



DISCUSSION PAPER

Regional Implications of Great Power Competition: The Case of the Western Balkans

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Introduction

International politics is in the process of a great transformation. According to several experts and analysts, the world is transitioning from a unipolar to a multipolar international system (Mearsheimer, 2019). For others, bipolarity will be the defining feature of the emerging world order (Tunsjø, 2018). Despite some of the suggestions that the international system will remain unipolar (Brooks & Wohlforth, 2016), there has been a growing consensus among foreign policy and security communities that the unipolar moment, which was captured by the US after the end of the Cold War, is coming to an end (Cooley & Nexon, 2020). As the world enters a transition period, competition between great powers has intensified (Colby & Mitchell, 2020).

The latest US National Security Strategy has clearly pointed out that a new era of great power competition is on the rise, noting that this requires the US to ensure its military supremacy in order to protect its global interests and influences (The White House, 2017). In response to shifts in US security priorities, China has adapted its defence strategy accordingly and focused its efforts on rising great power competition. Noting that China's foreign policy doctrine is defensive in nature, Beijing has set out to modernise its military to tackle the emerging competitive environment (The State Council, 2019). These are in addition to Russia becoming resurgent through applying increased coercive and military measures to re-acquire its great power status, while the EU is suffering from lack of unity thanks to a host of economic and political problems.

The competition can be seen in many areas ranging from economy to technology, artificial intelligence and military. It has also regional implications in different parts of the world as the preferences of great powers have the potential

to affect regional political and security dynamics. The Western Balkans is one of the regions where great power competition has intensified recently with the involvement of the EU, Russia, the US and China. Given the significance of the region, one that has experienced bloody wars and ethno-nationalist and religious violence in recent history, the involvement of great powers risks exacerbating deep-rooted social and security concerns in the Balkans as well as inciting political and economic instability.

This paper will discuss the implications of great power competition in the Western Balkans. The paper contends that the possibility of an intensifying competition in the region risks exacerbating historical enmities and deep-rooted security concerns with a growing potential of regional political, economic and military conflicts. The paper will first introduce the emergence of a competitive global environment and then discuss its potential implications for the region. After presenting actors with their strategic interests, the paper will outline the evolution of competition in the Western Balkans in the fields of economy, politics and security and analyse its potential implications.

Global Competition

Changes in the distribution of power among great powers is one of the primary factors contributing to the re-emergence of great power competition (Walt, 2020). Since the dissolution of the Soviet Union, the US retained the position of sole superpower without having a competitor capable of challenging it (Gaddis, 1991). This enabled the US to effectively create the world in its own image by endorsing a liberal world order premised upon increased economic interdependence, strong international organisations, a web of alliances, and liberal principles (Ikenberry, 2009). US economic and military supremacy constituted the backbone of the US-led world order and maintenance of its formal and informal institutions (Mearsheimer, 2019). However, with the economic ascendance of the East vis a vis the West in the last decades and its gradual translation into political and military power, US primacy has seen an actual and perceptual decline relative to rising powers, particularly China (Layne, 2018). This is coupled with the Trump administration's foreign policy preferences marked by decreasing loyalty to its global commitments. By adopting the "America First" strategy, the Trump administration has questioned the benefits of economic interdependence, alliance systems and international institutions, thereby contributing to erosion of the liberal world order as well as the US global image (Nye, 2019). Additionally, as China's economy has continued to grow at unprecedented levels, so has its self-confidence. With its increasing economic capabilities and potential power resources that might be translated into military prowess, China has started challenging the very foundations of US-led order in order to have more say in global affairs and to secure its global interests (Jan & Melnick, 2020). Under the leadership of Xi Jinping, China has changed its foreign policy priorities and employed more assertive tools in line with its growing material capabilities (Pei, 2020). The latest violent border dispute with India has demonstrated China's increasingly aggressive stance (CNN, 2020).

After recovering from political, economic and institutional destructions in the immediate aftermath of the dissolution of the Soviet Union, Russia has also emerged resurgent under the leadership of Vladimir Putin and set out to restore its global image (Glasser, 2019). Primarily relying on its military capabilities, Russia has become politically and militarily more active, posing challenges to the US and the world order.

In such a competitive environment, the EU appears to be preoccupied with internal problems as suspicions about the benefits of the Union have become evident, particularly after Brexit. Faced with a rising China, resurgent Russia and an unpredictable US, the EU has been in a process of determining its future standing in response to emerging strategic challenges (Bildt, 2019).

