

**ASYMMETRIC
THREATS
PROGRAMME**

A Study of Albania, Bosnia and Herzegovina, Kosovo,
Montenegro, North Macedonia and Serbia

**PROPAGANDA MADE-TO-MEASURE:
DIMENSIONS OF RISK
AND RESILIENCE
IN THE WESTERN BALKANS**

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The Asymmetric Threats programme focuses on strategic communications, terrorism and radicalization, cyber security and hybrid war.

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ARGUMENT AND METHODOLOGICAL EXPLANATION

This project was developed by GlobalFocus Center under its Asymmetric Threats Programme as a continuation of its regional efforts to enhance awareness of malign interference and to offer policy-makers and other interested stakeholders an innovative, practical assessment instrument, which can be easily replicated and used proactively in the process of evidence-based resilience-building.

Today, when the lines between war and peace are becoming increasingly blurred, the fight for 'hearts and minds' has become a prime target for ambitious state actors (like Russia, China or Turkey) or even opportunistic non-state actors (like the Islamic State). Subversion, insurgency, social movements, propaganda are tools for projecting power, contesting the status-quo and effectively determining the political course of action. External leverage has also become highly visible in the economies of regional countries, most prominently in Serbia, where Russia holds a de facto monopoly over the oil and gas industry¹, or in Montenegro, where at one point one out of four companies was fueled with Russian capital², or in Bosnia and Herzegovina, where Turkey holds an important role in key economic sectors, such as agriculture, energy and tourism. External malign influence targets Montenegro's position as a NATO member, undermines the Europeanisation process in Serbia, subverts/ delays North Macedonia's efforts to stay the course of NATO and EU accession. At the same time, domestic propagandists and populists are keeping entire populations captive to a logic of conflict, preventing the normalisation of relations between neighbouring countries.

As it sees its influence in the region under increased scrutiny by government- and non-government institutions, Moscow is diversifying its toolbox and selling to the local audiences an anti-Western narrative, which portrays the Euro-Atlantic agenda

¹ <https://www.nis.eu/en/about-us/company-information>; more detailed information on chapter assessing Serbia's vulnerabilities

² [http://www.europarl.europa.eu/RegData/etudes/etudes/join/2007/385551/EXPO-AFET_ET\(2007\)385551_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/join/2007/385551/EXPO-AFET_ET(2007)385551_EN.pdf); read more in the chapter assessing Montenegro's permeability to subversion activities.

as encroachment upon the sovereignty and interests of the Balkan states, driven by 'imperialistic' interests. It thus attempts - not unsuccessfully! - to derail democratic consolidation and Euro-Atlantic solidarity in the region, while creating a social context ripe for advancing its own agenda.

Turkey is more diplomatic in its endeavours to expand its influence in the region and does so mostly through leveraging its economic influence and providing a model of 'patronage' different from what the European Union proposes, one that does not mind democratic shortcomings, corruption, social polarization or state capture by politicized administrations.

China takes a similar path: the economies of the Western Balkans are too small to be of importance in themselves. China's target is the EU market and it is happy to use to its advantage any subservient, cash-strapped regimes in the region, which are willing to play along in exchange for the promise of funding with no strings attached (democratic conditionalities, etc.) and personal benefit.

At the same time, the discontinuity in post-conflict reconstruction and reconciliation, the muted dialogue for normalisation of relations between Western Balkan countries, the regional rivalries, nationalistic impulses and even expansionistic claims are all vulnerabilities speculated by aggressive non-state actors seeking to win over the discouraged and disengaged populations. Paradoxically, local populist politicians are spinning these relatively isolated ills into nationalistic messages and, by speculating the populations' inner fears, deepen the isolationism and resistance to modernisation and Europeanisation and reach the mainstream.

The asymmetric warfare battleground in the Western Balkans undermines good governance, rule of law, the Euro-Atlantic orientation and even the sovereignty of targeted states. Demonstrating a sound understanding of the specificities of the region, the disruptors are adapting their strategies according to the reality on the ground: when they have a hard time finding auspicious conditions for influence over local political elites, they seek to discredit the legitimacy of governments in the eyes of their citizens³, generate a lack of confidence in and public pressure on the political leadership and push it toward political orientations and/or stances that will bow to their interests. State/ non-state malevolent actors are acting to prevent effective resilience mechanisms from being created, which would allow the administration and public opinion in these countries to resist subversion and pursue their own independent policy/strategic choices (i.e. join the EU or NATO, implement anticorruption policies etc). External - but more often internal - disruptors (illiberal

³ as in North Macedonia's case – see the specific chapter.

and autocrats, populists and nationalists) aim to prevent genuine freedom of speech or exploit it where it exists, to advance malign interests and denounce Western positions as manipulation. They aim to hold leverage over essential parts of the economy; control a part of civil society and other factors of influence; penetrate security and political structures.

The countries of the Western Balkans have the added disadvantage of being relatively young and/or imperfect democracies, somewhat inexperienced in the exercise of critical thinking (also because of inadequate education systems, a vulnerability identified in all six countries, which leaves especially the young generation turning to alternative and often dubious information sources). Their position at the very centre of a renewed geopolitical dispute between Russia and the West, or of the pursuit of other 'spheres of influence' (economic, political, religious ones) is complicating the situation further. There is an acute lack of resilience mechanisms, public awareness, political responsibility, etc., which could hamper these efforts. The media rushes to further amplify the most sensational headlines, with little control and often with an agenda⁴. Corruption allows for illicit influence in all sectors⁵. An economy dependent on foreign investment lends itself to being hijacked by foreign interests⁶. Wobbly governments are vulnerable to all kinds of pressure, there is mistrust and lack of communication between the political class and the people⁷.

While emphasis on rule of law, transparency, anticorruption, etc. are the necessary long-term ramparts against such illicit influence (but taking a long, hard-fought battle to build), the only effective tools for immediate action are increased awareness at all levels; deconstruction and uncovering of the mechanisms and messages used to subvert and perpetuate manipulative messages; uncovering the methods used; showcasing specific instances which can be used to extract lessons for preventing similar attempts; debating practices and remedies with as wide and diverse an audience as possible; empowering decision-makers and opinion-leaders to identify and resist attempts at manipulation and/or influence etc.

The GlobalFocus Center project has carried out an analysis of risks and vulnerabilities in the six Western Balkans countries, to assess permeability to malign influence (i.e. societal conditions that might be exploited: ethnic divisions, group fears, economic disparities, regional identity cleavages, big societal fault-lines, the crisis of traditional parties, as well as the administrations' high levels of disfunctionality and corruption).

⁴ more on this in the Serbia, Albania chapters.

⁵ a phenomenon thoroughly explained in all the six country chapters of this report.

⁶ the lurking danger, again, in all six countries assessed in the project.

⁷ Idem.

We have identified and diagnosed the context-specific interests of state and non-state propaganda/ pressure and pinpointed the auspicious conditions and dissemination channels. We have examined concrete case studies, scrutinised and deconstructed the modus operandi to recommend ways to mitigate the threat in the future. Our aim is to strengthen the decision-makers' capacity to fight illicit influence, identify hidden agendas, build resilience mechanisms into different sectors of public activity (media, civil society, government, economy etc.) and combat subversion and propaganda through transparency, public awareness and critical thinking.

Methodology

Following the methodology that GlobalFocus Center has previously tested in assessing Black Sea region permeability to malign influence⁸, the current study chooses not to focus on what others do to challenge us, but on what we do not do enough to resist subversion, destabilisation and malign influence of all sorts. We try to map out the weaknesses and identify the possible inroads into our 'defence' systems, a research effort leading up to targeted policy solutions to boost our immunity. We undertake a critical examination of the individual threats in the six countries under analysis; the level of awareness and understanding of these threats on the part of political elites, government and other stakeholders (civil society, the general public, private sector etc.); the capabilities for counteraction and the institutional framework in place; and ultimately, of action taken so far with regard to preparedness and response measures, with a view to prospect the needs and perspectives for the future and anticipate possible scenarios (systemic consolidation and defence preparedness).

Our goal is to offer policy-makers and other interested stakeholders an innovative, practical instrument, which can be easily replicated and used proactively to build resilience into social, economic, political and security systems – as opposed to the generally reactive approach of doing damage limitation when the aggression has already happened. Although we have reviewed tactics of 'attack' and case studies of malign (covert) influence, our primary objective has been to identify auspicious conditions that can be used by hostile actors to create a "manufactured reality" and pursue hidden agendas in the Western Balkans.

In terms of methodology and structure, the editors have chosen to combine qualitative and quantitative analysis, to achieve as high a degree of accuracy and granularity of research as possible.

⁸ <https://www.global-focus.eu/2018/03/propaganda-made-measure-vulnerabilities-facilitate-russian-influence/>

For the qualitative part, GlobalFocus Center has worked with an original methodological framework based on intelligence analysis and structured along four major fields which constitute 'combat grounds' for malign influence and disinformation: society – economy – politics and foreign policy/ security. To probe each of them, we have assembled a team of local partners: experts and organisations with outstanding activity in the field, who have provided the necessary expertise. Each of the four major fields of study was broken up into component parts (subtopics) and analysed across the key dimensions of information war and malign influence: context; auspicious conditions; interests and messages; vectors; channels; conclusions and recommendations. The expertise of local partners was complemented by consultations with country experts in separate workshops organised in the Balkan capitals, integrated and refined by the core team in Romania.

The quantitative analysis framework developed in-house brings a fully original dimension to the study of malign influence: it proposes a theory that permeability to these non-kinetic threats can be measured and compared across different countries, using data collected through national expert surveys; it also offers a pertinent and practical instrument (the Permeability Index) to do so, in order to subsequently develop tailored resilience and response. While impact has traditionally been easier to observe, assess and assign a numerical value, potentialities and risks (especially in these fields) have generally been thought harder to operationalise, since the analysis would have been prospective and to some extent speculative. The novelty also lies in the fact that the countries in question had never been submitted to scrutiny before, with a view to identify their vulnerabilities vis-a-vis information war and malign influence, much less compared along these lines.

A solid methodological approach can capitalise on reliance on new data and an original algorithm, while ensuring rigour and consistency. The team has used expert surveys, polling professionals with good knowledge of their respective fields in each of the countries studied (there were separate sets of respondents for each of the four fields of study in each of the six countries), to source perceptions of the local realities from those individuals who are most equipped to express an informed opinion. The lists of respondents were drawn up by local partners, taking every precaution to ensure a representative sample, balanced representation of every side of the political spectrum, every relevant professional field, ideological background etc., to ensure diversity of views and to even out personal subjectivities.

Expert surveys were preferred because they reflect perceptions – and perceptions are instrumental in determining subversive strategies. At the same time though, the research team was not interested in polling public opinion, but stakeholders, which is why respondents were selected among the expert community. The similar

professional profile and level of expertise of the respondents across the six countries provides for a remarkable degree of internal survey cohesion, while the option for a numerical, modified Likert scale (to assign a numerical value to each answer) ensures the generalising character across the whole questionnaire.

Both the qualitative and quantitative frameworks were extensively tested with local partners and experts in the target countries, successively refined and reviewed. Experts were guaranteed anonymity, to diffuse possible reluctance on their side to answer the more sensitive questions. The response rate was satisfactory and more than sufficient for processing relevant results. The end product is a tool which has the potential to prompt more focused policy orientation from state institutions and other stakeholders, as it clearly pinpoints and quantifies the areas of concern, indicates the level of risk and urgency and is user-friendly and visual, easily understood by everyone.

The authors acknowledge the limitations of the present study – ranging from personal subjectivities and biases, to the ever-perfectible character of a methodology devised to analyse complex and wide-ranging social phenomena. Nothing would make us happier than if other more knowledgeable experts engaged with our research to debate it, challenge it, correct its imperfections and thus improve it. Our main purpose is to raise alarm about the gravity of the threat, even in states that seem the least likely victims, as well as generate substantive, solutions-oriented debate and provide a basis for it, with the strong belief that this is precisely what is lacking at present in our societies, both within the expert community and the public.

ALBANIA

Intro

Albania is unique in the Western Balkans for being very homogeneous in its pro-Western aspirations (pro-EU and pro-NATO). The Albanian understanding of national identity ensures harmony in a religiously diverse society, but religious institutions have shown signs of vulnerability to malign external influence. Albania's key societal vulnerability is the high level of social mistrust, which has wide ramifications. The economic and moral devastation of the past and the chronic state weakness have eaten away at critical levels of social capital. This severely impacts Albanian society's capability for consensus and institution-building (as reflected in its politics) and has disempowered civil society. Moreover, there is a persistent sense of fatalism and disbelief in the state which perpetuates state weakness and an almost reflexive escapism (through migration).

Albanian politics has historically been marked by a zero-sum approach to competition, which perpetuates state weakness, weakens trust in institutions and hampers the country's EU accession prospects. Albania's key political challenges (and key vulnerabilities) include ending impunity for the political class and weakening the ties between politics and organised crime. The Albanian economy is slowly finding new sources of growth, and has no direct economic dependencies from external malign actors, but it faces several structural vulnerabilities (many beyond local control) that may open paths to such dependencies. The increased market and political power of local oligarchs, together with the weight of organised crime in the economy, present two key domestic threats which have vested interests in derailing reforms.

Albania is trying to move from its traditionally very reactive and constructive role in the region, typical of the time when it was too weak to assert itself, towards becoming a more active shaper of regional policy by serving as a pillar of NATO and EU expansion and promoter of Albanian interests in the region. However, the inability to convince key EU member states to open accession talks has produced frustration and caused a rift with key EU capitals. If the EU Council decides to not start accession talks this June, that could cement a sense of 'victimisation' by the EU, incentivise disruptive regional policy, and create space for malign actors to disrupt Albania's strategic orientations. Albania's main regional challenge is to manoeuvre between the rival interests of Turkey and Greece, which often seek to instrumentalise Albania in pursuit of their own foreign policy goals, and whose economic and political footprints in Albania could themselves make a difference.

SOCIETY

Albanian society is religiously very diverse, yet it is homogeneous in its pro-Western aspirations (pro-EU and pro-NATO) and uniquely Western-centric in the region. This is largely because of the way in which Albanians understand their identity and because of Albania's historical trajectory. 'Albanian exceptionalism' provides a strong source of resilience against malign attempts to stir religiously motivated divisions.

Albanians generally view the relation between national and religious identity through the prism of an 'Albanian exceptionalism'. This is exemplified by a saying of the national renaissance leader Pashko Vasa: 'the religion of Albanians is Albanianism'. Although formally a majority-Muslim country (56% according to the 2011 census¹, Albania is arguably the most Western-centric country in the Western Balkans in terms of political orientation. The founding fathers of the Albanian nation around the turn of the twentieth century were mostly part of the Ottoman Empire's intellectual and political elites who had been shaped by the Europeanist and romanticist tendencies of the times, or they were Christian intellectuals influenced by currents from the emerging neighbouring nation-states.²

The Albanian national narrative built by this elite and more or less embraced by successive right- and left-wing regimes in the past century was marked by what Albanian scholar Enis Sulstarova has dubbed an 'escape from the East'.³ Communism's spectacular failure and the deprivation it brought to the country revived and even solidified Albania's pro-Western outlook, which also has a strong and distinct pro-American flavour, largely because of the central role that the US played in getting Albania into the League of Nations in 1918, but also because of the

¹ *Albanian Institute of Statistics*: 'Population and Housing Census 2011'.

http://www.instat.gov.al/media/3058/main_results_population_and_housing_census_2011.pdf

² For an elaborate account of Albanian identity, see *Albanian Identities: Myth and History* – Edited by Stephanie Schwandner-Sievers and Bernd J. Fischer (Indiana University Press, 2002)

³ Enis Sulstarova: 'Arratisja nga Lindja: orientalizmi shqiptar nga Naimi te Kadareja'. Globic Press, 2006.

most recent US role in supporting Kosovo Albanians in 1999 (NATO bombings) and 2008 (Kosovo's independence). Albania, together with Kosovo, has consistently been one of the strongest supporters of the US role in the world, topping the global charts even in the divisive Trump era.⁴

While Albanian society is considerably resilient to malign propaganda in terms of challenges to its strategic orientations and identity, its key societal vulnerability is the high level of interpersonal mistrust. The state's inability to deliver justice or critical services to weakened societal institutions and communities has eaten away at critical levels of social capital and trust. This severely impacts Albanian society's capability for consensus and institution building, and has disempowered civil society. In addition, the climate of social mistrust creates a serious opening for propaganda to flourish.

Having experienced one of the most isolated dictatorships, Albanian society came out of Communism morally and economically devastated, effectively as a failed state, arguably more so than any other country in Eastern Europe. In the latter part of the 1980s its income level was almost on par with the regional average of sub-Saharan Africa, and for a brief moment in 1992 it even dropped below that figure.⁵ Boats packed with Albanians flooded Italy, and many also fled through the mountains and seas to Greece. The scars of the Communist regime's repression and the collapse of the state severely broke down social bonds and communities. Albania started to recover from this anarchy under the centre-right Democratic Party, but was devastated once again by the collapse of mass pyramid schemes in 1997. The financial losses led to social upheaval and another collapse of the state, as military facilities were looted and a civil war caused more than 2000 deaths.⁶

Since 1997, however, Albania has had some of the highest economic growth rates in the Balkans which has allowed it to catch up with the rest of region. But the difficult political transition and the state's chronic inability to deliver justice or services has had great social costs, and has eaten away at the kind of social capital needed to strengthen democratic institutions. Albania undertook moderate measures to deal with its Communist past, although these were late in coming, and merely revealed information about certain injustices rather than taking serious punitive measures.⁷

⁴ 'Kosovo leads world in cheering for Trump, Poll Shows'. *Balkan Insight*. <https://balkaninsight.com/2018/01/18/kosovo-shows-highest-support-for-us-leadership-in-europe-poll-01-18-2018/>

⁵ In 1992, the average regional GDP per capita of sub-Saharan Africa was \$570, whereas Albania's dropped to \$218. (Source: World Bank)

⁶ 'The rise and fall of Albania's pyramid schemes'. *Finance and Development*. Volume 37, Nr.1. March, 2000. <https://www.imf.org/external/pubs/ft/fandd/2000/03/jarvis.htm>

⁷ Sashenka Lleshaj. 'The patterns of dealing with the communist past in Albania: Revealing or punishing?' https://www.academia.edu/29117852/The_patterns_of_dealing_with_the_comunist_past_in_Albania_Revealing_or_Punishing

Most importantly, not much is officially and verifiably known about what those who cooperated with the State Security Service actually did, and who is in possession of the files. This leaves ample space for speculation and propaganda, and is a frequent pretext for public accusations against public figures. If the past was not enough, the justice system that emerged in the post-Communist era became one of the most corrupt in the region, thus further accumulating social grievances.⁸

On top of this, the failures of the post-Communist state (especially in the early stages) to exercise authority and deliver services have pushed Albanian society towards a high degree of individualism and informality – a kind of ‘resort to your own means’ mentality – which has fuelled social tensions, aggression and mistrust. In an EBRD study from 2016, only 17% of Albanian citizens declared that most people can be trusted, the lowest level among 17 central-eastern and southeast European countries.⁹ This sense of social mistrust undermines social and political institutions, prevents consensus building and generally perpetuates state weakness in Albania. In addition, it creates fertile grounds for propaganda to flourish, as it is very easy to provoke tensions in a context of unresolved conflicts and grievances, or to push a narrative that incites mistrust in society and institutions.

