



A New Anglo-American Partnership for the Western Balkans

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Summary

As of October 2019, the European Union enlargement process officially came to a standstill. Led by France, a small group of Member States blocked Albania's and North Macedonia's accession talks. Despite vocal protests from EU President Donald Tusk and Commissioner Jean-Claude Juncker, consensus on the question of enlargement will be elusive for the near future. Current uncertainties in German politics only exacerbates the divergence.

Meanwhile, Beijing and Moscow are rapidly taking advantage of the growing power vacuum left by Western disunity and neglect. Russia ardently seeks to destabilize the Western Balkans, thereby preventing further integration into transatlantic and European institutions. China strives to cement a beachhead in Europe's southeast where it aims to consolidate politico-economic influence and expand it throughout the continent. Unchecked, their anti-democratic, malign interventions will eventually culminate in our adversaries' intractability from a perpetually insecure and institutionally corrupt Southeastern Europe.

At this historical juncture, the U.S. and the U.K. are uniquely positioned to ensure greater transatlantic security and prosperity for the region.

London and Washington should jointly engage in a proactive, robust program to militarily and economically fortify our NATO allies and transitioning democracies in the Western Balkans by:

- **Prioritizing deeper bilateral support** for newer NATO member states (Montenegro and North Macedonia) and allocating significant funding for training and equipment of the armed forces of Bosnia-Herzegovina by the U.S. Congress as well as making targeted U.K. military presence permanent.

- **Providing financing alternatives** to the predatory loans peddled by Beijing by establishing quick funding mechanisms to rival China's Belt and Road Initiative in the Balkans.

- **Diversifying the energy sources** through expanding liquefied natural gas ports and attendant routes for gas transit throughout the continent.

- **Securing the full recognition of Kosovo's independence**, followed with United Nations membership for Kosovo and ensuring that any future bilateral agreement between Serbia and Kosovo must in be accordance with the Helsinki Final Act.

If such a US-UK partnership succeeds, the benefits for the transatlantic community would be multiple, extending beyond the Western Balkans into all of Europe's future stability and prosperity.

State of Play in the Western Balkans

This autumn, the Western Balkans was thrown into an existential political crisis after France blocked Albania's and North Macedonia's European Union accession negotiations. The significance of this hold on EU expansion should not be underestimated. European Union membership was the overarching social and political goal of the region's six countries for almost two decades. Exemplifying what is at stake, the government of (now) North Macedonia agreed to change the country's name last year as part of Skopje's drive for EU inclusion.

Talks were indefinitely suspended as French President Emmanuel Macron argued for fundamental reforms within the EU and the enlargement process. Despite vocal protests from German Chancellor Angela Merkel, EU President Donald Tusk, and Commissioner Jean-Claude Juncker, the French veto is unlikely to be lifted in the foreseeable future. Macron's decision to halt EU enlargement came at an especially inopportune time for the Western Balkans. A political and security void in this strategically crucial region has been growing. Forces adversarial to transatlantic interests and values are now effectively poised to fill it.

Europe's southern flank in recent years has become a major front in an increasingly open great power competition. Unchecked, Russia's and China's continued malign interventions will eventually culminate in these adversarial powers' intractability from the Western Balkans, leaving Europe's security and migratory vulnerabilities dangerously exposed. Russian machinations in Balkan politics and societies are manifold, ranging from multiple soft power interventions, to economic and energy coercion, to hard power exercises such as the Kremlin-backed October 2016 coup attempt in Montenegro.¹ Russia aims to keep the region effectively unstable, thereby undermining deeper integration with NATO and the EU.¹

Authoritarian China's footprint deepens and broadens as it bluntly wields its economic influence through its multilateral "17+1" regional program, the Belt and Road Initiative (BRI), and one-sided bilateral infrastructure development projects. More recently, China has accelerated its drive to anchor its presence in Europe's southeast, from whence Beijing labors to expand politico-economic influence throughout the continent.

¹ The Russian threat to Montenegro's and Bosnia's electoral integrity and sovereignty was evident. The Kremlin organized the presence of "little green men" in Banja Luka in the weeks preceding the 2014 elections as well as the 2016 coup attempt in Montenegro. Similar actions with potentially graver consequences were reported in two 2018 Foreign Policy Research Institute reports on a similar pre-election build up, quelled by UK and NATO exercises in Banja Luka in 2018.

