

USA foreign policy in the WB due to geopolitical balance

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1. Introduction

Hello, my name is Goran Ilik, and I am an associate professor and Dean of the Faculty of Law at “St. Kliment Ohridski” University in Bitola (North Macedonia). And I’m going to talk to you today about the USA foreign policy in the Western Balkans and its geopolitical perceptions and perspectives.

The Western Balkans region is unmistakably in a better place today than it was in the 1990’s. European integration has proceeded—albeit partially and sporadically.

Since the tumult of the 1990s, the Western Balkans have receded from the minds of many American policymakers. While no longer front-page news, the region remains home to unfinished business. Ethnic, religious, and cultural differences, along with historical grievances retain the potential to set off renewed hostilities and violence. Furthermore, the challenges posed by the destabilizing influence of Russia, rising Chinese interest and investment in the region, pockets of Islamist extremism, high unemployment, and lack of economic opportunity threaten to ensnare the Balkans in a permanent purgatorial geopolitical quicksand. Allowing this to happen would be a mistake for the US. Since the end of the Cold War, the US has invested heavily in the region. Tens of thousands of US military members served there. The US remains the single largest contributing nation to NATO’s Kosovo Force (KFOR), and billions of dollars in American aid have been spent to guide the nations of the Balkans toward democracy, free-market economies, and integration into the transatlantic community.

Renewed US attention and engagement will help capitalize on the significant opportunities of the region while minimizing the risk that any nefarious outside influences can derail the region’s future in the transatlantic community.

Concerning the Western Balkans, progress in rule of law, governance, and quality of life - largely stalled a decade ago, and today the region faces serious challenges.

First, Western Balkans countries suffer from poor governance, weak institutions, corruption, and depressed economic prospects. These weaknesses feed ethnic and sectarian tensions.

Second, regional relations between Western Balkans countries (especially Serbia and Kosovo) remain fraught with tension and distrust. Some tensions arise between North Macedonia and Bulgaria, when Bulgaria vetoed EU negotiation process of North Macedonia. Ongoing failures to integrate ethnic and sectarian minorities across the region risk compounding existing fissures that affect Europe as a whole.

Third, the Balkans are a playground for the ambitions of external forces (such as Russia; China and Turkey).

Russia sees the Balkans as a point of leverage in its quest for a greater say in Europe's affairs and in its overall effort to reduce American prestige and influence.

China and Turkey seek to play out their external aspirations on Balkan soil, and radical Islamist influence has made an appearance as well.

All of these challenges are exacerbated by a lack of interest and commitment from Europe and the US. These forces will, if unchecked, cause continued stagnation or regression on badly-needed Western Balkans reforms. They will inexorably drive the region to further instability and possible violent strife. And they will force the Balkans onto the US agenda again, as they did in the 1990's.

As a first step, I will briefly introduce the significance of the Western Balkans and the need for re-energizing the trans-Atlantic partnership in that relation. Next, I will speak about the US approach towards the Western Balkans countries such as North Macedonia, Serbia, Kosovo, Bosnia and Herzegovina, Albania and Montenegro. Also, I will try to present the influence of Russia, China and Turkey in the Western Balkans and to present the five Ps action framework for the Western Balkans of the former Trump administration.

2. The significance of the Western Balkans

EU and NATO policies have oscillated between a genuine commitment to addressing the region's ills through expanding membership and a tepid appetite for engaging with the region's issues. Washington, as well as Brussels and European capitals, has failed to prioritize the needs of the Western Balkans in recent years, as urgent matters arose in the Middle East, East Asia, and elsewhere in Europe and calls multiplied for a reorientation of American foreign policy.

The Western Balkans are a European vulnerability - conflict there spills into in European politics and erodes Europe's security. Transnational crime, international terrorism, illegal migration

resulting from underperforming economies, weak institutions and poor governance in the Balkans will affect Europe. And Europe's vulnerabilities impact American national security interests.

NATO protects Europe, but requires US support to be credible and effective. In other words, Europe's twin institutions were designed to mitigate strife and ward off threats to the continent through cooperation and integration. American commitment to European security is a commitment to these institutions. But, these institutions—and the values they protect—are now vulnerable.

