EU-Russia Rivalry in the Balkans: Linkage, Leverage and Competition (The Case of Serbia)

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Abstract. The article seeks to examine Serbia’s EU integration process in the context of EU-Russia relations in the Western Balkans. Serbia’s path to the EU has been long and problematic, with Serbia recovering from economic turmoil, difficulties in post-conflict reconstruction, the destructive floods of 2014, the refugee crisis of 2015, and strained relations with its Balkan neighbours. By applying Levitsky and Way’s theoretical framework that stresses the importance of an external actor in the democratization process (the importance of leverage and linkage vis-à-vis the democratizing state) and the analysis of linkages/leverage with counter-hegemonic states, we argue that in examining competing linkages/leverages, we must acknowledge the importance of the interplay between powerful actors as well. The events of 2014, which have led to a dramatic rift in EU-Russia relations, offered Serbia an opportunity to exit the “grey zone”, as defined by Thomas Carothers, as well as gave the EU the chance to deepen its influence in the Western Balkans.

Keywords: Serbia, transition, leverage, linkages, EU integration

Introduction

On 10 November 2015, the EU Commission issued a report declaring that Serbia had “completed comprehensive action plans required for the opening of rule of law chapters 23 and 24 and has reached key agreements with Kosovo as part of the normalization process, dealt with under chapter 35.” Serbia started EU accession negotiations in December 2015.

Following Vladimir Putin’s visit to Belgrade in October 2014, a regional conference was held for ministers of foreign affairs and finance from the Western Balkan countries...
and a meeting between Vučić and Füle (outgoing EU Enlargement Commissioner) where it was reiterated again that Serbia “is working at full steam” towards EU membership.\textsuperscript{4} On the other hand, there were fears that increasing antagonism between Russia and the EU over the situation in Ukraine, and the subsequent imposition of sanctions by the EU, followed by Russia’s bans on food imports from the EU states, threatened to turn the Balkans into a contested space once again.\textsuperscript{5} While EU integration was declared a priority for Serbia, its economic troubles, unresolved territorial questions over Kosovo and nation-building issues increased the likelihood of Moscow’s influence in a whole range of matters, and observers noted that, indeed, contacts between Moscow and Belgrade intensified.\textsuperscript{6} While Serbia’s transformation from a problematic state in “the heart of Europe” to an EU candidate state with a more or less clear membership perspective is well-studied, what merits attention is Serbia’s path from a “grey zone”, in Carothers’ terms,\textsuperscript{7} and its foreign policy options in the context of manoeuvring between the EU and Russia.

Thus, Serbia represents an interesting case for post-communist transformation studies: it maintains close relations with both the West and Russia, which in turn exercise leverage over Serbian politics and want to see Serbia as their foreign policy ally. In this article, based on Levitsky and Way’s model, we explore the specifics of Serbia’s transformation process, taking into account an additional variable: the interaction between Russia and the EU as external actors seeking to influence Serbia’s policy choices. We demonstrate that, despite wide and intensive relations between Serbia and the “normative” actor (EU) and the counter-hegemon (Russia), the priority remains with the European Union while the “black knight” is not that black indeed and does not have sufficient means to prevent Serbia’s integration into the EU. The article is structured as follows: we start by giving an overview of theoretical models of the “grey zone” transition states, and then we analyse and compare the EU and Russia’s leverage/linkage and their impact on Serbia’s political trajectory.

“Third-Wave Democratization” and the “Grey Zone” Countries

Democratization scholars have long highlighted the difficulties and uncertainties associated with the transition to democracy. In his seminal article, “The End of the Transition Paradigm”, Tomas Carothers identified five core assumptions that defined the transition paradigm and proved inaccurate when tested against empirical evidence: namely, the direction, sequence and inevitability of transition, overemphasis on elections at the price of contextual factors and systematic underestimation of state-building. He stressed that transitional states can stay in the “grey zone”, between authoritarianism and


democracy for a long time either in the form of “feckless pluralism” or “dominant-power politics”. Indeed, the flourishing literature on stability of the so-called hybrid regimes (that combine features of well-established democracies with elements of authoritarian rule) shows that, though not necessarily durable in the long-term, hybrids exert a fair degree of adaptability and can survive behind democratic façades.8