Costs and Feasibility

The malign nature of Chinese investment in the region is gradually becoming apparent. A highway project linking the Adriatic port of Bar to Serbia is estimated to increase Montenegro's debt to 80 percent of its GDP.ⁱ In Bosnia, China afforded a €614 million (approximately \$684 million) loan to finance the Tuzla coal-fired power plant; its terms are worryingly opaque.ⁱⁱⁱ Moreover, China's state-run companies enjoy unfettered access to EU funding in public infrastructure projects, as was the case with Croatia's Peljesac bridge project, whose approval and current construction was undertaken with total disregard to the tensions it predictably raised between Zagreb and Sarajevo.^{iv} The lending terms of these and similar projects are unfeasible given the insufficient growth of most Balkan economies. Indeed, EU Commissioner Johannes Hahn has noted that "China never cares how and if a country is able to pay its loans. And if they cannot pay, there is some pressure that things are transferred into their ownership."^v

This reality is increasingly becoming clear to regional leaders caught between the imperative to develop and the dangers of unscrupulous Chinese lending and Russian energy concessions.^{vi} They require alternative partnerships if they are to avoid the clientele status pursued by Beijing and Moscow. U.S. and U.K. are exceptionally well positioned to prevent such a disadvantageous outcome by clearly defined and cost-effective means – if the White House and Whitehall act quickly.

Following two decades of unparalleled investments in the Middle East, Americans and Brits are disinclined to shoulder the burdens associated with an institutional and democratic development abroad. Their reservations are justified.² However, policy makers and their constituencies need be sufficiently clear-eyed so as not to conflate the failings of those massive nation-building projects in Iraq and Afghanistan with the successful military and developmental engagement in the Western Balkans. By comparison, U.S. interventions in the Western Balkans in the 1990s saw zero combat-related casualties and cost less than one percent of the money spent in Iraq and Afghanistan. Indeed, the resources devoted to shoring up Europe's security in these instances pale immeasurably to expenditures in Iraq and Afghanistan.

America's post-Cold War accomplishments in the Western Balkans have been net positive for the U.S. as well as the peoples of the region. Washington's successful effort to stop the war in Bosnia-Herzegovina and an attempted genocide in Kosovo effectively bolstered the moral standing and legitimacy of the world order led by the U.S. Accordingly, the sizable Muslim populations in Albania, Bosnia-Herzegovina, and Kosovo have been among the most pro-American and least anti-Semitic Muslim populations anywhere in the world.^{vii} In an age where the appeal of religious extremism remains virulent, this ruling in the court of public opinion should be prized.

² Over 6,800 American servicemen and women lost their lives in the Iraq and Afghanistan combat theaters, with more than 52,000 wounded. The financial toll amounts to an estimated \$5.9 trillion. There is understandably negligible appetite in Washington and beyond for any undertakings abroad that resemble nation-building. Like the U.S., Britain's electorate also has shown little interest or appetite for new and costly interventions afar.

The level of return on joint U.S.-U.K. investment in the Western Balkans will be significantly greater with the consolidation of the region's democratic transitions. However, the U.S.-U.K. investment should not be exclusively linked to progress on democratic practices. Region-wide, the greatest impediments to states' potential is low economic growth, the absence of which drives states' leaders to the arms of Beijing and its corrupting Belt and Road Initiative. Genuinely sustainable progress in the Western Balkans produces jobs, equitably distributed revenue, and the physical security that ungrids effective governance without which democratic gains will remain threatened. Systemic corruption is unquestionably one of the greatest challenges to the region's democratic consolidation and economic progress; however, it is not insurmountable.³

The U.S. and U.K. can no longer afford to count on the prospect of EU expansion as the panacea for the region's democratic consolidation and fending off malign actors' influence. Hungary has well demonstrated that EU membership is no guarantee that democratic gains will sustain nor that authoritarian powers will be kept at arms' length. Moreover, Russian and Chinese activities often appear to be thriving in EU enlargement contexts. EU officials have yet to publicly express their disapproval at Russian takeover of whole sectors of Western Balkans economies, let alone condition membership talks on transparency in state-controlled sectors of the economy; Serbia's energy sector and public broadcasting are prime examples.