Instability in the Western Balkans, dangerous even at the best of times, risks feeding threats to European unity and security. And if instability in the Balkans undermines these institutions and the values they protect, it is an American concern. Acting forthrightly in the Western Balkans will help address European perceptions of declining American interest and influence.

Apart from US strategic interests in a Europe whole and free, the Western Balkans are also at the frontlines of other key US policy goals, from managing Russian and Chinese power globally to promoting liberal democratic values in the face of authoritarianism. That will be especially significant with the new administration of the US President Joe Biden.

3. Re-energizing the trans-Atlantic partnership in the Western Balkans

The basic framework established by the US and EU to stabilize the Western Balkans is still viable today. But a new approach is necessary, one that comprehensively addresses the overlapping political, economic, and security dimensions of the multiple challenges facing the Western Balkans.

Policymakers in Washington and Europe need to work together to refine their strategies, and reenergize their partnership to successfully address the issues at hand. The US and the EU need to be in lock-step in their approach. Full integration into the EU will not take place quickly. The task is to develop interim forms of cooperation, tailored to each candidate country, that fall short of membership as a way of creating incentives for each country to take the steps necessary to bring them into compliance with the Copenhagen Criteria for membership.

As the European Commission wrote in its February 2018 report, “A credible accession perspective is the key driver of transformation in the region and thus enhances our collective integration, security, prosperity and social well-being.” The European Commission stresses aggressive

Western Balkan diplomacy and identifies important action to be taken by European leaders. However, the Commission's laudable goals should involve outside actors (first among them the US and NATO), prioritize necessary reforms over aspirational ones, and actively confront malign external pressures. Even after membership, the Western Balkans will need continued assistance from the EU — and to a lesser degree the United States — in combating corruption, overcoming poor governance, implementing rule of law, enhancing respect for core democratic principles like tolerance, respect for diversity, and economic inclusivity, and accelerating economic growth.

The US should encourage EU leaders to agree on a credible and achievable trajectory to membership through a two-step approach, that is, first interim forms of ever-closer cooperation to be followed by formal accession once the criteria for membership have been fully met. At the same time, candidate countries must take substantial and good faith steps to actively grasp these incentives by addressing their outstanding issues.

Pre-accession steps might entail cooperation in one or more of the following areas:

- Controlled 'circular migration' whereby seasonal work is permitted in EU countries;
- trade facilitation and stimuli, including incentives to exporting industries;
- access to infrastructure funds;
- stabilization mechanisms to help Western Balkan countries manage their currencies, banking systems and financial markets, at moments of stress;
- participation as observers in EU institutions, including technical bodies like agriculture or transport regulatory bodies, as well as in European security discussions, intelligence sharing, and police coordination; and
- observer status in the European Parliament.

Further, the US and the EU should step up their efforts to facilitate regional economic integration. Working with business leaders from the US, Europe and the region itself, such efforts (outlined at the 2017 Trieste summit and strengthened by specific economic initiatives) reinforce cross-border cooperation and encourage prosperity. They can only improve the chances for the long-term viability of reforms needed for accession. Additionally, certain Western Balkans countries already enjoy close cooperative relationships with NATO.

A successful policy cannot be implemented with incentives alone. There should be disincentives, that is, withdrawal of benefits accorded during the interim period. These may include:

- Public and private political pressure;
- Targeted sanctions against regional leaders;
- Investment blacklists, including eliminating or reducing European and/or US financial support—both public and private.

4. The US approach to NATO and the Western Balkans' Security Challenges

As with the EU, it is time to re-think NATO conditionality and to offer a realistic path to membership—or at least close partnership. The Western Balkans' pressing security threats fall squarely within NATO's expertise and sphere of authority. Moreover, membership in NATO has served as a springboard to EU accession since the end of the Cold War.

NATO membership should continue to be open to all Western Balkan countries.

Bosnia, Serbia, and Kosovo need a NATO “waystation” since full membership is not presently likely for various reasons. This “waystation” can serve as a useful inducement to co-operation and security alignment. In this regard, NATO should work to actively improve Western Balkans security institutions. Strengthening bilateral military-to-military ties, standardizing armaments production and intelligence cooperation can be done without formal membership.

