. All this sparked criticism from the European governments which now view Erdogan ever more authoritarian. In November 2016, the European Parliament called for a halt in Turkey’s EU accession talks. The EU also threatens to scrutinize the financial aid to Ankara. In response, Erdogan threatened to let to Europe for over three million refugees that are currently residing in Turkey. Relations between Turkey and the European Union further strained when rallies by Turkish government officials seeking to raise support for the referendum were restricted by some EU states. Germany and Turkey were in July 2017 at “their lowest point of the post-war era” after Turkey arrested hundreds of human right activists, including a German national.

Jean Claude-Juncker recently said that the Turkish government was “making it impossible for Turkey to join the European Union”. In return, speaking to the Turkish parliament in October 2017, President Erdogan said how in fact Ankara “does not need the EU membership any more”. If Turkey decides to use its leverage and lets a new flow of migrants into Europe, the transit countries Serbia and FYR Macedonia will be among the most affected. As analyst Dejan Jović rightly stated, the European Union has brought itself into a position of being Ankara’s hostage. The EU may soon be more a Turkish opponent than an ally and the Western Balkans a political playing field. As Erdogan’s Turkey moves away from the Union, relations with other regions will be more and more cherished, the Western Balkans including.

3.7 The EU’s wake-up call in the Western Balkans

This short analysis sheds light on recent developments in the Western Balkans. The purpose was to provide an assessment of repeated claims that players such as Russia, China and Turkey have deepened their relations with the Western Balkans, all at the EU's expense. To a significant extent these assumptions proved accurate. While the EU is facing a multitude of security challenges, both externally and internally, at the
moment, it is not able to do more to speed up the region's integration process. In addition, the US under Trump pursues a foreign policy of global disengagement. Except for some more troops on the ground, all part of Trump's once “obsolete NATO”, American have not taken any concrete actions to tackle the region’s problems.

The research conducted also showed that, Russia does not neglect the region. Moscow has come up with strategical but also dubious ways to affect the Western Balkans. Aware that the EU funds are currently unavailable and the EU regulations non applicable in the region, through infrastructural projects, China is perhaps active the most. The amount of investments China pursues, often unconditionally, all in the framework of the Belt Road Initiative and the accompanying 16+1 Initiative is unseen. That this could have far-reaching consequences already proved true with the Belgrade-Budapest railway project. Once it is Chinese-built, it can become Chinese-operated. Turkey is distancing itself from Brussels and sees in the Western Balkans an opportunity for a new alliance. Ankara could also use the region as another leverage in future relations with the EU.

To conclude, if the EU wants to remain “the only game in town” and continue shaping the region's perspective, it definitely must take more action and speed its enlargement policy at the earliest convenience. The Western Balkans is an economy with a lot of potential. It is a vivid market of 80 million people that the EU should not let go. Notwithstanding that the region already proved decisive in stopping the 2015 migration crisis. Perhaps mindful what it can lose, Brussels recently had a wake-up call with Juncker warning that if more stability in the neighbourhood is wanted, “the EU should maintain a credible perspective for the Western Balkans”. To be fair, a lot has been done already. Big sums of precaution money were and will be allocated. Commendable is the historic EU-Western Balkans Strategy, a clear indicator that the EU wants the region in its hub earlier rather than later. This might be the case only in 2025, estimated either overambitious or too late for some. The future, however, looks bright at least when it comes to keeping the Western Balkans high on the EU's discussing table. The Presidency of the Council of the European Union, that implements and directs EU foreign and security policy on the basis of guidelines set by the European Council, is currently held by Bulgaria. The country already stressed the Western Balkans as a top priority of its action. Having in mind that foreign policy priorities of the incoming EU presidencies of Austria (July - December 2018), Romania (January - June 2019), Croatia (January - June 2020) and Germany (July - December 2020), were always closely related to the Western Balkans, the same might be the case.

The EU will not lose its southeast neighbourhood to Russia, China and Turkey, as it is still strategically, economically and politically the most viable option for the Western
Balkans. Brussels is also the superior option. No power discussed above can compete with the EU’s political, aid and trade presence. Brussels is the largest trade partner and the biggest development aid donor. Traditionally, for most in the region, the US is still a security guarantee or through NATO, but this might not be an everlasting reality having in mind recent EU's ambitions to advance its defence capabilities. Nevertheless, a distinct possibility exists that Brussels might lose on its reputation as a credible alliance partner and as an only option. A lot can happen in eight years, till the next country would be allowed to join. As shown, other parties have found their ways to meddle with the region and the EU should be mindful. Finally, it looks as if there is no dearth of solutions, only a lack of the will to adopt them right away.

4. Competitive interests and strategies towards the shared neighbourhood in Eastern Europe

Velina Tchakarova

4.1 Regional specifications

Eastern Europe encompasses a geographic area that borders on the Balkans, Central Asia and the Middle East and extends to the South Caucasus, Black Sea and Caspian Sea. This region offers a great geopolitical potential due to its strategic positioning between Europe and Asia. It provides valuable transport, trade and energy corridors between the two continents. The periphery of the Eastern European neighbourhood can be described as a geopolitical node because the region offers strategic corridors to the Middle East, the South Caucasus, and Central Asia, on the one hand, and to the Black, the Caspian, and the Aegean seas, on the other hand.

Following the collapse of the Soviet Union, a wide-range security vacuum emerged in the common neighbourhood between Russia and the Euro-Atlantic community. Since then, it has been generating various soft and hard security threats ranging from terrorist activities and trafficking in human beings, drugs, and weapons, to the emergence of the frozen conflicts in and around Nagorno-Karabakh, Abkhazia and South Ossetia, Transnistria, and more recently Eastern Ukraine and Crimea.

Despite transformational efforts, the six countries in Eastern Europe still possess poor governance structures and weak institutions – ranging from semi-authoritarian and semi-democratic (Georgia, Ukraine, and Armenia) and defect regimes (Azerbaijan) to presidential dictatorships (Belarus). Furthermore, they put an emphasis on their relations with external actors, rather than with each other. The lack of regionalisation
cooperation processes can be explained with the absence of common economic and political interests or a common future perspective for the shared neighbourhood, which is additionally affected by the competing geopolitical interests of the external actors. From the EU perspective, the main idea is to promote regionalisation in the direct periphery so that the countries opt for regional cooperation rather than unilateral course of action when faced with the challenges of globalisation and security threats. However, Eastern Europe cannot be seen as a regional entity because of various intraregional problems, on the one hand, such as ethnic conflicts, domestic structural problems, a low level of economic development and bad governance, and extra regional problems, on the other hand, such as the high number of external players interfering with the region for the sake of their own geopolitical interests.

This chapter provides an insightful overview of the geopolitical situation in Eastern Europe by describing how the power vacuum in the region attracts various external players such as the EU, the USA, Russia, Turkey, and even China, while all are pursuing specific geopolitical agendas being often in clash with the security interests of the Eastern European countries. Following the launch of One Road One Belt, Beijing has also entered the competition over deepening the relations with the six countries.

There are various geopolitical constellations arising from the regional security complex of Eastern Europe such as the Russia-Iran axe or Turkey-Russia regional leadership in the Black sea area, or even a US-Georgia strategic partnership and the newly signed Association agreements between the EU and three of the countries in the region. The Turkey-Georgia-Azerbaijan security triangle provides an example of another significant constellation resulting from the agreement on strategic partnership and mutual support from 2010, which also defines mutual support in case of a military attack. Another significant constellation is the Russia-Armenia-Iran security triangle, which remains open for interpretations. The described geopolitical constellations come to show that the shared neighbourhood has a direct effect on the entire wide Black sea region, which “has moved from the periphery to the centre of the attention of world politics” in the recent years.