While Albanian society’s morale has increased with improvements in living conditions and successes at the international stage (such as NATO membership, and the country’s increased role in regional affairs), there is a persistent sense of fatalism about the future and a sense of disbelief in the state which perpetuates state weakness. This is manifested mainly through high and persistent migration rates – an almost reflexive escapism which feeds into a narrative of hopelessness.

The institutional breakdown and the persistent weakness of the state has produced a notable crisis of self-esteem in Albania which feeds a peculiar fatalism about the country’s fate. This is expressed by a persistent sense of ‘escapism’ in public discourse, with many viewing migration as the only remedy and escape from the current state of affairs. Albania is unique in Eastern Europe in the fact that it has lost around a third of its population over the past quarter-century to migration – the highest migration rate in Europe¹⁰ – with the newest and most recent wave including skilled workers. In recent years Albania has topped the list of source countries of

⁸ ‘Report claims corruption within the Albanian justice system is endemic.’ *Organized Crime and Corruption Reporting Project*. June 2015: <https://www.occrp.org/en/daily/4039-report-claims-corruption-within-the-albanian-justice-system-is-endemic>

⁹ Bertelsman Stiftung. ‘Albania Country Report 2018’. <https://www.bti-project.org/de/berichte/laenderberichte/detail/itc/ALB/>

¹⁰ ‘Embracing Migration: The Migration-Development Nexus in Albania’. Migration Policy Institute. <https://www.migrationpolicy.org/article/embracing-emigration-migration-development-nexus-albania>

migration in the EU. A record of 327,000 people applied for the US green card lottery in 2017, or 13% of the country's total population, representing the highest share in Europe.¹¹ A recent poll found that around 52% of the Albanian population have considered migration as a possibility¹²; surveys regular suggest the reasons as being disappointment at political developments and people being unable to see a bright future in Albania.

Much migration from Albania has been circular, and many people have returned (especially from Italy and Greece after the financial crisis). Nevertheless, the persistence of high migration rates and the ease with which people consider the prospect (even if they do not carry it out) feed into a well-embedded narrative of hopelessness and fatalism. This narrative is usually perpetuated by political discourse, and is easy for malign actors to abuse, in order to feed disbelief in the state and thus perpetuate the cycle of state weakness and distrust in institutions.

Albania's media sphere was in many ways 'post-truth' before 'post-truth' became a popular term. Public discourse and the media sphere are shaped by high political polarisation, competing narratives that cannot find a middle ground, mistrust and a normalisation of defamation against opponents. This atmosphere of impunity in public discourse – where 'anything goes' – creates fertile ground for propaganda to flourish, as people are willing to believe almost anything about 'the other side' and filters of objectivity are rare.

Albania's deep political polarisation has produced two competing dominant narratives, which are sustained and strengthened by a media scene that by and large serves as a rent-seeking industry in the service of a particular narrative. Albania formally has media pluralism in terms of the number of platforms; in fact, it has way more media platforms than it can consume and commercially sustain.¹³ But the political economy of the media scene and the ownership structure is such that this type of pluralism ultimately fails to serve the public interest. Due to hyper-competition, the private media in Albania are, with a few notable exceptions, non-profitable. Media ownership in Albania is concentrated in the hands of local oligarchs or businessmen whose main businesses are in other industries, and who use the media not as commercial enterprises, but as rent-seeking platforms to protect their

¹¹ 'Applications for U.S. Visa Lottery More than Doubled Since 2007', Pew Research. <http://www.pewresearch.org/fact-tank/2018/08/23/applications-for-u-s-visa-lottery-more-than-doubled-since-2007/>

¹² 'Albania migration trends change: 52 percent mull leaving', Reuters. <https://www.reuters.com/article/us-albania-migration-trends/albania-migration-trends-change-52-percent-mull-leaving-idUSKCN1MT2HE>

¹³ Albania has 25 daily newspapers and 67 private TV channels. Source: IREX <https://www.irex.org/sites/default/files/pdf/media-sustainability-index-europe-eurasia-2017-albania.pdf>

other business interests and influence the state's policy agenda. Moreover, media pluralism is largely an illusion because of the high concentration of ownership on the main and most influential media platforms, especially TV channels, as a recent report by BIRN and Reporters Without Borders noted.¹⁴

The political rent-seeking business model and the concentration of ownership mean that the media scene is overloaded with political content, and the agenda is set by a very small political and business elite. The political content is either pure positive PR (particularly in election periods [although not only], political parties submit ready-made tapes of events to TV stations so that they do not have to bother recording any themselves); or it is selectively critical of the opposing side, often engaging in blackmail and character assassinations. This perpetuates the two competing political narratives, failing to reflect the citizenry's real interests and concerns; this forces people to disengage or seek alternative sources of media content (a gap that has been filled by radical Islamism through social media).

The heavy entanglement of all the mainstream media platforms with business and political interests means that journalists are disempowered; wages and working conditions are poor; ethical standards weak; and there is little space for independent journalism, but a great deal of self-censorship. Over the past few years the rise of social media has democratised the media scene, allowing the grassroots and a growing independent middle-class to impose itself in the public sphere. The rapid increase in the number of internet websites has reduced the quality of content even further, and they too have followed the same rent-seeking model. But television remains the dominant source of information and political commentary, increasingly through infotainment shows. In this domain, the concentration of power in a few hands is a matter of concern, considering that the owners' business interests create opportunities for malign actors to assert indirect influence over the information 'gatekeepers'. One noteworthy factor is that the dominant powers might face an important challenge in the years to come as two foreign (Western) media brands are establishing their presence. Most recently, a new local media company (A2) became a CNN affiliate, and Euronews will begin its first country-level franchise this year with Euronews Albania.

¹⁴ 'Family Affair: The Myth of Media Pluralism in Albania.' Reporters Without Borders and BIRN. <https://rsf.org/en/news/family-affair-myth-media-pluralism-albania-media-ownership-monitor-presented-rsf-and-birn-albania>

Albanian society is marked by an exemplary level of religious harmony, which is seen as a fundamental value of being Albanian. But religious institutions themselves have shown signs of vulnerability to malign external influences, largely because of the small domestic religious constituencies and their sources of financing. However, the small religious constituencies and the largely secular nature of society mean that the impact of foreign influence on religious institutions is marginal.

The nationalist narrative, emphasising the supremacy of national over religious identity, has played a strong role in turning religious tolerance into what a recent report calls ‘a fundamental social value’.¹⁵ Albania is often cited as an example of religious harmony, and has tried to export and promote this as a soft-power tool in international affairs.¹⁶ An overwhelming majority of Albanians tell polls that they have no problems in developing social ties with persons of other religions (interreligious marriages are common), and 95 percent say they have never been discriminated against or excluded due to their religion.¹⁷ The foundations of religious tolerance in Albania are “deeply rooted in the societal traditions and culture rather than from religious awareness, knowledge or practice”.¹⁸ That is because Albanian society is largely secular – slightly less than 2 out of 10 Albanians practice any religious rituals.¹⁹

The disruption of religious practices during Communist rule left religious institutions with drastically reduced constituencies, even in the post-Communist era. This impacted the ability of these institutions to be financially sustainable and enjoy strong human capacities. This situation has created a kind of vulnerability as it leaves Albania’s religious institutions open to foreign influence. Over recent decades the Albanian Islamic Community (AIC) has not been immune to the regional trend of penetration by radical imams trained mostly in the Gulf states. Some of them, in the spirit of allegiance to the ‘Global Ummah’, have challenged the predominant narrative of religious diversity and inspired cells of foreign fighters who went to Syria and Iraq.²⁰ The Turkish government has also influenced the AIC by investing in infrastructure, including a new central mosque in Tirana.²¹ Most recently Turkey also

¹⁵ ‘Religious Tolerance in Albania’. Institute for Democracy and Mediation & United Nations Development Program.

<http://idmalbania.org/religious-tolerance-albania/>

¹⁶ ‘The World’s Most Tolerant Country’ – BBC News. <http://www.bbc.com/travel/story/20161024-the-worlds-most-tolerant-country>

¹⁷ ‘Religious Tolerance in Albania’. Institute for Democracy and Mediation & United Nations Development Program.

<http://idmalbania.org/religious-tolerance-albania/>

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ ‘Violent Extremism in Albania’. Institute for Democracy and Mediation. <http://idmalbania.org/study-violent-extremism-in-albania-november-2018/>

²¹ ‘In Albania, New Turkish Mosque Stirs Old Resentments’. *Christian Science Monitor*.

<https://www.csmonitor.com/World/Europe/2018/0912/In-Albania-new-Turkish-mosque-stirs-old-resentments>

(successfully) exercised pressure in the process of electing the Grand Mufti, as it accused his predecessor of being part of the Gülenist movement.

The Autocephalous Albanian Orthodox Church, the second biggest religious community (mostly focused in the country's south), was also rebuilt in the post-Communist era by the Greek Orthodox Church, and remains heavily influenced by it. The head of the Church since 1992, Archbishop Yianullatos, is a Greek who came to Albania, and was controversially only granted Albanian citizenship in 2017. Greece's role in Albanian Orthodoxy has historically been viewed with a degree of suspicion in Albania, or as a potential gateway to undermine national unity. At a time when the Orthodox Church is in global turmoil over Ukraine, and national churches are increasingly seen as being politically influenced for geopolitical goals, the foreign influence over the AOC has acquired particular importance. It is worth noting that in April 2018, the Russian patriarch Kirill paid his first ever visit to Albania.²² The smallest religious community (yet historically very important), the Catholic Church, also has strong historic ties to the Italian church. Mostly concentrated in the country's north, the Catholic Church experienced some of the harshest persecution in the Communist era, as its ties to the West were seen as a greater threat.

²² 'Patriarch Kirill Completes His Visit to the Albanian Orthodox Church'. Russian Orthodox Church
<http://www.patriarchia.ru/en/db/text/5188814.html>

ECONOMY

The Albanian economy is slowly finding new sources of growth, and has no direct economic dependencies on external malign actors. But the economy faces several structural vulnerabilities (many beyond local control) which threaten to undermine growth, cause political instability, and tempt Albania to seek emergency financing from malign actors. These vulnerabilities pose risk to reform agendas.

In the past few years the Albanian economy has grown at higher than average rates for the Western Balkans. This is largely thanks to large foreign direct investments in the energy sector (the TAP gas pipeline, several large hydro-power plants, etc.) which are now nearing completion, a construction boom, as well a considerable increase in the number of tourists.²³ Albania has also stabilised its fiscal position and undertaken important structural reforms (for example, by making the collection system in the energy sector more efficient); these were painful in the short run, but have laid the grounds for more sustained growth.²⁴ For this to continue in the next few years, Albania will have to find new domestic sources of this growth. In this regard tourism and agriculture are becoming more sophisticated, and in general exports are steadily rising. A potentially big oil and gas investment by Shell, which has been exploring oil fields, could also be very important.²⁵

Nevertheless, in the foreseeable future the Albanian economy and its growth pattern remain vulnerable to various types of shocks from factors outside Albania's control. First of all, the Albanian economy is strongly influenced by developments in the two fragile neighbouring markets of Italy and Greece. They remain the country's main

²³ 'Albania: Staff Concluding Statement of the 2018 Article IV Mission'. International Monetary Fund.

<https://www.imf.org/en/News/Articles/2018/11/20/ms112018-albania-staff-concluding-statement-of-the-2018-article-iv-mission>

²⁴ 'Albanian Economic Miracle'. Ricardo Hausman. Project Syndicate. <https://www.project-syndicate.org/commentary/albanian-economic-miracle-innovative-policymaking-by-ricardo-hausmann-2018-09?barrier=accesspaylog>

²⁵ 'Albania signs oil exploration deal with Shell on Shpirag 4', *SEE News*. <https://seenews.com/news/albania-signs-oil-exploration-deal-with-shell-on-shpirag-4-energy-ministry-602434>

trading partners, source of remittances and foreign investment. Secondly, as the IMF notes, the tightening of global financial conditions is expected to raise Albania's cost of financing at a time when Albania is increasing its reliance on external commercial borrowing.²⁶ Thirdly, Albania has become increasingly susceptible to climate change. Extreme weather patterns over the last decade have led to severe summer droughts which impact electricity generation (Albania produces almost 100% of its energy from hydro-power), while the increase in the number of floods or wildfires has had devastating impact on local economies. The vulnerability to such shocks is a threat to political and economic stability, and can provide fodder for the fatalist narrative.

These vulnerabilities to shocks are made worse by Albania's limited fiscal buffer to deal with them. Albania has improved its fiscal position but continues to have a very high level of public debt (70% of GDP), as well as poor revenue collection due to informality and corruption (which tends to worsen in a downturn). Faced with limited fiscal space, the government has increasingly resorted to Public-Private Partnerships (PPPs) for new investments, as a range of new projects amounts to around 15 percent of GDP (on top of existing stock of PPPs at 31 percent). But the IMF has warned that these projects constitute a high fiscal risk²⁷ and constitute a form of hidden debt. Most importantly, dependencies on neighbouring markets, together with the increased cost of financing fiscal risks, could leave Albania vulnerable to the kind of exploitation by malign actors willing to provide short-term financing with flexible conditions, but with political strings attached.

Something of a structural reorganisation has emerged in the political economy of Albania in terms of control over strategic sectors. As foreign investments from EU countries retreat or arriving less often, there is increased investment from Turkey, and a growth and consolidation of power in the hands of local tycoons, some of whom have market exposure to authoritarian countries. The increased market and political power of Turkish capital, or of actors who are not aligned to – or even threatened by – the ongoing governance and justice sector reforms, could create an opening for malign influence. Yet another concern could be the potential dependencies that Albania might develop if Austria and Italy – two big investors in Albania – form stronger ties with Russia.

Starved of any domestic capital, the initial waves of investments in Albania's strategic sectors such as banking, telecommunications, energy and mining came from foreign companies, mostly from the West or the country's neighbours. As of the end of 2017,

²⁶ 'Albania: Staff Concluding Statement of the 2018 Article IV Mission'. International Monetary Fund.

<https://www.imf.org/en/News/Articles/2018/11/20/ms112018-albania-staff-concluding-statement-of-the-2018-article-iv-mission>

²⁷ Ibid.

Albania's foreign owned stock was estimated at €6.5 billion, with the largest shares of the capital coming from Greece (20%), Switzerland (13.6%), Canada (13.6%), the Netherlands (13%), Italy (10%), Turkey (8%) and Austria (6.4%).²⁸ The shares from Switzerland, Canada and the Netherlands are misleading as they can be accounted for by single large energy projects by Western multinational corporations which do not necessarily originate from those countries but are registered there. However, the investments from Greece, Italy, Turkey and Austria are not only sizeable but also more diverse, and spread out through various sectors of the economy.

The presence of this capital did carry some political influence from these countries as they have historic foreign-policy and security interests in Albania. But this influence was largely not malign (the EU and NATO partners), and in some cases also came with added layers of EU regulation and supervision in these companies' home countries. However, over the past few years Albania has seen an increase in both the market and political power of local oligarchs, who have moved from controlling retail to investing and buying out strategic sectors, as well as an increase in Turkish interest and investments, while EU investments have stalled or are retreating (for example, three EU banks have left Albania over the last two years, or are in the process of leaving).²⁹

The continuation of this trend could threaten a reduction in governance and regulatory standards, and create an opening for malign actors to increase their influence over Albania, not just through foreign capital but also through the concentrated power of local oligarchs with strong control over politics and the media.³⁰ Another issue of concern relates to the potentially indirect forms of malign influence which could be exercised through European companies operating in Albania or opaque entities registered in offshore havens. As the most recent study by the Centre for Strategic International Studies and the Centre for the Study of Democracy notes, Russia is gaining strong influence in the economies of Austria (especially the banking sector) and Italy (across various industries)³¹ – two key sources of capital and investments in Albania (Albania's largest bank is Austrian-owned).

²⁸ 'Stoku i Investimeve te huaja direkte sipas vendit te origjines.' Open Data Albania.

<http://open.data.al/sq/lajme/lajm/lang/sq/id/2353/Stoku-i-Investimeve-te-Huaja-Direkte-sipas-vendit-te-origjines-2012---2017>

²⁹ Albania: Staff Concluding Statement of the 2018 Article IV Mission'. International Monetary Fund.

<https://www.imf.org/en/News/Articles/2018/11/20/ms112018-albania-staff-concluding-statement-of-the-2018-article-iv-mission>

³⁰ The power and reach of oligarchs in Albania is under-researched. This conclusion is drawn from interviews with economic and security experts and based on media reports.

³¹ The full report by CSIS: <https://www.csis.org/features/kremlin-playbook-2>

Albania has a serious problem with organised crime, especially the drug trade, which is of considerable importance in the country's political economy. The fact that EU conditionality has put the rule of law and the fight against organised crime at the centre of Albania's reform agenda makes established networks of organised crime into powerful malign actors, which have vested interests in derailing reforms and perpetuating state weakness. The presence of organised crime is also a useful tool for propaganda outlets to stigmatise Albania and thus halt its path to EU accession.

Organised crime is an important element of Albania's political economy. Organised crime groups represent a serious domestic malign actor which has a vested interest in state weakness. In addition, Albania's organised crime problem is a powerful tool in the hand of malign actors to further stigmatise Albania within the EU and halt its path towards accession.

Over the past quarter-century Albania's strategic position as a gateway to the EU market (bordering two EU countries), as well as its persistent state weakness and social instabilities, have created space for organised crime groups to spread and embed themselves deeply within society and the economy. Mostly involved in drug cultivation (marijuana) and various forms of trafficking and money laundering, Albanian organised crime is well-structured and territorially spread throughout the country, operating through various forms of structured criminal groups; these are mostly based in Tirana, but have links to criminal families and violent gangs in other cities and towns, especially port or border cities.³² Albanian organised-crime groups have now reportedly become transnational and have moved the bases of their operations to Western Europe, now using Albania mainly as a transport hub and an arena to settle scores.³³

The significant amount of revenues generated, especially through the drug trade (Albania is a source country for cannabis³⁴), makes the economic footprint of organised crime high, as many of the proceeds are laundered at home and pumped into the economy, especially in the construction sector. These significant revenues fuel growth, but they also crowd out good investments and undermine the state by empowering criminal elements. Organised crime and the shadow economy also regularly act as short-term social and economic buffers. This makes attempts to tackle organised crime politically sensitive, and make of it an actor that seeks to

³² Fabian Zhilla and Besfort Lamallari, 'Organized Crime: Threat Assessment in Albania', Open Society Foundation for Albania. 2017

³³ Conclusion from an interview with an expert on Albanian organised crime.

³⁴ 'Albania remains top country of origin for cannabis, Italian report.' EUOCS. <https://eu-ocs.com/albania-remains-top-country-of-origin-for-european-cannabis-italian-report/>

influence politics directly in order to protect or expand its gains. Successive governments have often chosen to coexist with or even use criminal elements as a tool in their struggle for power.³⁵ Initiatives to tackle trafficking and halt drug production have often been successful, but they also create many short-term losers, and thus are politically costly.

As in many other Western Balkan countries, economic growth has not translated into a substantial improvement in living standards for the majority, instead being disproportionately ‘captured’ by the rich and well-connected. This situation is increasingly feeding an anti-establishment and anti-elite impulse, and a kind of ‘disconnect’ from mainstream politics.

