

THE EU, CHINA AND THE WESTERN BALKANS: THE CHALLENGES AND PROSPECTS OF FURTHER INTEGRATION SEMINAR 1

Organized by the Faculty of Economics of the University of Montenegro
27 May, 2021 at 11am CEST

Speakers: Frank Schimmelfennig, Michael Kaeding, Jing Men, Kong Tianping, Tanja Mišćević,
Nikola Milović

Moderator: Danijela Jaćimović

Participants: Government officials, Representatives of political parties and NGOs and
Diplomats

Venue: EU info center, Podgorica

Type of event: Hybrid

Language of the event: English

Danijela Jaćimović

As the EU has been facing and prioritising its own domestic challenges over recent years, there has been a delay in the accession process in the Western Balkans. At the same time Russia, China and Turkey have filled the gap and strengthened their roles in the region.

There is growing literature on the presence of the global powers and their influence in the Balkan region. While some have emphasised that this influence should not be underestimated, and that the region may be considered a 'playground for power games', other researchers believe that the perception of the threat is overrated and exaggerated.

The EU and the US have spent billions encouraging both the democratisation and economic recovery of the region, where the EU is the largest partner in relation to trade, investment, and financial and technical assistance. Russia's economic presence is not significant and far below that of the EU, while China is increasingly present, especially following the financial crisis of 2008.

But in the eyes of the general public, these powers have been very successful in building their soft power, meaning that there is a perception that they care more about the region's interests than the EU does. Should the EU promote the full scope of the EU's economic contribution to the region more effectively, and strongly challenge this perception which is contrary to the reality on the ground?

This all creates a new dynamic in the region, which at the same time has raised concerns about the potential impact on European Union enlargement, a view expressed by both researchers and policymakers. While there is growing literature and a certain level of experience related to the relationships with Russia and Turkey in the wider region, China is a newcomer in this game. This seminar will seek to explore the balance of power between China and the European Union in relation to the region. The aim is to consider whether and to what extent the presence of China could have an effect on the Western Balkans' relationship with the European Union, and the potential impact on the accession prospects of nations in the region.



The seminar will address the following questions:

- The role of the geopolitics and geoeconomics of the power players in the region and their possible impact on the Western Balkans accession process.
- What is the rationale for Western Balkan leaders "playing the China geopolitical card" to gain leverage with the EU?
- How the Covid-19 and Brexit crises affect the accession (or *unification*) process? Are there "specific" emergency drivers for the integration process in the Western Balkan?
- Explaining the EU-China relationships: Deal and no deal?
- Differentiated integration: What are the consequences of the future enlargement process?
- Is a "win-win-win" situation possible for the EU-China-Western Balkan relationship?
- How should the EU seek to ensure better communication and promotion of their economic contribution to the region and how can they keep the enlargement process on track?

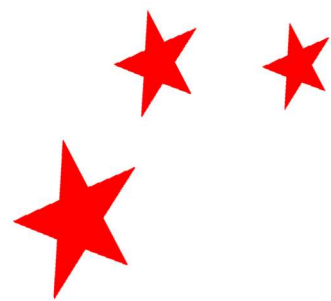
ABSTRACTS

How the EU institutions and bodies work and how to work with EU institutions and bodies

Europe is thinking hard about its own future. More than ever, it is the decentralized EU agencies which stand for solutions to European problems, assisting in designing and implementing Europe's future. An often neglected feature is the growing outreach of EU agencies towards third countries as a participatory form of external differentiation. I would showcase the dynamic and potential of EU agencies for countries in the Western Balkans and Turkey, focusing on their potential role across EU agencies assessing their bilateral arrangements with EU agencies. It appears that their involvement in EU agencies is manifold, covers various policy areas, and therefore seems to offer a valuable asset at a time when the road to EU membership remains uncertain.

Speaker: Professor Michael Kaeding

Michael Kaeding is Professor for European Integration and European Union Politics at the Department of Political Science of the University of Duisburg-Essen, Germany and holds an *ad personam* Jean Monnet Chair. He is also a Visiting Fellow at the European Institute of Public Administration (EIPA) in Maastricht and a Member of the Flying Faculty of the College of Europe and the German-Turkish University in Istanbul. He is an Honorary Board Member of TEPSA (Trans European Policy Association) and its previous Chairman from 2016-2019. His research focuses on EU integration and governance, and European institutions and bodies.