4.2 The EU and the European neighbourhood

The EU policy towards Eastern Europe is determined by internal institutional dynamics such as the consolidation and modification of the European neighbourhood policy, as well as the expansion of the foreign and security policy agenda of both the EU and leading individual member states such as Germany, France, Italy, Poland et al. Both the member states and the EU institutions have been shaping the European approach
towards the region so far. In fact, the bilateral approach is used, when specific geopolitical and security-related interests by the individual actors come to the fore. Contrary to this, new member states such as Poland, the Baltics countries, Bulgaria and Romania prefer the EU to the bilateral approach due to the lack of effective tools and sufficient financial means to interact with the region in a more comprehensive way. In this regard, there is an obvious difference between the old and more recent EU members regarding their threat perceptions, particularly the evaluation on Russia’s ambiguous role in the shared neighbourhood. While Germany, France or Italy have built up constructive relations with Russia over the last decades prior to the military conflict in Ukraine based on shared common interests mostly in the field of economy, trade and energy, the new member states predominantly perceive Moscow as one of the main threats to their security.197

The EU’s approach towards the direct Eastern European neighbourhood stems from various political documents and concrete institutional initiatives, among these are the European Security Strategy198, the European Neighbourhood policy199, the Report on ESS200, the Eastern partnership201, and the Global Strategy202. Generally, they build a set of objectives and priorities for the EU in its relations with the six countries in the direct European neighbourhood. One of the major security objectives laid down in all documents is to establish a security zone around Europe and to stabilize the shared neighbourhood by promoting the political, economic and social transformation in the six Eastern European countries. For that purpose, the EU’s legal instruments and measures towards the region are designed, in the first instance, to guarantee security, stability and prosperity along the periphery to the East. Furthermore, the EU’s approach is aimed at avoiding buffer zones and dividing lines between the EU and its European neighbourhood. Thus, the EU is determined to intensify the relations with the Eastern European countries, while exerting financial and economic pressure on Russia through sanctions.

4.2.1 The EU’s approach towards Eastern Europe

The Eastern European countries’ relations with the EU reflect various levels of engagement – starting with political association and economic integration (Ukraine, Moldova and Georgia), energy security relations (Azerbaijan), extending to an increased mobility through visa liberalisation (Ukraine, Moldova and Georgia), an institutional and administrative capacity building in all six countries, and finally deepening tailor-made relations with Armenia, Belarus and Azerbaijan. The EU’s approach is predominantly based on a soft skills agenda, which stems from the normative power of the Copenhagen criteria, and the EU’s security strategy documents. Furthermore, the EU distinguishes
between hard and soft security threats when dealing with the direct neighbourhood. Obviously, the EU puts an emphasis on the soft power agenda, especially regarding the use of non-military means due to their long-term political, economic and social effects.

4.2.2 Two dimensions of the EU’s approach

Essentially, there are two different dimensions of engagement regarding the periphery of the EU based on the framework of the European Neighbourhood Policy (ENP)\textsuperscript{203} respectively the modified Eastern Partnership (EaP) and the framework of the Common Security and Defence Policy (CSDP)\textsuperscript{204}. The geostrategic direction of the two dimensions points to different notions. The ENP dimension does not include a membership perspective for any of the six Eastern European countries. They are not included within the framework of the Enlargement policy of the EU neither. The second dimension does include the ENP countries within the framework of CSDP and stipulates their possible participation in the EU’s civil-military missions.

The legal basis of the EU’s neighbourhood policy stems from the bilateral relations between the European Commission and the six Eastern European countries.\textsuperscript{205} The deepening of the relations depends on the extent to which the common values are shared, and the obligations are fulfilled. This also involves a normative value-based approach of conditionality resulting from the Copenhagen criteria which is tied inter alia to mutual commitments to norms and principles such as good governance, respect for human rights, democratic transition and economic liberalisation. It should be noted that both bargaining parties address the issues and agree on the legally binding requirements on a free base.

Finally, the two dimensions of the EU’s approach towards the European Eastern neighbourhood differ with a view to the geostrategic direction and the resolution of frozen conflicts.\textsuperscript{206} The ENP approach is generally lacking a geostrategic direction because of several significant aspects. Its framework is not aimed at resolving the conflicts in the direct neighbourhood and it remains excluded from the larger framework of the EU’s enlargement policy leading to a number of uncertainties regarding the long-term geostrategic interests of the EU along the Eastern periphery which consists of both enlargement candidate countries (South-eastern Europe) and ENP partner countries (Eastern Europe). The Global Strategy of the EU identified the role of the ENP as following:

“The EU will support different paths to resilience, targeting the most acute cases of governmental, economic, societal and climate/energy fragility, as well as develop more effective migration policies for Europe and its partners.”\textsuperscript{207}
Compared with the ENP approach, the CSDP framework offers unexplored options for more efficiently shaping the EU’s policy towards the direct neighbourhood. The CSDP approach towards the direct European neighbourhood is only partly aimed at conflict resolution in Eastern Europe. Although, there have been several EU-led missions so far such as the EU Border Assistance Mission to Moldova and Ukraine\textsuperscript{208}, the European Union Monitoring Mission in Georgia\textsuperscript{209}, and the EUJUST THEMIS mission in Georgia as well\textsuperscript{210}, the scope of possibilities within the CSDP has been by no means exhausted yet.\textsuperscript{211} More importantly, future challenges regarding the lack of geostrategic direction and vision on the future role of the EU in the direct European neighbourhood should be addressed within the framework of the CSDP. At present, the most pressing need for geostrategic repositioning is identified in the field of the use of military means and in dealing with the hard power security issues in this region.\textsuperscript{212} It should be stressed that the use of military means, the installation of EU-led operations as well as the hard power projection in the direct neighbourhood have so far remained optional representing a serious weakness of the common EU’s approach towards the direct Eastern European neighbourhood.

The EU could further strengthen its position in the region by developing a coherent approach which builds on the EU soft skills agenda and normative power, including a membership perspective for the six Eastern European countries in the long-term. The EU should also develop coherent military means and hard power skills aimed at hard power projection and military presence in the direct neighbourhood if such is necessary.\textsuperscript{213} Furthermore, the EU needs to strengthen its facilitator role in the field of frozen conflict resolution, particularly regarding the hard security risks and threats. Finally, the EU has obviously reached a point in its political evolution as a supranational organisation where geostrategic repositioning is strongly needed due to the changing global order, whereas it must participate in filling the existent power vacuum in the shared neighbourhood.

4.2.3 The Eastern Partnership

The ongoing military conflict in Ukraine has been marked by escalations over the last three years, resulting in thousands of casualties and millions of displaced persons. Despite constant diplomatic efforts this year, the conflict could not be settled yet and the Minsk agreements remained unfulfilled by both sides, whereas both conflict parties put the blame for the non-performance on each other.
The Normandy-Format was one of the most active platforms for diplomatic talks on the peace process regarding Ukraine, whereas the newly elected French President Emmanuel Macron gave his support for it and announced his readiness to cooperate with Germany on its efficient implementation. Moreover, Germany, France, Ukraine and Russia agreed on a telephone link to keep and promote the dialogue, particularly during conflict escalations. Despite all efforts, the conflict reached a state of political and military stalemate, whereas a progress on the Minsk agreements could no longer be achieved. However, Ukraine could mark domestic successes such as stabilisation of its economy and inflation. The household budget was increased due to an economic growth and a reduction of the deficit. Moreover, a wide range of reforms was launched in many fields of economy and society according to the time table of the implementation of the DCFTA. The EU became the biggest investor in Ukraine and provided a macro-economic assistance amounting to €600 million, resulting in almost 3 billion euros of financial support since 2014. In addition, the American support was not moderate either, with a
total of $560 million in 2017. Apart from this, the new US defence budget would provide about $350 million in military aid to Ukraine, including defensive means as air-defence and surface search surveillance radars, if it is supported by the American president, after passing the Senate and the House.\textsuperscript{216}

The visa free regime decided by the Council of the European Union for short trips of Ukrainian citizens to 30 European countries has been by far the greatest political outcome for Ukraine in 2017. The biggest setback, however, was the trade blockade along the line of control in Eastern Ukraine, installed by Ukrainian activists and veterans in response to the growing dissatisfaction with the handling of the military conflict. The blockade eventually led to the further isolation of the separatist republics of Donetsk and Lugansk from Ukraine, resulting in the necessity to intensify trade with Russia. The Russian rouble was introduced as an official means of payment in some areas of the secessionist republics as opposed to the Minsk agreements. The blockade harmed the Ukrainian economy, particularly due to the stopped coal supplies from Eastern Europe, resulting in a shrinking of the economic growth by 0,5% from the projected 2,5%. However, the Ukrainian government saw itself under pressure to support the trade blockade as it did not want to antagonise those groups that were becoming dissatisfied with its policies towards Eastern Ukraine.