Albania’s massive transformation and growth over the past three decades – in a context of weak rule of law and poor services – has naturally become associated with a steep rise in inequality of ends and opportunity. Poverty rates might have dropped and a middle class might have emerged, but the spoils of growth have largely gone to a small connected elite which prospers with impunity. The public perception is that the government’s reforms in the area of rule of law – such as for example the battle against informality and illegal construction – have been marked by the state wielding a stronger hand against the poor and disenfranchised like small business owners, while big corporations have largely been spared. Social services have improved over the years, but the outcomes of the poor continue to be disproportionately impacted by factors such as corruption. For example, Albanians have the highest out-of-pocket expenditures on health in Europe.³⁶ High levels of inequality and sense of injustice feed into public mistrust in politics and the state, which creates space for populists and malign actors to abuse.

³⁵ ‘Monitoring report: Hidden Economy – trends and policy options’ Institute for Democracy and Mediation. http://idmalbania.org/wp-content/uploads/2018/03/Monitoring-report_Hidden-economy_trends_and_policy_options.pdf

³⁶ ‘Shqipëria me shpenzimet më të larta nga xhepi për shëndetësinë në Europë’. Monitor <http://www.monitor.al/shqipëria-me-shpenzimet-me-te-larta-nga-xhepi-per-shendetesine-ne-europe/?fbclid=IwAR0XQxlK6tFCkJASWY1GcXL19jkNfSNLU0zArxsO-PRYAPYjI8IMmKhIdI>

POLITICS

Albanian politics has historically been very polarised, conflictual and a source of instability. It is unique in the Western Balkans for its inability to reach consensus even when failure to do so clearly hinders the achievement of strategic national interests such as EU integration³⁷. The heavy polarisation and zero-sum approach to politics has perpetuated state weakness and delegitimised institutions, while the lack of internal democracy within political parties has also reduced public trust in them. The nature of the political game creates space for malign influence, and may sabotage the start of negotiations to EU accession.

Since 1991 Albania's political scene has been dominated by two main parties: the centre left Socialist Party (SP), led since 2005 by the current Prime Minister Edi Rama, and the centre-right Democratic Party (DP), led since 2013 by Lulzim Basha. The DP's historical leader, the former President and PM Sali Berisha, also continues to have a strong influence over the DP, even though since 2013 he has been a mere backbench MP. These parties have rotated power since 1991 by holding an average of two consecutive terms in government each. A splinter party from the SP, the Socialist Movement for Integration or SMI (formed in 2005 by Albania's current president Ilir Meta) is the only other party that has managed to survive the duopoly. The SMI's split from the SP played a key role in the SP's loss in 2005, and the SMI also became a decisive kingmaker in forming governments by joining the DP in 2009 and the SP in 2013.

There are four key things to note about political parties and the nature of political competition in Albania. First of all, the parties do not have any clear differences in terms of external political orientations: all of them favour EU accession and preach pro-NATO and pro-US discourse. In cases where they might come into conflict with

³⁷ While everyone is pro-EU they are more than willing to sabotage the EU path by escalating political conflict and undermining reforms needed to achieve integration.

EU and NATO interests in the region and be more in sync with malign actors, this largely occurs because of their domestic needs in the battle for power and their unwillingness to reach compromise with the government on strategic issues. Secondly, all the parties have authoritarian leaderships and lack any internal democracy. One has to understand Albanian politics as a personal battle for dominance between the four main competing characters: Rama, Basha, Meta and Berisha.

Thirdly, the political economy of the transition period – marked by low incomes and chronically weak and politicised institutions – meant that the political competition between the parties is very clientelist, transactional, and experienced as a zero-sum game. The party in power (and hence the leader) is in a position to control and distribute the limited public resources in the economy, and the opposition seeks to rally those who were excluded. In Albania this developed a highly tense winner-takes-all political environment, exacerbated by animosities rooted in the Communist past and the authoritarian nature of the political leaders, which during the first two decades of democracy regularly led to poor standards of elections and results being contested. The first democratic transition of power in which the election results were generally accepted occurred only in 2005. However, the trajectory was not linear, as transitions of power were not that smooth in subsequent elections; there were frequent allegations of vote-rigging or vote-buying operations.

The fourth key fact about political competition in Albania is that those in power tend to assert as much control as they can over independent institutions and the media (which is one of the main reasons Freedom House ranks Albania as only partly free³⁸). On the other hand, the opposition parties regularly undermine institutions by not hesitating to use scorched-earth political tactics (for example, by contesting election results without having palpable proof or even any seriously grounded doubts, and using extremely divisive rhetoric) or following unconventional modes of protest such as threatening not to participate in elections (using the possibility to sabotage the governing party's EU accession agenda as leverage). There is very low trust by opposition parties (and public opinion in general) in the independence of institutions, which is especially relevant in election times. As in many other countries in the Balkans, the perception of strength and invincibility impacts election results, as interest groups and clientelist networks (including the media) are drawn or enticed to support the party in power. With vote-buying a chronic problem, both parties have been known to outsource such operations to local organised-crime groups, which for their part tend to favour the side they think will win.

³⁸ 'Freedom in the World 2019: Albania' Freedom House. <https://freedomhouse.org/report/freedom-world/2019/albania>

The power of incumbency and the low moral sway of the current opposition bloc due to its earlier stints in power (both the DP and the LSI carry the heavy baggage of corruption accusations) are at the crux of the latest political stalemate. Ahead of the 2017 national elections, the DP threatened to boycott elections unless it received guarantees on the standards of elections. An unexpected agreement was reached between Rama and Basha (with international mediation), in which the DP was included in a quasi-technical government (still led by Rama) that would administer the elections. There were also hints that a grand coalition could be formed post-elections. At the time Rama's priority was to remove Meta's SMI, as its kingmaker status made it a problematic partner with a great deal of leverage over key policy reforms. Even though his party was a coalition partner, Meta was seen as working together with the DP's former head Berisha to weaken Rama's ambitions for full control. Basha, on the other hand, was struggling to emerge from Berisha's shadow in the DP and, aware he was unlikely to win, saw cooperation with Rama as an alternative strategy.

But the SP nonetheless won a solid absolute majority (the first since 2001), leaving both the DP and SMI in opposition. The concentration of power in Edi Rama's hands has increased his and the SP's control over institutions at a critical juncture when Albania is (with EU and US support) implementing sweeping reform of the justice sector that could shift the balance of political power. Under these circumstances, and having no international support (while also noting public dissatisfaction with Rama's second mandate), the DP and SMI recently took the radical measure of resigning from their parliamentary mandates, and are threatening that they will not participate in local elections in June. The escalation is likely meant to provoke early parliamentary elections or get some concessions on the table.

The systematic delegitimisation of institutions and the loss of trust in existing parties creates an opening for malign actors to weaken Albania from within through disinformation and propaganda. In such a polarised environment, with weak or subjective interpreters of truth, it is very easy to cast doubt on anything and anyone, or simply to depress the already low public morale. The lack of an opposition in parliament is the most serious escalation and crisis of Albanian democracy in recent times, and it could undermine Albania's hopes of starting EU accession talks in June. The concentration of power and the tacit international support for Rama's government is significant because, despite increasing public dissatisfaction with his governance – as witnessed in the most recent wave of student protests – the formal opposition is weak. There is considerable space for new political movements, as the recent student protests showed.

Albania's most recent political crisis is as much a typical power struggle as it is related to the deep and systemic reform of the justice sector which Albania has undertaken as part of its efforts to kick start EU accession negotiations. The interest of Albania's Western partners lies in disturbing the country's powerful vested interests, ending impunity for corruption, and weakening the strong ties between politics and organised crime which are Albania's key vulnerability. Potential indictments against high-level figures could provoke political reactions that would disturb the status quo, providing fertile ground for malign actors to shift the narrative.

High levels of corruption, and partnerships with organised crime to get power or hold on to it, make Albanian politicians and parties very vulnerable to both legitimate media investigations and malign actors. The revelation of scandals against political figures is an almost daily occurrence. After successive changes of government, the nexus between politics and crime has also contributed to a high sense of disillusionment with the political class; this poses risks to democracy and political representation which could – and are – abused by malign actors.

Albania's justice sector is notoriously corrupt, and has effectively guaranteed impunity for the political class (both left and right); it has also not dared to go after the heads of organised crime over the past three decades. The judiciary has shown signs of subordination to political forces. No noteworthy political figure has ever been found guilty and sent to prison since the former PM Fatos Nano in 1992. In 2012, the current president Ilir Meta was charged with corruption after tapes were leaked of him discussing bribes, but was found not guilty.³⁹ In 2016, under massive EU and US pressure, Albania agreed to sweeping constitutional and legal changes reforming its justice sector institutions, and created new mechanisms such as a new bureau of investigations and a special prosecutions office to tackle high-level organised crime. Albania gave a strong oversight and even decision-making role over the process of vetting judges and prosecutors to an international monitoring mission. A considerable number of judges and prosecutors have so far either resigned, in order not to undergo the vetting, or have been discharged by the vetting committee for failing to justify their wealth. The "success or otherwise" of the justice sector's ongoing reform is a key concern for some EU member states, which are reluctant to endorse the start of Albania's EU accession talks.

³⁹ 'Ilir Meta shpallet i pafajshëm', Radio Evropa e Lire. <https://www.evropaelire.org/a/24453587.html>

International specialists working on the reforms regularly warn that there are political forces constantly working to sabotage the creation and processes of the new institutions.⁴⁰ For a long time the dominant structures within the justice sector were more heavily influenced by the old guard of power, including Meta and Berisha. Until last year, the former Chief Prosecutor was involved in a public and open conflict against the US Embassy, and was seen as a political tool or forces resisting reform. But now the opposition fears that the reform will further empower Rama, and that he will use his parliamentary majority to bring the justice sector under his control. As the current government also has its own list of scandals of corruption and allegations of ties to organised crime, public perception on the success or legitimacy of the reform will depend on whether charges are brought against political figures from both sides. Last year the outgoing structures and prosecutors brought charges against Saimir Tahiri, Rama's former close ally and a former minister of internal affairs, for his ties to drug trafficking rings. His case is still being dealt with. But charges against more high-level figures are expected once the new structures are put in place, and this will likely include top-level leaders of the current opposition.

⁴⁰ 'Politikanet shqiptare po punojne kunder reformes ne drejtesi por treni te shtyp'. *Gazeta Express*.
<https://www.gazetaexpress.com/lajme-nga-shqiperia/politikanet-shqiptare-po-punojne-kunder-reformes-ne-drejt-por-treni-te-shtyp-624541/>

FOREIGN POLICY and SECURITY

Albania is trying to move from its traditionally very responsive and constructive role in the region, typical of the time when it was too weak to assert itself, towards becoming a more active shaper of regional policy by serving as a pillar of NATO and EU expansion and the promoter of Albanian interests in the region. However, the inability to convince key EU member states to open accession talks has produced frustration and caused a rift with key EU capitals like Berlin. If the EU Council decides not to start accession talks this June, that could cement a sense of 'victimisation' by the EU, incentivise a more disruptive regional policy, and create space for malign actors – both local non-state actors like organised crime, and international state actors – to disrupt Albania's strategic orientations, especially its aspirations to EU accession.

Domestic turbulences and state weakness during the transition period meant that post-Communist Albania could not afford to assert itself much in regional and global affairs, or pursue a nationalist agenda. In a region mired in ethnic disputes during the 1990s this was surely a possibility, considering Albania is surrounded by Kosovo and by ethnic Albanian minorities in other neighbouring states. Albania's regional policy was mostly responsive and aligned with the objectives of strategic partners in the EU and US. Albania relied on its constructive approach and unambiguous pro-Western orientation as an asset in its efforts to achieve EU and NATO integration. To the extent that Albania took a proactive role, it did so on issues that were in line with the objectives of its Western strategic partners.

Most of these Western objectives fit well with Albania's interests – namely, EU & NATO expansion that would guarantee the rights of Albanian minorities in neighbouring countries (for Albanians in North Macedonia, Serbia and Montenegro) and of course, since 2008, providing international support to Kosovo for its struggles for recognition. In the past political leaders have made active attempts to resort to

pan-Albanian rhetoric and play the regional disrupter in the EU integration paradigm. But these moves were mostly for domestic consumption, and brought both little impact (as nationalism does not win much votes in Albania) as well as little to show in terms of policy initiatives. The standard policy line across the mainstream political spectrum was (and is) that Albanians living within different countries would unite within the EU.

Nevertheless, things have somewhat changed in the past six years under the leadership of Edi Rama, as Albania has attempted to leverage the wide presence of Albanians in regional countries for both international and domestic aims. Rama began his first mandate in 2013 by starting a new chapter of relations and openness with Serbia. Taking a role of patronage over the Albanians throughout the Balkans, Rama's position was that Serbian-Albanian relations in the Balkans were akin to Franco-German ones in post-World War II Europe – the key to regional peace and integration. Together with Serbia's President Vučić and under the 'tutorship' of Angela Merkel, Rama sought to take a leading regional role as part of the Berlin process, which sought to get the region interconnected prior to EU accession.

In parallel to this conciliatory role, Rama also adopted a more pan-Albanian posture and an increasingly involved role in shaping affairs in neighbouring countries with ethnic Albanian populations. For example in 2016, through the so-called 'Tirana platform', Albania played an important and active role in uniting Albanian parties in North Macedonia around a common agenda and behind Zoran Zaev's SDSM. This was a decisive step in the removal of Nikola Gruevski's VMRO-DMPNE from power, and the subsequent agreement between North Macedonia and Greece on the name, which helped unlock the country's EU and NATO accession.⁴¹ Rama has been rumoured (and openly accused by his detractors) of having been involved in behind-the-scenes discussions between Kosovo's President Hashim Thaçi and Serbia's President Vučić on a potential controversial peace settlement that would include 'border corrections'.

If the EU Council once again postpones the start of accession talks in June 2019, this could cement a sentiment of 'victimisation' within Albania. The perception that the country might not have an EU perspective will most likely strengthen its increasingly unilateral posture in regional affairs, deepen its ties to the US or even Turkey, and increase the likelihood that it will seek alternative political and security arrangements. For example, Edi Rama has flirted with the idea of unification with Kosovo, including publicly predicting that the two countries would have a joint

⁴¹ 'Tirana gathers leaders of Albanian Macedonian parties'. BIRN. <https://balkaninsight.com/2016/12/30/tirana-gathers-leaders-of-albanian-macedonian-parties-12-30-2016/>

president within the next ten years.⁴² Domestically the EU's decision to put Albania in the 'waiting room' could weaken momentum for reform in governance, incentivise further disruptive regional behaviour and empower malign actors – both local such as organised crime, or international – to disrupt Albania's path to EU accession. The infrastructure that organised-crime groups have built by undermining the state could be used for all kinds of malign activity in such a chaotic context. A sense of rejection from the EU would especially empower those pushing a narrative of a 'Christian Europe' rejecting a Muslim-majority state.

Albania now finds itself in a moment of uncertainty in which it is moving slightly away from its traditionally multilateral posture and towards a more unilateral one. Much of this has to do with the external environment, especially the trans-Atlantic divide between two key allies, the US and Germany – namely, Albania's key security partner and its key ally on the path to EU accession. It is also related to the lack of progress in Albania's progress towards the EU. Albania has passed challenging justice sector reforms (a key benchmark) and got the nod from the EU Commission to start accession talks, but key EU member states have refused to start negotiations while they wait for concrete results like indictments and prison sentences.

Nevertheless, last year's decision by the EU Council to postpone EU accession talks – a symbolic step, still far from accession – after five years with candidate status and having passed the judiciary reform, has been met in Albania with frustrations and a sense of betrayal. There is also a sentiment that the country's pro-Western orientation and constructive role in the region, including its full alignment with EU foreign policy, has not been rewarded, at a time when Serbia, the regional poster child of the EU enlargement process, is seen as benefiting from its ties to Russia. Albania's foreign policy posture has shown signs of shifting away from its full alignment with the EU, but more specifically from Germany. It has increasingly sided with the US on key issues of the trans-Atlantic divide, including the critical regional dispute between Kosovo and Serbia. Albania's foreign minister for the last five years, Ditmir Bushati, was recently sacked by Rama, and it was widely speculated that one of the reasons for this was because he publically upheld the 'German line' against the 'border correction' process between Serbia and Kosovo.

⁴² 'Albania's Edi Rama floats joint president idea in Kosovo'. Deutsche Welle. <https://www.dw.com/en/albanias-edi-rama-floats-joint-president-idea-in-kosovo/a-42642058>

Albania is sandwiched between the rival interests of Turkey and Greece, which often seek to instrumentalise Albania in pursuit of their foreign policy goals, and have an economic and political footprint which could make a difference. If the EU Council decides not to open accession negotiations, that could increase Turkey's authoritarian influence and create fertile grounds for anti-EU discourse. Furthermore, a recent instance of a Greek minority extremist killed in a shootout with the Albanian police, which stirred public reaction in both countries, showed that Albania is not immune to the potential abuse of nationalist sentiments by malign actors.

Albania and Greece formally have friendly relations; however, this relationship is very complex, and marked by a sense of uneasiness that often leads to tensions. While in both countries the slight majorities of populations have positive views about the other – something that stems from cultural closeness among some of the populations and important economic ties ⁴³ – there are also sizeable chunks of the populations which view the other negatively, or even as a threat. The nationalist discourses of both countries contain historical grievances over how the borders were drawn after the Ottoman retreat and over the treatment of each other's minorities. Viewed from the prism of traditional Balkan alliances, Greece is understood in Albania as a historical ally of Serbia, something that is reflected in its failure to recognise the independence of Albanian-majority Kosovo. The two countries are also starkly different in terms of their global outlook, especially in terms of affection towards the US (with Albania having the highest approval of the US and Greece being among the regions' US sceptics).

In the post-Communist era, the relationship has been defined by an inability to resolve a set of bilateral disputes from the past; most notably, from the Albanian perspective, defining the maritime border, addressing the 'Cham question'⁴⁴, and having Greece abrogate its World War II-era law on the state of war with Albania. But Albanian-Greek relations are perhaps most defined by two particular 'living experiences'. First, there is the experience of the mass migration of Albanians to Greece since the collapse of Communism (Greece is estimated to have hosted around 700,000 Albanians). This experience has been a source of deepened economic and cultural ties, but also of nationalist friction due to the migrants' grievances at their treatment and the rise in far-right anti-immigrant rhetoric in Greece. The second 'living experience' is the often tense relation between the

⁴³ 'Greek public opinion toward Albania', Eliamep Institute. <https://www.eliampep.gr/wp-content/uploads/2013/12/The-Greek-public-opinion-towards-Albania-Final-report-Dec-2013.pdf>

⁴⁴ The Chams are ethnic Albanians who used to live in the northwestern part of Greece bordering Albania and were forced into exile after World War II.

Albanian state and the Greek minority in the Ionian parts of southern Albania. Some of the population in these areas (and nationalist Greek parties) consider these territories to be historically Greek, and have often promoted secession. Recently a Greek nationalist was killed in a terrorist attack against the Albanian police, sparking tensions in both countries and instances of violence against Albanians in Greece.⁴⁵

One key challenge is that these past and living disputes have been addressed in a state of power asymmetry, as Greece is not only richer and more powerful than Albania, but also holds leverage over the latter's path to EU accession. While Greece formally supports Albania's EU integration efforts, it has nonetheless sought to leverage its voice within the EU in the bilateral disputes, thus creating something of a dependency. A second key challenge is that Greece also views its relations with Albania within the prism of its historic rivalry with Turkey. Greece views Albania's closeness to Turkey and the latter's increasing influence in Albania with concern. For these and other reasons, since the early 1990s Greece has played an active role in asserting its influence within Albania, which is reflected in it having the largest foreign capital stock there and being the second-largest trade partner. Recently media reports have suggested the existence of large-scale schemes, financed by the Greek state, targeting Albanian media platforms.⁴⁶ As noted earlier, Greece also has significant influence over the Albanian Orthodox Church.