Worse yet, continued support for certain Russian energy projects in the EU will not only have potentially detrimental consequences for energy security in the continent's East and South, but is undermining champions of democracy in those regions given the pro-authoritarian nature of Putin's political-energy agenda.

Present U.S. and U.K. Policies Bearing Fruit

The Trump Administration has already taken steps towards thwarting hostile influences in the Western Balkans. Last year's appointment of two special envoys for the region is a clear signal that there is awareness that modest US political and diplomatic engagement can bring about lasting positive outcomes.^{viii} One recent and considerable success is the U.S. exceptional navigation of Montenegro's NATO candidacy, the accomplishment of which cannot be overestimated from the perspective historic pro-Russian sympathies among Montenegro's population. This victory for transatlantic security was quickly followed by North Macedonia's name agreement with Greece. This led directly to that country's imminent accession to NATO, accomplished in large part due to proactive U.S. diplomacy.

The U.K. was instrumental in helping U.S. achieve success in Kosovo in 1999 and remained its most dependable partner in stabilizing the region, particularly by championing the countries' NATO membership aspirations.

³ The 20th Century experiences of Japan and South Korea, both of which at various points in their post-World War II histories were rife with institutional corruption. Despite this, America's continued political and economic engagement, among other factors, led to corruption's diminishment – not its expansion. Today, both countries rank among the highest on the Heritage Foundation's Economic Freedom Index, having shed the seemingly impregnable crony capitalist structures that once dominated their respective private sectors.

More recently, Britain has shown that it can be a crucial actor because of its ability to be nimble and prudent in employing its formidable military capacities. A prime example was its temporary deployment of a modest number of troops in Bosnia. While EU Member States hesitated in 2018, the U.K. sent military personnel to successfully safeguard Bosnia's nationwide elections from Russian intervention.^{ix} That same year, Britain hosted a Western Balkans Summit, expanded the Department for International Development's regional programming, and increased its public diplomacy activity in the region.

These outcomes were achieved by decisive state actors' persistent and coordinated diplomatic drive towards a common goal.

Jointly Securing the Western Balkans

After Brexit in early 2020, a government led by Prime Minister Boris Johnson will seek to continue its involvement in the Western Balkans, thereby demonstrating the U.K.'s continued place as a European power with unequivocal interests in the continent's security. On the western side of the Atlantic, the Trump Administration has clearly shown its affinity for and desire to cooperate with a post-Brexit U.K. on numerous fronts. Taking into account their respective efforts in the region, U.S.-U.K. joint engagement in the strategically critical Western Balkans is the logical next step.

Indeed, given President Trump's and Prime Minister Johnson's comparative skepticism of international institutions' overall effectiveness, an opportunity to demonstrate the unique capabilities of a bilateral partnership stand to be welcomed.

Future U.S.-U.K. involvement in the region should be focused on two main goals. The first is to effectively curtail Russian efforts to destabilize the region. This can be achieved by prioritizing deeper bilateral support for newer NATO member states Montenegro and North Macedonia and speeding up the accession process for Bosnia-Herzegovina. Greater NATO engagement clearly delineates a member or candidate's European security posture. While membership status is not irreversible, a potential withdrawal by a newly ascended state stands to be cost-prohibitive, politically and otherwise.

In Montenegro and North Macedonia steps towards a more robust partnership include deepening channels and outfitting Montenegrin ports for greater NATO naval vessel compatibility; the establishment and promotion U.S.-U.K.-based institutional officer education opportunities; regular and on-going joint tactical military exercises; and an increase in public diplomacy that promotes the benefits of NATO membership.

Bosnia-Herzegovina presents its own unique set of political issues to be resolved on its path to NATO membership. Recent reports indicate that the country will activate its Membership Action Plan (MAP) by sending its first Annual National Plan (ANP). Together, they present a unique opportunity for bilateral engagement with Bosnia's Armed Forces (AF).