Further, NATO should work with Kosovo to develop a small, lightly-armed, and defensive military capability. NATO should be responsible for training, equipping, and supervising this defensive Kosovar force. The development of a Kosovar defensive force will not, in the near term, enable the United States and its European allies to reduce their direct military commitment to Kosovo. Until Serbia and Kosovo enjoy a stable relationship, NATO, including US forces, needs to be present. That said, the NATO presence in Kosovo is temporary by definition. It should remain so, and Washington and NATO should reject recent calls for a permanent US or NATO military presence in Kosovo or elsewhere in the Western Balkans, which would needlessly provoke Russia and Serbia.

4.1. The US approach to Bosnia and Herzegovina

Bosnia should be an urgent priority for the United States. The Dayton Agreement of 1995 ended the violence in Bosnia and Herzegovina through a mixture of force and diplomacy. It created a multi-ethnic state, but in effect froze and institutionalized the country's ethnic divisions. It has proved impossible ever since to reform Bosnia's institutions or to endow the country with effective governance.

The Bosnian public sector is bloated, with multiple layers of governance well beyond what is needed. Its participants have little appetite or incentive to make necessary reforms, and in some cases actively oppose them. Unemployment is endemic, and, with few legitimate economic opportunities, young and educated Bosnians are leaving the country.

Bosnia-Herzegovina risks becoming a failed state. Crime and corruption are rampant. A serious shock—economic crisis, ethnic violence, or a charismatic leader fomenting nationalist sentiments—could set off an internal conflict.

A long-term solution requires taking a strong stand behind the Dayton Agreement. It was, to use former High Representative Lord Ashdown's memorable expression, a "superb agreement to end a war, but a very bad agreement to make a state." That said, the US and Europe have painfully learned that it is hard to rewrite Dayton.

The EU—with US support—should intensely focus on improving and streamlining the Dayton institutions, including the multiple layers of sub-national and local governments that have resulted in bloated and corrupt administration.

The best way to address Bosnia's dysfunctionality is making EU membership a real option, with the inducements and disincentives mentioned earlier. Given the current EU political climate, the full benefits of membership (and, in particular, those associated with free movement of persons) would not be available to Bosnia in the short- or even midterm. But access to the common market or other economic integration can both build on existing Bosnia-EU trade and offer a feasible level of mid-term integration.

As part of the accession process, Bosnia should also work with the EU to proactively manage refugee flows and to cooperate on security matters. Pre-accession, the EU could also focus on harmonization of Bosnian law with EU regulations and directives in core areas, notably legal administration and the economy.

The US can additionally ‘kick start’ and diversify economic development by creating a Bosnia and Herzegovina-American Enterprise Fund whose investment activities will be focused on small and medium enterprises. Such a fund was recently proposed by Senators Shaheen (D-NH) and Wicker (R-MS), and deserves serious scrutiny from US policymakers.

4.2. The US approach to Kosovo

Kosovo is inching towards a frozen conflict in which its disputed international status will become its unfortunate reality. The US approach requires Serbia and Kosovo to reconcile their disagreement on Kosovo’s statehood. This normalization would deliver material benefits to the region. It would bring Serbia closer to the EU and enable Kosovo to pursue full membership before the U.N. and other international organizations.

Kosovar membership in INTERPOL, for instance, would allow for greater cooperation and coordination in combating corruption and terrorism. In time and with a relaxation of tensions, normalizations would also allow the Kosovo Force (KFOR), which includes significant US forces, to reduce its physical presence and commitment. The perpetuation of the conflict also presents a continued opportunity for Russian leverage over Serbia.

While the two countries have reached a number of understandings on issues as varied as representational offices in Belgrade and Pristina, energy, reciprocity of diplomas, border management, and customs procedures, many have not been implemented fully. At a minimum, existing agreements must be fully carried out in good faith by both parties.

In this connection, the US should encourage the EU to revitalize the Kosovo-Serbia dialogue, with support from the United States. But even this dialogue may not succeed in achieving normalization.

Kosovo must take decisive and independent action to re-affirm its commitment to the principles underlying the Copenhagen Criteria for EU membership.

The US and the EU should be ready with messages of support for the country’s stability.