Turkey is considered in Albania as its key strategic partner and supporter in the international arena. Yet Edi Rama's good personal relationship with Erdoğan in Turkey⁴⁷ is viewed with scepticism in many EU quarters, and raises eyebrows in Greece specifically. Rama's six-year tenure in government is the only one in the history of Albanian-Greek relations in which neither prime minister paid a state visit to either Tirana or Athens. The closeness to Turkey has been made more concrete in recent years with its expanded economic foothold in Albania's foreign capital stock. Recently there were also discussions on strategic investments, such as a potential new Turkish-Albanian airline company⁴⁸ and a new Turkish-owned airport in the southern Albanian city of Vlorë, very close to the Greek border.⁴⁹ Since Turkey is on a collision course with the West, it has tried to use its influence over Albania to seek

⁴⁵ 'Tensions subdue between Albanian and Greece over Greek ethnic death'. *Balkan Insight*.

<https://balkaninsight.com/2018/11/01/tensions-subdue-between-albania-and-greece-over-greek-ethnic-death-10-31-2018/>

⁴⁶ 'Media claims Greece finances Albanian portals and businesses following Greek FM resignation.' *Tirana Times*.

<http://www.tiranatimes.com/?p=138955>

⁴⁷ 'Albanian PM Rama praises Turkish President Erdogan's policies, slams EU.' Stockholm Center for Freedom. <https://stockholmcf.org/albanian-pm-rama-praises-turkish-president-erdogans-policies-slams-eu/>

⁴⁸ 'Air Albania will take to the skies this summer says co-owner'. *Balkan Insight* <https://balkaninsight.com/2018/06/08/air-albania-will-take-to-the-skies-this-summer-says-co-owner-06-08-2018/>

⁴⁹ 'Turkish consortium bids to build Vlora airport as Albania prepares to launch national carrier'. <http://www.tiranatimes.com/?p=135404>

foreign policy alignment or demand the extradition of 'Gülenists' (which would in turn put Albania on a collision course with the US). But Albania remains too secular and too pro-American to see Turkey as a role model and a patron. As Janusz Bugajski from CEPA argues, the only way in which Turkey could gain more influence is if Albania were abandoned by the EU and the US.⁵⁰ In this context, a decision by the EU Council not to open accession negotiations could create fertile ground for such an anti-European narrative to strengthen.

Albania's positioning as a bastion of NATO and closest US ally in the region puts it in a collision course with Russia, which has the strategic goal of disrupting Western interests in the region. With there being very low affinity for Russia in Albania, there is limited space for soft power or opening any identity cleavage. Nevertheless, Russia might seek to exploit Albania's considerable domestic political vulnerabilities – state weakness, high political polarisation – to play a disruptive role. An additional vulnerability for Albania in its pro-US posture could be created by its positioning as a European hub for the US battle against Iran by hosting the MEK revolutionary movement.

Being the most pro-EU and pro-NATO country in the region, Albania offered itself to the US to serve as a 'bastion against Russia's influence in Serbia, Montenegro, Bosnia & Herzegovina and Croatia'.⁵¹ This partially explains Albania's active role in recent years of resolving regional bilateral disputes, which are seen as a key bottleneck to the region's EU and NATO accession ambitions, and provide fertile ground for Russia to sow discord. Albania's anti-Russia posture has been confirmed in various instances, such as when it joined the chorus of countries expelling Russian diplomats in response to the Skripal poisoning. Furthermore, Albania has expressed an interest in hosting US military bases⁵² while NATO recently decided to set up its first air base in the Western Balkans in central Albania.⁵³

Prominent analysts have noted that Albania is "largely regarded as offering few opportunities for Moscow"⁵⁴ to assert its influence. The US Senate report on malign influence in Europe does not mention Albania even once as being in Russia's radar.⁵⁵

⁵⁰ 'Is Turkey destabilizing the Balkans?' Janusz Bugajski. Center for European Policy Analysis. <https://www.cepa.org/turkey-balkans>

⁵¹ 'Albania pitches itself as bastion against Russian influence', B92, 20 April 2017, available at https://www.b92.net/eng/news/region.php?yyyy=2017&mm=04&dd=20&nav_id=101074

⁵² 'Albania Wants U.S Military Bases, Minister of Defense Says'. *Balkan Insight*. <https://balkaninsight.com/2018/04/18/albania-wants-us-military-bases-minister-of-defense-says-04-18-2018/>

⁵³ 'Albania's Graveyard of Migs to Become NATO Air Base.' *Reuters*. <https://www.reuters.com/article/us-albania-nato-airbase/albanias-graveyard-of-migs-to-become-nato-air-base-idUSKCN1MM10E>

⁵⁴ 'Do the Western Balkans Face a Coming Russian Storm?' European Council on Foreign Relations. https://www.ecfr.eu/publications/summary/do_the_western_balkans_face_a_coming_russian_storm

⁵⁵ 'Putin's Assymetric Assault on Democracy in Russia and Europe: Implications for U.S National Security'. Minority Staff Report for U.S Congress. <https://www.foreign.senate.gov/imo/media/doc/FinalRR.pdf>

There is limited space for Russia to use soft power, as cultural ties are marginal and limited to a brief period of exchange in the early post-WWII years, because Albania quit the Warsaw Pact in 1961 and aligned with China. There is also low societal affinity for Russia because the latter is seen as an ally of Serbia. Russia's economic footprint in Albania is also too marginal to have any impact.

Nevertheless, Albania's regional role as a bastion of NATO presence and expansion makes Albania a potential target for Russian disruption operations, and opens it up as a prime target in case there is an escalation in the Western Balkans.⁵⁶ For now, Russia might seek to exploit and amplify the various domestic economic and political vulnerabilities elaborated in this report, and could do so at a very low cost. Some potential signs of this were documented in disclosed documents concerning US lobbying firms which had allegedly worked on behalf of the Albanian opposition while allegedly receiving payments from offshore accounts with ties to Russia.⁵⁷ On two occasions the head of the Albanian Intelligence Service reported to the Parliament Committee that Russian agents had recently attempted to infiltrate the Albanian administration⁵⁸, and that they had intensified their media involvement through websites.⁵⁹

Russia has also shown interest in other soft-power channels. The first ever visit by the Russian Patriarch Kirill to the Albanian Orthodox Church last year is a sign that cultural and religion affinity might be used to assert its influence, although the potential for impact seems weak. The consolidation of the economy around powerful local oligarchs, some with a regional presence and ties to eastern markets, could also provide an opportunity for Russian companies to assert influence through economic and political elites, although so far there is little evidence of any strong or direct ties. A notable exception is microfinance; recently a Russian microfinance institution became the fifth such to be licensed, and the sixth in the queue to apply is also Russian.⁶⁰

Albania has not only positioned itself as a US bastion against Russian influence in the region, but also in its global battle against Iran. In an agreement with the US, Albania agreed to host a camp for the dissident Mohajedeen-e-Khalq (MEK) movement,

⁵⁶ 'Russia is a Menace to Balkan Democracies', *Balkan Insight*. <https://balkaninsight.com/2018/12/20/russia-is-a-menace-to-balkan-democracies-12-19-2018/>

⁵⁷ 'How a Russian Linked Shell Company Hired an Ex-Trump Aide to Boost Albania's Right Wing Party in D.C.', *Mother Jones*. <https://www.motherjones.com/politics/2018/03/how-a-russian-linked-shell-company-hired-an-ex-trump-aide-to-boost-albanias-right-wing-party-in-dc/>

⁵⁸ 'Ndikimi rus ne Shqiperi: Kreu I SHISH tendence per ta prekur administraten', *Top Channel*. <http://top-channel.tv/2018/03/27/ndikimi-rus-ne-shqiperi-kreu-i-shish-tendence-per-te-prekur-administraten/>

⁵⁹ 'Secret Service Reports Increased Efforts for Establishing Russian Influence in Albania', *Top Channel*. <http://top-channel.tv/english/secret-service-reports-increased-efforts-for-establishing-russian-influence-in-albania/>

⁶⁰ 'Ekspansioni rus i mikrofinances', *Monitor.AL*. <http://www.monitor.al/ekspansioni-rus-mikrofinances-3/>

which some in the US (including the current National Security Advisor John Bolton) view as a potential asset and ally for regime change in Iran. In 2016 Albania received a contingent of about 1900 MEK members, who are currently located in a camp on Albanian territory.⁶¹ Albania also recently expelled the Iranian ambassador and another diplomat on suspicion of coordinating terrorist activity in the country, a move that was applauded by the US. The presence of the MEK and Albania's positioning alongside the US is bound to draw more attention from malign actors (especially Iran itself) to target Albania on various fronts, including propaganda.⁶²

⁶¹ 'Mek in Albania: Potential Implications and Security Concerns for Albania.' Jamestown Foundation, Terrorism Monitor (Volume 16, Issue 9). <https://jamestown.org/program/mek-in-albania-potential-implications-and-security-concerns-for-albania/>

⁶² 'Albania Expels Iran Envoy in 'Terrorist' Row. BBC News. <https://www.bbc.com/news/world-europe-46632612>

BOSNIA AND HERZEGOVINA

General context

What makes Bosnia and Herzegovina (BiH) vulnerable is its internal fragmentation. The Dayton constitution, which the US and the EU helped broker in 1995¹ to put an end to the war, established a highly decentralised and dysfunctional model of governance. Power is shared between two entities, *Republika Srpska* and the Federation of Bosnia and Herzegovina (FBiH). FBiH is itself composed of ten cantons. The northeastern town of Brčko and its district is a self-governing administrative unit, distinct from the two entities. Reforms aimed at strengthening the central (state) stalled when the so-called April Package² of constitutional changes was rejected in the BiH parliament. The reforms would have expanded the powers of the central government, beefed up the lower house of the state-level parliament, and overhauled the tripartite presidency. All in all, they would have made Bosnia and Herzegovina better prepared to handle the task of integrating into the EU. Unfortunately, the country went backwards in the decade following 2006. Central-level institutions were emasculated. Republika Srpska and FBiH have become semi-detached. The Serb-majority entity has been working to informally repatriate key powers of the state, such as defence, through the militarisation of the Interior Ministry; this has raised fears amongst many Bosniaks of a return to violence.

The long shadow of the war in the 1990s still hangs over the country, and the boundaries between the three main communities in the country, the Bosniaks, the Serbs and the Croats, remain entrenched. A case in point is the polarised reaction to the life sentence handed to Republika Srpska's former leader Radovan Karadžić by the Hague-based International Criminal Tribunal for Former Yugoslavia (ICTY) on 20 March 2019.³ Politicians exploit traumatic memories, resentments and fears within

¹ The full and formal agreement was signed in Paris on 14 December 1995 by Slobodan Milosevic (representing Bosnian Serbs' interests), Alija Izetbegovic (president of newly formed Bosnia and Herzegovina), Franjo Tudjman (president of Croatia), Bill Clinton (US president), Jacques Chirac (France's president), John Major (UK Prime minister), Helmut Kohl (Germany's chancellor), and Viktor Chernomyrdin (Russian Prime minister).

² https://www.usip.org/sites/default/files/resources/SRoct06_2.pdf

³ Valerie Hopkins, 'Radovan Karadzic war crimes sentence increased to life in prison', *Financial Times*, 20 March 2019.

their respective groups. Violence and ethnic cleansing has created 'facts on the ground'. Sustained efforts by the international community to bring refugees and internally displaced people (IDPs) back to their homes have been only partially successful. Mainstream parties such as the Alliance of Independence Social Democrats (SNSD), the dominant force amongst Serbs, the Party of Democratic Action (SDA) headed by Bakir Izetbegović, and the Croatian Democratic Union (HDZ) are defined exclusively along ethnic lines.

Loyalty to the Bosnian state amongst Serbs and Croats remains weak at best. Only Bosniaks embrace the central state as their own. Serbs identify with Republika Srpska, the entity in which they hold a majority (thanks in no small measure to forced displacement during the war), and/or with Serbia. Many Croats view Croatia as their homeland and hold dual citizenship. The HDZ in Croatia has been calling for the creation of a third entity, and has been collaborating with Milorad Dodik, leader of the Serbs in Bosnia and Herzegovina, for more than a decade. Serb and Croat elites, in the main, consider the central state primarily as an additional source of rent and international legitimacy rather than as the kernel of a civic community defined by an attachment to Bosnia and Herzegovina.

The EU's declining leverage is similarly a source of vulnerability. Its international tutelage via the Office of the High Representative (OHR) has seen its clout decline since its heyday in the late 1990s and early 2000s. The OHR no longer spearheads centralisation initiatives, and is too weak to censure local politicians. The EU has not fully taken over, and other players such as Russia, Turkey and the Gulf monarchies are vying for influence. The EU peacekeeping mission, EUFOR Althea, with only 600 troops, is hardly a credible deterrent. In a worst-case scenario involving large-scale violence, it would be incumbent on NATO to intervene, through the so-called Berlin Plus arrangement with the EU.

Like its neighbours in the Western Balkans, Bosnia and Herzegovina is hampered by state capture and pervasive corruption, problems made worse by its complex constitutional structure. Ethnic entrepreneurs have an incentive to play the nationalist card in order to preserve their legitimacy and deflect attention away from issues of accountability and the rule of law. Civic protests in FBiH in June-July 2013 and February-April 2014 (dubbed the 'Bosnian Spring' by Western media) as well as in Republika Srpska in 2018 ('Justice for David', triggered by the murder of a youth in Banja Luka) testify to the frustration and discontent in society.⁴

⁴ See the in-depth analysis in Jasmin Mujanović, *Hunger and Fury: The Crisis of Democracy in the Balkans*, Hurst, 2018.

Predatory elites are entrenched in power. As a rule they collude with neighbours like Serbia and Croatia, with Russia and Turkey, and increasingly with more far-off players – the United Arab Emirates (UAE), other Gulf countries, even China. On the whole, these external players have an interest in sustaining the identity cleavages within BiH society as they translate into diplomatic and economic opportunities.

Since the 1990s, Bosnia and Herzegovina has been exposed to the influences of Salafism and Wahabbism, its stricter Saudi-based version. Unemployment and poverty, particularly amongst migrants from rural to urban areas, explain to some extent the embrace of literalist, conservative versions of Islam which are not rooted in the area's indigenous history and traditions. They have been propagated by imams and organisations either originating in or funded from the Gulf. The Bosniak diaspora in Western Europe has been exposed too. Though most Salafis/Wahabbis are non-violent, some younger members of the community have been radicalised. An estimated 330 have gone to join the likes of the al-Nusra Front and ISIS in Syria⁵. These radicals reject the legitimacy of the Bosnian state as well.

⁵ <https://www.counterextremism.com/countries/bosnia-herzegovina>

SOCIETY

Who are the actors? BiH's neighbours Serbia and Croatia, as well as international actors such as Russia, Turkey and the Gulf countries, all influence Bosnian society in direct and indirect ways. Serbia and especially Croatia, both signatories to the Dayton/Paris Accords, act as protectors of their co-ethnics in the country. Turkey and Russia see themselves as patrons and historical allies of the Muslim Bosniaks and the Orthodox Serbs respectively, seeking to use Bosnia and Herzegovina to assert their influence in European politics more broadly. The Gulf countries have been pursuing economic opportunities as well as fostering religious ties with the local Muslims.

Enabling factors. There is no agreement on a shared civic identity transcending communal divisions. Bosnian communities live separate lives. Just over 12% of the population in Republika Srpska, for instance, is composed of Bosniaks, according to the 2013 census⁶. In the FBiH, under 3% are Serbs. The effort by the international community to reverse ethnic cleansing has not been without success, but has nonetheless fallen short of restoring the *status quo ante*. International efforts to promote a civic definition of Bosnianness, e.g. by advancing norms and policies which would do away with the system reserving political positions and resources to members of the three constituent nations, have not enjoyed success.

The Dayton framework perpetuates fragmentation along communal lines. Institutionalised ethnicity is the basis of the power-sharing model. This is at its most visible in the tripartite presidency, reflecting the notion of three constituent peoples (*ustavotvorni narodi*), as well as in the status of Republika Srpska as a Serb-dominated quasi-state within the state. Furthermore, the divisions are cemented through segregated schools, an issue which has become salient in FBiH in past years. Cross-cutting identifications linked to residence, socio-economic class and/or ideology do

⁶ https://en.wikipedia.org/wiki/2013_population_census_in_Bosnia_and_Herzegovina

play a role; but parties with civic orientations fall short of posing an existential threat to the main political actors, and are more influential in FBiH – particularly in large urban centres such as Sarajevo – than they are in Republika Srpska. Meanwhile, emigration is taking its toll on Bosnian society, as elsewhere in the region. According to government data, a staggering two million Bosnians, or 50% of the population, live abroad. Germany, Austria, Serbia and Croatia are the main destination countries.⁷

Bosnians distrust public institutions, including those which are notionally controlled by their own ethnicity. A case in point is the mass protests in Republika Srpska throughout 2018 triggered by allegations that senior officials were involved in the murder of David Dragičević⁸, a 21-year old youth from Banja Luka. As elsewhere in Eastern Europe, non-representative bodies such as religious institutions or the police rank much higher than those associated with democratic governance – such as parliaments, political parties, or the executive branch as a whole.

Moreover, distrust in international actors is also running at comparable levels. According to a survey from 2016, 40% do not trust the OHR, and another 38% are sceptical about the European Commission. According to data published by the Regional Cooperation Council in 2017, 31% of Bosnians see EU membership as a good thing, 46% are neutral, and 18% are against.⁹ This is the lowest level of support for the EU in the region after Serbia. Bosniaks, in particular, fault the EU for unjustly rewarding Serbia, which is currently negotiating its membership in the EU, and leaving Bosnia and Herzegovina behind. The plunging popularity of international institutions, and the EU in particular, can be attributed to a variety of factors: local politicians scapegoating the West (a prime example being Milorad Dodik); the sense that Europe is powerless to deal with BiH's institutional and socio-economic problems, or has turned its back on the country; the fact that some Bosnians already hold EU passports (such as the Croats), and are therefore indifferent to the promise of membership.

Channels for disseminating influence. Societal attitudes are influenced through the media, both traditional (print or TV) and online. Foreign powers with an explicitly anti-Western agenda, such as Russia, use several channels: (1) direct propaganda through the outlets they control, such as the Sputnik agency branch based in Serbia; (2) indirect influence mediated by outlets controlled by politicians and businessmen

⁷ Alida Vračić, 'The Way Back: Brain Drain and Prosperity in the Western Balkans', ECFR Policy Brief, 9 May 2018. https://www.ecfr.eu/publications/summary/the_way_back_brain_drain_and_prosperity_in_the_western_balkans

⁸ <https://www.dw.com/en/thousands-protest-over-david-dragicevic-death-in-bosnia/a-46902840>

⁹ Regional Cooperation Council, Balkan Barometer 2017, Sarajevo 2017. https://www.rcc.int/seeds/files/RCC_BalkanBarometer_PublicOpinion_2017.pdf

from either Bosnia and Herzegovina or the wider region. Examples include RTRS, the public radio and TV broadcaster in Republika Srpska, which reports only positive stories about Russia and/or Vladimir Putin, as well as the widely popular tabloids, TV channels and news websites in Serbia which are beholden to either Serbian President Aleksandar Vučić or his political and business clients. (3) the false news and propaganda which makes its way to the country via the internet and social media, often after they are first planted in the West. As a rule, those outlets portray Russia in a positive light, as the guarantor of Republika Srpska's 'sovereignty' and of Serb interests in the Balkans, a counterweight to the West, and a source of economic benefits.