The international environment has long been recognized as an important variable explaining the (un)successfulness of transition. Huntington, among other factors conducive to the third wave democratization, pointed at human rights and democracy promotion by Western Europe, the USA and non-governmental actors after the Second World War.9 Levitsky and Way explored the role of Western linkages and Western leverage in the course of transition in determining the outcome (democracy consolidation, unstable and stable authoritarianisms).10 However, as Huntington’s model predicts, there must come a reverse wave of rollback from democracy – a tendency observed both by academic scholars and policy experts. Since 2006 there has been an accelerating rate of democratic breakdown, declining quality and stability of democratic governance, deepening authoritarianism and poor performance of established democracies.11 Though Møller and Skaaning argue that this is not a recession, but rather a “democratic plateau”, Diamond posits that there is no evidence that autocracies are going to advance,12 and that the different international environment for democratic promotion and development in the world is worth taking note of. Autocracies around the world (most notably China and Russia) now promote an alternative economic or even “civilizational” model, using all means at their disposal – from investments to soft power and coercion – to stabilize their neighbourhood and challenge Western hegemony.13

Therefore, in the case of nations caught between powerful democratic and authoritarian states it is important to compare the strength of linkages and leverage of the rival centres. Post-communist Europe presents a number of such cases with Ukraine at the forefront,

but also with Armenia, Georgia, Moldova and the majority of the Western Balkan states as well. Most of these countries teeter between the European Union and Russia (and to a lesser extent the US and China). Though Russia’s “black knight” counter-hegemonic role has been acknowledged,\textsuperscript{14} there is still a lack of theoretically-guided empirical studies revealing the mechanisms and interplay of competing linkages/leverages.

Serbia represents an interesting case-study: on one hand, it began EU accession negotiations in 2014 and established strong trade and economic ties with European countries; on the other hand, it is highly dependent on energy supplies and investments from Russia, while Moscow has doubled its efforts to attract the Serbian public over the last few years.

The linkage model is generally well-received in the academic community. Further research enhanced the model with nuanced analysis of the conditional and mediation effects. For instance, Sasse, using Moldova and Ukraine as examples, argues that the role of linkages with the West in democratic development is significant only if it becomes a part of political competition (e.g. to reinforce emerging cleavages).\textsuperscript{15} Weak stateness and unresolved territorial conflicts can undermine the prospects of democratic consolidation. Tolstrup adds the “gatekeeper” concept to this model, and summarizes that the “external actor matters most for democratization when it is relatively more powerful than the state it tries to affect, when a tight network of linkages exists... and when the gatekeeper elites try to strengthen these ties and thus ease the transmission of the external actor’s pressure...”\textsuperscript{16}

These assumptions are further tested by Bidzina Lebanidze who looks at the South Caucasus states. “Contrary to the model’s prediction, democratization under low linkage is still possible when leverage is used in a conditional way and the influence of other powers is low.”\textsuperscript{17} The researcher also believes that Levitsky and Way’s internal factors, namely, organizational power is “neither as important as it is portrayed by the authors, nor is it a purely domestic variable, but rather a product of external and domestic interactions. In fact, when used properly, leverage seems to be more important than organizational power, regardless of the latter’s strength.”\textsuperscript{18} According to Lebanidze, continuation of authoritarian regimes without democratic opening can be explained by the influence of Russia as a counter-hegemonic power in Armenia and Azerbaijan, which decreases the influence of the West, conclusions which resonate with similar research on the topic.\textsuperscript{19}


\textsuperscript{18} Ibid.

Serbia, like most post-communist countries, is under pressure from both Russia and the EU: the two are much more powerful, have a dense network of linkages and resort to leverage. Both have influence over the gatekeeper elites, and Serbia has some troubles with statehood (not to mention the Kosovo issue). And as Russia and the EU hold considerable sway in the international arena, maintaining good relations with them is important for Serbia to move further from the “grey zone” or stay on its edges. Hence we argue that the linkage model can further be strengthened by comparing the linkages and leverage of the external actor and the “black knight” over the country of interest and examining its impact on political competition, elites and the question of statehood.