The US should encourage the EU to re-affirm that Kosovo remains on a credible path to accession, even if much remains to be done.

4.3. The US approach to Serbia

Serbia is the region's largest and most influential state. It walks a diplomatic tightrope by simultaneously courting Russia and the EU. The oscillation of EU policy towards the region has, however, given Serbia's leaders the opportunity to continue to entertain Russian entreaties, like the creation of the Russian Humanitarian Center in Niš in Serbia.

European leaders cannot expect Serbia to commit decisively to the EU if membership continues to appear distant. In a word, if Serbia cannot sit on two stools, neither can the EU.

The US needs a renewed and strengthened relationship with Serbia and its leaders. The US should maintain its support for Serbia's EU accession. Membership in the EU will require strict adherence by Serbia to EU policies towards Russia, including its sanctions.

NATO membership should remain an option for Serbia, but any US expectations must be tempered by the historical legacy of NATO's military operations in the region. In any event, the highly-useful practice of close cooperation between Serbia and NATO's military command should continue. NATO must make an effort to involve Serbia as much as possible in its institutions without insisting on full membership. Serbia must, in exchange, limit its security ties to Russia to arms trade and training arrangements.

4.4. The US approach to North Macedonia

With conclusion of the Prespa agreement, the longstanding dispute over Macedonia's name was finally terminated. After that, the Republic of North Macedonia becomes 30th member of NATO.

The US should continue to support the European integration process of North Macedonia. This is especially important considering the new dispute between North Macedonia with Bulgaria, after Bulgaria vetoed Macedonia's EU accession talks. Many US officials warn that bilateral misunderstandings regarding the history and identity of both nations (between North Macedonia and Bulgaria) should be separated from the EU accession process.

4.5. The US approach to Montenegro

Montenegro, demonstrated its firm commitment to join trans-Atlantic structures.

Montenegrin authorities thwarted a Russian-backed coup to topple the NATO-friendly government and became the 29th NATO member. Its accession served as a signal to other states in the region that membership in the trans-Atlantic community was still an option. The United States and Europe should not assume that foreign meddling in Montenegrin affairs is over. The United States and NATO will continue to support the development of Montenegro's security sector including cyber security. The United States should also provide support for countering media manipulation through development of alternative sources of information. The United States should continue to support EU efforts aimed at reforms needed for Montenegro's accession.

4.6. The US approach to Albania

Albania has come a long way since it broke with its Communist past in 1991. Its accession to NATO in 2009 officially ended the isolation the country experienced since the Second World War. With a relatively homogenous population and a history devoid of major internal conflicts,

Albania nonetheless experiences weak institutions as do other countries in the Western Balkans. An EU candidate country since 2014, Albania has struggled to implement reforms required for initiating negotiations on membership. The United States should encourage Albania to take this opportunity to further its integration in Europe by providing strong support to EU reform efforts, and the EU should consider offering interim incentives.

5. The US and the Russian influence in the Western Balkans

The foremost external threat to the Western Balkans is Russia. Russia's interests in the Western Balkans are at odds with the goals of the US and our European allies to continue to assist the region in progressing toward the transatlantic community. Russia seeks to sever the transatlantic bond forged with the Western Balkans.

Mainly Russia has sought to inflame preexisting ethnic, historic, and religious tensions. Russian propaganda magnifies this toxic ethnic and religious messaging, fans public disillusionment with the West, as well as institutions inside the Balkan nations, and misinforms the public about Russia's intentions and interests in the region.

Russia has utilized its close military relationship with Serbia to exacerbate regional tensions. For instance, Russia has based soldiers at Niš airport in Serbia, a base that Serbia has used to meddle in northern Kosovo. The “Russian–Serbian Humanitarian Center” at Niš is only 58 miles from NATO’s Kosovo Force mission based in Pristina. In addition to propaganda and military ties, Russia utilizes its diplomatic position to destabilize the region, especially in its continuing refusal to recognize Kosovo’s independence.

The most clear-cut and troublesome instance was Russia’s attempt to interfere directly and violently with Montenegro’s democratic institutions to disrupt its plans to join NATO.

Other efforts to gain a greater foothold in the region are also worrisome, such as attempts to foment discord and disunity in Bosnia through, among other things, its support of independence movements in the Republika Srpska.

