

THE EU, CHINA AND THE WESTERN BALKANS: COOPERATION UNDER NEW CIRCUMSTANCES SEMINAR 2

Organized by the Faculty of Economics of the University of Montenegro
25 May, 2023 at 12 p.m.

Speakers: Lucia Mokra, Kong Tianping, Mojmir Mrak, Tanja Mišćević, Nikola Milović, Nikoleta Tomovic

Moderator: Danijela Jaćimović

Participants: Government officials, Representatives of Political Parties and NGOs and Diplomats

Venue: Faculty of Economics, Podgorica

Type of event: Hybrid

Language of the event: English

As the global political and economic landscape changes and unforeseen events take place, Western Balkan countries must adapt. The GFC, the Syrian Refugee Crisis, COVID-19, and the current situation in Ukraine have all had a significant impact on the world environment and changed government priorities over recent years.

The trajectory of the Western Balkan states toward EU accession has been delayed and altered by unforeseen circumstances, but the overall goal has not changed. At the same time, the region has evolved into an arena for intense geopolitical rivalry, with the nations of the region being impacted to various degrees by foreign actors, such as China, Russia, Turkey, and the Gulf States. Future developments towards EU accession are made more challenging by changes in the political and economic climate, most notably because of the situation in Ukraine.

China is dedicated to establishing extensive collaboration with the Western Balkan nations, despite its reluctance to meddle in the internal issues of other nations. China specifically wants to cooperate in the fields of diplomacy, trade, investment, research, and technology, as well as in the fields of education and tourism. In addition, as the world reacts to the COVID-19 epidemic, other areas of cooperation, like public health may also emerge as priorities.

With the start of the war in Ukraine, Russia's role and position in the Western Balkans have recently become even more clear. The advantages for Russia include the long-standing decline in Western Balkan financial and commercial interests, the heavy reliance of the region on Russian gas and fossil fuels, and the significant exposure of the region's governments and institutions to

hybrid treats. In short, the region is in an extremely vulnerable position as a result of recent geopolitical developments. The door is wide open for Russia to increase its political influence and exploit instability if the Western Balkans are not given a legitimate and practical European economic perspective.

As long as the Western Balkan region maintains its political alignment with Europe and utilises capital from China and other countries through non-political collaboration, in the form of loans, FDI, and trade, a mutually beneficial partnership is still feasible. The Western Balkan states, the EU, China, and others should promote cooperation to improve infrastructure and assist economic development throughout the region, while working transparently to allay concerns.

Of course, how events in Ukraine play out and how the further polarization between NATO and supporters of a Russian presence there moves forward will be a key element in determining whether the Western Balkans can profit from the advantages of cooperation with the EU, China, and other stakeholders.

At the same time, it is likely that Russia's activities in Ukraine will keep European organizations like the EU and NATO united and isolate Russia in the context of the Western Balkan region. China's prospective allegiance to Russia would be damaging to the acceptance of its presence in the region, given the widespread opposition to Russia's invasion of Ukraine we see in the Western Balkans.

The seminar will address the following questions:

- Power actors are needed as partners for Western Balkan nations to support positive growth through trade and FDI. Is this still best accomplished through the EU membership process, given the geopolitical circumstances at work in the region?
- Are China's perceived "debt trap" danger and Russia's activities in Ukraine likely to give the Western Balkans leverage in their progress towards EU membership?
- Is it possible for the EU, China, and the Western Balkans as a whole to come to a "win-win-win" solution through the provision of faster infrastructure development that promotes transferability and so increases trade, FDI, and the potential benefits they bring with them?