Therefore, we are interested in how Serbia’s manoeuvring between Russia and the West impacts its political trajectory. Applying Levitsky and Way’s model to Serbia allows us to examine the influence of two powerful external actors, and the leverage/linkages they use. Furthermore, Serbia has a sensitive territorial question: the question of Kosovo, over which Russian and EU positions differ. Thus, in analysing Serbia’s political trajectory and democratic consolidation prospects it is necessary to compare not only Russia and EU leverage/linkages but also the interaction between these two external actors, especially in light of events in 2014. Our analysis proceeds from the early 2000s. This can be explained by several reasons: first of all, there is already extensive literature covering Western Balkans transformation processes in the 1990s; secondly, the year 2000 can be considered a watershed separating Serbia under Milošević from present-day Serbia; and finally, it was in the 2000s that Russia’s policies towards the Western Balkans became more assertive and consistent with Russia assuming the role of a counter-hegemonic power.

**EU linkage and leverage**

Serbia inherited much of its ties with Western Europe from the Cold War era. The dissolution of Yugoslavia followed by ethnic conflicts forced the newly formed European Union to engage in the region, but due to its internal weakness the USA and NATOP played first fiddle. However, the EU maintained many linkages with Serbia, facilitating the transition and eventually helping the opposition to outplay Slobodan Milošević and gain power in 2000. Seeking regional stabilization, the EU launched several initiatives in the mid-1990s: the South-East European Cooperation Process (1996), Stability Pact for South-Eastern Europe (1999-2008), Southeast European Cooperative Initiative (1996) and the Stabilisation and Association Process (SAP). In 1996, a framework for the ex-Yugoslav countries was established that listed a number of conditions for strengthening cooperation. By the late 1990s Serbia was among the worst performers. Nevertheless, financial aid was not completely cut off, and it was not until the escalation of the Kosovo

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conflict in 1998 that the EU imposed sanctions, though this leverage was not sufficient enough to halt the escalation.

Between the 1999 NATO campaign and the opposition victory (both via ballots and street protests) of autumn 2000, the EU-initiated SAP from June 1999 became a new leverage instrument, that emphasized, *inter alia*, the need for regional cooperation and conflict resolution, and a special provision for Serbia and Croatia, namely cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY). In June 2000, the European Council made SAP the focal instrument of the accession process and in October, the EU-FRY (Former Republic of Yugoslavia) Consultative Task Force was established. SAP officially started in November. Sanctions were lifted and the European Economic Community market was opened to facilitate export from the Western Balkans. Thus, the EU took part in the post-Milošević transformation period by gradually increasing its presence in the region.

This tendency continued throughout the 2000s. The Stability Pact for South East Europe was initiated in 1999 and finally, the Community Assistance for Reconstruction, Development and Stabilisation (CARDS) programme was launched with 4.65 billion euro earmarked until 2006. In its first annual report on SAP, the European Commission noted that Belgrade “has made progress with its political reform since the introduction of the new regime.” In the same report, however, the Commission mentioned that, “it is vital for the country to combat corruption and collaborate successfully with the International Criminal Tribunal for the former Yugoslavia.” Even if the EU in the early 2000s was steadily increasing its leverage over the Balkans, the internal political situation in Serbia inhibited the effects of external pressure: there was a split in the ruling coalition between president Koštunica and prime-minister Đinđić over the course of reforms and Serbia-ICTY cooperation, particularly on the issue of the extradition of war criminals. Serbia’s relations with the ICTY were one of the most painful aspects of EU-Serbia relations, especially after the unexpected extradition of Slobodan Milošević to the ICTY.