Other external players have similarly invested in media channels catering to Bosnia and Herzegovina and the wider ex-Yugoslav region. Turkey, for instance, is considered the patron of factor.ba, a news portal, and the weekly *Stav*, formally run by a Turkish businessman by the name of Burcu Uygur. Al Jazeera Balkans, a news channel broadcasting in Bosnian/Croatian/Serbian, operates from Sarajevo, though it differs substantially from Sputnik which often indulges in peddling conspiracy theories. N1, a regional news channel affiliated with CNN International, has an office in BiH too.

Education is another potent channel of influence. Turkey leads the way with a network of schools as well as two universities. A complicating factor, however, is that one of the universities has been connected to the Hizmet movement led by Fethullah Gülen. Hizmet's network, named Bosna Sema, has altogether 15 schools spread across the FBiH. But since 2013, the Turkish state has been putting pressure on Bosnian authorities to drive the Gülenists out. Ideally, Bosna Sema should have been taken over by the Islamic Community in Bosnia, yet it seems that Hizmet is still in control.¹⁰ Turkish influence also functions in student exchanges, as well as the language classes available at public schools and higher education establishments. Similarly, the *Russkiy Mir* (Russian World) foundation operates a centre at Banja Luka University.

Another channel for influence is civil society. Formal or informal associations supported by Russia and Turkey do exist, in parallel to the well-established Western-funded NGOs which have been around since the end of the war in the mid-1990s. Examples include the Republika Srpska chapter of the Night Wolves, a Russian nationalist biker group with links to the Kremlin, and 'uncivil society' associations

¹⁰ Adnan Huskić. 'Bosnia and Herzegovina: Abandoned by the West, Embraced by the East?' in Florian Bieber and Nikolaos Tzifakis (eds.) *The Western Balkans and the World: Linkages and Relations with Non-Western Countries*, Routledge, 2019.

such as *Srpska Čast* (Serb Honour), formally registered in Serbia, and the Veterans of Republika Srpska.¹¹

Lastly, foreign influence is spread thanks to transnational linkages related to religion. Bosnian Muslims have been exposed to Salafism/Wahhabism coming from the Gulf, channelling in money and people. Turkey's Directorate of Religious Affairs (Diyanet) as well as the Development and Cooperation Agency (TIKA) see the countering of such influences as one of their objectives. Turkish private foundations have supported the restoration of historic sites such as mosques, and even the bridge across the Drina at Višegrad, immortalised by the writings of the Nobel Prize winner Ivo Andrić.

Some Salafis have been prone to radicalisation. It is estimated that several hundred Bosnian citizens have travelled to Syria and other parts of the Middle East as foreign fighters¹². It is known that Serb mercenaries have fought in Eastern Ukraine, too, though it is not certain whether any of them have links to Republika Srpska¹³.

¹¹ More in Reuf Bajrović, Richard Kraemer and Emir Suljagić, 'Bosnia on the Russian Chopping Block: the Potential for Violence and Ways to Prevent It', Foreign Policy Research Institute 2018. <https://www.fpri.org/article/2018/03/bosnia-russian-chopping-block-potential-violence-steps-prevent/>

¹² <https://thesoufancenter.org/wp-content/uploads/2017/11/Beyond-the-Caliphate-Foreign-Fighters-and-the-Threat-of-Returnees-TSC-Report-October-2017-v3.pdf>

¹³ <https://balkaninsight.com/2018/12/13/donbass-brothers-how-serbian-fighters-were-deployed-in-ukraine-12-12-2018/>

ECONOMY

Who are the actors? Bosnia and Herzegovina has extensive trade links to its regional neighbours, including Croatia which joined the EU in 2013¹⁴. According to the World Bank, Croatia is Bosnia and Herzegovina's second largest export market after Germany and its fourth most significant importer. Serbia is at number 4 as an export destination, and third in the list of importers. However this interdependence often leads to trade disputes.

Non-Western powers also play an important role. Since 2007, Russia has become a dominant actor in Republika Srpska's energy sector. Turkey provides financial aid (some US\$ 127 million between 2011-2016) and exports to Bosnia and Herzegovina, and has shown interest in developing cross-border infrastructure. Gulf money has also entered the country, targeting the real estate sector in particular. China has been considering projects linked to the modernisation of thermal power plants and the construction of roads. Financial links strengthen ties between local political and business elites (the distinction between the two groups being increasingly blurred).

Enabling factors. Although Bosnia and Herzegovina's economy has been growing at a steady rate since 2011, it is skewed in favour of the public sector (administration at various levels of the state, public enterprises) and towards import and consumption rather than investment and export. The public sector's share of employment is about 30%, the second highest in the region after Kosovo. By comparison, the average for the members of the Organisation for Economic Co-operation and Development (OECD) is 22%, and in Albania it goes as low as 16%. Bosnia and Herzegovina is consistently the worst-performing Western Balkan country in the World Bank's Doing Business annual report, which is indicative of the hurdles faced by the private sector.

¹⁴ <https://wits.worldbank.org/CountrySnapshot/en/BIH>

Such an outsize public sector presents opportunities for state capture and rent seeking, whether by local interests or by corrupt consortia involving both Bosnians and outsiders. Politics and business are intertwined. For instance, according to media in Serbia, Milorad Dodik's personal fortune rose by a factor of sixteen from 2006 to 2010, reaching about €8 million. The Serb leader's son has been a prominent businessman. On the Bosniak side, media and construction tycoon Fahrudin Radončić is the president of the Party for a Better Future which is represented in the legislatures of FBiH and the state. As a result, foreign investment has a strong political dimension. The local Croat leader Dragan Čović has been targeted by numerous investigations and court cases involving corruption, but has had several sentences overturned on appeal. The fusion between business, politics and corruption implies that outsiders can easily buy influence in the country's domestic affairs.

Deadlocks resulting from the complex constitutional structure are common, and they have a direct negative effect on economic governance. The most recent example is the delay in forming a state-level government following the elections of October 2018¹⁵. Administrations in FBiH's cantons (the ten units which make up the Bosniak-Croat majority entity) have also been slow to take shape. To resolve the impasse, political parties need to engage in horse trading at all levels, which perpetuates rent-seeking and corruption. Accountability through public institutions – legislatures and courts – is limited. The best efforts of civil society and, to a lesser degree, the media cannot fully compensate for this problem.

The painfully slow process of moving closer to the EU poses a similar risk. Bosnia and Herzegovina has still not been able to gain candidate status (they submitted an official request in 2016), lagging far behind all the other countries in the region bar Kosovo. Without a credible accession perspective, Bosnian politicians have no incentive to work to improve the rule of law, which in turn perpetuates the existing model of state-business relations. Meanwhile, emigration and the brain drain hamper growth and development, adding to the negative equilibrium underlying BiH's politics and economy.

Channels for disseminating influence. The political establishment in Bosnia and Herzegovina's entities largely controls economic life, and acts as the gatekeeper cashing in on business and investment opportunities as they arise. That not only

¹⁵ On 19 March, the leaders of the three largest parties (SNSD, SDA and HDZ) agreed in principle to form a Council of Ministers. However, as of the time of writing this report, there is still no cabinet in place. Mladen Lakić, 'Bosnian National Leaders Move Closer to Forming Govt', *BalkanInsight*, 19 March 2019. <https://balkaninsight.com/2019/03/19/bosnias-nationalist-leaders-move-closer-to-forming-govt/>

means that foreign actors can buy political influence in Bosnia and Herzegovina without running a great deal of risk, but also that the domestic players can monetise their ties to outsiders. For instance, in 2007 Republika Srpska chose to privatise the refineries at Brod and Modriča through a direct sale to a Russian firm¹⁶, rather than opening the process to public tender. The state entity committed itself to repaying the new owner the substantial debt which those enterprises had accumulated over the years. The deal was directly promoted by Milorad Dodik and involved a Russian state-owned bank. Turkish and Gulf investment has also been channelled into construction, a sector notorious for its lack of transparency. In 2018, for instance, Cengiz, a contactor known for its links to the Turkish government, signed an agreement with FBiH to build a motorway in central Bosnia. An investor from UAE launched a €4.3bn project to develop a 'tourist city' in Bjelašnica, next door to Sarajevo. Though the Buroj Ozone City project has not gone very far, it has been touted by Izetbegović's SDA to its electorate as a key venture. Another high-profile project, the Sarajevo City Mall, was completed with Saudi funds. Individuals from the Gulf (UAE, Saudi Arabia, Kuwait) have been buying property, often with the purpose of obtaining residence permits. There are widespread suspicions that such transactions only add to the burden of corruption in Bosnia and Herzegovina at both the administrative and political levels.

¹⁶ <https://www.zarubezhneft.ru/en/operations/downstream/>

POLITICS

Who are the actors? Neighbouring countries, first and foremost Serbia and Croatia, have a direct influence on domestic politics. This is very much the case with the Bosnian Croats, to the extent that their main political party, HDZ, is an offshoot of the centre-right party of the same name currently in power in Croatia, which dates back to the country's first president Franjo Tudjman.

Croatia, meanwhile, has tried to leverage its international connections to assert its role inside Bosnia and Herzegovina. In January 2019, Croatian President Kolinda Grabar-Kitarović issued a joint statement with the Turkish President Tayyip Erdoğan demanding a revision of the Dayton constitution.

Serbia's relations with Milorad Dodik are more complex. He enjoyed the support of President Boris Tadić between 2006 and 2012, but has occasionally clashed with Aleksandar Vučić (prime minister and, since 2017, president). Still, Serbia is Republika Srpska's main international ally along with Russia. However, Vučić has on several occasions opposed Dodik's plans to call an independence referendum, aware of the risks which such a move will trigger for Serbia.

With regard to the influence of foreign players, Russia and Turkey (like the EU and the US) are deeply entrenched in the domestic politics of Bosnia and Herzegovina thanks to their links to political actors, their economic footprints, and their formal institutional roles within the Peace Implementation Council (PIC) as well as (in Russia's case) the UN Security Council.

While Russia supports the decentralised framework under the Dayton Agreement (because, arguably, it presents a model for ending the war in Ukraine on Moscow's terms), Turkey favours further centralisation. Erdoğan's chief complaint about the Dayton Agreement is that it does not allow for the creation of a proper military force at the state level. He has also argued against the rotation of the tripartite presidency

every eight months. Other outside players, like the Gulf monarchies and China, wield influence primarily in the economy, and have not been vocal with regard to the Dayton Agreement.

Enabling factors. The Dayton constitution has created a complex political system (see above) with numerous veto points hindering effective decision-making. The decentralised set-up empowers those political players who are willing to pursue spoiler tactics in order to maximise their leverage vis-à-vis competitors and retain control over rents; it also gives external players formal authority over the Bosnian constitutional and political system. In the past, this arrangement favoured the West; between 1997 and 2006, the OHR, co-piloted by Europe and the US, carried out muscular policies to reinforce central institutions at the expense of the entities. The hope was that the EU Special Representative (EUSR) would take over and ultimately recast the relationship with Bosnia and Herzegovina, emancipating itself from external tutelage and embarking on integration into the EU and NATO. Now however, the OHR and EUSR operate side by side, adding another layer of complexity to the Bosnian governance model. The EU's security arm, the EUFOR Althea Mission, has greatly reduced its numbers, and is not a credible tool. As Western influence has waned and BiH has failed to advance sufficiently towards integration into the EU, the Dayton system has empowered Russia to meddle in Bosnia's domestic affairs.

Politicians in Bosnia and Herzegovina are in the habit of using foreign alliances to outmanoeuvre their opponents. Thus, Dodik's SNSD showcases its special connection to Russia to counter challenges from the opposition in Republika Srpska. The SDA has built robust ties to Erdoğan and the governing Justice and Development Party (AKP) in Turkey. The main party in the Croat community, HDZ, has recently stepped up its cooperation with SNSD. In parallel, its leader Dragan Čović has deepened ties with the Russian embassy. The appearance of the Croat ambassador at the Republika Srpska's National Day parade in Banja Luka in January 2019 caused a stir as well.

Local politicians in BiH also exploit nationalist sentiments, symbols and traumatic memories in relating to their constituents. Ties to Russia and Turkey – as foreign patrons of the Serb and Bosniak communities and representatives of former imperial powers defined by their respective religious identities – feature strongly in the narratives in question. Fears and resentments directed internally go hand in hand with expectations of outside support, at a time when the West is seen as either aloof or hampered by double standards. One example is Russia's 2015 veto of a UN Security Council resolution defining the Srebrenica massacre as an act of genocide. Dodik travelled to Moscow to coordinate the response to the draft, highlighting

Russia's role as a protector of Bosnian Serbs and the Serbian nation as a whole. In January 2019, the SDA, the main Bosniak party, called for Republika Srpska to be renamed, in effect rallying Serbs behind the flag.

The bulk of political parties in Bosnia and Herzegovina are organised around a prominent leader rather than an ideology or other forms of social ties. The Izetbegović family 'owns' the SDA much as Dodik has been running the SNSD since the 1990s. Dragan Čović has been presiding over HDZ since 2005. Zlatko Lagumdžija was at the helm of the Social Democrats for nearly two decades before he stepped down in 2014. Leadership parties make politics in BiH heavily personalised and subjugate them to behind-the-scene deals, often with international partners, at the expense of transparency and accountability.

Channels for disseminating influence. Foreign influence works through both formal and informal channels.

Formal institutional channels: Both Russia and Turkey are part of the Peace Implementation Council (PIC) overseeing the Dayton Peace Accords on behalf of the UN Secretary General. Both are also represented on the PIC's Steering Board where Turkey also stands for the Organisation of Islamic Cooperation. Turkey also contributes military personnel to EUFOR, the EU-led peacekeeping mission which has been deployed since 2004. They both have a say in domestic affairs. For instance, Russia has been obstructing PIC's effort to restrain Dodik as he has carved out greater autonomy for Republika Srpska and even threatened an independence referendum. For instance, the Russian embassy has been echoing his arguments for the closure of the OHR. In September 2016, Russia backed up Dodik as he oversaw a referendum on proclaiming St. Stephen's Day (6 January) a national holiday in Republika Srpska. Bosnia and Herzegovina's constitutional court had issued a ruling against the demand to celebrate the establishment of the entity by Serb separatists in 1992, precipitating the war. Throughout Dodik's term as Republika Srpska's president, Moscow has treated him as head of state of an independent nation. In 2002-6, Russia maintained a direct line of communication to Dragan Čović, Dodik's predecessor at Republika Srpska's helm. Putin has involved himself in the Serbian entity's affairs. In the run-up to the October 2018 elections, he welcomed Dodik at the Kremlin in a clear show of support. At the same time, Russia likely prevented Republika Srpska from holding an independence referendum following the 2016 vote on the national holiday.

Party-to-party connections come into play as well. The SNSD has a cooperation agreement with the Kremlin-affiliated United Russia Party, and it joined an anti-NATO

bloc of political forces inaugurated in 2016. The SDA is working closely with Turkey's AKP, and the HDZ is an extension of its eponymous party in Croatia.

Informal links complement formal ones. Examples include Bakir Izetbegović's connection to Turkish President Recep Tayyip Erdoğan, as well as Dodik's links to Putin and to Russian business elites. The latter includes Konstantin Malofeev, the conservative Russian businessman and owner of Tsargrad, a TV channel dedicated to spreading Orthodox Christian values and patriotism. Malofeev has sponsored nationalist insurgents in Crimea and Eastern Ukraine, the so-called 'Russian Spring'. For this, he has been put under Western sanctions; but he and his associates are still welcome guests in Banja Luka. Malofeev and his affiliates from across the Balkans were in all likelihood involved in the plot to overthrow the government in Montenegro back in 2016, where, according to local prosecutors, they partnered the Russian Military Intelligence or GRU¹⁷.

¹⁷ <https://www.bellingcat.com/news/uk-and-europe/2017/03/25/balkan-gambit-part-2-montenegro-zugzwang/>

FOREIGN POLICY and SECURITY

Actors. Neighbouring Serbia and Croatia wield a great deal of influence over Bosnia and Herzegovina's foreign policy. That is illustrated by the (absence of) relations between Bosnia & Herzegovina and Kosovo. Under pressure from Republika Srpska, Bosnia and Herzegovina refuses to recognise Kosovo's independence, the only country in former Yugoslavia apart from Serbia to do so. It has been caught in the crossfire between Belgrade and Prishtina. In November 2018, Kosovo imposed a 10% punitive tariff on both Serbia and BiH for conducting an 'aggressive campaign' against it; several weeks later, the Kosovo government ramped up the tariff to 100%.

While Turkey's objectives in Bosnia and Herzegovina, stressing centralisation, are not radically at odds with those of the West, Russia is aiming to slow down BiH's integration into the EU and prevent the country from joining NATO. In 2014, for instance, Moscow abstained when the UN Security Council voted to extend of EUFOR Althea's mandate, because the resolution referred to Bosnia and Herzegovina's prospects for 'Euro-Atlantic integration'. Its staunch support for Milorad Dodik in subsequent years has allowed it to indirectly control Bosnian foreign policy, blocking progress to NATO membership. Other players (the Gulf and China) are mostly important in terms of BiH's foreign economic relations.

Enabling conditions. Republika Srpska's autonomy within the Bosnian state allows it to conduct a *de facto* foreign policy of its own while blocking initiatives at the state level. It has made efforts to roll back the reforms in the security sector accomplished in the 2000s, such as the creation of an integrated army. With Republika Srpska militarising its police units, it is asserting its capacity to pursue a semi-independent course and challenge the West. Dodik is shoring up his legitimacy by aligning with Russia on foreign policy, for example by refusing to let Bosnia and Herzegovina join the Western

sanctions in response to the annexation of Crimea and the war in eastern Ukraine.

The weak central institutions limit Bosnia and Herzegovina's ability to craft foreign policy and implement decisions. That has been demonstrated in the slow progress toward the EU, and the fact that the membership action plan (MAP) signed with NATO in 2010 has still not been implemented. NATO has invited Bosnia and Herzegovina to submit its first annual programme under the MAP, but since there is still no state-level government following the October 2018 elections, progress has stalled. Though Dodik has agreed in principle to form a governing coalition with the SDA and the HDZ, he has been insisting that he would block the adoption of an Annual National Programme which would set the MAP into motion.

In parallel, Bosnia and Herzegovina has moved very slowly in meeting conditions to move closer to the EU since it filed a formal membership application in February 2016. The state government missed the October 2018 deadline which the EU set to submit its responses to a questionnaire regarding the country's preparedness to graduate to the next phase of the accession process and be formally recognised as a membership candidate. It is worth noting that the original deadline had been set for 31 December 2017. Bosnia and Herzegovina submitted its answers in February 2018, but the European Commission sent back follow-up questions. The long-winded process, which has no precedent in the Western Balkans, illustrates both the lack of administrative capacity within the state and the heavy toll which the political bickering inside the country takes.