The current great power competition is taking place across diverse fields. Immediately after coming to power, the Trump administration initiated a trade war against China in an attempt to curb the latter's growing influence in the global economy (Pettis, 2019). China's economic ascendance, coupled with big infrastructure projects such as the Belt and Road Initiative (BRI) (Cavanna, 2018) and the establishment of the Asian Infrastructure Investment Bank, are considered by the US as Chinese attempts to undermine the liberal economic system while transforming the global economy in its favour. In this competition, taking the lead in technology, including artificial intelligence and big data, has become one of the priorities for great powers (Pecotic, 2019). Applications of technological innovations to military areas as well as military modernisation projects have increased the possibility of an arms race. Competition has intensified in the context of the Covid-19 pandemic as countries have viewed this new situation as an opportunity and engaged in information campaigns with the intention of improving their image while damaging that of others (Turkcan, 2020).

Regional Implications

Great power competition can have far-reaching implications for regional politics. There are competing views in the literature as to how regions can be used as an analytical tool (Moon, 1998). Alongside the problems of definition, boundary and composition of regions, the question of whether regions are sub-systems overlaid by the larger global system (Schweller, 1999) or separate systems having distinct features and local dynamics independent from the global system (Buzan & Wæver, 2003) has become a point of discussion among scholars of regionalism. However, there is a near consensus that regions are open to the intrusion of great powers (Kelly, 2007). With this characteristic, regional political and security dynamics are vulnerable to implications of great power involvements. Additionally, thanks to their overseas capabilities and interests, the preferences of great powers and the nature of their interactions put constraints on the possible actions of lesser powers (Waltz, 1979).

According to Miller and Kagan (1997), great power involvement in regional politics can have profound impacts on regional conflicts. They suggest that great powers can adopt four policy options, namely competition, cooperation, dominance and disengagement. Among them, cooperation and dominance appear as the most stabilising forces with regard to regional conflicts while competition and disengagement have the potential to trigger new conflicts or deepen already existing fault lines. Additionally, Miller and Kagan (1997) contend that balance of power capabilities and interests are the main factors that determine the nature and level of great power involvement. Accordingly, power capabilities refer to overall economic and military capacities as well as power projection abilities. Balance of interests is determined by the presence of material interests in the region and geographical proximity in question. It is important to note that the interests of great powers in a region might be converging or diverging depending on several issues, such as ideological differences, distribution of power and geographical factors.

Great power competition in a regional context refers to policy preferences of great powers designed to prevent other great powers from becoming dominant in the region and to ensure that core interests are not threatened by the policies of other great powers. While cooperation among great powers in a regional setting is more likely

among ideologically similar and status quo powers, if one of the involved great powers is revisionist and there is ideological contestation, the interests become hard to reconcile, bringing about great power competition (Miller, 1995). As such, in a case where competing powers have ideological differences, as in the case of Cold War, great powers can become involved in a region where neither have key material interests thanks to reputational and credibility concerns, making strategically less important regions potential zones for great power competition. Additionally, revisionist powers might aim to undermine the status quo by acting as a regional spoiler, preferring eruption or continuation of regional conflicts in an attempt to distract the attention of status quo powers and sap their energy through efforts over conflicts, thereby being less concerned with the stability of the region (Troitskiy, 2019). In such a situation, regional conflicts may become the key for revisionist powers to advance their particular agenda in other areas and increase their bargaining power vis-a-vis status quo powers. Hence, the presence of revisionist powers might lead to exacerbation of conflicts and failure of conflict resolution efforts thanks to the obstructionist policies of revisionist powers.

Great power competition may also exacerbate security dilemmas among regional states (Buzan & Wæver, 2003), potentially increasing the likelihood of conflict spirals (Kelly, 2007). Additionally, in a region consisting of weak states or failed states, the risk of internal security dilemmas is higher with the presence of domestic dissidents and lack of political legitimacy (Job, 1997), giving more room to increased threat perceptions from within and becoming more open to external intervention.