During the Thessaloniki Summit of June 2003, the European Union declared its determination to integrate the Western Balkan states, a commitment reiterated on a number of later occasions. Despite the fact that initial enthusiasm waned in the aftermath of the French and Dutch referenda on the EU Constitution, there were no more doubts within the EU on the issue of the integration of Serbia. Thus, the EU made a decision to unfreeze the Interim Trade Agreement with Serbia and abolish visa requirements for Serbian

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nationals. Strengthening of the trade linkages enabled the EU to increase its influence over the country. According to the European Commission, in 2011 the EU-Serbia trade volume exceeded 14 billion euro (with 9 billion export from the EU and 5.1 billion export from Serbia); in 2013 - almost 16.2 billion (9.7 and 6.6 billion accordingly).

By the mid-2000s there had been a gradual growth in foreign direct investment into the Western Balkans, including Serbia, with the EU as the major donor. While in 1999 FRY received 112 million USD in foreign direct investments, and only 25 million in 2000, in 2003 it surged to 1 542 million, and in 2008 Serbia attracted 2 955 million in FDI. Though the global recession of 2008-2010 undermined the FDI inflow, which remains rather volatile due to internal (slow pace of reforms, specifics of the business environment) and external factors, in 2013 the FDI volume accounted for 1 034 million. If compared to other states of Southeast Europe and the Balkans, Serbia comes second (after Romania) in the level of FDI. Key investor states (as of 2011) are: Austria (17.1 % of total FDI), Netherlands (10.1), Greece (9.6), Germany (9.1) and Norway (8.4).

The EU states, in addition to being the main trade partners and investors, offer substantial financial assistance (the EU is the biggest financial donor in Serbia). The amount of financial assistance in the period 2001-2014 exceeded EUR 2.6 billion (with Germany contributing EUR 1.2 billion, Italy- EUR 276 million, Greece- EUR 254 million, and Netherlands- EUR 214 million). In 2014 the European Union, as a sign of “special trust”, transferred managerial power of over 600 EU-funded projects to the Serbian government. For policy and legislation harmonisation the EU relied on the Instrument for Pre-Accession (IPA) with 1.1 billion euro allocated. A further 2 billion are earmarked for the period of 2014-2020 for the Western Balkans and Turkey (IPA2 2014).

The question of Kosovo’s status remains a significant impediment to EU leverage. Not only has the question of Kosovo’s independence per se (proclaimed in 2008) been a difficult issue domestically (with the ICJ adding to the controversy with its much-debated decision), some EU states like Germany were openly pushing for recognition. After Kosovo was recognized by 108 countries (including 22 EU members), Germany assumed...
the role of a key mediator between Belgrade and Prishtina. Despite the fact that official
recognition of Kosovo was not declared a necessary precondition for membership, “it is
clear that without some sort of “silent recognition”, which is a prerequisite of developing
bilateral relations between Serbia and Kosovo to a minimal degree of normality, Serbia
will not be able to join. However, asking a state to silently accept losing part of its
territory is a much more demanding request than calling for the application of democratic
norms.”

Even if the EU largely contributed to the normalization of relations between
Belgrade and Prishtina (which eventually led to the conclusion of an agreement between
them in spring 2013), the Kosovo question remains a sensitive issue both in the political
and public domains and is actively manipulated by the counter-agent, Russia.

If we look at the social contacts between the EU and Serbia, polls show that the EU
enlargement is still seen as a popular long-term objective and the EU itself as quite an
attractive model. According to the Gallup “Balkan Monitor” polls, 72.4% of Serbians
support the idea of EU accession, 59.7% believe that accession would make life better for
the community, and 69.4% for them personally. The numbers, however, are lower than
in the rest of the Western Balkans. One-third of the respondents (28.8%) think that EU
membership is a threat to national identity, and 45.8% have negative feelings towards the
EU (especially true for the elderly and undereducated strata).

Russia’s linkage and leverage

Just like the EU, Russia has diverse and strong linkages with Serbia, though its leverage
is considerably lower. In the 1990s the Russian government was the main FRY supporter
on the international arena. The most illustrative example is the famous episode of Russian
PM Primakov “turning over the Atlantic” on 24 March 1999 – the day the NATO air
campaign started.