There remains deep disagreement within society as regards the objectives which the country's foreign policy should attain. While Bosniaks and Croats support NATO membership, Serbs are in the main opposed; EU membership, by contrast, has support across the board. At the local level, Bosnia and Herzegovina has disputes with its neighbours which can be instrumentalised by outside powers. That includes the non-recognition of Kosovo and the quarrel with Croatia concerning the construction of a bridge over the Pjelešac peninsula. Both of those issues are internally divisive; the dispute with Croatia pushes Bosniak and Croat politicians apart, for instance.

The question of asylum seekers arriving from the Middle East and sub-Saharan Africa into the EU has gained in importance as more and more of them have become stranded in BiH. Their number has risen from just 1000 in 2017 to 23,000 in 2018, and friction with neighbours have ensued (Croatia has been pushing people back into Bosnian territory). In towns like Bihać, which hosts a major migrant facility,

Muslim Bosniaks have not been shown active hostility, but their reception has been lukewarm.

Channels for disseminating influence. The foreign actors' stake in Bosnia's political life provides them with substantial leverage to shape its foreign and security policy. Through its alliance with Republika Srpska, Russia is in position to block the country's efforts to join NATO. On 18 October 2017, the Republika Srpska assembly adopted a resolution on military neutrality, a move which violated the Bosnian constitution. This is a prerogative which rests with the state-level legislature rather than the entity. In spring 2014, Dodik made sure that Bosnia and Herzegovina would not join the Western sanctions imposed on Moscow in response to the annexation of Crimea and the war in eastern Ukraine.

Such moves mean that Bosnia and Herzegovina is being co-opted into political initiatives which benefit its foreign patrons but are of limited benefit to itself. One example is the pre-election rally Erdoğan held in Sarajevo on 20 May 2018 to showcase his leadership role internationally in the run-up to Turkey's presidential and parliamentary elections. His visit followed refusals by Germany and the Netherlands to let him campaign amongst their Turkish communities. The Turkish president attacked the EU and even likened Germany's government to the Nazis. That happened at a moment when Bosnia and Herzegovina was working, at least on paper, to gain EU candidate status and narrow the gap between itself and other former Yugoslav countries.

The media's influence empowers Russia, and to a lesser extent Turkey, in shaping popular views on foreign policy; this then feeds into the decision-making process (or lack thereof) at the level of political institutions. Beyond the controversial issue of NATO membership, migration is another factor which could be exploited by hostile disinformation campaigns.

Turkey has stepped in on several occasions as a mediator between Bosnia and Herzegovina and its regional neighbours. In 2009-10, then foreign minister Ahmet Davutoğlu started trilateral meetings with his opposite numbers from Bosnia and Herzegovina and Serbia. For a time, there was a Turkey-Bosnia and Herzegovina-Croatia trilateral as well. In January 2018, Erdoğan hosted a summit with Aleksandar Vučić, president of Serbia, and Bakir Izetbegović, the Bosniak member of the presidency. Turkey is also investing in a highway connecting Belgrade and Sarajevo. However, such initiatives still fall short of delivering any major breakthroughs.

KOSOVO

Context

Kosovo signed a Stabilisation and Association agreement with the European Union in April 2016 and launched a European Reform Agenda in November of the same year. Prishtina then held elections in June 2017 and appointed a new government in November, which vowed to implement the reforms in the agenda.

In March 2018, the Assembly ratified a border demarcation agreement with Montenegro; this was seen as an achievement, especially since it was one of the most important obstacles to visa liberalisation for Kosovo citizens.

However, in most other areas the reform process has been rather slow¹: political factions and supporters are polarised, the judiciary is still vulnerable to political influence, public administration remains politicised, and the fight against corruption and organised crime has not progressed much.

Moreover, the country's politics, economy and foreign affairs remain marked by lingering ethnic frictions between Kosovo Albanians and Kosovo Serbs especially in the north. These tend to take the public spotlight, create more divisions and push aside vital state-building processes.

In fact, one of Kosovo's greatest vulnerabilities, exploitable by propagandists and other malign influencers, is this perennial focus on the conflict with Serbia; this allows ethnic nationalism to thrive and manifest itself aggressively in all domains of public life, from society and economy to politics and foreign affairs. Most of the political public debate focuses on Kosovo-Serbia issues (be it in a more narrow way, such as the 'land-swap deal'; or more broadly, such as Serbia's international efforts to hinder Kosovo's statehood recognition and its membership of the international community), leaving space for the propagation of nationalistic and populist discourse, Euroscepticism, scapegoating, as well as foreign interference and all sorts

¹ Commission Staff Working Document, Kosovo* 2018 Report, <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-kosovo-report.pdf>, retrieved on 11 May 2019

of provocations. In the state's political discourse, any other topic than 'Serbia' comes second, and at a considerable distance.

The Freedom House 2019 index classified Kosovo as partially free², similar to 2018, and showing that little progress has been made. While the media is a pluralistic and dynamic environment, political pressure and attacks against journalists are still common, and the political funding of broadcasters, both public and private, leaves it vulnerable to bias in its agenda-setting role, and also to the manipulation of public messages by domestic and foreign political actors.

However, beyond the partially-free market of freedom of opinions, there are structural dysfunctions which maintain and feed the media's vulnerabilities to disinformation and propaganda campaigns.

At the societal level, Kosovo faces ethnic divisions that affect all domains of life, endemic corruption that weakens and shakes the population's trust in state institutions, and strong nationalism, as well as a vulnerable education system and an increasing 'brain drain' abroad.

In terms of politics, Kosovo faces weak institutions, graft, nationalist elements in politics, many challenges deriving from the ongoing dispute with Serbia, political fragmentation and ethnic polarisation, as well as religious extremism and the difficulties in tackling it. In as far as the economy is concerned, Kosovo is vulnerable to provocations and disinformation for reasons including the insufficient crackdown on organised crime and its relations with political actors. At the same time, in terms of direct negative influence on the economy, veterans' organisations benefit from stipends that affect public finance, and economic decisions are often driven by populist and nationalist ideas.

In its foreign policy, Kosovo needs to tackle the vulnerabilities that derive from defence policies driven by unilateral actions in relation to Serbia. But challenges also emerge from the domestic politicians' populist approaches to EU integration, as well as personal frictions between elected officials and divided security institutions vulnerable to foreign influence.

² <https://freedomhouse.org/report/freedom-world/2019/kosovo>

SOCIETY

Vulnerabilities. As Kosovo is still struggling with the nation-building process, society continues to be divided on ethnic grounds, which leaves plenty of room for both various domestic political actors and external interference to exploit these polarised stances.

Moreover, divisions inside Kosovo over the 'Kosovo Albanian' identity (as opposed to Albanian identity) leave vulnerable space that can be exploited and targeted by disinformation campaigns.³ As an example, even football players are submitted to criticism according to whether they decide to play for Albania or Kosovo.⁴

Ethnic nationalism, be it Kosovo Albanian or Serb, is far and away the political ideology with the most adherence in society, mostly because it has been cultivated and fed by decades of political suppression of any ethnicity-related freedoms in the former Yugoslavia, the still fresh memory of the bloody war with Serbia in 1998-1999, the politically active former independence fighters and veterans, as well as constant and perennial political disagreements with Serbia over statehood and borders⁵. Nationalism is seen as the force that cohered the elites and brought independence to Kosovo, while keeping the unresolved territorial matters with Serbia at the top of the public debate.

Most of the leaders of Kosovo's political elite branded themselves through their 'active patriotism and nationalism' and their history of fighting for the Kosovo Liberation Army, legitimising their rule by their participation in the fight for independence. Despite pushing messages of a multi-ethnic state towards the international community, they often resort to the same ethnic nationalist statements

³ 'Përplasje për identitet, kosovar apo shqiptar' (2016) <http://www.oranews.tv/article/perplasje-per-identitet-kosovar-apo-shqiptar>

⁴ 'Sali Berisha: Këta që pretendojnë për kombin kosovar, janë me gjak titist jugosllav' (2016) <https://telegrafi.com/sali-berisha-keta-qe-pretendojne-per-kombin-kosovar-jane-gjak-titist-jugosllav-video/>

⁵ Lljunji, V. (2014), 'Ndikimi i nacionalizmit në vendet në tranzicion: Qëndrimet ndaj nacionalizmit në kulturën politike' [Online] <https://aab-edu.net/assets/uploads/2016/12/01-2014-SQ-05-Venera-Lljunji.pdf>

to gain more votes⁶. Popular support for the (ethnic Albanian) nationalistic agenda is exemplified by the rise and establishment of the Vetëvendosje (VV) party on a nationalist, anti-corruption agenda. In 2017 it managed to become the main opposition party.⁷

With most of the population divided over ethnic nationalist grounds and with little effort being made to change that, Kosovo's population listens to just one side of the story according to the group's political orientation, and is encouraged to turn away from other points of view. Moreover, the 'us vs. them' mindset, which is more obvious in the majority-Serb area of North Kosovo (just as in South Serbia's Preševo Valley) – but also among the Kosovo Albanian population in the rest of Kosovo – leaves room for radical discourses and populist exploitation of fear and ethnic animosities.

The focus on the ethnic divide means Kosovo as a society is prone to predictable reactions to provocations launched through disinformation and propaganda channels. In this respect, any populist statement made by nationalist politicians in Belgrade with regard to Kosovo reaches the Kosovo local media and sparks a counter-reaction – especially in the part of society dominated by Albanian ethnic nationalism – which is then distorted to fuel more general anti-Serb sentiment. In this mechanism of ethnic nationalism, all debates sparking reactions among Kosovo Albanian nationalist supporters will be reflected in a wave of reactions among Serb nationalists in Kosovo, thus keeping the conflict and divisions alive, and leaving little room for more liberal views and dialogue between polarised ethnic groups.

Political elites tend to disregard, or remain silent and inactive about domestic problems that weaken the state and affect the economy, such as corruption and organised crime. This is why many Kosovo citizens express a lack of trust in state institutions, including in the capacity of their government to resolve the problem of the northern border with Serbia, which occupies the political agenda.

According to a poll published in April 2019 by the Kosovo Democracy Institute (KDI)⁸, people in Kosovo were divided on whether to trust the State Delegation meant to negotiate a settlement with Serbia. About 35 percent of the respondents, both Serbs and Kosovo Albanians, said they did not trust the Delegation to represent their interests, while 34 percent did trust the state to reach a settlement with Serbia for

⁶ Abrashi, A. (2011) 'Nacionalizmi shqiptar në Kosovë pas vitit 1999', <https://telegrafi.com/nacionalizmi-shqiptar-ne-kosove-pas-vitit-1999/>

⁷ *ibid.*

⁸ <http://kdi-kosova.org/wp-content/uploads/2019/04/29-Sondazhi-Report-ENG-01.pdf>

the benefit of the Kosovo people. Some 28 percent were undecided (a percentage that says a great deal in itself).

This lack of trust in the state institutions, the corruption and the weak economy also translates into a wave of migration which encompasses mostly young educated professionals. Kosovo has one of the highest unemployment rates in South-East Europe, of 31.4 percent⁹ (with more than 50% unemployment among the youth¹⁰), prompting young professionals, especially doctors, to leave the country for EU member states, and leave behind an older and less educated population which is struggling with poverty.

The endemic corruption and social inequalities in one of the region's poorest countries are also drivers of low trust in government and public institutions. However, the fact that there is no precise information as to how many citizens of Kosovo have migrated to other countries, and the constant rumours of high numbers ranging from scores to hundreds per day, leaves space for politicians to exploit the phenomenon in their alarmist populist discourses.

Channels of influence. According to the Serbian fact-checking portal Raskrivanje, in 2018 alone the Serbian tabloids published no less than 700 false news stories¹¹, many of which were focused on Kosovo's striving for independence and an 'imminent war' between Belgrade and Prishtina, as well as Western influence in Kosovo and support for its statehood.

Similarly, other media watchdog organisations have reported that more than 265 stories of 'imminent war' were published in 2018 in Serbian tabloids, while 30 of them referred to Kosovo Albanians by the pejorative term 'šiptars'.¹²

The tabloids in Belgrade have a loyal audience in the Serbian public in Northern Kosovo, which is highly vulnerable to news of war and/or possible discrimination at the hands of Prishtina, and alarmist news often stirs tensions in the region and deepens divisions.

On the other hand, high competition among Kosovo-based online media and the hunt for clicks also lead outlets there to sensationalise Serbian and Russian

⁹ <https://seenews.com/news/kosovos-unemployment-rate-rises-to-314-in-q4-647094>

¹⁰ <https://tradingeconomics.com/kosovo/youth-unemployment-rate>

¹¹ For more see <https://euvsdisinfo.eu/700-false-news-stories-in-serbian-tabloids-in-2018/>

¹² Ibid.

For more on the Mitić vs *Informer* case and the court's ruling in favour of Mitić, see <http://www.yihr.rs/bhs/presudom-viseg-suda-potvrden-govor-mrznje-informera-protiv-anite-mitic/>

politicians' statements, as well as reporting from those countries, and to republish unverified information that deepens divisions in an already ethnically-polarised society.

This approach to the dissemination of news and rumours by both Serbian and Russian media leave the Kosovo Serbian population vulnerable to fearmongering and radicalisation, while the propagation of unreliable information and inflammatory statements from politicians in both Belgrade and Prishtina by Kosovo-based outlets also stirs resentments among Kosovo Albanians. Both ethnic groups remain vulnerable to disinformation because of the deeply entrenched ethnic nationalistic sentiments within them.

The pro-Russian media based in Serbia, including Sputnik and RT (Russia Today), also push narratives opposing or undermining Kosovo statehood, especially targeting the Serb population in Northern Kosovo, into which Albanian-language media and its narratives encounters huge challenges in penetrating.

There are even pundits whose narrative largely falls in line with Moscow's official propaganda machine. Boris Malagurski¹³, a Serbian-Canadian film producer prominently featured in programmes on Sputnik, and who runs a YouTube channel with more than 30,000 subscribers, openly supports Russia's obstructive policy in Kosovo by producing media pieces opposing Kosovo's membership in UNESCO. Another pro-Russian figure is Miroslav Lazanski, a well-known military commentator in Serbia and a deputy for the ruling SNS in Serbia, who not only advocated against Kosovo's independence, but also against the presence of NATO in Eastern Europe.¹⁴

Beyond foreign propaganda, Kosovo is among the countries in the region that hosts so-called 'fake news' and 'clickbait' factories which allows young entrepreneurs to earn better than in any other local job.¹⁵ The presence of these mercenaries in the media landscape and their experience in manipulating information for financial gain represent yet another new vulnerability, as they can be used and paid by external or domestic forces to influence public opinion.

The lack of proper financial supervision of Kosovo's administrative institutions over the Serbian Orthodox Church creates opportunities for a disruptive agenda; this vacuum can be exploited in the interests of Russia's engagement and the strengthening of their potential influence in Kosovo.¹⁶ The religious factor presents

¹³ <https://www.youtube.com/user/SerbianYouthLeague>

¹⁴ https://www.b92.net/info/vesti/index.php?yyyy=2016&mm=05&dd=03&nav_category=78&nav_id=1127141

¹⁵ <https://www.bbc.com/news/technology-46136513>

¹⁶ KCSS, 'Russian Interference in Kosovo: How and Why?' 2017

an important element for Russian as well as Serbian influence in Kosovo through the Serbian Orthodox Church. By giving political support to religious institutions, Russia preserves and enhances the strong sense of Orthodox identity among the Serbian community in Kosovo.

Religious extremism. After the war with Serbia, due to Kosovo's failure to cater for marginal Muslim communities, various Islamic charities from Saudi Arabia, the United Arab Emirates, Qatar, Kuwait and Turkey (which had previously operated in Albania and Bosnia and Herzegovina) expanded to Kosovo: these include the International Islamic Relief Organisation, Islamic Relief Worldwide, the Holy Land Foundation for Relief and Development and the Humanitarian Relief Organisation¹⁷. But alongside them, Islamist organisations (including activist Salafist groups) also appeared in Kosovo.

After the war with Syria started, a series of jihadist organisations boosted their activity. One such organisation was *Rinia Islame* from Kaçanik, whose leader was Lavdrim Muhaxherri, a former KFOR employee, was killed in an air strike in July 2017 in Syria¹⁸.

Since the beginning of the Syrian war and the rise of ISIS, a significant number of individuals across the region have adopted its radical ideology, a phenomenon which has daunting societal and political effects in Kosovo.

The conflicts in Syria and Iraq have fuelled the Islamic State's propaganda efforts. The victims of Islamist extremist propaganda are mainly young, unemployed, uneducated and poor Kosovars. As long as structural vulnerabilities such as unemployment, poor access to education and poverty are not addressed by efficient policies, the poor and disenfranchised will remain vulnerable to propaganda from both internal and external actors.

With the state absent, informal religious organisations have replaced government aid programmes and catered to marginalised communities preaching Islamist (including radical jihadist) ideology unhindered. The case of Hani i Elezit, a town on the border with North Macedonia, is telling. While both the political establishment and international donors were focused for long years on the ethnic animosities between Kosovo's Serbs and Albanians and the relationship between Prishtina and Belgrade, town like Hani i Elezit remained unattended to, with no voice in policy making and

¹⁷ <http://www.adjuris.ro/revista/articole/an7nr1/7.%20Kole%20Krasniqi.pdf>

¹⁸ <https://www.newsweek.com/who-lavdrim-muhaxherri-isiss-balkans-commander-architect-israel-world-cup-plot-623101>

without funds for development.¹⁹ This situation left the communities vulnerable to foreign interference and extremist propaganda, and led to some 300 Kosovo Albanians leaving the country to join the Islamic State or al-Qaida in Syria, with about 70 of them dying in battle.

The government has already repatriated some of the foreign fighters²⁰, including their children, from Syria after the collapse of the Caliphate, and has indicted the men for terrorism. However, it is still unclear how the government intends to solve the problem of Islamic radicalism in the country. There have been no attacks in Kosovo so far, but over 100 men have been prosecuted and some imprisoned on terrorism charges, either for fighting in Syria or for planning attacks against Serbs in Kosovo or other targets in Europe²¹.

However, the crackdown on jihadist fighters, the lack of cooperation between intelligence services and law enforcement, and a shortage of qualified personnel dedicated to fighting radicalisation and terrorism, leaves Kosovo vulnerable to jihadists and Islamist propaganda from abroad. Although in 2018 Kosovo adopted a new strategy to combat terrorism which is in line with international requirements, the country still lacks the law enforcement capacities to tackle the phenomenon. Moreover, Kosovo's government still uses an older law when judging offences of financing terrorism which does not yet conform with EU legislation, and the financial unit in charge of investigating the phenomenon lacks personnel. So far, the few deradicalisation and rehabilitation programmes have failed; moreover, the social inclusion of communities that adhered to radical Islam is lacking, leaving these communities vulnerable to further jihadist and radical Islamist propaganda.²²

¹⁹ Ibid., p.17

²⁰ <https://www.cbc.ca/news/world/kosovo-isis-fighters-families-syria-return-1.5105732>

²¹ <https://balkaninsight.com/2018/10/08/indictment-reveals-plans-of-terrorist-attacks-in-kosovo-belgium-and-france-10-08-2018/>

²² <https://pulitzercenter.org/reporting/kosovo-home-many-isis-recruits-struggling-stamp-out-its-homegrown-terrorism-problem>

ECONOMY

Kosovo's economy is the fastest-growing in the Western Balkans, with an average growth of 3.5 percent between 2007 and 2018²³; this has mainly been caused by the development of the service sector, and is supported by consumption, although this is reliant on remittances.