One possible strategy used by great powers to protect their interests in a given region is to safeguard the support or alliance of regional powers. These kinds of strategies can be considered as 'positive balancing' as the ultimate motive is to tilt the distribution of power in their favour by way of strengthening their relative power capabilities through alliances (Waltz, 1979). Great powers can also employ 'negative balancing' strategies, which refer to policies aimed at undermining adversaries (He, 2012). Hence, the purpose of negative balancing is not to increase one's power, but rather decrease the power of rivals. For instance, a great power can attempt to drive a wedge between a regional power and

another great power in order to pressure the former towards dealignment with the latter (Crawford, 2008). For both negative and positive balancing strategies, great powers can use a variety of methods, including military and non-military tools, economic incentives or sanctions, soft power tools and diplomatic efforts.

It should be also noted that regional powers are not passive actors whose behaviours are determined only by the consequences of great powers' preferences. As the competition between great powers intensifies, regional powers gain leverage to push for more economic and military support by threatening to withdraw from alliances and through strategies of blackmail, flipflopping and hedging (Acharya, 1992). Hence, regional powers' manipulation strategies can become destabilising as they may choose to pursue aggressive policies towards their regional or domestic opponents (Lemke, 2002).

This was witnessed during the Cold War, particularly as Arab and African governments sought ways to increase support from the superpowers (Kelly, 2007). This is in addition to the possibility that great powers might become entrapped or entangled in military, political or economic conflicts as a result of regional ally's own adventurous foreign policy (Kim, 2011). In this context, great powers might find themselves forced to support a costly and undesirable endeavour for the sake of an alliance. The fear of abandonment by an ally might be the driving force for the emergence of entanglement (Leeds, 2003). It is also important to note that entanglement is not a one-way process. As noted by Mandelbaum (1981), every member of an alliance holds the same fear of being dragged into an unwanted conflict. Hence, regional powers can also be dragged into dangerous conflicts as a result of their alliance with great powers.

Implications for the Western Balkans

The Western Balkans has historically been a playground for external powers. During the 1990s, the region experienced a series of bloody wars, ethnic conflicts and wars of independence resulting in the dissolution of Yugoslavia. During this period, the EU and NATO became the primary actors in the region as Russia under the rule of Yeltsin refrained from intervening in and showed respect to the leadership of the EU and NATO (Ademovic, 2016). Taking the lead, NATO intervened in the region through military operations and peace support missions in Bosnia and Herzegovina, Kosovo and North Macedonia. The EU has also taken a proactive position in Western Balkans with its 2003 Thessaloniki Summit, which set the stage for an integration process resulting in Slovenia and Croatia becoming the members of the EU in 2004 and 2013 respectively. During this period, NATO has also enlarged towards the Western Balkans by including Slovenia in 2004, Albania in 2009, Montenegro in 2017 and North Macedonia in 2020. Hence, through EU and NATO enlargements and reform processes, the Western Balkans has become politically closer to the West.

Russia has also recently turned to the Western Balkans in a bid to increase its influence in the region. The prevention of Western Balkan countries' ascension to NATO membership has become the central focus of Russia's strategy. As such, Russia has been applying foreign policy tools ranging from coercive measures to soft power tools through its religious, cultural and historical ties with the South Slav nations. Some experts

claim that Russia is acting as a spoiler against NATO and the EU in an attempt to undermine Western influence in the region (Bechev, 2019). According to this perspective, Russia views the Western Balkans as a geopolitically important region and a vulnerable spot for Europe. Likewise, having a foothold in Europe's backyard, Russia seeks to gain leverage vis-à-vis the West on other issues, most importantly EU and NATO policies in Eastern Europe, and use this situation as a bargaining chip in its strategic competition with the West (Bechev, 2019). From another perspective, Samokhvalov (2019) contends that Russia's main motivation in the region is to be recognised as a great power by the West.

China is an emerging actor in the region and has become increasingly influential, particularly in the field of economy. At a time when the EU failed to provide economic support to regional countries, China has come to assist with long term loans and infrastructure projects. These are in addition to China's projection of soft power into the region through Confucius Institutes, exchange programmes and scholarships. According to Wilson (2019), the Western Balkans stands as a gate for China to intrude into Europe. By increasing its influence in the region, China would gain leverage against the EU and may utilise this to drive a wedge between the EU and the US. Doehler (2019) also contends that China's Belt and Road Initiative (BRI) represents an obstacle to the EU integration process as it put regional countries in debt, lowers environmental standards and increases corruption.