Georgia also achieved a visa free regime with the EU, which entered into force in 2017. The trade liberalisation was further advanced, whereas the exports in the EU increased by 40%. Still, the trade deficit with Brussels was at around 30%.\textsuperscript{217} Georgia and Moldova put the focus on the economic growth and the foreign investments as well as on the implementation of the package of reforms needed for the DCFTA.\textsuperscript{218}

Apart from the EU’s focus on the implementation of the AA and DCFTA by the three frontrunners of the EaP\textsuperscript{219}, the relations with the rest of the countries in the region was modified towards a more pragmatic relationship. Azerbaijan started negotiations on a new tailor-made agreement with Brussels, which will reflect the pragmatism and the differentiated approach in their bilateral relations.\textsuperscript{220} The EU also opened a new page in the relations with Armenia, after the country had conducted a series of economic, political and social reforms towards a modernisation of the system.\textsuperscript{221} Belarus could also reenergise its relations with Brussels and even negotiate on visa facilitation, following a partial lifting of the sanctions against 170 persons and three companies.\textsuperscript{222}

The foreign ministers of the EU members agreed on the priorities for the upcoming summit of the Eastern Partnership in Brussels, identifying four relevant spheres of engagement: 1) strengthening institutions and good governance; 2) economic
development and market opportunities; 3) connectivity, energy efficiency, environment and climate change; and 4) mobility and people-to-people contacts.\textsuperscript{223}

Despite the progress towards deepening the relations between the EU and the six Eastern European countries, they are still caught in the geopolitical dilemma of ‘either-or-decision’ in their foreign and security policy orientation towards Brussels and Moscow. Armenia and Belarus launched a policy of approximation with the EU while being in a very close partnership with Russia and a member of the Eurasian Economic Union (EAEU). Georgia, on its part, sought to normalise relations with Moscow even though it is on its path towards political association and economic integration with the EU. Brussels sees the Eastern Partnership platform as the most suitable initiative towards the shared neighbourhood as it is promoting the comprehensive socio-economic and political transformation of the region.\textsuperscript{224} A special focus is put on the fight against corruption, the introduction of the European \textit{acquis communautaire} into the national law systems as well as the strengthening of the rule of law. However, the frontrunners of the EaP – Georgia, Ukraine and Moldova – aim at a membership perspective in the long run as the implementation of the AA and DCFTA will let these countries integrate into the common market of the EU.

It should finally be underlined that the EU will further put an emphasis on the economic cooperation with the region as well as on the transformation of the political systems in order to promote stability and security in the shared neighbourhood through its soft power tools.

4.3 The USA and the NATO Eastern flank

Eastern Europe became one of the regions, where the global leadership of the USA was projected after the collapse of the Soviet Union resulting in the successful waves of the last NATO integration.\textsuperscript{225} The benefit for the US rests on a military presence respectively a deployment of military bases in Europe to support the ongoing NATO operations in the neighbouring regions. In this regard, Eastern Europe is strategically well positioned for that aim, particularly regarding threats scenarios from Russia and Iran. Moreover, the Black Sea and the Caspian Sea basins represent significant geopolitical focal points next to the Mediterranean Sea due to the intersection of various external factors in these areas of active involvement by Russia, Iran or Turkey. Thus, these basins remain highly contested not only for security but also for geopolitical reasons due to their resource-rich areas.

The USA applies a different approach to Eastern Europe compared to the EU or the European members of NATO. Contrary to the EU’s strategic objective of „a secure
Europe in a better world”\textsuperscript{226}, which rests on the principle of an \textit{effective multilateralism} along with functioning International Organisations and the International Law, the American approach aims at an \textit{instrumental multilateralism} based on the American leadership worldwide.

After the last few NATO enlargement rounds, there are now two Black Sea member states next to Turkey – Bulgaria and Romania. Furthermore, they comprise together with Poland and the three Baltic countries – Estonia, Lithuania and Latvia, the Eastern Flank, whose security has been additionally strengthened with four multinational battalion battle groups through the NATO \textit{Enhanced Forward Presence Program}, following the decisions at the Warsaw summit. Next to the NATO troops deployment, the USA also enhanced its military presence in the region. With Ukraine and Georgia clearly proclaiming their readiness to join the EU and NATO, whereas this foreign policy orientation enjoys a great public support, the US could successfully expand its military footprint in the Black Sea and the Caucasian region through a defence cooperation.

The American military footprint rests on the troops deployment, the higher number of military exercises as well as the push for an increase of defence budgets and spending in the region. The \textit{European Reassurance Initiative (ERI)}\textsuperscript{227} stipulates a continuous rotation of about 4,000 troops that are stationed in Eastern Europe.\textsuperscript{228}

“\textit{Originally conceived as a one-year program, ERI is in its fourth year and projected to continue indefinitely. Funding has increased from the original $1 billion to a proposed $4.3 billion in fiscal 2018. Troop commitments have increased commensurately, with an armoured brigade now rotating continuously to Europe.}”\textsuperscript{229}
The US stance in Eastern Europe is aimed at preventing a close approximation between the countries in the region and Russia that might harm the stability of the Eastern Flank or promote a strong Russian presence beyond the region. While the EU is predominantly applying a soft power approach in the region through the Eastern Partnership and the ENP programs, Washington is being perceived as the only actor capable of providing realistic security guarantees through troops deployment, military exercises or defence cooperation. The most significant step has been the recent deployment of $800 million defence missile shield in the US bases in Romania and Poland. Not only new NATO members such as Romania, Poland and the Baltics but also countries from Eastern Europe such as Ukraine, Moldova and Georgia are continuously pointing to the military build-up and nuclear sabre-rattling by Russia, which seeks to intimidate and prevent them from closer defence and security cooperation with the USA.

In what the US and the EU approaches coincide in Eastern Europe is the value-based component that is aimed at the political, economic and social transformation of the countries in Eastern Europe as part of the stabilisation strategy in the region. Both actors promote democratic, pro-Western oriented political elites and governments that would seek a Euro-Atlantic integration. This has been the case with Georgia and Ukraine, following the dramatic events after 2008 respectively 2014.
NATO ceased the enlargement process after Albania and Croatia entered the Alliance in 2009 but expanded the defence cooperation with Eastern European countries such as Ukraine and Georgia. Following the Chicago summit in 2012, Montenegro became the next NATO member in 2017. Georgia also intensified its efforts towards the Atlantic integration and remains strongly interested in joining the Alliance. The events that evolved in Ukraine after 2014 led to the emergence of the problem of territorial integrity following Russia’s annexation of Crimea. Territorial integrity issues such as Ukraine losing territories to Russia or Georgia’s moving borders along with South Ossetia eventually enhanced NATO’s importance in the region. Even though the current security threats are of mixed nature and require a civil-military response, it is Eastern Europe, where the hard power issues are manifested to such an extent that conventional security issues still have priority due to their defence-related implications over climate change, scarce resources or energy security.