However, a combination of endemic corruption, weak economic policies and poor planning, as well as the manifestation of nationalistic sentiments in economic policy – such as Prishtina's political decision to raise tariffs on Serbian and Bosnian goods in 2018 – leaves Kosovo's economy vulnerable to foreign interests and unable to fight propaganda against its interests²⁴.

According to the World Bank, almost a third of the population lives below the poverty line and one in 10 people live in extreme poverty,²⁵ which marks one of the greatest economic vulnerabilities of the state. Poverty, high unemployment and low wages lead to the aforementioned migration of young educated professionals, which exposes the economy to the risk of a crisis of an underqualified labour force.

The country's energy sector is also in need of refurbishment, as the aging equipment and reliance on coal, together with the lack prospects to diversify energy sources, contribute to the state's vulnerability and reduce the chances of investments (the frequent electricity cuts affect businesses plans for development and affect state and health care institutions.)²⁶

However, the constant political skirmishes with Belgrade and the focus of Prishtina's politicians on the conflict with Serbia create the impression that Kosovo is dependent on Serbia. Indeed, Serbia has failed to implement the agreement reached in Brussels

²³ <https://www.worldbank.org/en/country/kosovo/overview#3>

²⁴ GLPS. 2017. 'Remittances in Kosovo: Primarily an Economic Survival Tool?'

²⁵ <http://www.worldbank.org/en/country/kosovo/brief/energy-in-kosovo>

²⁶ <http://www.worldbank.org/en/country/kosovo/brief/energy-in-kosovo>

to make the Kosovo transmission system independent, and subsequently to activate the German-invested interconnection between Kosovo and Albania,²⁷ but domestic efforts to modernise and diversify energy sources are also slow, despite support from international donors.

Organised crime and high-level corruption in Kosovo are still two of the state's greatest challenges and vulnerabilities. Organised crime groups involved in smuggling oil, cigarettes, opioids from Central Asia and marijuana from Albania are also involved in money-laundering through various businesses, while high-level politicians who exhibit a lavish lifestyle that cannot be justified by their government wages are not properly investigated for graft and links to organised crime groups.²⁸

The lack of proper investigations or the prosecution of organised crime and high-level corruption undermines both the citizens' trust in the justice and law enforcement system, and the country's image at the international level; this prevents it from achieving goals such as visa liberalisation with the EU. Both consequences are vulnerabilities that leave space for foreign interference, disinformation and propaganda that damage Kosovo's overall interests.

Moreover, the Prishtina government's lack of *de facto* control of the over the Kosovo Serb territory in the North Mitrovica, Leposavic, Zvečan and Zubin Potok municipalities also represents a vulnerability of the state. Organised smuggling groups in the region have used the conflict between Kosovo and Serbia to operate out of North Kosovo, and they often have close links to local political circles.

Lack of proper prosecution of corruption and general tolerance of clientelism, including in public sector recruitment and the awarding of public tenders, leaves Kosovo vulnerable to international portrayal as a country that does not see the rule of law as vital to the development of its state, and that it is as a weak state incapable of governing itself; this argument, alongside organised crime, has been often used by politicians in Russia and Serbia to prevent Prishtina from joining international institutions and participating in international projects. Yet even if companies and governments are willing to set aside the high risk derived from political volatility and invest in Kosovo, Prishtina presents a series of vulnerabilities to foreign investments of which corruption is one of the principal causes.

Despite political differences, Serbia was Kosovo's main trade partner before Prishtina imposed 100% customs tariffs in November 2018, in response to Belgrade's veto to

²⁷ For more, see <https://balkaninsight.com/2018/07/27/kosovo-insists-on-the-implementation-of-the-energy-agreement-with-serbia-07-26-2018/>

²⁸ <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-kosovo-report.pdf>

its bid to join Interpol. The Kosovo-Serbia trade war has also affected Bosnia and Herzegovina, and the amount of exports to Kosovo from both countries has been reduced to half since the tariffs were imposed²⁹. The move, which was undertaken without notice and without consultation with civil society, mostly impacted the prices of the very basic goods which Kosovo imported from Serbia, and sparked criticism from the EU. Moreover Serbia was not affected, because it imports very little from Kosovo, and the exports were not significant to its economy. The move, which was motivated by political grounds rooted in nationalism and anti-Serbian sentiment, did nothing more than to show how vulnerable Kosovo is to foreign interference and how predictable its politicians' reactions to provocations are, despite the fact that they harm the country's vital interests.

Corruption and clientelism have expanded to cover foreign investments in the country, leaving the government vulnerable to yet another path for foreign interference. Turkey is one of the countries with the largest volume of direct investments in Kosovo since 2008³⁰, and a significant amount of Turkish investments in Kosovo have been concentrated in the privatisation of state assets (principally the Kosovo power distribution company (KEK) and Prishtina International Airport).³¹ Another large part of investments deriving from Turkey refer to major infrastructure projects, such as the construction of the Ibrahim Rugova Highway (which will eventually cross Kosovo from the Albanian to the Serbian border) and the renovations of educational and religious facilities.

The construction of the Ibrahim Rugova Highway and the Prishtina-Skopje highway are two of the most expensive public projects in post-independence Kosovo, and have been awarded to the Turkish/American Bechtel Enka company, a company known for its low transparency and its connections with the Turkish President Recep Tayyip Erdoğan.³² However, the price of the Ibrahim Rugova Highway currently amounts to 11 million euros per km, which makes it the second most expensive highway in Europe;³³ this has naturally raised questions over how the contracts were awarded.

²⁹ <https://balkaninsight.com/2018/11/19/kosovo-tax-hike-halves-imports-from-serbia-bosnia-11-16-2018/>

³⁰ Central Bank of Kosovo (2018). Foreign Direct Investments in Kosovo.

³¹ D4D.2017. *Analizë e shkurtër e politikave: Investimet e huaja direkte dhe eksportet: Kosova dhe Ballkani Perëndimor*, http://d4d-ks.org/wp-content/uploads/2018/03/D4D_Analize_5_SHQ_FIN.pdf

³² Foreign Policy. 2016. 'Bechtel highway business in Kosovo'. <https://foreignpolicy.com/2015/01/30/steamrolled-investigation-bechtel-highway-business-kosovo/>

³³ Riinvest Institute. 2015. *Rruga 6: Autostrada Prishtinë – Shkup*. https://riinvestinstitute.org/uploads/files/2016/September/21/Autostrada_Prishtine_shkup1474444949.pdf

The construction of the largest mosque in Prishtina has been financed by Diyanet, the Turkish government's directorate for religious affairs; this is another major project that has sparked controversy because of its lack of transparency.³⁴

These cases show how this lack in government procedures and public tenders exposes the state to foreign influence in domestic affairs. The relationship with Turkey also exposes Kosovo to external propaganda campaigns by foreign agents with an interest in straining its relations with Brussels and Washington, who have been showing Ankara the cold shoulder due to Erdoğan's authoritarian policies and human rights violations.

Another example of how corruption can affect the economy while damaging the state's interests is the widely-criticised massive fraud of the so-called 'veterans' list', a pension scheme for war veterans, mostly Kosovo Liberation Army fighters. While the Kosovo Liberation Army numbered barely 20,000 soldiers, the government has registered nearly 40,000 veterans, with expenses amounting to 4 percent of Kosovo's state budget³⁵. An attempt to investigate the fraud was abandoned due to political pressure; the prosecutor fled the country and sought protection in the US.³⁶

The corruption case drew so much international attention that it has dealt a blow to Kosovo's prospects for visa liberalisation. The EU mentioned the case in its Progress Report in April 2018.³⁷

³⁴ Over 200 different original designs participated in the public tender, but the Islamic Community in Kosovo in cooperation with Diyanet chose a classical Ottoman-style Mosque, based on the 16th-century Selimiye mosque in Turkey. The choice was made without any consultation with civil society, and some secular voices have interpreted the Ottoman style chosen as a reflection of Turkey's influence in Kosovo.

³⁵ For more, see <https://www.periskopi.com/ky-eshte-numri-i-sakte-i-veteraneve-qe-paguhen-nga-shteti/>

³⁶ For more, see <https://balkaninsight.com/2018/08/20/fake-veterans-lists-damaged-kosovo-post-war-budget-the-most-prosecutor-08-20-2018/>

³⁷ EU Commission. 2018. Progress Report for Kosovo. P.4

POLITICS

Kosovo faces a myriad of challenges with respect to its domestic political dynamics, which have opened the door for foreign and domestic nationalist and populist forces to exploit.

Mismanagement and overemphasis on the dialogue with Serbia. The most notable challenge derives from the ongoing tensions with Serbia, not only because of Serbia's efforts to undermine Kosovo's bid for independence (which Belgrade is not planning to recognise), but also because politicians and the government in Prishtina have focused their entire political discourse and agenda around 'hostile Serbia', exacerbating and playing on nationalist sentiments and overlooking the internal reforms that would strengthen the state and its economy.

As a result of the local focus on the difficult dialogue between Kosovo and Serbia, the matter has also become central to the EU agenda. The EU High Representative for Foreign and Security Policy provided the framework, making Serbia's path to European integration conditional on resolving the border issue.³⁸ The events occurring in Brussels within the framework of the dialogue have been a principal source of political instability and turmoil, leading to snap elections and major frictions between the government and the opposition parties.³⁹ Meanwhile, the process of building institutions has remained slow, the fight against corruption and organised crime has remained in the incipient phase, while Kosovo's disenchanted youth have continued to leave the country.

In particular, a nominal vulnerability deriving from a prospective deal between Kosovo and Serbia emerged when the debate on the exchange of territories in

³⁸ Emini, D., & Stakić. 2018. 'Belgrade and Pristina: lost in normalisation?' Retrieved 14 February 2019, from <https://www.iss.europa.eu/content/belgrade-and-pristina-lost-normalisation>

³⁹ KCSS. 2018. 'Kosovo Security Barometer – Special Edition on "Deconstructing Public Perception: Kosovo's Foreign Policy and the Dialogue with Serbia'.

summer 2018 during the Alpbach summit caused a new outcry⁴⁰. Kosovo's president and cabinet were never in agreement; both of them politically instrumentalised the dialogue with Serbia. The push for a land-swap happened without proper consultation with the public, and the frictions between the presidency and the government left Kosovo vulnerable at the negotiations table; moreover, it created fertile ground for disinformation, rumours and propaganda lines from a wide range of actors, including Serbian Orthodox priests in North Kosovo who were active on social media⁴¹ and very vocal against the government in Prishtina, portraying it as an aggressor against the Serbian cultural heritage in the region.

Ethnic nationalism and populism. Almost 20 years after the war with Serbia, Kosovo's political spectrum is still dominated by politicians who were members or supporters of the now-disbanded Albanian nationalist Kosovo Liberation Army (KLA). While the KLA's relevance during the war has never been domestically contested, in January 2019 an *ad hoc* court in The Hague began hearings of a number of the KLA's senior former fighters, in a bid to uncover who was behind the crimes they allegedly committed. The special court was established in 2015 after a report issued by Dick Marty, the rapporteur for the Council of Europe, where he accused the KLA of various crimes, including kidnapping, harvesting organs from Serb and Albanian captives, and killing or detaining Serbs, Roma and Albanians deemed collaborators of the Serbian state.⁴²

With many KLA fighters still holding high-ranking positions in the government and administration, as well as all the other political parties, the court's activity is bound to shake the country's political establishment, expose its vulnerabilities, and create more room for speculation and conspiracy theories. These rumours and speculations are also fed by corruption scandals, such as the aforementioned fraud of the veteran pension scheme, or the clientelism in administrative recruitment and public procurement.

The control of the political establishment, and the former KLA fighters' presence in all political parties based on the legitimacy of having fought for Kosovo's independence, also leaves little room for dissent and renewal within the political class, given the dominance of ethnic nationalism among the electorate in Kosovo. Any critical voices would be silenced, as criticising the fighters becomes congruent with criticising the fight for independence.

⁴⁰ European Western Balkans. 2018. Alpbach 2018 Forum: 'Thaçi and Vučić discuss border correction with the panel.' <https://europeanwesternbalkans.com/2018/08/25/alpbach-2018-forum-thaci-vucic-discuss-border-correction-panel/>

⁴¹ <https://twitter.com/savajanjic?lang=en>

⁴² <https://balkaninsight.com/2019/01/14/for-kosovo-s-former-fighters-a-new-battle-begins-01-14-2019/>

The lack of state control over parts of its territory. The Kosovo Serb political establishment, known as the *Srpska Lista*⁴³, which is backed by Belgrade and dominated by a populist Serb nationalist agenda, has near-total control of the political representation of North Kosovo, leaving little room for liberal views. Candidates from *Srpska Lista* employed strong nationalist rhetoric during the electoral campaign in 2017 and attacked and singled out as ‘traitors’ its moderate opponents, including the former opposition leader Oliver Ivanović⁴⁴, who was assassinated in January 2018 in North Mitrovica. Although no direct link between the assassins and *Srpska Lista* has been proven, the assassination has been seen as a result of the increasing radicalism of Serb nationalists, which has been encouraged by many local politicians.⁴⁵

In 2017, the Serbian List won 90 percent of North Kosovo Serbs’ votes, which exposed the group to accusations of intimidation and voting manipulation.⁴⁶ However, no investigation into the allegations of electoral fraud has been undertaken, with Prishtina still having difficulties in exercising its sovereignty over North Kosovo or successfully engaging the Kosovo Serbs in national projects or governance.

The lack of government control and the failure to protect liberal voices and Serb government employees in the North have become apparent not only in the case of Ivanović’s assassination, but also in the case of the Kosovo Security Forces, when half of their Kosovo Serb members resigned within a few weeks at the request of the nationalist Serb politicians in North Kosovo.⁴⁷

Political frictions and division. In 2018, five Turkish teachers and a Turkish doctor in Kosovo were deported to Turkey, as Ankara claims they were part of the political movement led by US-based cleric Fethullah Gülen, and supported the alleged 2016 coup attempt in Turkey.⁴⁸ Kosovo’s Prime Minister Ramush Haradinaj dismissed the interior minister and intelligence chief for handing the six Turkish citizens over to

⁴³ The Brussels Agreement between Belgrade and Pristina in 2013 produced *Srpska Lista* (The Serbian List), an ethnic Serb political party representing Kosovo Serbs. After the 2017 legislative elections, *Srpska Lista* agreed to participate in forming the government together with Ramush Haradinaj’s Alliance for the Future of Kosovo, on condition that a Community of Serb Municipalities, a self-governing association in North Kosovo, would be established. Tensions increased as the government failed to keep its promise.

⁴⁴ In an electoral video by *Srpska Lista*, Ivanović was described as a politician from northern Kosovo who was working towards Kosovo’s independence.

⁴⁵ Ellis, G. 2018. ‘Kosovo: The mysterious murder of Oliver Ivanovic’. <https://www.aljazeera.com/blogs/europe/2018/05/kosovo-mysterious-murder-oliver-ivanovic-180529144925924.htm>

⁴⁶ EU Commission. 2018. Progress Report for Kosovo, p.6

⁴⁷ KCSS. 2018. ‘Multiethnicity destruction tendencies: Massive resignations of Serbian members from the Kosovo Security Force and Serbia’s Role’, p.5

⁴⁸ <https://stockholmcfc.org/6-turks-illegally-sent-home-from-kosovo-on-orders-from-erdogan-report/>

their country's intelligence services without notifying the government. At the end of April 2019 Kosovo's Parliament instructed President Thaçi to testify in an investigation into the secret deportation of the six Turks, while Thaçi himself publicly questioned the credibility of the investigation committee.

Incidents such as this expose a deep rift between the government and the president, and show that this has gone moved beyond Thaçi's support of the land-swap with Serbia, a move that diminished his popularity and made him a target of nationalist propaganda and disinformation.⁴⁹ The personal rivalry between Thaçi and Haradinaj, against a background of corruption allegations that have not been addressed by the justice system, together with the continued absence of a comprehensive strategy in terms of foreign policy and security, opens up yet another great vulnerability that foreign interests can exploit to prevent the recognition of Kosovo's statehood and its participation in international institutions.

⁴⁹ Graffiti across capital Pristina often denounces his alleged 'links' to Russian president Vladimir Putin.

FOREIGN POLICY & SECURITY

The Kosovo government's top-down decision-making and decision implementation process, as well as the absence of any mechanism for consulting the stakeholders in shaping a coherent foreign policy strategy (beyond the statehood recognition aspirations that are widely accepted), has often damaged those aspirations, and made it vulnerable not only to Serbia and Russia's diplomatic efforts, but also to other neighbours and regional powers, such as Albania and Turkey.

Moreover, if Kosovo did not have such difficult relations with its neighbours, the narrative Serbia has pushed would not have taken hold. The often-belligerent stances, statements and decisions by government officials towards Kosovo's neighbours (Serbia, Bosnia and Herzegovina, North Macedonia, and even Albania), which are oftentimes motivated by nationalistic sentiments, Bosnia and Herzegovina have led to a lack of long-term strategy and unilateral security decisions, which have led to new internal tensions and more international scepticism towards Prishtina.

The vulnerabilities derived from the lack of reforms and the failure of domestic law enforcement became obvious during Kosovo's 2015 bid to join UNESCO, when Serbian politicians and diplomats maliciously emphasised the presence of ISIS supporters in Kosovo, as well as the threats made by fundamentalists to Serbian Orthodox heritage sites in North Kosovo.⁵⁰

During Kosovo's bid for INTERPOL membership, vulnerabilities derived from the government's failure to prosecute organised crime and implement justice reforms, as well as the endemic corruption, were also exploited by an aggressive Serbian campaign (with a little help from Russia), emphasising the potential danger that Kosovo Albanian organised crime could obtain direct access to INTERPOL's database⁵¹ once Kosovo became a member. Leaving aside these efforts, in both

⁵⁰ For more, see <https://prishtinainsight.com/cultural-politicking-mag/>

⁵¹ For more, see <https://www.rferl.org/a/kosovo-fails-for-third-time-to-win-interpol-membership/29610709.html> and <https://www.pravda.rs/2018/10/23/zlo-kriminalizacija-interpola-policijske-baze-podataka-bice-na-izvolte-narko-mafiji-kosova/>

cases, Kosovo's chances to join international bodies were diminished by its own government's failure to handle domestic vulnerabilities.

Prishtina's lack of diplomatic strategy, and its unilateral security moves such as adopting a set of bills in December 2018 to set up a national army without consulting all its strategic partners (while also disregarding the Kosovo Serb opposition), has also made it vulnerable to foreign narratives meant to discredit the state. While the United States said the move was "only natural" for a "sovereign, independent country", NATO called the decision "ill-timed" and said it went against the advice of the alliance, while Russia, Serbia's traditional ally, condemned the move, saying it was a sign that the situation in the Balkans was deteriorating⁵².

Bumpy relations with neighbours. Following the failed INTERPOL bid, relations with both Serbia and Bosnia and Herzegovina became tenser in November 2018, after Prishtina imposed 100% customs tariffs on goods coming from both countries.