Economic Competition

The Western Balkans is one of the least developed regions of Europe. While former socialist regimes of Eastern Europe were able to integrate their economies with Western Europe after the end of the Cold War, the Western Balkans fell into the quagmire of civil conflict. As the entities forming the former Yugoslav Federation struggled with the central administration in Belgrade for independence, industrial facilities, infrastructure and trade links were damaged, which led to a near-collapse of the region's economy.

Although recovery began in the early 2000s, the process has been slow due to a lack of good governance and access to capital. A qualified labour force is another problem facing the region as many skilled workers have left their countries in search of better living standards (Vracic, 2018).

Today, the EU is the primary trading partner, foreign direct investor and foreign aid provider to the Balkan countries. Combined, 68% of exports and 61% of the

imports of Albania, Bosnia and Herzegovina, Serbia, Montenegro, North Macedonia and Kosovo are with EU member-states. Nearly 80% of the EU's trade with the Western Balkans is in manufactured goods while 10% is in foodstuffs (Eurostat, 2020). Moreover, the EU provided 72.5% of foreign direct investments to the Western Balkans between 2007 and 2015 (European Council, 2018a). Brussels also issued 10 billion EUR to these countries as part of its Instrument for Pre-Accession Support between 2007 and 2018 (European Council, 2018b).

Following its recovery from the post-Soviet crises of the 1990s, Russia's economic relations with the Western Balkans have also improved. In 2019, 4% of the region's exports and 6% of imports were with Russia. Furthermore, Russian investments accounted for 4.6% of the region's foreign direct investments between 2007 and 2015. Russian trade and investment to the region largely focus on energy - its primary export product. (Eurostat, 2020).

Figure 1: Trade volume of Western Balkan countries with the EU, the US, Russia and China (2019)

	EU 27 (M €)	EU 27 (%)	US (M €)	US (%)	RUSSIA (M €)	RUSSIA (%)	CHINA (M €)	CHINA (%)
SERBIA	24,895	62.6	709	1.8	2,658	6.7	2,441	6.1
BOSNIA AND HERZEGOVINA	10,342	65.1	372	2.3	299	1.9	756	4.8
MONTENEGRO	1,376	45.7	18	0.6	26	0.9	239	7.9
NORTH MACEDONIA	9,329	62.8	322	2.2	174	1.2	635	4.3
KOSOVO	1,842	47.5	49	1.3	N/A	N/A	341	8.8
ALBANIA	5,373	63.5	143	1.7	104	1.2	589	7.0

Source: European Commission https://ec.europa.eu/info/index_en

China, although not one of the traditional powers in the region, has increased its attention to the Western Balkans over the course of the last decade. As part of its BRI, China has enhanced its economic activities in the region. The initiative aims to strengthen trade and connectivity by building a series of infrastructure projects around the globe (Baltensperger & Dadush, 2019). Hence, the Western Balkans has been an important target for China within this framework as it occupies a strategic location neighbouring Western Europe, one of China's most important markets. In turn, Western Balkan countries, especially Serbia, Bosnia and Herzegovina, North Macedonia and Montenegro, have shown enthusiasm for Chinese investments as they require foreign capital to strengthen their economies and enhance their infrastructure. In Serbia, BRI projects involve the construction of highways, railroads, metros and power plants. In Bosnia and Herzegovina, under the BRI framework, Chinese firms are constructing railroads and power plants as well as modernising a railroad. In Montenegro and North Macedonia, BRI projects are solely focused on the construction of highways (Figure 2).

The BRI has also drawn the attention of Chinese firms to the Western Balkans, most notably Serbia. For exam-

ple, Chinese technology firm Huawei has become one of the most important technology firms in Serbia (Mu Xuequan, 2019). Huawei is cooperating with the Serbian government on building the country's 5G network. It is also collaborating in the development of facial recognition technology as part of Belgrade's security architecture. The firm is also a strategic partner of the Serbian government in the development of a smart cities project (Vladislavljev, 2019). Huawei also took part in the construction of Bosnia and Herzegovina's 4G network, which was introduced in 2019 (Me Xuequan, 2019). The world's second-largest steel and iron producer, China's HBIS, invested in Serbia's Smederevo Steel Mill after economic relations between the two countries improved with the start of BRI projects. HBIS upgraded the plant with an investment of \$300 million and the plant became the country's second-largest exporter (Ralev, 2019). In 2019, 2% of Western Balkans exports and 10% of imports were with China, making it the second-biggest trade partner after the EU (Eurostat, 2020). Although these numbers are low compared to other significant markets for China, they have increased dramatically in the last decade, showing a consistent trend in China's increased interest in the region.