Rapid economic growth of the early 2000s enabled Russia to strengthen its
international standing. This was especially true for Russia’s policies towards the post-
Soviet states and “Near Abroad”, with Moscow’s position becoming more ambitious
and assertive. A milestone of Russia’s policies towards the Western Balkans was the
“South Stream” project announced in 2010, which would enable gas transit to European
countries by way of bypassing traditional transit routes. Serbia embraced the project
with enthusiasm and in 2013 the Serbian Parliament awarded a special status to the gas
pipeline. Expectations were high: “The construction of the South Stream onshore section
will provide approximately 2.1 billion euro of direct foreign investments to the nation’s

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economy.” In the face of growing instability in Ukraine, which has been the traditional route of Russian gas and oil transport to Europe, South Stream envisions shifting Russian natural gas supply lines though the Black Sea, then across Bulgaria, Serbia, and Hungary into the lucrative Western European markets. Austria, Italy, and Germany top the list of energy-hungry buyers in the EU, all of which have adopted less fiery language on Russia’s recent behaviour.

There has also been a significant increase in investment: in 2008 Russia’s Gazprom bought 51 percent stake in NIS (Serbian state-owned oil company), which was part of the overall strategy to ensure Gazprom’s presence at the energy market in the Western Balkans. This would enable the “South Stream” project to run smoothly. From 2003 till 2012, cumulative Russian FDI amounted to 2.85 billion dollars, and in 2013 Serbia attracted 723.5 million dollars in investments originating from Russia (still well behind the EU). In terms of trade, there is a large deficit in balance, especially in regards to energy products: it is estimated that in 2012 Serbia imported from Russia fuel and energy products worth 3337.3 million USD, the second commodity group after “machinery, equipment and transport” worth 4371.1 million. Russia’s energy import volume is volatile, but on average it accounts for 54.5% while retaining the monopolistic position in gas supplies.

On the political level we have seen an intensification of contacts in the past six years. High-level events have been organized, which included President Medvedev’s official visit in October 2009, where he addressed the Serbian parliament and reiterated Russia’s stance on Kosovo, UN resolution 1244, and the 1999 NATO operation while once again invoking their common past, and President Putin’s working visit in October 2014 to Belgrade. Apart from that there were foreign affairs minister Lavrov’s and his deputies’ four journeys to Serbia in 2014, seven visits of Serbian delegations to Moscow and five high-level telephone talks and numerous business contacts between 2008 and 2014. In 2014, Russian Railways CEO Yakunin visited Serbia three times to discuss large-scale investments (up to 800 million USD) in infrastructure.

On the “track-two” diplomacy level, Russia has a number of organizations promoting its image in Serbia: the Russian Centre in Belgrade University and gymnasium in Novi Sad (a branch of “Russkyi Myr” foundation headed by “United Russia” MP and political adviser Nikonov), “Russian House” (branch of Rosstrudnichestvo – agency under MFA to maintain ties with compatriots abroad), Russian-Serbian Humanitarian Center in Niš and numerous GONGO and NGOs in both countries that promote the ideas of a Slavic

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world and brotherhood. The Russian Orthodox Church (ROC) also maintains its linkages: patriarch Cyril regularly visits Serbia and meets Serbian officials. In almost all of his speeches he regards Kosovo independence as intolerable and regularly condemns the damage done to the historical and religious heritage in Serbia and Kosovo. During his meeting with Serbian patriarch Irenej in July 2013 Cyril even stated: “With regret we have to say that the Serbian political establishment lacks integrity [on the issue of Kosovo] and must listen to Serbian Orthodox Church not to ignore it let alone publicly.” In addition, ROC organizes donor campaigns and educational activities.

Security cooperation has been quite intensive as well, with Serbia obtaining an observer status in the Russia-led Collective Security Treaty Organization in 2013. Russia, alongside with the EU states, provided assistance to Serbia to deal with the destruction caused by the 2014 floods: the Russian Ministry of Emergency Situations sent several planes equipped with personnel, food and rescue boats, and the Russian-Serbian Humanitarian Centre located in Nis was highly visible during emergency and relief operations in the Western Balkans.