NATO offers a platform for discussing security-related issues, upon which the EU and the USA can build their relations with the countries in Eastern Europe. The alliance is about to develop a comprehensive approach by intensifying the institutional cooperation with the EU, resulting in a broader scope of activities on a variety of non-security issues.

4.4 Russia’s shrinking near abroad

After the collapse of the Soviet Union, a power vacuum emerged in the former Soviet space, causing as a result many security risks – ranging from “terrorist activities and trafficking in human beings, drugs, and weapons”\textsuperscript{233} to the emergence of the frozen conflicts in and around Nagorno-Karabakh, Abkhazia and South Ossetia, or Transnistria. Furthermore, the former Soviet republics have been facing a wide range of challenges arising from the complex political, economic and social transformation of their state systems for more than twenty years.

Russia introduced its first plans for an economic integration towards the former Soviet space, as Russia, Belarus and Ukraine initiated immediately after the collapse of the Soviet Union the establishment of the Commonwealth of the Independent States (CIS).\textsuperscript{234} Moreover, five countries created also another regional organisation aimed at promoting Eurasian integration, which was called a Eurasian Economic Community.\textsuperscript{235} Only after the establishment of the Eurasian Economic Community and in the course of the accession of Russia with the World Trade Organization (WTO)\textsuperscript{236}, the attempts at creating a Eurasian Customs Union between Russia, Kazakhstan and Belarus were finally successful.
Russia’s regional integration initiatives are aimed at creating a broader economic space between the former Soviet republics and Moscow from the very beginning. The new moment in the Russian regional integration ambitions is, however, the quest for new patterns of strategic development regarding the Eurasian economic integration. Thus, one can conclude that the Russian plans behind it are aimed at transferring the former Soviet space into a consolidated regional entity through re-integration of the CIS countries – or at least those which are willing as well as capable of joining the Eurasian Union – once it has been officially launched.

From Russia’s perspective, the advantages regarding the launch of the Eurasian Union lied explicitly in the comparatively similar level of economic development of the member states; in the similarity of the their cultural, historical and social dimensions; in the development of already existing connections, transport networks and energy infrastructures, as well as in the many similarities from the political, economic and social policy during the Soviet Union. Above that Moscow emphasized the argument that the sovereignty of the former Soviet republics has never been reduced during the past decades within the Soviet Union as it is currently the case with the member states of the EU. In conclusion, the formation of the Eurasian Union was intended to be a long-term comprehensive integration process, which encompasses deep interlinks and common infrastructure in the member states in a range of sectors such as transport, energy, agriculture, and industry.

Eastern Europe plays a decisive role for Russia, which considers it to be its near abroad due to historic, cultural, political and economic ties with the former Soviet republics there. From a geostrategic point of view, Russia seeks to ensure its presence and long-term links to the countries in the shared neighbourhood as its stability and security directly impacts the Russian interests. However, Moscow has been dealing with shrinking influence and power projection in this region due to the growing involvement of the EU and the USA over the last twenty-five years. Russia’s claims to control the near abroad and consolidate the local support in favour of pro-Russian positions have been linked to economic and political pressure as well as to hard power tools.

In the last few year, Russia has become more assertive in the direct neighbourhood, following its military engagement in the conflicts in Eastern Ukraine and Syria. Russia’s geostrategy follows a vertical (North-South) expansion of Russian geopolitical interests encompassing the Arctic and the Baltics (Baltic Sea), through Eastern Europe and the Black Sea to the Mediterranean Sea, Middle East and Nord Africa. The access to the Baltic, Mediterranean and the Black Seas must be always ensured from a Russian
perspective and the Western flank (which is the Eastern Flank for the NATO members) remains one of the most significant geostrategic focal points due to the concentration of Russian population in this area.\textsuperscript{243} It has witnessed the most intensive military build-up as well as massive military exercises over the last few years (e.g. Zapad 2017). Russia strengthened its Western flank though surprising military readiness check or wide-range drills, which also should have a deterrent effect on NATO.

![Russia’s Hard Power (IFRI)](image)

Russia seeks to remain involved through military presence or diplomatic negotiations in all frozen conflicts in Eastern Europe, which plays a double role for the Russian interests. It prevents the countries in the region from a possible membership in NATO due to the unresolved conflicts on their territory and it provides mechanisms for interference and channels of influence in favour of Russia.

Following the launch of China’s \textit{One Road One Belt}, various arguments have risen in favour of a possible rivalry between Beijing and Moscow for the contested areas in Central Asia and even Eastern Europe, as the Chinese connectivity, infrastructure and energy projects are aimed at bridging Asia and Europe predominantly through the Eurasian landmass. However, the Chinese grand project can be seen as a horizontal expansion from the Western parts in China to Europe, which does not necessarily collide with the vertical expansion of Russian geopolitical interests but rather could be complementary in pushing forward the common interest of consolidating the Eurasian landmass by preventing the external actors’ interference. The intersection of these
projections provides areas for coordination and cooperation of strategic nature. From Russia’s perspective, the Chinese participation in its near abroad delivers the necessary liquidity through development and infrastructure investments, which can in turn help boost trade links and economy growth in Russia as well, and also profit from connectivity between Asia and Europe in the long run. At the same time, China accepts the vertical expansion of Russian geopolitical interests as Beijing might benefit from the Russian control over future Arctic trade routes, the stabilisation of the Russian zones in influence in Middle East and North Africa as well as any further strategic complementary in the Eurasian landmass such as coordination of activities between the major regional organisations of CSTO and SCO. The emerging Dragonbear includes meanwhile a wide range of areas of cooperation as well as coordinates the foreign policy positions of China and Russia on urgent global issues such as North Korea, Syria, Iran, Libya, Venezuela et al. Moreover, the Dragonbear has launched a coordination of positions at leading international organisations such as UN and its specialized agencies, particularly in terms of voting behaviour during the sessions initiated by the West.

Following the Gerasimov doctrine from 2013, Russia sees the conventional warfare to be expanded by non-conventional means and without an official declaration of war or without a direct participation of military troops such as in the case of Crimea respectively Eastern Ukraine. Furthermore, the moving of foreign borders into the Russian territory (Georgia) and the installation of military bases (Crimea, Syria) was also part of this approach. The hot spots (in red at the graph) reveal the focal points of the Russian vertical strategy in Eastern Europe that are a necessary link between the Arctic and the Mediterranean Sea, expanding to the Middle East and North Africa.

![Fig. 9: Russian military presence in Eastern Europe (ECFR)](image)
The Russian interference was particularly apparent in Eastern Europe as it is a systemic and thus a multifaceted approach towards the shared neighbourhood. It encompasses grey zones of what is allowed or not allowed such as the number of troops participating in Russian military drills; of what is physic or cyber as in the case with the various allegations on the use of Russian bots to push narratives on the social media like Twitter and Facebook; of information and disinformation (e.g. Fake news), and finally, of war and peace through the direct and indirect Russian military involvement in the shared neighbourhood and beyond.

4.5 China’s West meets Europe’s East

One of the most significant geo-economic developments from the last years was the launch of the ambitious One Road One Belt initiative by China in 2013. Meanwhile, it has been renamed the Belt and Road initiative and includes more and more countries from almost all continents.