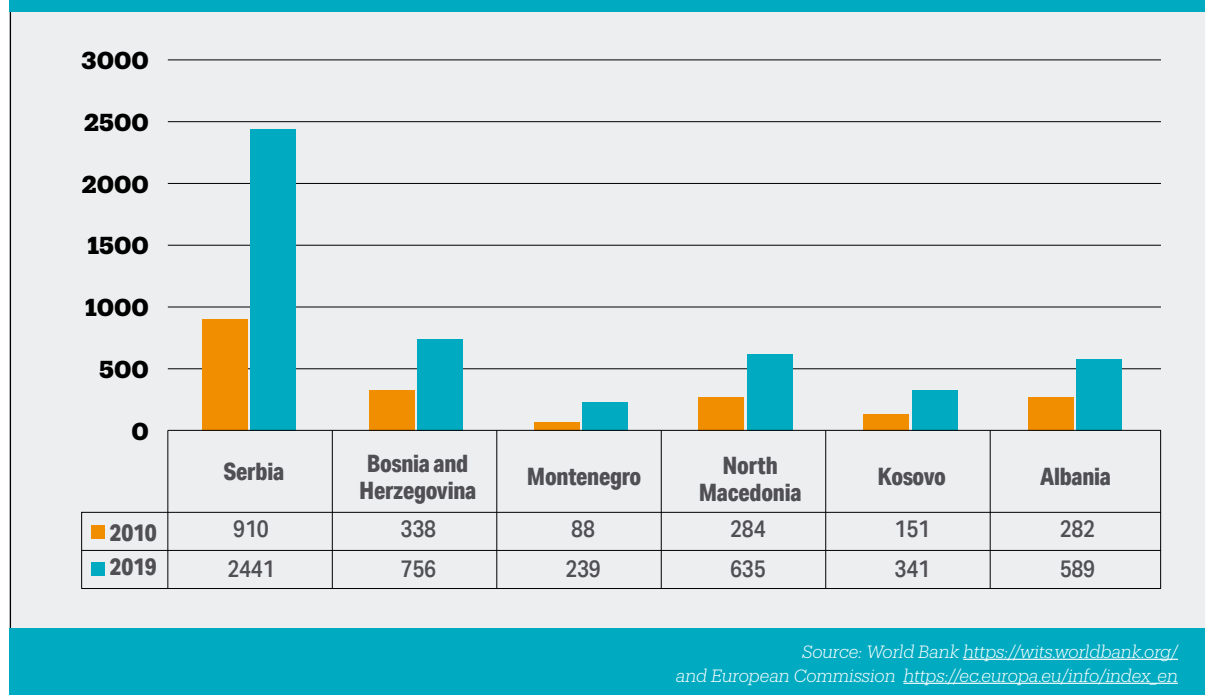
Figure 2: Chinese investments in the Western Balkans, including BRI (2010-2020)

COUNTRIES	TOTAL INVESTMENT (\$)	MAIN SECTORS
SERBIA	10.67 billion	Transport, Energy, Metals and Technology
BOSNIA AND HERZEGOVINA	2.95 billion	Energy and Transport
MONTENEGRO	1.22 billion	Transport
MACEDONIA	650 million	Transport and Real Estate

Source: American Enterprise Institute China Global Investment Tracker <https://www.aei.org/china-global-investment-tracker/>

* Data for Albania and Kosovo is not available.

Figure 3: Changes in trade volume of Western Balkan countries (€ million)



Nonetheless, for the near future, the EU will continue to be the most significant trade partner of the Western Balkans. Yet, political developments are affecting the EU's capability to better show its economic footprint in the region. As seen in the Covid-19 pandemic where Chinese and Russian aid was welcomed with great

enthusiasm while the EU's aid was largely overlooked (Walker, 2020), the EU is facing difficulties in articulating its economic contribution to these countries. In other words, it would appear that Russia and China are winning the propagandistic aspect of their economic competition with Europe.

Political Competition

Since the end of the Cold War, Western Balkan countries have turned towards the West and put EU and NATO memberships as the top priorities for their respective foreign policy agendas. Even Serbia, which was bombed by NATO forces in 1999 during the Kosovo War, has strengthened its ties with the EU and the US after the fall of Slobodan Milosevic in 2000.