In addition, Russia and Serbia are uniform in their view of the ICTY as a biased and incompetent institution and frequently criticize it (for instance, for the notorious release of Croatian war criminals Ante Gotovina and Mladen Markač). They have repeatedly stated that the ICTY should be closed down.

In 2015, Russia vetoed UN Security Council draft resolution related to the massacre in Srebrenica. Russian Foreign Minister Lavrov reportedly said that the resolution, which condemned the events as genocide, was written “in an anti-Serb tone and incorrectly interpreted, from a legal point of view, what had happened in Srebrenica.”

In general, Russia’s presence in Serbia is quite visible. According to opinion polls, Russia is perceived as the main donor in the country, leaving the EU and the USA behind. Serbs have a positive image of Russia: only 3.2% of those polled believe Russia is not an important partner for Serbia (the number is 6.1% for the EU and 24.3% for the USA). This data mirrors the polls in Russia: the majority of Russians have a positive image of Serbia:

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only 14% of the people didn’t follow the developments of the 1990s Yugoslav wars, 59% were outraged and 29% were worried about NATO’s actions in Yugoslavia.\footnote{Elena Arlyapova, 2014. ‘Dynamics of Public Opinion in Russia Concerning Serbia’, Center for Strategic Alternatives (2014), available at: \url{http://www.strateskealternative.rs/?p=1943#_edn3}, accessed 3 Feb. 2016.}

**Serbia’s “Policy of Neutrality”**

In January 2015, Serbia attained Chairmanship of the OSCE. On this occasion first deputy prime minister Ivica Dačić stated: “We share the assessment that the crisis in Ukraine is a great challenge to European security. It brings into question the very concept based on the guiding political documents, such as the Helsinki Final Act, the Charter of Paris for a New Europe and the Istanbul Charter for European Security.”\footnote{Statement by H.E. Mr. Ivica Dačić, First Deputy Prime Minister and Minister of Foreign Affairs of the Republic of Serbia. OSCE Ministerial Event. Addressing the Crisis of European Security: The Way Forward and the Role of the OSCE. New York. (26 September 2014).} Despite Serbia’s proclamations of support of Ukraine’s territorial integrity, it tries to maintain friendly relations with all parties that have stakes in the conflict.\footnote{Nemanja Rujevic, ‘Serbia: A new mediator in the Ukraine conflict?’ Deutsche Welle, (1 January 2015), available at \url{http://www.dw.de/serbia-a-new-mediator-in-the-ukraine-conflict/a-18165680}, accessed 4 Feb. 2016.} Thus, for example, the Serbian delegation did not take part in the voting for the General Assembly Resolution 68/262 on 27 March 2014 on the territorial integrity of Ukraine (A/RES/68/262), and in July Prime Minister Aleksandar Vučić in his conversation with the US Ambassador in Serbia remarked that Belgrade’s stance concerning Ukraine was that of support for Ukraine’s territorial integrity, which applied “even to Crimea.”\footnote{Milos Mitrovic, ‘Vucic “surprised” with US ambassador’s statement’, Independent Balkans News Agency, (23 July 2014), available at: \url{http://www.balkaneu.com/vucic-surprised-ambassadors-statement}, accessed 5 Feb. 2016.}

Comparing the EU and Russia and their policies towards Serbia is not an easy task given that the EU is frequently divided over its foreign policy choices while Russia makes more or less consolidated decisions. However, as the above analysis shows, Serbia maintains deep and diverse relations with both, and in this light, the statement by President Nikolić that he planned to follow Tito’s orientation of both East and West, since “Nowadays, Tito’s foreign policy concept is the only right choice”\footnote{Gordana Filipovic, ‘Serbia to Avoid Sides in Ukraine Crisis, Nikolic Says’, Bloomberg, (10 July 2014), available at: \url{http://www.bloomberg.com/news/2014-07-09/serbia-to-avoid-sides-in-ukraine-crisis-nikolic-says.html}, accessed 5 Feb. 2016.} does not come as a surprise. According to the Serbian Ambassador in Russia Slavenko Terzic, who declined the possibility of Serbia’s imposition of sanctions on Russia, “Our policy is determined clearly as a policy of military and political neutrality, we will insist on this.”\footnote{Oksana Toskic, 2014. ‘Serbia mulls no possible sanctions on Russia — ambassador’, TASS. Russian News Agency, (25 November 2014), available at: \url{http://en.itar-tass.com/russia/763542}, accessed 4 Feb. 2016.} What is important, however, is to what extent can this policy be adhered to in the constantly changing international environment?