In the presence of many external actors in Eastern Europe with concurring or overlapping approaches towards the region, it is still hard to estimate how China would fit with its grand projects to these regional dynamics. First and foremost, its 16+1 initiative does not include the Eastern European region, which isolates them from potential connectivity and infrastructure projects meant for the former Soviet republics from the Communist bloc in Europe. Furthermore, the Belt and Road initiative originally did not include this part of Europe too, however, it extended geographically to it later.246

When dealing with the Chinese role in Eastern Europe, it is to be considered that China is more likely to choose a bilateral approach towards the countries in Eastern Europe for several reasons. Primarily, one should look at the unprecedent rapprochement between China and Russia at a strategic level – from high-ranking political links to institutional and diplomatic cooperation to comprehensive cooperation in various fields. This is what I have coined as a new geopolitical term, namely the Dragonbear. Russia and China have managed to strengthen and deepen strategic links in various areas by purposely ignoring conflicting interests in others.247 Russia’s near abroad represents one of those areas, which is becoming part of China’s shift from the West to the East and plays a bridge role in connecting the Belt and Road initiative and 16+1 program in Europe. In Central Asia, China has already shown its political readiness to combine the integrational efforts of both OBOR and Russia’s Eurasian Economic Union, which reflects the Russian geo-economic interests as well. Thus, it can be assumed that China will promote connectivity, infrastructure and investment projects in the near abroad in coordination with Russia or if not, by paying attention to Russian geopolitical interests in the region. Both countries
have signed an agreement on integrating the EAEU and OBOR, indicating an interest in consolidating the Eurasian landmass in the long term by preventing foreign interference of third actors (mostly the EU and the USA).

Fig. 10: China’s OBOR

In 2015, a list, published by the International Trade Institute in China, included all six Eastern European countries among overall 24 countries from the old continent, meaning that the 16+1 initiative was expanded into the broader context of OBOR by adding Russia, Turkey and the six EaP countries.

OBOR will likely cause more rigorous competition among the countries for the Chinese liquidity and investments in the region. For instance, Georgia is aimed at transforming itself “into a logistics and transportation hub to connect Asia and Europe.” One of the key drivers for the Chinese interest is to be seen in Georgia’s, Ukraine’s and Moldova’s privileged access to the European Union through the DCFTA. The perspective of signing a free trade agreement with these countries, which are at the same time building a free trade area with the European Union, attracts the Chinese attention. Furthermore, it is the proximity to the Black and Caspian Sea and the possibility for additional connectivity and infrastructure projects along the traditional Silk Roads that makes the countries from Eastern Europe attractive for Chinese OBOR. The decisive driver for Chinese investments, however, is the relatively low financial burden compared to the high
returns. In addition, the attractive investment policy in these countries coupled with the flexibility of the Chinese projects, led to the inclusion of the six countries into the Belt and Road initiative shortly after the official launch of OBOR in 2013. Rail connectivity represents a significant part of China’s new Geoeconomics linking Central Asia and China to Europe in order to boost trade, investments and economic activity. In this regard, the Eastern European countries see in OBOR the potential to domestically generate more jobs, build more infrastructure as well as to boost the economy and the FDIs. Consequently, the Silk Railroads have expanded since 2015. Such is the case with the Kars-Tbilisi-Baku railway, which builds a transport corridor between Azerbaijan, Georgia and Turkey. In Georgia, a train cargo from China needs 15 days to reach Tbilisi. The railroad connectivity includes Kazakhstan, Azerbaijan and Georgia, reaching Turkey much faster than through sea routes. Ukraine has also launched a new railroad connecting China with Europe.

“The shipment launched via ferry from the Ukrainian port in Chornomorsk and crossed the Black Sea to Batumi, Georgia (future cargo will likely head to Anaklia after construction on the new port is finished). From there, it continued on rail through Georgia and into Azerbaijan. At the new Azeri port at Alyat, the cargo was loaded onto a second ferry and sailed for the Kazakh port at Aktau, where it once again took to the rails headed for the Chinese border.”

Connectivity and infrastructure represent two main pillars in the Chinese approach in Eastern Europe. Georgia’s location offers a few possibilities for an accessible connection between China and Europe. For instance, a new deep-water Black Sea port at Anaklia is being built by a Georgian-American consortium, which will create a new economic corridor between China and Europe.

For Georgia and Ukraine, the Chinese OBOR offers a new perspective to expand trade and economic links with China, while at the same time bypassing Russia. The economic and trade links expanded in the last few years and Ukraine could replace some of the lost markets thanks to China. One of the significant developments for Kyiv was its inclusion in the Trans-Caspian International Transport Route (TITR), connecting Ukraine with Azerbaijan, Georgia and Kazakhstan. As a result, China became the second biggest destination for Ukrainian export goods and the first destination for Ukrainian corn.

Azerbaijan also gained an importance for Chinese trade projects, following various high-level meetings and visits between the two countries more recently. An agreement on cooperation in the field of energy was signed and a special focus was put on infrastructure and construction projects, among which were railroads projects between
Europe and China. Moreover, Baku could receive one of the largest loans by China-led Asian Infrastructure Investment Bank (AIIB) for the Trans-Anatolian gas pipeline (TANAP). Obviously, the EU will face a new competitor regarding future energy projects in Azerbaijan.

Seen from the Moldovan perspective, the increase of economic activities with China, mostly in the field of E-Commerce, is also a signal for a growing interest and participation of Beijing, even though Moldova has still very limited possibilities.

Eastern Europe offers all together a wide range of opportunities for the long-term Chinese interests. The small size of the countries, except for Ukraine and Belarus, and their weak state institutions, along with the high level of corruption and the poor governance, provide a fertile ground for the Chinese investments, which are offered without any conditionality contrary to the case of the Euro-Atlantic partners. On the opposite, these countries are attractive for the Chinese initiatives because of the diffusive and corrupt political structures, which allow an easy infiltration for foreign interests, as well as the poor state of infrastructure and connectivity, which creates many investment incentives and a strategic positioning in the shared neighbourhood of the EU, Turkey, and Russia. Even though, the economic incentives are particularly strong as seen from the perspective of the Eastern European countries, the long-term strategic implications should not be overlooked either. A new external player with a comprehensive strategy is entering the region with the intention to stay for an indefinite time. This will cause a reshuffle as well as long-term implications on Eastern Europe as Beijing will have a strong interest in preserving and even strengthening the stability in countries with a significant amount of Chinese investments.

Moreover, the Chinese participation in the region must be considered due to the long-term implications on the frozen conflicts in Eastern Europe, as put in the following quote:

“China has not recognized any of the separatist movements in this region. In both the 2008 Russo-Georgian war and the 2014 Ukrainian crisis, Beijing abstained from voting on the UN Security Council resolutions, demonstrating support for territorial integrity and sovereignty. Although China is unlikely to directly counteract Russia’s activities in the region, a more engaged China will reduce GUAM states’ sense of threat from Russia, especially since the continuous Russia-West confrontations leave Russia no choice but to stay close to China. In other words, the closer that the GUAM states get with China, the safer they are from Russia because they will have more diversified economic relations.”

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A new balance of power and influence is solidifying in Eastern Europe, reflecting the intersection of the Chinese geoeconomic interests between its ambitious *Belt and Road* initiative and its regional comprehensive 16+1 approach in Europe. It is this part of Europe where China’s offer can be interpreted as both an opportunity and a challenge. The Eastern European countries certainly perceive its ambitious policies as an opportunity to diversify the direct foreign investments portfolio at home and help fill the regional infrastructure gap, which is exactly the challenge that China might become towards the external players such as the West and Russia, which have already been exerting an influence there for decades.

4.6 Turkey and its Ottoman legacy

Turkey has inherited its geostrategically critical position in the shared neighbourhood due to its bridge function between Europe and Asia from the Ottoman empire and thus continues to play a significant role in the complex triangle between the Balkans, the Middle East and the South Caucasus through its access to resource-rich areas in the Black Sea and Mediterranean Sea. Ankara is considered to be part of an area, which has been witnessing a projection of geopolitical interests by the EU, the USA, Russia, and now even China. Particularly, the USA has seen Turkey as a ‘pivotal state’, as geopolitical pivotal point in Eurasia as well as a ‘key country’ in the shared neighbourhood. Turkey’s access to gas and oil transport corridors as well as water resources is part of its fundamental geopolitical agenda regarding the region.