The United States and its European partners need a common strategy to manage Russian disruption. The core challenge is that such interference takes many forms, from subtle but pervasive media distortion, to manipulating ties to the Orthodox church, to blunt and forcible action (as in Montenegro). Dependence on Russian energy sources, including long-term supply contracts, is another potential threat to some countries in the region, as they provide an opportunity for significant economic leverage. Ultimately, however, Russian influence has been dependent on low-cost but effective forms of disruption.

The perception of Russian power is greater than its reality, and is fed in part by US and European inaction.

The United States and the EU should counter Russian influence by (i) re-affirming the continued opportunity for Western Balkans countries to attain membership in the EU or NATO, or both, (ii) countering Russian media manipulation with objective alternative sources of information and support for independent media in the region, and (iii) cooperating with NATO and EU efforts to promote cybersecurity.

As for the prospect of Russian economic leverage, the EU should consider developing a policy to prevent energy supply arrangements from being abused to achieve Russian geopolitical desires. The EU and United States should analyze the extent to which other energy sources, including US liquefied natural gas (LNG), can serve as exceptional alternatives to Russian energy supplies.

Energy projects like the LNG terminal in Krk, Croatia, which benefits from EU financing and US support should be promoted.

Finally, the United States should encourage and participate in a three-way dialogue with the EU and Russia as part of a broader effort to signal to Russia that Europe's security borders include the Western Balkans—but also to convey that NATO's Balkans activities are not aimed at encroaching upon Russian security interests.

6. The Role of China and Turkey in the Western Balkans

In 2012, China launched the 16+1 Initiative (today 17+1) seeking to build inroads with 17 countries (including every Western Balkan nation except Kosovo) in eastern and central Europe. China established a Secretariat in the Ministry of Foreign Affairs to oversee the initiative. The first 16+1 Initiative summit was held in Warsaw and was opened by Chinese Premier Wen Jiabao. Since then summits are held annually in a different city, including Belgrade, which played host in 2014.

In 2013, Chinese President Xi Jinping announced the larger One Belt, One Road project, a \$900 billion economic and diplomatic initiative to invest in infrastructure across Africa, Asia, and Europe.

In 2016, China established a €10 billion fund for the region. It has strategic partnership agreements with Serbia and Croatia as well as infrastructure projects in North Macedonia, Bosnia and Herzegovina and Montenegro. The purchase of 51% of the port of Piraeus is a significant play for position in the region. While not a major political player in the Balkans today, China is poised to become much more significant in the years ahead. Its capital commitments threaten to outpace EU investments.

Managing the EU and US global relationship with China needs to take into account Chinese ambitions in the region. China's deal with Montenegro in 2014 was opposed by the IMF, which said the arrangement threatened Montenegro's fiscal stability. China has also utilized its diplomatic position to garner influence with the Western Balkans. China, along with Russia, continues to veto recognition of Kosovo as an independent state at the United Nations.

Chinese investment criteria are weaker than those of the EU; Chinese financing terms can challenge European regulations and policies, including labor laws and environmental standards. Chinese investments cannot be permitted to undermine responsible economic behavior by the Western Balkan countries. The paucity of conditions put forth by Chinese investors is a disincentive to regional reform efforts.

Unlike Russia, China does not seek to destabilize the Western Balkans, but rather to ingratiate itself with the countries of the region, opening new trade routes for Chinese goods and amassing economic and political influence. While not to the same degree, China, like Russia, prefers the nations of the Western Balkans not fully ensconced in the transatlantic community.

Besides China, **Turkey** retains important cultural, religious, and historic ties to the Western Balkans.

Turkey considers itself a Balkan nation, and its proximity means that it is an important player in the region's economic, energy, and political picture. Turkey's recent deal with the EU to limit migrants, along with the specter of large numbers of migrants once again moving into the Western Balkans, gives the nation added influence.

Turkey's strongest cultural and religious ties, however, are in Kosovo and Bosnia and Herzegovina. Turkey has utilized investments in media and religious and cultural institutions to increase its sway.