The analysis shows that despite the fact that the EU has more leverage and linkages in Serbia, Russia represents an important counter-agent. Even if these two parties are not openly antagonistic towards one another (given that on some issues like stabilization of
the region they hold a common view), intensification of hostility in EU-Serbia and Russia-
Serbia relations remains a possibility not to be ignored.

While comparing the intensity of economic linkages, the EU has a stronger presence
in Serbia, both in terms of resources and variety of economic linkages. Russia has less
experience in aid provision, and its trade relations with Serbia primarily involve the energy
and investment (albeit growing) sectors and cannot surpass those originating from the EU.
EU integration offers Serbia a more predictable alternative: the EU is not just the main
investor but a regular one, with a consistent presence in the region. On the other hand,
the Serbian economy is struggling: after the 2008 financial crisis external debt has gone
up (which makes full EU membership a distant prospect), and the inflow of investment is
volatile (thus any investment, whatever the source, is highly desirable).

Political linkages, as far as elite and public support is concerned, extend to both
external actors. All major political forces in Serbia declare the necessity to have friendly
relations with both the EU and Russia, taking into account, *inter alia*, public opinion
polls. During the March 2014 elections all political parties resorted to pro-European
rhetoric. Russia, however, due to historical and cultural linkages, is more popular than
the EU, especially among adult and elderly citizens who still have fresh memories of the
1990s wars and the 1999 NATO campaign. Besides, not a single major political party
dares mention the question of recognizing the independence of Kosovo. Having Russia’s
support on this matter is considered important, given that Russia, as a permanent UNSC
member, is capable of vetoing any decision considered to be damaging by Belgrade.
The EU has fewer capacities to resort to political levers in this regard, even if it acts as a
key mediator in negotiations with Prishtina in addition as a guarantor of stability with its
support of the EULEX mission.

Finally, cultural linkages and soft power instruments are also asymmetrical. Russia
has a more visible presence in the EU (though the situation is gradually becoming equal
for both parties). Historical and cultural linkages, frequently referred to by politicians
and other public figures, allow Russia to maintain a positive image among the Serbian
population. A New York Times journalist quotes a resident from Belgrade who during
Vladimir Putin’s visit to Serbia mentioned that, “This brought me back to the time when
my parents were alive, to when Russia and Yugoslavia loved each other. The West is
blackmailing us all the time, but we can always rely on Russia and Putin.”49 However,
as public opinion polls show, the EU member-states are seen as the main destination
for immigration and for students who wish to obtain European diplomas, and this trend
can lead to a situation where Russia’s popularity among younger generations of Serbs is
significantly reduced. Moreover, over 70% of Serbs responded that they would prefer
their children to grow up in the EU.50

ties-to-the-west.html?__r=0, accessed 3 Feb. 2016.
50 Vukojčić, note 32.
During his visit to Turkey Vladimir Putin announced Russia’s plan not to continue its $50bn “South Stream” gas pipeline project across the Black Sea into European countries, and Russian Ambassador to Serbia Aleksandr Chepurin clarified that “Gazprom paid for everything from its own pocket and President Putin has suggested that the EU should pay for loss of profit damages, but I think that would be very difficult.” Serbia’s reaction to the news was bitter: Prime Minister Aleksandar Vučić is quoted saying, “We have been investing in South Stream for seven years and we in no way contributed to that decision, it is obvious that we are suffering because of a clash between big (countries).” Serbian Minister of Energy and Mining Aleksandar Antic complained that, “All losses relating to the investments in the project to date are marginal compared to the possible loss of the investment of EUR 2.1 billion and the fact that our companies are due to execute the construction works totalling EUR 500 million.” Serbs fear that other projects might as well be abandoned: investments into the railway system (EUR 800 mln) and the oil refining industry (EUR 1.5 bln).