U.S. Congress should allocate significant funding for training and equipment of the BiH AF, which are chronically underfunded as Bosnia endeavors to turn around its economy. Poorly equipped, the AF preparedness is presently insufficient to keep the military balance as required under the Dayton Peace Agreement.

The second goal is to prevent China from establishing a corruption-inducing economic bridgehead in Southeastern Europe. The U.S. and the U.K. can offset Beijing's predatory lending inducements through equitable, government-backed quick-funding mechanisms for infrastructure and energy projects.

Led by the U.S. and the U.K., the transatlantic community should provide an alternative to the predatory loans peddled by Beijing. Infrastructure development would be better served by committed, state-backed financing from those who stand to benefit the most from the Western Balkan prosperity – Europeans and Americans. An Anglo-American funding mechanism for Western Balkans development projects would demonstrate worldwide these two U.N. Security Council members' steadfast concern for transatlantic physical and economic security.

Another area ripe for cooperation is in the energy sector. Supporting expanded liquefied natural gas ports and attendant routes for gas transit is similarly vital to the strength of the region's economies and security, as well as the rest of Europe's efforts to proactively diversify its energy resource portfolio. Public-private partnerships designed to help guard private investment risk in the region are of categorical necessity.

The prospects for the requisite financing structures are genuine. At the USEA launch event in June of this year, Dr. Peter Navarro, Assistant to President Trump and Director of Trade and Manufacturing Policy, acknowledged the benefits of developing quick-funding mechanisms to rival China's BRI interventions in the Balkans⁴. With cooperation between the U.S. International Development Finance Corporation and the U.K. Department for International Development, a medium-term finance vehicle for the Western Balkans would expeditiously and strategically service transport, security, and energy infrastructure. As a distinct mechanism, its financing procedures and loan criteria would include actionable commitments to good governance in return for the equitable treatment absent in China's rapacious lending "deals."

These are realistic, attainable goals. Indigenous factors impeding the political stability and economic prosperity are in large part strengthened by these two authoritarian actors' active agendas. As institutional relations and military-to-military cooperation deepens, the space for adversarial Russian and Chinese engagement diminishes.

⁴ See "US-Europe Alliance Launch: Confronting the Challenges of the 20th Century" at <https://www.youtube.com/watch?v=m0BstNaJRol>

Finally, the non-recognition of the Republic of Kosovo by the Serbian government presents a serious long-term obstacle to stability of the entire region. The EU-brokered talks have not led to the full recognition of Republic of Kosovo's independence, despite there being some progress on matters of common concern to the two countries. Regrettably, prospective EU membership appears insufficiently enticing to change the official position in Belgrade.

Consequently, the appointment of Ambassador Richard Grenell as special presidential envoy for Serbia and Kosovo negotiations should serve as an impetus for the U.K. and other allies to pressure key stakeholders to normalize relations. Importantly, any final agreement brokered within the U.S.-led talks between Pristina and Belgrade must be in accordance with the Helsinki Final Act.

Conclusion

A generation since the interventions of the 1990s, the Western Balkans are devoid of armed conflict; indeed, four Western Balkan states are NATO members with Bosnia's candidacy underway. And while inter-ethnic tensions persist and the region's democracies remain in transition, the balance sheet for the Western Balkans remains in the black.

With the suspension of EU expansion, the Western Balkans present an especially unique opportunity for the United Kingdom. Directly engaged in the Western Balkans stability and economic growth, a Brexiting U.K. will show that despite its departure from the EU, it remains demonstrably committed to greater European security regardless.

The time for a concentrated U.S.-U.K. asset-building program in the Western Balkans has arrived. Given the remarkable ambivalence in some European quarters towards Russian designs and China's insidiousness, it is incumbent on London and Washington to invest economically and militarily in a region whose geographic value for transatlantic energy and geostrategic security is categorical. Much of its leadership and the majority of its peoples yearn for the economic growth that the Belt-and-Road Initiative fails to provide and the stability that Moscow strives to deny. Together, the U.S. and the U.K. can form the partnerships necessary to realize the potential the Western Balkans people and their lands possess – to everyone's lasting benefit. The time to make it happen is now.

Richard Kraemer is President and Reuf Bajrovic is Co-Chair of the US-Europe Alliance.

Endnotes

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