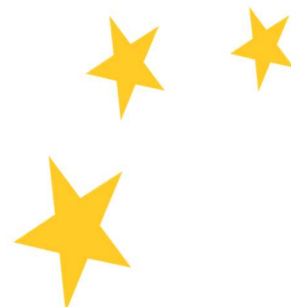


EU-China economic and trade relations

From 2005 until 2015, we witnessed the adjustment of the EU's China policy and its reflection on its values and interests; from 2016 up to now the EU has noticeably changed its policy towards China from one of comprehensive engagement to competition and an emphasis on systemic rivalry. The forty-five years of EU-China diplomatic history records not only rapid changes in bilateral relations, but also fast developments in wider international relations. The nature of the EU-China relationship can only be studied against the background of the dynamic evolution of global politics. Based on the EU's most recent official document on its relations with China, bilateral relations in this field are combined with cooperation and competition. To a large degree, the interdependent trade relationship is mutually beneficial, but in recent years, competition for technological leadership and the increasing politicisation of EU foreign policy have made the relationship more complicated. The EU is the largest trading partner for China and China the second largest trading partner for the EU. The bilateral volume of trade is more than 1 billion euros annually. Along with rapid trade growth, the EU and China were motivated to forge a new agreement to update their 1985 bilateral Trade and Economic Cooperation Agreement. The two sides launched negotiations on a Partnership and Cooperation Agreement (PCA) in 2007 but due to lack of progress, in 2013 a Bilateral Investment Agreement was negotiated to replace the PCA. While the Investment Agreement was concluded in December 2020, it is unclear when the agreement will be ratified by the EU due to the troublesome political relationship. In recent years, the EU has also taken several steps to protect its own economic and trade interests: its anti-dumping regulations has been updated and a Foreign Direct Investment screening regulation has been ratified. In EU-China economic and trade relations, market access, reciprocity, transparency and level playing field have become the catchwords.

Speaker: Professor Jing Men

Prof. Jing MEN has worked for the School of Foreign Languages of Dalian University of Technology since December 2020. She was the Baillet Latour Chair of European Union-China Relations and the Director of EU-China Research Centre in the Department of EU International Relations and Diplomacy Studies at the College of Europe. She obtained a PhD in Political Science at the Vrije Universiteit Brussel. Her research and teaching focus on EU-China relations and Chinese foreign policy. She is the founder of the electronic journal EU-China Observer, launched at the beginning of 2009, which publishes research articles and policy analysis on EU-China relations.



The Chinese "money trap" effect on Montenegro's Maastricht criteria fulfillment

The situation around public debt in Montenegro has become highly debatable topic, in light of the accession negotiations with the European Union (EU). Montenegro, one of the Western Balkans Six, has been negotiating membership of the European Union since June 2012. All the Western Balkans countries have had unequivocal support for membership from the European Union, ever since the Zagreb Summit in 2000 and the Thessaloniki Summit in 2003. Recently, all of these countries, alongside a growing number of EU Member States, became participants in the Chinese Belt and Road Initiative (BRI), i.e. the New Silk Road. Since the launch of this ambitious initiative in 2013, China has been constantly called out for its so-called "debt trap diplomacy" schemes, referring to Chinese involvement in costly infrastructure financing throughout the developing world, along the BRI route. The loans approved under this initiative, and their effects will be analyzed on the basis of the EU-set Maastricht criteria, which are relevant to all of the countries striving to become first EU, and then Eurozone members, with a specific focus on the public debt level in Montenegro.

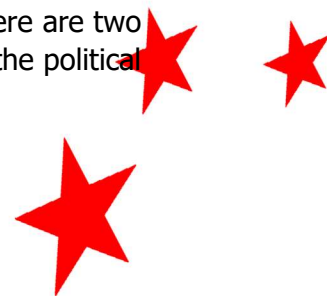
Speaker: Professor Nikola Milović

Nikola Milović is an Associate Professor and the current Dean of the Faculty of Economics of the University of Montenegro, where he started his career after graduating in 2004. He teaches the Economics of the European Union, the Common Market and EU Competition Policy and National Economics. He is a member of the working group for the preparation of negotiations on the accession of Montenegro to the European Union in the field of the *acquis communautaire*, related to the negotiation of Chapter 1 - Free movement of goods; Chapter 8 - Competition Policy and Chapter 29 - Customs Union. The Parliament of Montenegro appointed him a member of the Council of the Central Bank of Montenegro in June 2018.