To sum up, the strongest aspects of the EU leverage are enlargement politics, financial and economic instruments and political involvement (as a mediator on the question of Kosovo, in regional dialogue). Russia in its turn actively uses public opinion as well as political, economic (investments and energy supplies) and international (support of Serbia’s position in the UN, support of Serbia’s stance on ICTY and NATO) levers. 2014 became a crucial year in this EU-Serbia-Russia triangle as both external actors intensified their linkages and resorted to leverage: Germany initiated a Western Balkans Conference of heads of state and government (held in Berlin on 28 August 2014); and Russia, on the one hand, confirmed its commitment to Serbia as a regional partner, with Vladimir Putin’s visit to Belgrade, and on the other hand, by cancelling the “South Stream” project it gave a signal that it was ready to resort to tough measures if necessary.

**Conclusion**

In the 2000s Serbia sought to manoeuvre between two foreign policy options: EU integration and closer links with its long-standing partner Russia. While experiencing external pressure from both sides, it had to take into account signals and demands originating from the EU and Russia (as well as from the Serbian population, observers of this ongoing contest).

While comparing the intensity of leverage/linkages of the EU and Russia towards Serbia, several important points must be made: first of all, for the EU, which has invested

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significant resources into the Western Balkans, the stability of the region remains an unquestionable priority. The EU Representative for Foreign Affairs and Security Policy, Federica Mogherini (as well as her predecessor, Catherine Ashton), takes an active part in Belgrade-Prishtina negotiations. The European Union remains the main trade partner and investor in Serbia (trying not to repeat its inconsistent and often unsuccessful initiatives of the 1990s). For Moscow, despite Serbia being a cultural and historical ally, it remains an important but still peripheral country, “a sleeping resource”, which can be used for certain foreign policy tasks like building an alternative pipeline or obtaining support of specific political moves internationally. Russia’s interests in Serbia cannot be regarded as purely geopolitical, and Russia certainly does not intend to have a “Trojan Horse” inside the EU, but it does expect a certain level of support on the part of Serbia. However, Russia (unlike the EU) cannot afford to invest substantial political and economic resources in the Balkans, even if it actively uses a whole range of cultural linkages, including pan-Slavic ideas, anti-Western sentiments and the popularity of Russian politicians. Given that Russia itself faces a serious economic crisis driven by a rapid decline in oil prices spearheaded by foreign sanctions, its economic influence in the Balkans is likely to weaken.

Serbia has so far managed to adhere to its “neutrality policy”. Even if the EU would like to see Serbia firmly declare its commitment to European integration, there is no need to apply much pressure on Serbia because the European alternative is not even questioned (there are certain political forces with polarized views over EU integration and relations with Russia, but their influence is insignificant). The status of Kosovo remains an important lever for Moscow, but it is worth noting that the Kosovo conflict is not a “frozen” conflict: political dialogue is ongoing. The political space in Serbia can be characterized as contentious, thus sensitive to external signals.

Serbia’s adherence to the “policy of neutrality” depends very much on the stance that the EU and Russia take. So far, both the EU and Russia (at least officially) demonstrate their respect for Serbia’s choices in this difficult international environment. However, it remains to be seen how exactly EU-Russia relations will unfold: the year 2014 became the lowest point in the post-Cold War period. We can claim that Serbia has exited the “grey zone” largely due to EU (and to a less extent, Russia’s) involvement in the region. Despite its “policy of neutrality”, Serbia is likely to move closer to the EU. The likelihood that Russia will seek to prevent Serbia’s integration is low; it runs contrary to Moscow’s official position (though the likelihood of possible pressure on Serbian political elites cannot be excluded). The EU, in turn, by harmonizing its position on Serbia and giving it a clear picture of full membership perspective, might help consolidate the changes that have been going on in the country in the past fourteen years.


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