Currently, four Western Balkan countries are on track for EU membership. Montenegro and Serbia are leading the process, having opened their accession negotiations in 2012 and 2014 respectively. After years of waiting, Albania and North Macedonia secured the opening of accession negotiations in February 2020

(Bilgiç Çakmak, 2020). However, Bosnia and Herzegovina and Kosovo are only considered as potential candidates as Bosnia and Herzegovina is facing internal disputes on the membership prospect as the Serb entity Republika Srpska opposes integration with the EU and Kosovo faces backlash due to its ongoing recognition problem in the international arena. Following the conflict between Serbia and the Kosovar independence movement, Kosovo declared independence in 2008. Although over 100 countries, including the United States, United Kingdom, France, Germany and Turkey recognise Kosovo's independence Serbia, Russia, China and EU member states such as Spain and Greece still consider Kosovo as part of Serbia.

Throughout much of the last two decades, Brussels was not challenged in the region. Washington has kept a low profile on political issues and mostly supported the EU-led initiatives. Until the mid-2000s, Moscow was still recovering from the political and economic crises of the 1990s. Thus, its interest in the region has only resurged in the second decade of the 2000s. As stated above, Beijing's entrance to the competition in the Balkans is relatively new and is mainly focused on economic relations for the time being.

More recently, internal disputes among EU members on the enlargement process and the rise of populist far-right movements have affected the credibility of the Union in the region. Although the membership process

for these countries continues, full membership for any of them in the near future is unlikely. This, in turn, is causing anger and fatigue against Brussels in Western Balkan capitals.

France blocked the start of the accession negotiations of Albania and North Macedonia for over two years even though the European Commission has favoured their undertaking (Stearns, 2020). Additionally, authoritarianism is on the rise again in the region. While this trend is causing setbacks to democratic achievements gained since the 2000s, it is also further distancing the EU membership prospects of these countries and serving the agenda of EU members who oppose further enlargement of the Union.

Figure 4: Which of these countries do you consider to be the most important political partner for our country? (%)

COUNTRY	GERMANY	UNITED STATES	RUSSIA	CHINA	TURKEY
SERBIA	42	15	80	62	15
BOSNIA AND HERZEGOVINA	42	29	27	15	33
MONTENEGRO	45	46	34	34	33
NORTH MACEDONIA	58	55	31	15	46
KOSOVO	91	94	4	3	62

Source: International Republican Institute <https://www.iri.org/>

Thus, growing Russian and Chinese influence in the region is regarded as an alternative to the EU by increasingly authoritarian governments (Vuksanovic, 2020). Russian influence is largely centred around Serbia as Moscow's relations with its traditional Slavic allies such as Montenegro and North Macedonia have been strained over Moscow's bold opposition to their NATO membership. Apart from Serbia, Russia has close relations with Bosnia and Herzegovina's Republika Srpska region. The Serb majority region keeps close relations with Moscow and uses its veto power to block Bosnia's entrance to the EU and the NATO, which is supported by the Bosniak and Croat entities of the country.

China on the other hand, while not playing a direct role in the political issues of the region, is serving the

authoritarian tendencies with its no strings attached economic assistance. Thus, governments which cannot receive funds from the West due to profitability, environmental concerns or rule of law are appealing to China. For example, Montenegro is building a new highway with Chinese funding after being denied of European funding due to profitability concerns. The €1.3 billion project has put the small country into a debt burden by raising its debt to 80% of its gross domestic product (Kynge & Hopkins, 2019). In another case in 2015, it was revealed that the Macedonian prime minister discussed giving a motorway project to a Chinese firm for a €25 million personal gain (Maardel, 2019). The North Macedonian highway project is still under construction (Kristinovska, 2019). In 2019, Bosnia and Herzegovina secured a €681 million loan from China's