Political and technical concerns – the Chinese presence in the Western Balkans

Over the past decade China has become the most prominent third actor in the Western Balkans, being much more present than Russia or Turkey, the traditional partners for the region. China's approach was not new, and was used in other parts of the world, with loans and construction works on infrastructural projects; but its acceptance both from the leaders of the WB6 as well as by citizens, surprised everybody. The issue is even more reason for concern when European integration is the main strategic goal of the WB6, meaning that their laws, procedures and practices have to be aligned with those that exist in the EU. Bearing that in mind, there are two groups of reason for concern and areas for those regional countries to be aware of: the political



and the technical. The political concerns are connected with the CFSP and the obligation of candidates for EU membership to progressively align with common decisions that EU 27 might reach regarding their geostrategic relationship with China, and new developments with the US. Technically, the obligation to accept and implement the EU *acquis* will need to bring more transparency in public procurement, more stringent environmental rules, and respect for IPR, which might put those countries on the road to the EU on a collision course with China.

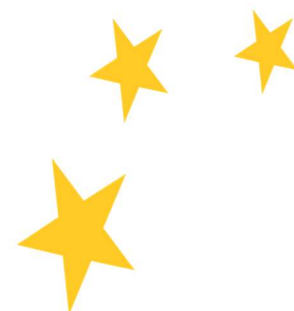
Speaker: Professor Tanja Mišćević

Prof. Tanja Mišćević is Deputy Secretary General of the Regional Cooperation Council. Since 2012, Prof. Mišćević has taught at the Faculty of Humanities of the University of Donja Gorica in Podgorica (Courses: Diplomacy and International Relations and European Studies). Prof. Mišćević teaches International organizations, the Enlargement Policy of the EU, and Euro Atlanticism. She has been Head of the Department of European Studies at the Faculty of Humanities since 2018. She was Head of the Negotiating Team for the Accession of the Republic of Serbia to the European Union and she is a full Professor at the Faculty of Political Sciences in Belgrade. From 2005 to 2009, she was the Director of the European Integration Office of the Government of Serbia.



Enlargement: Between domestic politicization and geopolitical competition

The context of EU enlargement has changed fundamentally since the Eastern enlargement rounds of the early 2000s. On the one hand, enlargement has become politicized domestically. While Eastern enlargement was a broadly technocratic and meritocratic process based on a permissive public consensus, it is now constrained and contested by adverse public opinion, populist mobilization, cultural framing and bilateral disputes. On the other hand, enlargement has turned into a matter of geopolitical competition. Eastern enlargement took place in a context of uncontested democratization, a friendly geopolitical environment and ascending EU external governance. Currently, we observe a wave of autocratization, heightened competition between the EU, Russia, Turkey and China in Southeast Europe, and a deep crisis of EU governance, both internally and externally. Given the EU's inward-looking focus and its priority of consolidation, as well as its economic advantage in the region, it is unlikely that geopolitics will give a decisive boost to the accession of the Western Balkan.



Speaker: Professor Frank Schimmelfennig

Frank Schimmelfennig is Professor of European Politics and a member of the Center for Comparative and International Studies at ETH Zurich. He is also an Associate of the Robert Schuman Centre for Advanced Studies at the European University Institute, Chairman of the Scientific Board of Institut für Europäische Politik Berlin and a member of the Board of the Trans-European Policy Studies Association (TEPSA). His research focuses on European integration and, more specifically, integration theory, EU enlargement and Europeanization, differentiated integration, democracy promotion and democratization.



China's perception of the Western Balkans and its policy toward the Western Balkan

China's relations with the Western Balkan countries should be viewed in 3 dimensions. The first dimension is bilateral relations, China dedicates to develop friendly relationship with the Western Balkan countries. The second dimension is China-CEEC relations, that is the so-called 17+1 framework (formerly 16+1 framework), the Western Balkan countries are part of 17+1 framework, which can server as the complimentary for the bilateral relations. The Western Balkan countries can implement some across-country project, such as Budapest-Belgrade railway. The third dimension is the BRI (Belt and Road Initiative). China's BRI focuses on trade, investment, connectivity and people-to-people exchanges. Some scholars over exaggerated the negative effects of China's presence in the West Balkans, considered China's presence hinder the European prospect of the West Balkan countries. China supports the European integration. As underinvestment in infrastructure sector is a chronic problem in the West Balkans, China's entry in the region can partially contribute to the solution of the problem. In this regards, China's involvement is compatible with the interests of the West Balkans countries, even with the interests of the European Union

Speaker: Kong Tianping

Professor Kong Tianping works for the Institute of European Studies, which affiliates to the Chinese Academy of Social Sciences. He teaches in the School of International Relations in the University of Chinese Academy of Social Sciences. He is the member of the Academic Council of the 16+1 Think-tank Network, member of the International Academic Council of China-CEE Institute at Budapest. Prof. Tianping will give lectures: Economic Transition in Central and Eastern Europe: Lessons and Reflection and Global Changes and Relations between China and the West Balkans. His research fields cover CEE studies, transition economies, comparative analysis of economies in transition and international politics.