Currently, the role of Turkey is growing in the region due to the military developments regarding the Kurdish question in Syria and Iraq as well as the rapprochement with Russia. In this regard, Turkey stepped out from the shadow of the American geopolitical interests in the region and developed a completely opposite foreign and security policy agenda from the previous *Zero problems with the neighbours*’ approach. Consequently, the Turkish policy in the shared neighbourhood became more pro-active and engaging, including a broad range of political, economic and security-related issues. In this respect, Ankara is following in Russia’s footsteps when it comes to its geostrategy in the region. On the one hand, Turkey’s rapprochement with Russia led automatically to deteriorating bilateral relations with the USA respectively with the NATO, reaching its low with Ankara’s decision to buy the Russian anti-missile defence system S-400. On the other hand, Ankara’s assertive actions towards the Kurds in Turkey respectively Erdogan’s positions towards tightening the autocratic rule at home after the failed military coup in 2015 led expectedly to a highly negative reaction by the EU. Both actors had previously agreed on re-opening the accession talks in return for closing the Balkan refugees route. As with all dynamic relationships in the region, the deterioration of the relations with
the USA and the EU was directly linked to the revival of the bilateral relationship with Russia.

Turkey has also developed its own regional policy towards more engagement and the exertion of influence in the shared neighbourhood by identifying its own interests and goals there that reach beyond the US or the EU agenda. Previously, the main goal was to maintain constructive bilateral relations with all states in the region (Zero Problems Policy) through political, economic and security-related mechanisms. Moreover, Turkey sought to be involved in the peaceful initiatives and the conflict management considering the frozen conflicts in Eastern Europe. The shift from Zero Problems Policy towards a pro-active stance regarding the direct periphery took place in the last few years and caused major changes in Turkey’s involvement in the region. The projection of geopolitical interests in Eastern Europe, Middle East and even Central Asia became part of the new Turkey’s agenda, expanding the traditional space of influence in the Black Sea area as well as the Muslim communities in the direct periphery.

Turkey seeks to pursue more autonomous regional policy in the whole Black Sea area, including Eastern Europe. Ankara participates in all significant regional initiatives such as Caucasus Stability and Cooperation Platform (CSCP), Black Sea Naval Cooperation Task Group (BLACKSEAFOR) and the anti-terror operation „Black Sea Harmony”. Turkey applies not only soft power instruments such as economic incentives and trade agreements but also hard power tools like military presence and defence agreements. As statistics on Turkey’s developmental aid projects show, it is quite apparent that the main geographical space of activities remains the Caucasian and Central Asian countries.

Turkey didn’t recognize the annexation of Crimea and openly condemns the Russian involvement in the military conflict in Eastern Ukraine. Furthermore, Ankara intensified the relations with Ukraine and the other Eastern European countries in order to counter growing Russian influence in the region. However, it managed to re-open the rapprochement with Moscow by overlooking conflictual issues and focusing on overlapping interests in shared neighbourhood and beyond, among which energy, trade and security-related topics are on top of the agenda. Brussels, on the contrary, could not build a constructive relationship with Turkey after the so called ‘re-energizing” phase in their relations had been launched, encompassing various fields of cooperation such as the refugees’ crisis, security-related and border issues as well as the war in Syria. On the opposite, the EU lost a momentum to deepen the bilateral relationship and even risks the complete freezing of it as several EU members sent strong signals on their stance regarding the possible accession of Turkey in the EU. There is still a space for
balancing the relations between the EU and Ankara, based for instance on the French position by President Macron, who does not seek to antagonize Turkey’s position towards Brussels as much as Germany and Austria would likely do under the newly elected Merkel and Kurz.  

Turkey continues balancing between Russia and Ukraine by rapidly developing the defence industry and military technology cooperation with Kyiv. Russia’s actions against Georgia in 2008 respectively against Ukraine in 2014 alarmed Ankara about the changed constellations in the wider Black Sea area with a more resurgent Russia playing a key role again. Despite losing Crimea to Russia, Ukraine remains a Black Sea country due to its long sea coast. Furthermore, the country seeks a NATO membership, which additionally creates a counterweight to the military ambitions of Moscow in the region. From Turkey’s perspective, strengthening Ukrainian security, particularly the naval and coast guard forces, will contribute to the Black Sea security in the long run. 

Turkey will keep and most certainly expand its position towards the resource-rich Caucasus, Black and Caspian Sea area. Its control over the Turkish straits remains a geostrategic imperative for its foreign and security policy agenda. The growing interest in Central Asia is connected to Turkey’s major objective of becoming an important energy hub for Europe, given that foreign gas and oil pipelines run through the country. Seen from the prism of EU’s geopolitical interests, Turkey will remain important to Europe’s energy security as it helps Brussels to diversify the transport corridors for energy supply, moving away from Russia as the main gas supplier. 

Ankara still counts as one of the most important NATO members in Europe, providing one of the major US and NATO air bases. Ankara’s military contribution in the US- and NATO-led operations worldwide has been significant, and it still has the second-largest active-duty military within NATO. However, there are three main fields of contradiction with the USA following the regional developments from the last few years: 1) the military coup in 2015; 2) the Kurds question within and outside Turkey; and 3) the selection of a missile defence system. 

The deterioration in the bilateral relations began after the unsuccessful military coup in Turkey, followed by accusations by then Turkish Prime Minister Recep Tayyip Erdogan regarding an alleged American support of Fethullah Gülen movement, who was blamed for organizing the coup while residing in the USA. The Kurds question is much more complex as Turkey has been facing it internally (within the country) and externally (Syria, Iraq and Iran) for decades now. The shift in the bilateral relations was further deepened by the next phase of the Syrian war with the American firm support for the Kurds in
northern Syria, which again opposed the Turkish position towards the Kurds on both side of the border with Damascus. Following Turkey’s direct military involvement in the conflict in Syria, which was certainly coordinated with Russia and Iran, and with the parallel military actions against the Kurds within Turkey (PKK), the American military involvement on the side of the Syrian Kurds became increasingly inconvenient for Ankara, even though it was justified by the objective of fighting ISIS on Syrian soil. However, the greatest issue of contention evolved around the selection of a missile defence system, which eventually led to Turkey’s decision to agree with Russia on the popular S-400.

To sum it up, the challenges that arose from the shift in the bilateral relations between the USA and Turkey have become systemic and will likely lead to a long-term shift in Erdogan’s foreign and security policy decisions, which most likely will deteriorate the relations with NATO but will create necessities for a more active Turkish policy in the shared neighbourhood as well.  

4.7 Comparison of the five foreign policy approaches and strategies

The Eastern European countries still face the challenge to guarantee their own security due to missing security guarantees from external powers. They were dealing with multiple geostrategic options in the time during the shift from bipolar towards unipolar Global System as several external actors became active in the region. Even after the end of the unipolar dominance by the US in the global affairs, these countries are still in search of a strategic partner or alliance due to the widening security vacuum in Eastern Europe. As the USA is retreating from the region due to the Asian pivot, particularly in the field of economic activities, the vacuum will be filled by the rest of competing actors.

All Eastern European countries participate in specific macroregional projects by the external powers, which are regionally overlapping. There is a very high divergence in their security-related interests and at the same time very little incentives for a regional cooperation. Moreover, the external actors are facing an intensive competition for the leading position respectively for viable presence in the region.

There is indeed a common objective by the external actors, which is the consolidation of the regional security in Eastern Europe. However, the approaches and instruments of the five players are quite different. A competition between two approaches has emerged in the region – the West (EU, USA, NATO), on the one hand, and the regional powers (Russia, Turkey) on the other. The intersection of geopolitical interests created concurring regional initiatives and projects, which again are mostly exclusive. Instead of a consolidation of the regional security, the opposite process is often the case,
namely a regional disintegration as each Eastern European country seeks to gain most from the regional constellations by the external actors. As a result, a robust military balance emerged in the region based on overlapping respectively contradicting geopolitical interests by the external actors. The two regional powers – Russia and Turkey continue to cooperate towards preventing the interference of third powers in the Black Sea. At the same time, both Russia and Turkey have developed their own approaches towards the region, which not necessarily overlap. On the contrary, Turkey started balancing Russia by intensifying the cooperation with Ukraine and Georgia. And Russia did the same by boosting relations with Azerbaijan and Armenia.