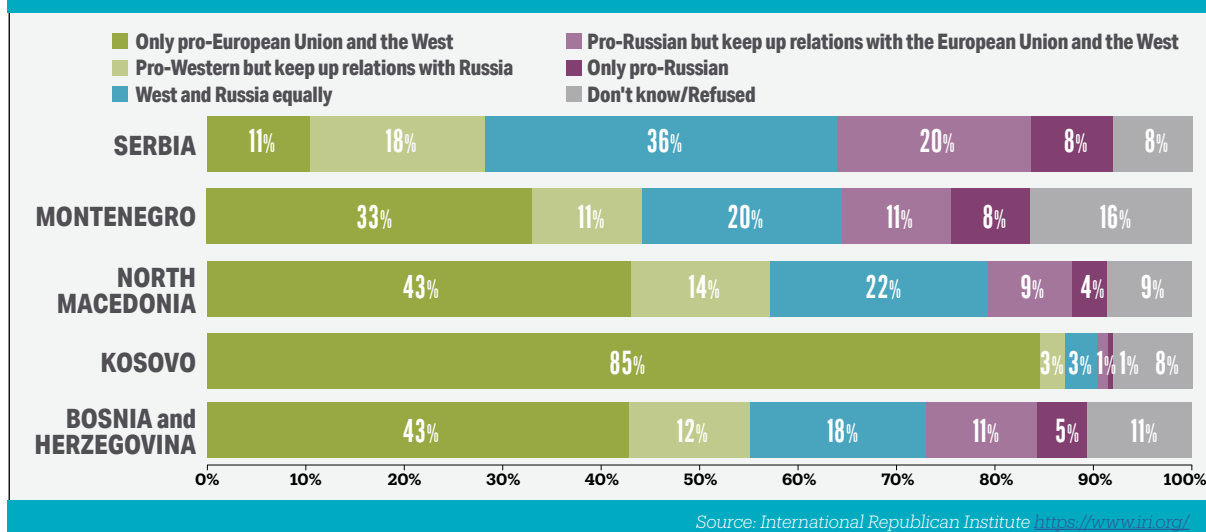
state-owned Exim Bank for the construction of a coal power plant, the country's biggest energy investment since its independence from Yugoslavia. The EU Energy Community expressed its concerns regarding the environmental standards of the plant and stated that it did not comply the Union's energy rules and would cause setbacks in Bosnia and Herzegovina's membership process (Zuvel, 2019).

The US has also increased its engagement in the region by taking the initiative to mediate between Serbia and Kosovo. Although the dialogue process was previously run under EU leadership, the US administration intervened after the process became deadlocked in 2018. However, President Trump's plans to bring Serbian and Kosovar leaders together at the White House in June failed as Kosovo's President Hashim Thaci was indicted

for war crimes by a special international prosecutor in The Hague (Kingsley, 2020). Following the cancellation of the Thaci-Vucic meeting in Washington, Brussels stepped in once again to take over the process. In early July, under EU mediation, the dialogue process resumed between Serbia and Kosovo after a nearly two-year delay (Euronews, 2020).

To clarify, although the EU continues to have leverage in the Western Balkans, it does not have free rein in the region as it did a decade ago. Growing Russian and Chinese interest, as well as the Union's reluctance to facilitate the membership process for Western Balkan countries, has eroded Brussels' capabilities. Even if it failed, the US attempt to mediate the dispute between Serbia and Kosovo has shown the degree of EU's relegation in its own backyard.

Figure 5: What should our country's foreign policy course be?



Security Competition

After the end of the Cold War, enlargement in the Balkans was a primary objective for NATO. 2009 saw membership extended to Albania, followed by Montenegro in 2017. North Macedonia became the latest NATO member in February 2020 after solving its name dispute with Greece (DW, 2020).

Montenegro and North Macedonia's NATO membership process sparked significant anger and opposition from Moscow. In 2016, on the eve of Montenegro's entrance to NATO, pro-Russian elements of the Montene-

grin opposition attempted a coup d'état to topple the government and stop the membership process. Montenegrin authorities alleged that members of Russian security organisations were also involved (Gadzo, 2019). During the name change referendum process in North Macedonia, Russia intervened and openly supported the movements opposing the name change. Moreover, it was also alleged that Russian internet accounts circulated fake news about the referendum and the country's NATO membership process (Serhan, 2018). Nonetheless, as the coup plot failed in Montenegro and

the North Macedonian government succeeded in the name change dispute, both countries joined the Alliance, causing setbacks to Russia's efforts to increase its influence.

Today, only three Western Balkan countries are not under the NATO umbrella: Kosovo, Bosnia and Herzegovina and Serbia. Although Kosovo keeps close relations with the US and the EU, its recognition issue has prevented it from joining the Alliance for the time being. The Bosniak and Croat elements of Bosnia and Herzegovina are in favour of joining NATO, however, the Serbian entity opposes the country's membership to the Alliance.