In Tirana, Albania, Turkey is funding construction of a mosque, which will be the largest in the Western Balkans. In addition to the construction of mosques, Turkish money funds Turkish cultural institutions in the Western Balkans. According to Turkish pro-government media sources, "Turkey restored a total of 47 historical buildings including mosques, Mevlevi lodges, dervish lodges, shrines, fountains and baths from the Ottoman era, which are all located in the Balkans, between the years 2008 and 2016."

In 2007, Turkey created the Turkish Cultural Yunus Emre Center, a soft power instrument that promotes in part the teaching of the Turkish language in schools. The centers operate three locations apiece in Albania, Bosnia and Herzegovina, and Kosovo and one location in each of Croatia, North Macedonia, Montenegro, and Serbia.

Turkey's economic influence in the Western Balkans is particularly important in the energy sector. Two pipelines being built through Turkey will have significant economic and geopolitical ramifications for the Western Balkans. One pipeline, which Turkey and Russia are jointly building, is the Turkish Stream pipeline that commenced construction in May 2017. The second pipeline, the Trans-Anatolian Pipeline (TANAP), makes up part of the US-backed Southern Gas Corridor alongside the South Caucasus Pipeline, and the Trans-Adriatic (TAP) Pipeline. TANAP will run 1150 miles through Turkey crossing Turkish provinces. The Southern Gas Corridor once complete will bring natural gas from Azerbaijan to Southern and Southeastern Europe. The Southern Gas Corridor is expected to begin delivering gas to Europe by 2020.

As the US forms a Western Balkan policy, it must remain cognizant of Turkey's significant cultural and religious ties to the Western Balkans. Not being naïve to the potential negative impacts of this influence means the US should cast a discerning eye on Turkey's actions in the region—especially as long as the autocratic regime of Erdogan remains in power. However, as a US ally and NATO partner, Turkey's role in the Western Balkans should not be viewed reflexively as necessarily negative. Turkey contributes over 300 troops to NATO's KFOR mission.

However, Turkey's Islamic authoritarian model offers an additional set of challenges to a transatlantic future for the Western Balkans.

6. The Trump Administration five Ps action framework in the Western Balkans

In order to advance the US interests in the Western Balkans, the former Trump Administration and the US Congress endeavored to satisfy “five Ps”:

- 6.1. **Peace.** US policy should help maintain a secure and stable region.
- 6.2. **Progress.** US policy should seek to keep the Western Balkans progressing toward the West. This progress includes implementing economic reforms, tackling corruption, and contributing to regional security and stability through cooperation with the US and NATO.
- 6.3. **Potential.** US policy should focus on unlocking the vast potential of the region by tapping into its advantages, including a strategic location and young population.
- 6.4. **Pragmatism.** US policy should encourage the region's leaders to be pragmatic in their relations with neighbors and encourage mutual beneficial cooperation. Likewise, the US should be pragmatic in its relations with Serbia.

6.5. Prosperity. US policy should emphasize enshrining economic freedom in the Western Balkans that will help build prosperity. Such successes will have positive follow-on effects for security and the well-being of the people of the region

8. Conclusion

The US has invested heavily in the Western Balkans since the end of the Cold War.

Tens of thousands of US service members have served in the Western Balkans and the US has spent billions of dollars in aid there — all in the hope of creating a secure and prosperous region that will someday be part of the transatlantic community. US policy in the Western Balkans that followed the five “Ps” maybe will advance US interests while counteracting retrograde influences that seek to drag the region back toward war and poverty.

The Western Balkans have a real and measurable impact on European stability and security. The myriad political, economic, and security challenges vexing the region today threaten to stoke instability that could affect the rest of Europe. Should it do so, the call for resources and commitments from the United States will be significant—as it has been in the past.

The Western Balkans problems are not insurmountable: they do not require new institutions, or a significant financial or military commitment on the part of the United States. Rather, the solution requires working through two bodies already present in the region: the EU and NATO.

Comprehensively addressing the full range of political, economic and security challenges in the Western Balkans requires both entities to work in close coordination with one another and the United States. A realistic and reassured path to both NATO and EU membership is paramount in moving the region forward. However, the first step toward a stable Western Balkans necessitates a political decision in European capitals, and in Washington, to recognize the region’s importance, and an understanding that low-cost strategies can yield substantial outcomes.