The EU is the only external actor that launched a comprehensive approach towards the shared neighbourhood through the ENP and later through the EaP initiative. This proved to be inefficient as the most recent approach showed that the EU relations with the six countries follow a different speed and a different scope of content. Russia has also launched a comprehensive approach in its near abroad, including Central Asia and Eastern Europe, which followed the European integration model. The Eurasian Economic Union is quite similar project to the EU. However, it could not promote and energize the economic and trade links between the neighbours of Russia. Following the recent statements by some of the members of the EAEU, this Russian comprehensive project proved to be inefficient too due to the diversity, the different degree of development and connectivity of the members of the EAEU. Only Armenia and Belarus participate in this regional integration project from Eastern Europe.

The poor state of the regional security and stability in Eastern Europe is rooted in the weak state institutions and diffuse decision making in the six countries, on the one side, and in the interference of the external actors, on the other hand. This is the main reason for the common fragile situation there, with a constantly high possibility of sudden escalation such as the military conflicts in Georgia in 2008 or in Ukraine in 2014. Russia still holds the leading position when it comes to the threat with or the use of hard power as well as its military presence in the region. The EU is also the only actor in the region that hasn’t introduced a security-related dimension of its policy in the region even though it is existent at least on paper in the CSDP section of contractual relations with the AA/DCFTA countries. Furthermore, Russia and Turkey follow a state-centric approach, whereas the EU and the USA pursue a human-centric approach towards the shared neighbourhood. This means that the Western societies do expect that the human life cost is kept as low as possible in military operations outside their own territory. The state, however, is perceived as means to, not as an objective of the human security.
The Western actors pursue a containment policy towards Russia in order to reduce its influence and power projection in the region and beyond. However, the goal of not provoking Moscow too much respectively preventing another major regional conflict from happening was not realized successfully. On the opposite, the military conflict in Ukraine became a reality just a few years after the Georgian war, even though all external actors shared the common perception that a worsening of the security situation in Eastern Europe would bring various disadvantages and threats for all involved, ranging from the disruption of energy supply chains and routes, destruction of transport corridors to uncontrollable migration flows, to an increase of the asymmetric threats. Particularly the asymmetric threats spread predominantly in the areas of the frozen conflicts, where the state control is weak and the flow of drugs, weapons and human traffic – hard to control.

The density of interconnections and interdependencies between the countries in Eastern Europe extent to the participation and cooperation within regional organizations such as NATO, EU, OSCE, CIS and CSTO. However, the presence of various regional constellations creates less regional integration and stability as these are mostly concurring projects. But the strongest influence factor is the lack of security guarantees in the form of membership in a defence alliance such as NATO.

Nevertheless, one can identify a series of significant categories present in the security-related talks, cooperation and treaties between external actors and the countries in Eastern Europe. As seen from Table 1, the categories range from buffer zones and the leadership role to influence and power projection to control over energy resources and the strengthening of the own position in the region. Security-related agenda and military presence of each external actor are also part of the security performance portfolio considered in this analysis based on the findings from the whole chapter on Eastern Europe. The assessment includes a spectrum of six possible performances and presents the following possibilities: (--) very weak performance, (-) weak performance, (-/+) an improvement from a weak to strong performance, (+/-) a development from a strong to weak performance, (+) strong, (++) very strong.
Table 1: The Performance of the main external actors in Eastern Europe (own graph)

The USA has been clearly the dominant external power that boosted its presence in the region through the NATO enlargement rounds and recently by the forward guided presence of the US troops in the Black Sea area. Russia became resilient too and pursued a policy of a persistent engagement in Eastern Europe, most recently through its direct and indirect military involvement in Ukraine (Crimea, Eastern Ukraine). Two different approaches intersect in Eastern Europe, when it comes to the involvement of USA and Russia. The American approach is of horizontal forward expansion through US and NATO military presence, troops rotations and exercises as well as defence cooperation with Ukraine and Georgia. The Russian approach consists of a mixed (conventional and modern) tools to operate and navigate through its near abroad, focusing mostly on military presence, troops exercises and an involvement in all frozen and territorial conflicts in the region. For the USA, Eastern Europe is only one of the several significant regions at the forefront of the Asian pivot, whereas for Russia and Turkey it is the region where they intend to stay and pursue a strong impact, particularly when it comes to their geopolitical interests. Furthermore, Russia seeks to exploit the religious affiliation
of certain communities in the Western Balkans and Eastern Europe through the Orthodox Christianity.

The table shows also that the EU is the only actor so far that has not been acting towards an expansion of the security-related dimension of its policy. By missing to do so, Brussels risks to remain geostrategically isolated when it comes to significant geopolitical developments in Eastern Europe. In this sense, the EU should develop a clear geostrategic approach towards the region which should rest upon well formulated comprehensive geopolitical interests respectively mid- and long-term objectives towards the shared neighbourhood. A first significant step is the launch of the Global Strategy of the EU.

A possible membership perspective for the three AA/DCFTA countries seem to be a realistic tool in the long run that would fit the security-related approach of the EU towards the region by promoting a comprehensive transformation at least in half of the Eastern European countries. The enlargement policy of the European Commission has proven to be a useful instrument for safeguarding of security interests and usually follows the enlargement process of NATO regarding the same countries. Even though the EU members have stressed their readiness to promote the process of political and economic approximation of the countries in Eastern Europe toward the EU since the last years, the lack of financial means for the programs of the Eastern Partnership as well as the deteriorating security and stability situation in the region since then led to less progress so far. The EU had modified and improved its institutional approach towards the countries in Eastern Europe and Brussels even showed a flexibility by adapting to the new realities in its relations with Armenia, Azerbaijan and Belarus, but the reason for the slow progress lies predominantly in the gap between Brussels and the EU members approaches towards the shared neighbourhood.
5. Conclusion

The following study has identified possible triggers and analysed the various constellations of the main external actors involved in the three regions of concern – Central Europe (Visegrád), the Western Balkans and Eastern Europe. The main goal of the paper was to highlight possible outcomes, which could result in the EU losing the East at some point.

According to the findings of the study, the Central European countries are still a solid part of the EU body and are interested in being even more involved into the European integration in various fields even though these countries are facing some negative trends such as the rise of populism and the migration policy setbacks. Each foreign state actor has its own competing interest in the Central European region as this is viewed as an entrance point towards the Western European markets. Central Europe stays split towards Russia in its attitudes, some countries being more pro-Russian than others, some more vulnerable to Kremlin’s disinformation campaigns and some less. Russia will remain an important energy source for the Central European region. It will try to “meddle” in the CEE affairs in order to improve its own sphere of control in the neighbourhood. However, the US is becoming more and more active in this region, trying to push forward its LNGs and support energy diversification through the Three Seas Initiative activities. The US oppose the high dependency of the Central European countries on Russian gas. Also, in order to enhance the deterrence and defence of NATO’s eastern flank, it is in the US interest to do more to prevent Europe’s division and to work towards reconnecting Europe’s Western and Eastern parts. Moreover, China’s role and influence in Central Europe, especially within the V4 countries, is rising. China is becoming a notable investor in this region, and there is a concern arising that the “16 +1” format could undermine the effectiveness of Brussels and could worsen the negotiating positions against it. OBOR is contributing to the political split of the Central European region as well and lacks trust from it. Therefore, it would be essential for this region to establish a common single approach towards China in order to avoid a possible divide.