Serbia, which is the largest of the Western Balkan countries in terms of economic and military power, has a rather complicated relationship with NATO. The loss of Kosovo after NATO's unilateral intervention in 1999 has caused anger towards the Alliance in the country which continues to this day. However, after the Milosevic regime was toppled in 2000, Belgrade upgraded its relations with the West and put EU membership on top of its foreign policy agenda. However, NATO membership is still out of question for the majority of Serbian society.

In 2007, Serbia announced military neutrality in a bid to follow an independent foreign and security policy. Belgrade's neutrality can be linked to Yugoslavia's non-

aligned stance during the Cold War. Although it had a communist administration, Yugoslavia was able to fend off Soviet influence during the Cold War and became one of the founders of the Non-Aligned Movement (Stojković & Glišić, 2018). Today, Serbia keeps close relations with both Russia and NATO. In 2006, the country joined NATO's Partnership for Peace Programme and in 2015 signed an Individual Partnership Action Plan to deepen its relations with the Alliance (European Western Balkans, 2019a). On the other hand, Belgrade's close military relations with Moscow continue. In 2019, Serbia signed a deal with Russia to purchase Pantsir air-defence systems (Gül & Öztürk, 2019). Moreover, over the last five years, Moscow donated fighter jets, tanks and armoured vehicles to Belgrade (Sabak, 2016). Although Russia's arms transfers to Serbia have caused concerns in the West, Serbia continues its military neutrality as it keeps cordial relations with both sides. In fact, out of the 17 international military exercises Serbia joined in 2019, 13 of them were with NATO members while only 4 were with Russia (European Western Balkans, 2019b).

Another destination of Russian arms transfer in the Western Balkans is Republika Srpska. Although the autonomous entity is not permitted to have its own military, in recent years its police force has been highly militarised with Russian support. Republika Srpska's police force is also trained by their Russian counterparts (Toe, 2016).

Conclusion

With the rise of Russia and China as great powers, international politics is once again becoming increasingly competitive. Regions are not immune to the implications of great power competition. Hence, due to its strategic geopolitical location, the Western Balkans has become one of the regional locales of this renewed competition.

In the last two decades, the EU has built a strong economic and political influence in the region. Despite internal and EU-caused setbacks, EU membership remains at the top of Western Balkan capitals' foreign policy agendas. Despite increasing economic relations with other actors, the EU continues to be the region's largest trading partner. The recent accession of Montenegro and North Macedonia to NATO strengthened the Alliance's presence in the region. With the exception of Serbia and Bosnia and Herzegovina, the Western Bal-

kans and the wider region is firmly under NATO's security umbrella. NATO's enlargement in the region consequently expands US influence in the region.

Western Balkan countries have also been drawing attention from Russia and China in their respective efforts to expand their international outlooks. Since the mid-2000s, Russia has intensified its interest in the region. While energy has become the main dynamic of Russia's economic relations with the region, historical ethno-religious ties have been the primary tool for Moscow's efforts to expand its political visibility. Yet, as Moscow's bold opposition to NATO enlargement in Montenegro and North Macedonia caused blowback, Serbia, along with Bosnia and Herzegovina's autonomous region Republika Srpska, remain the main footholds of Russian interests in the region. Russia's support for Serbia on the Kosovo issue represents an

assurance for Moscow to maintain its influence in Serbia. However, if Western efforts to normalise relations between Belgrade and Pristina bear fruit, it may cause further setbacks for Russia's efforts to increase its influence in the region.

With its outstanding economic capabilities, China has emerged as an important actor in the region, particularly as projects under the auspices of the BRI continue to expand. As Beijing is a new actor in the region, it relies on its economic as well as soft power tools to establish its foothold. Although its economic presence in the region currently remains minor compared to the EU, it has increased its economic links with the region significantly. In the last decade, all of the Western Balkan countries' trade with China more than doubled, showing the degree of Chinese interest in the region (Figure 3).

Although the EU continues to be the leading power in the region, as Russia and China have gradually been increasing their respective influences, the possibility of great power rivalry is also increasing. If the competition intensifies, the risk of political instability in the region is bound to increase, particularly given its recent volatile history. Incompatible great power interests have the potential to drag regional countries into a dangerous competition in which they do not have any interests. Additionally, regional countries might gear up their manipulation of great powers in order to acquire more economic and military assistance with which they would pursue their respective agendas against their regional and domestic rivals. Finally, the involvement of great powers might exacerbate the security dilemma in the Western Balkans by increasing threat perceptions.

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