Furthermore, the EU will not lose the Western Balkans; its South East. As shown through the research conducted, in political, developmental and economic terms the European Union is still the superior option in the Western Balkans. Not only all six countries aspire to join the EU club, and work actively on their EU road maps, but also all economic indicators point to that reality. The EU should also be aware of the region’s potential and what it can lose if it decides not to engage more. It is to be comprehended that the Western Balkans are not only EU’s direct neighbourhood whose developments have a
spill-over effect, but also a competitive market of 80 million people which it should simply not risk losing.

However, European leaders seem to have had a wake-up call. Recent diplomatic initiatives, such as the EU-Western Balkans Strategy launched in February 2018, demonstrate Brussels’s clear commitment, at least when it comes to debating about the region. The upcoming Presidencies of the Council of the European Union indicate that it will remain active in the near future. There is a high likelihood that in addition to Bulgaria, Austria, Romania, Croatia and Germany keep the Western Balkans high on the discussing table and by doing so potentially speed up the integration process. Nonetheless, until it deals with numerous external and internal challenges it faces and allows next candidate country to join, a lot can change for the worse. Meanwhile, the EU should be greatly aware of what other parties are doing in the region and which interests they pursue.

The United States, although still perceived a main security guarantee through NATO for most of the countries, under current President Donald Trump, has a decreasing interest in the Western Balkans. Russia poses a threat because of dependence on Russia energy imports an aggressive propaganda the country disseminates among fragile countries in the region. Moscow seems to have taken a military foothold as well, if thinking of alleged military base in Niš, Serbia. Less than Russia, China has a strong economic presence, all part of the mega project Road and Belt Initiative. Due to the amount of investment it undertakes, Beijing could become a possible competitor to the EU. China’s low-interest financing schemes, if continued, could led to more breaches of the EU’s internal market rules. Turkey, present since the 1990s, now distanced from the EU because of its own troubled political reality, sees in the region an additional leverage to achieve its foreign policy ends. Briefly, the EU should be on the lookout and walk the talk at the earliest.

Finally, the EU has in fact gained influence in Eastern Europe after the three frontrunners – Ukraine, Georgia, and Moldova – signed Association Agreements with Brussels, which is on its way to integrate them into the European common market in an unprecedented way.

Eastern Europe is still regarded as one of the few regions in the world, where the geopolitical interests of the actors that were considered in this paper complement or collide in a significant way. Thus, the complex balance between these diverse geopolitical interests and approaches will strongly determine the future of the region.
The EU is increasingly becoming a direct rival of the regional powers Russia and Turkey along with the global power the USA when it comes to the presence in and the impact on the Eastern European neighbourhood. Beyond the hard power projection, the EU is the actor that offers the most attractive soft power incentives towards Eastern Europe. In this regard, Brussels can only gain from the deeper economic integration and political association with some of the countries in the region, and its influence is expected to further grow in the future. For that reason, the EU should focus its efforts on preventing further escalations regarding the frozen conflicts and at the same time keeping the dialogue through various formats with all conflict parties in the region. Furthermore, Brussels should expand the trust building through the institutional means at its disposal (EU, OSCE, member states) as well as improve the strategic communication regarding all EU activities (diplomatic, political and socio-economic) on the ground. Finally, the EU should advance the conditionality that is being applied to the EaP frontrunners by promoting the comprehensive reforms in these three countries. In so doing, the full spectrum of measures and tools should be exploited and applied in order to achieve major progress in the most significant fields such as rule of law, good governance, and institutions building.

The Black sea area and the shared neighbourhood will remain a space of competitive agendas and a struggle for geopolitical influence, which creates a situation far from static. The trend is towards decreasing Russia’s and Turkey’s influence and a growth of EU’s and USA’s influence in the region. This created a potential for complementary policy between Moscow and Ankara towards the shared neighbourhood, which began appearing after the lowest point of their bilateral relations had been reached in 2015 with the downing of a Russian military jet by the Turkish air force. At the same time, the US and the EU approach began to differentiate from one another, as the USA put emphasis on the military build-up and exercises along the Eastern Flank of NATO members, while the EU focused more on the soft skills agenda by promoting the political, economic and social transformation in the Eastern European countries, particularly in the three AA signatories. The biggest question mark for now is how Chinese participation in the region will evolve. It is to be assumed, that China’s interests in Eastern Europe are long-term and its actions will certainly reshuffle the regional dynamics. To summarize, the tendency is that the different security agendas and approaches of the external actors will continue to compete with one another making the geopolitical situation even more complicated in the years to come.

To conclude, there are activities and approaches of the external players, involved in these three regions, that need to be considered. In Central Europe, such activities are
being promoted by Russia in the field of political pressure and influence, and by China in the field of trade and economy. In the Balkans, Russia has again become more assertive, China is also stepping in, and Turkey is keeping an eye on the developments, particularly regarding the Muslim population. Lastly, Russia has partially lost influence in Eastern Europe, mostly for the benefit of the EU, but Moscow has been trying to consolidate its shrinking regional influence by using hard power as well. In sum, the EU’s soft power initiatives will be facing a competition from the other main actors operating in the region – the USA, China, and Turkey – but the mixture of enlargement, political association and economic integration still implies a unique European formula that wins the hearts and minds through the added value of comprehensive reforms and bottom-up citizens’ initiatives contrary to classic trade- and investments-based approaches of the other competitors and partners in these regions.


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Annex

Data for Comparison: US/EU-China/EU-Trade

Fig. 11: EU trade flow, European Commission.
Fig. 12 Trade with China, European Commission.
Abbreviations

AfD = Alterntiv für Deutschland (Alternative for Germany)
AIIB = Asian Infrastructure Investment Bank
BIH = Bosnia and Herzegovina
BLACKSEAFOR = Black Sea Naval Cooperation Task Group
BRI = Belt and Road Initiative
CEE = Central and Eastern European
CEEC = Central and Eastern European Countries
CFSP = Common Foreign and Security Policy
CIS = Commonwealth of the Independent States
CSCP = Caucasus Stability and Cooperation Platform
CSDP = Common Security and Defence Policy
CSTO = Collective Security Treaty Organization
DCFTA = Deep and Comprehensive Free Trade Areas
EAEU = Eurasian Economic Union
EaP = Eastern Partnership
EBDR = European Bank for Reconstruction and Development
ECJ = European Court of Justice
ENP = European Neighbourhood Policy
EPP = European People’s Party
ERI = European Reassurance Initiative
ESS = European Social Survey
ESM = European Stability Mechanism
EU = European Union
EUGS = European Union’s global strategy
EULEX = European Union Rule of Law
EUPOL = European Union Police
FDI = Foreign Direct Investment
FPÖ = Freiheitliche Partei Österreichs (Freedom Party of Austria)
GDP = Gross Domestic Product
IMF = International Monetary Fund
ISIS = Islamic State in Iran and Syria
IVO = Institute for Public Affairs
KFOP = Kosovo
LNG = Liquefied natural gas
MAP = Membership Action Plan
NATO = North Atlantic Treaty Organisation
NGO = Non-government Organisation
NSS = National Security Strategy
NS2 = Chinese Network surveillance
OBOR = One Belt One Road
PESCO = Permanent Structured Cooperation
PfP = Partnership for Peace
PiS = Prawo i Sprawiedliwość (law and justice)
PKK = Kurds within Turkey
REA = Regional Economic Area
RS = Republika Srpska (Serbian republic)
SAP = Stabilisation and Association Process
SCO = Shanghai Cooperation Organisation
SME = Small and Medium-sized Enterprises
TANAP = Trans-Anatolian gas pipeline
TITR = Trans-Caspian International Transport Route
TNS = Political & Social network
TSI = Three Sea Initiative
TTIP = Transatlantic Trade and Investment Partnership
V4 = Visegrád Group
UNGA = United Nations General Assembly
US = United States
WB6 = Western Balkan 6
WTO = World Trade Organization
Tables

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Figures


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