If relations with Serbia are bound to be tense due to the territorial disputes and Belgrade's refusal to compromise on Kosovo's independence, Prishtina has also turned a cold shoulder towards Bosnia and Herzegovina over the years because it has never recognised Kosovo's independence, unlike the other former Yugoslav countries. Despite territorial differences, Kosovo citizens can travel to Serbia without a visa, but they need a visa for Bosnia, and must travel to North Macedonia to obtain it. On occasions, even Kosovo government officials have cancelled visits because they could not get the Bosnian visa in time⁵³. As a reaction to this state of affairs, Kosovo officials have often refused to deal with the government in Sarajevo. At the beginning of May 2019 President Hashim Thaçi announced that he would boycott an economic summit being held in Sarajevo.⁵⁴

The fact that politicians in Prishtina have focused their efforts on international recognition of the state has neglected more practical matters, such as negotiating a solution to make travel and economic exchanges easier. Although many Bosnian citizens empathise with Kosovo's struggle for independence, the state of affairs between Prishtina and Sarajevo might leave them exposed to narratives that antagonise them to Kosovo's plight.

⁵² <https://www.rferl.org/a/kosovo-parliament-army-ksf-serbia-vote/29655480.html>

⁵³ The country has never recognised Kosovo's independence because of its own internal multifaceted political frictions between Croats, Bosniaks and Serbs, and for fear that it would see Republika Srpska and the Croat entity secede.

⁵⁴ <https://www.klix.ba/vijesti/bih/predsjednik-kosova-hashim-thaci-odbio-doci-u-sarajevo/190507123>

Prishtina has enjoyed generally good relations with North Macedonia. Skopje recognised Kosovo's independence in 2008, and it swapped land to readjust the borders in 2009. However, there were also bumps: in July 2018, Kosovo decided to introduce customs tariffs of 30% on imports from the Central European Free Trade Agreement (CEFTA) countries, which included all its neighbours: Albania, Bosnia and Herzegovina, North Macedonia, Montenegro and Serbia. At that time, North Macedonia's government said it had been hit the hardest, and Kosovo eventually withdrew the move.⁵⁵ But such unilateral decisions on trade and other economic matters can make Kosovo vulnerable to being portrayed as an unreliable partner.

Although Albania was one of the first countries to recognise Kosovo's independence in 2008 and is a supporter of Prishtina's EU ambitions, support for the 'Greater Albania' idea still has much traction in Prishtina, including at the political level. In 2016, Kosovo was granted membership in the World Football Federation (FIFA) and the European Football Federation (UEFA), and many football players who had previously played for Albania switched to Kosovo's football team. The switch drew anger from Albanian nationalists. Similarly, Sali Berisha, the former president of Albania, referred to anyone who would identify themselves as having Kosovar ethnicity as 'Yugoslavian blood'⁵⁶. Albanian Prime Edi Rama's visit to Serbia has also been seen in Prishtina as an attempt to represent all (ethnic) Albanians, including those in Kosovo.⁵⁷

EU integration and lack of domestic reforms. Kosovo's vision of integration into the EU and NATO seems to be a generally accepted foreign policy goal. However, EU and NATO integration also come with requests for reform and concrete diplomatic efforts, as well as a comprehensive strategy to engage those EU and NATO states which have so far not recognised its statehood.

The government in Prishtina focuses on the narrative that EU countries such as Spain, Greece, Romania, Slovakia and Cyprus are the ones hindering Kosovo's visa liberalisation process by not agreeing to its statehood; nevertheless, other EU member states such as the Netherlands and France have led the way in expressing reservations regarding granting visa liberalisation status to Kosovo, in connection with Prishtina's lack of reforms in terms of rule of law.⁵⁸

Over time Brussels has created different formulas to keep Kosovo engaged in the dialogue, but this has left room for ambiguities.

⁵⁵ <https://balkaninsight.com/2018/07/31/kosovo-lifts-trade-barriers-for-neighbors-07-31-2018/>

⁵⁶ 'Sali Berisha: Këta që pretendojnë për kombin kosovar, janë me gjak titist jugosllav' (2016) <https://telegrafi.com/sali-berisha-keta-qe-pretendojne-per-kombin-kosovar-jane-gjak-titist-jugosllav-video/>

⁵⁷ 'Përplasje për identitet, kosovar apo shqiptar' (2016) <http://www.oranews.tv/article/perplasje-per-identitet-kosovar-apo-shqiptar>

⁵⁸ <https://www.rferl.org/a/european-parliament-votes-in-favor-of-talks-on-visa-liberalization-for-kosovo/29487932.html>

In the EU's *Enlargement Strategy for Western Balkans 2025*, Kosovo's path to EU integration clearly states that it can be achieved only once 'the objective circumstances allow'⁵⁹; that means a comprehensive, legally binding agreement between Kosovo and Serbia to bring about normalisation between the two countries. This ambiguity may be more damaging in the case of Kosovo, as it makes it more likely that nationalistic populist Eurosceptic narratives will be exploited by populists and foreign interests alike.

However, surveys and opinion polls show that Kosovo citizens are aware of their own government's shortcomings in implementing necessary reforms to join the EU.

According to the PIPS 2016 survey cited in an analysis of civic perceptions on EU integration and the implementation of the Stabilisation Association Agreement published in November 2017⁶⁰, twice as many respondents believe that Kosovo's government does not have the proper tools to implement reforms as those who do trust the government. Moreover, Kosovo's citizens share a strong sense of optimism over the benefits of EU integration, but are disappointed by the slow reforms in Kosovo, and are also afraid that the socio-economic and political situation might impact the country's EU integration process.

However, the lack of clarity and delays on Kosovo's visa liberalisation in both Brussels and Prishtina has left the population increasingly vulnerable to EU scepticism and fatigue⁶¹, something which foreign actors could exploit.

Influence of foreign states over Kosovo's central institutions. Kosovo's foreign policy has also been focused on relations with the United States, Britain and Germany, but also regional powers such as Turkey, without taking into account the dynamics between these foreign partners.

As mentioned before, the rapprochement with Turkey and Ankara's increasing amount of investments in Kosovo raise concerns over transparency; but Western concerns over human rights and authoritarian tendencies in Turkey may also pose problems in the future, forcing Prishtina to make difficult choices.

Turkey remains a strong supporter of Kosovo's statehood, and this has been seen in Ankara's lobbying efforts to secure recognition for it among some Islamic countries⁶².

⁵⁹ EU Commission. 2018. 'A credible enlargement perspective for and enhanced EU engagement with the Western Balkans'. p.2

⁶⁰ <http://www.legalpoliticalstudies.org/wp-content/uploads/2017/11/GLPS-Kosovo-European-Integration-and-the-SAA-An-analysis-on-citizens%E2%80%99-perceptions.pdf>

⁶¹ <https://balkaninsight.com/2019/01/16/kosovo-s-eu-visa-liberalisation-hopes-dwindle-in-2019-01-15-2019/>

However in 2018, the Turkish intelligence agency, in cooperation with members of Kosovo's security apparatus, managed to secretly organise the rendition of six teachers accused of being supporters of the US-based cleric Fethullah Gülen and wanted by Ankara. The extraction of the six Turks allegedly caught the political leadership in Kosovo by surprise, as they were not notified and could not oppose the move. As a result, the Minister of Internal Affairs and the Head of Kosovo's Intelligence Agency were sacked because "they failed to inform the Prime Minister about the operation".⁶³

The case of the alleged 'Gülenists' (also mentioned in the *Politics* section) showed how vulnerable the state institutions were to pressure from a regional power such as Turkey, which had created parallel relations with different agencies in the security apparatus, leaving the political decision-makers outside the operation.

As emphasised in the previous chapter, the main vulnerability was the lack of cooperation between politically divided institutions, as well as personal and political frictions between President Thaci and PM Haradinaj.

Lack of awareness of Russian narratives. Kosovo's central institutions are not properly equipped to prevent Russia (or any other malign foreign actor, for that matter) from carrying out hybrid penetration of the state through economic and political means; there is also insufficient awareness of Russia's subversive interests in the region.

Russia opposes Kosovo's independence, and portrays it as a Western project to destabilise the region, using the matter as an argument to assert its influence and project an image of itself as a world power. This narrative of being the 'defender of Orthodox Serbs' rights in Serbia and Republika Srpska' strengthened Moscow's position in the Western Balkans, and has helped its ambitions to be a global player on the UN Security Council, where it has always opposed the US, which supports Prishtina's independence.

In terms of state-backed propaganda, Moscow's influence is indirect, through its Serbian-based outlets. These, as well as the ethnic Serbs and representatives of the Serbian Orthodox Church, continually push the ethnic nationalist sentiment of the Serbs to resist statehood for Kosovo, by promoting it as a failed state and encouraging separatist views among the Serb population.

⁶² <https://balkaninsight.com/2008/08/27/turkey-constantly-lobbying-for-kosovo/>

⁶³ For more, see <https://balkaninsight.com/2018/03/30/kosovo-intelligence-director-and-internal-minister-dismissed-over-turkish-arrested-men-03-30-2018/>

MONTENEGRO

Montenegro joined NATO in July 2017 and has been a frontrunner on the road to EU membership since it started accession talks in 2012. Nevertheless, it is as yet premature to praise the post-Yugoslav republic as a success story of democratic consolidation and integration into the West. Like the rest of the Western Balkans, Montenegro faces serious challenges when it comes to the rule of law and governance. Although, in comparison to its neighbours, it has been fortunate to gain independent statehood without going through war, the country is in the throes of stark internal divisions. Such cleavages translate into vulnerabilities which external players can exploit.

Montenegro's main vulnerability is its contested national identity. This translates into a deep-running cleavage in society and feeds political party polarisation. According to the latest population census from 2011, 45% of the population identifies as Montenegrin and 28.7% as Serb.¹ Those who opt for Serb identity see 'Montenegrinness' primarily as a matter of geographical and regional belonging within the larger set of 'Serbdom'. In contrast, 45% of Montenegrins view themselves as a separate, albeit related, nationality. Though there is a regional dimension, e.g. the north tends to identify as Serb, the divide cuts through the same ethnolinguistic community and is largely political in essence. Those citizens of Montenegro who identify as Serbs tend to look to Serbia as a kindred state. Furthermore, they support parties which favour alliance with Belgrade, and are in general opposed to membership in NATO. Furthermore, Serbs in Montenegro favour closer political and security ties with Russia, similar to those nurtured by President Aleksandar Vučić in Serbia. In other words, domestic political faultlines reflect disagreements on foreign policy.

Corruption, the lack of transparency, and more generally state capture also translates into vulnerability. While other post-Yugoslav countries have gone through some turnover at the pinnacle of power, Montenegro has been governed by more or less the same elite for the whole period since the 1990s. The Democratic Party of Socialists (DPS), heir to the Yugoslav-period League of Communists of Montenegro,

¹Census data available from the Statistical Office of Montenegro (*Uprava za statistiku*).
<https://www.monstat.org/eng/page.php?id=393&pageid=57>

has been in charge without a break since the introduction of multi-party politics in 1990. In 2018, the DPS's leader Milo Djukanović returned to the presidency after having served as prime minister for most of the period between 2003 and 2016. Though it rules through coalitions, the DPS and its clients have extensive influence in the administration and the public sector. The DPS monopoly is difficult to break because the liberal opposition has been emasculated, with Serb nationalist groups such as New Serb Democracy (NOVA) and the Democratic People's Party (both part of the Democratic Front coalition) mounting the most vigorous challenge to the incumbent elite. But public discontent leads is coming into the open, with another round of protests against corruption starting in January 2019.

Montenegro's economy is another weak spot. Although GDP rose at a strong 4.8% in 2018, it is expected to slow down by more than one percent in the coming year². Structural problems as high budget deficit and public debt pose a burden, as does unemployment, which stands at some 18.8%.³ There is also a regional dimension; unemployment has been more pronounced in the country's north (the areas where Serbs and Muslims/Bosniaks tend to be concentrated) rather than in the coastal areas and Podgorica. Attracting foreign investment could help to offset fiscal consolidation.

Economic fragility and the deficit in the rule of law have given political leverage to non-Western powers such as Russia, Turkey, the Gulf countries and China. Since the mid-2000s, Russia has been prominent in the tourism, hospitality and real estate sectors, though it has always trailed behind the EU. In recent years, other non-Western powers have made inroads too. The United Arab Emirates (UAE) is currently the biggest single investor, even if the EU28 (taken collectively) are still well ahead.⁴

² <https://tradingeconomics.com/montenegro/gdp-growth-annual>

³ See 'Montenegro: Outlook 2019'. IntelliNews, 21 December 2018. <http://www.intellinews.com/outlook-2019-montenegro-154035/>

⁴ Jovana Marović, 'Montenegro: Always at a Crossroads', in Florian Bieber and Nikolaos Tzifakis (eds.) *The Western Balkans and the World: Linkages and Relations with Non-Western Countries*, Routledge, 2019.

SOCIETY

Vulnerabilities. Society and the public sphere are highly polarised across identity/political party lines. This reflects Montenegro's political development since the early 1990s, and especially the period after the achievement of independence in 2006. On the one hand there is a pro-Western bloc, which favours NATO and EU membership and overall opts for Montenegrin national identity. On the other, those identifying as Serbs who very often vote for the Democratic Front, a coalition of parties critical of Djukanović and NATO. There is also a third segment, critical of the government but pro-Western in orientation. It lacks a party political voice, but is represented in the Podgorica-based community of NGOs focusing on issues such as human rights, governance, accountability, the fight against corruption, and the environment.

Last but not least, one should take into account the minorities – Bosniaks/Muslims (11%), Albanians (5%), Roma and Croats (1% each) – which have been co-opted by the governing DPS and lean to the West. Identity politics mesh together with economic grievances and divisions with regard to foreign policy. All those factors fuel support for the forces opposing Djukanović, who has been criticised for both bringing the country into NATO and abusing power (the two issues being conflated). As a result, parts of Montenegrin society are highly receptive to anti-Western messaging coming from outside, as it also speaks to contentious issues playing out on the domestic political arena.

Enabling factors. Polarisation resulting from the identity/political divide, the economic disparities between regions, and the attitude to the incumbent elite makes Montenegro a fertile ground for foreign intervention. The battle over Montenegrin identity is still being waged, as seen in the controversies surrounding the centennial of the union between Serbia and Montenegro marked in November 2018⁵. Djukanović's hegemony over the political system, based on a relatively stable share

⁵ <https://balkaninsight.com/2018/09/14/plans-to-celebrate-unification-reopen-montenegro-s-divisions-09-13-2018/>

of support for DPS resulting from the control of the state resources and the control over clientelist networks, exacerbates the divisions between perceived winners and losers. Social organisations are split into rival factions aligned with the government and the opposition, from the trade unions all the way to the Orthodox Church (similarly to the situation between Ukraine and Russia, one branch is under the Serbian Patriarchate and another is united in the unrecognised Montenegrin Orthodox Church established in 1993). Society has long been the stage for the power struggle between the DPS and the Serb nationalist opposition, limiting its capacity to work as an autonomous counterweight to the government. It is only with the recent wave of protests (*Odupri se – 97000* [Resist – 97000], which resembles the protests taking place in Serbia (*1 od 5 miliona* [1 of 5 millions])) that civic activists focusing on corruption and abuses of power have come to the fore.

Channels of influence. External actors like Russia have the opportunity to play on these divides through local proxies, such as formal and informal organisations with an anti-Western agenda. The most prominent examples are the Democratic Front (DF, a right-wing political alliance) and the Serbian Orthodox Church in Montenegro led by Amfilohije, the combative metropolitan of Montenegro and the littoral (*Mitropolit crnogorsko-primorski*) who keeps a high profile in the post-Yugoslav space. Amfilohije lashed out at the Ecumenical Patriarchate's ruling to recognise the autocephaly of the Ukrainian Orthodox Church hours before the actual decision was announced. In an interview for the Russian news agency TASS, he accused the West of conspiring to divide the Orthodox world⁶. Amfilohije maintains close links to Russian diplomats in Podgorica, and has been part of various public initiatives organised by the Russian embassy.

Serbia-based TV channels such as Pink, Studio B and RTS have an audience in Montenegro thanks to cable networks. Access to pro-Vučić Serbian tabloids (*Informer*, *Večernje Novosti*, *Blic*, *Kurir*, *Alo!* etc.) is also direct and immediate. As a rule, the tabloids provide favourable coverage of Russia and Vladimir Putin, as well as of Turkey, China and the Gulf monarchies which have all been portrayed as partners of President Aleksandar Vučić. There is also a new crop of pro-Kremlin online news websites such as *Ujedinjenje* (Unification), *Sedmica*, *Princip*, *Nova Riječ*, *Magazin* and *IN4S*. Such media, along with Moscow's mouthpieces like Sputnik, provide vast amounts of negative coverage of the West, including the EU. At the same time, Djukanović and his DPS exercise control over Montenegrin local media – including the public broadcaster RTCG, the *Pobjeda*, the oldest daily newspaper in the country, *Dnevne Novine*, and the Pink M channel (rebranded as Nova M after change of ownership in the autumn of 2018).

⁶ <https://orthodoxie.com/en/in-my-opinion-the-only-solution-to-the-ukrainian-issue-is-to-continue-the-council-of-crete/>

ECONOMY

Vulnerabilities. Russia has traditionally had an extensive presence in the Montenegrin economy, thanks to its role in the tourism and real estate sectors (thousands of Russian Federation citizens own vacation properties along the Adriatic coast.) At the same time, it has never been an equal to the EU, whose share in terms of FDI has risen as a result of the accession of Slovenia (2004) and Croatia (2013). Moscow has shied away from imposing far-reaching sanctions – such as a visa regime – in response to Montenegro’s accession to NATO. What it did instead, following precedents from the 2000s concerning Moldova and Georgia, was to ban imports of Montenegrin wine on grounds of “elevated levels of metalaxyl, a pesticide, and particles of plastic diphtalata in some vintages⁷”. The most ambitious Russian venture, oligarch Oleg Deripaska’s 2005 purchase of *Kombinat Aluminijuma Podgorica* (KAP) as well as a bauxite mine through a company in Cyprus, led to a dispute with the Montenegrin government, Deripaska’s departure from the country, and a lengthy lawsuit.

In recent years, the role of other non-Western investors has been rising. An Abu Dhabi conglomerate was behind the construction of Capital Plaza, a commercial and residential complex in Podgorica. In 2016, a fund from Dubai acquired the Porto Montenegro luxury marina at Tivat. The influx of foreign capital into the tourism and real estate business, coupled with insufficient levels of transparency and concerns about the rule of law, makes Montenegro vulnerable to external pressure.

Enabling factors. Montenegro’s economy has been growing over the past years, but not at sufficient rates to benefit the country. The fruits of this growth are not distributed evenly across the regions and society. The coastal areas are better off than Nikšić, Montenegro’s second largest town and key industrial hub along with

⁷ Alan Cosby and Lela Sćepanović, ‘Kremlin’s Diplomatic Sour Grapes Leave Bad Taste For Montenegrin Winemaker’, RFE/RL 4 June 2017. <https://www.rferl.org/a/montenegro-plantaze-winery-russia-ban-nato/28527931.html>

much of the north, including the Muslim/Bosniak-populated region of Sandžak. A slowdown is expected in 2019. Budget deficits and public debt (66% of GDP) remain high, as does unemployment at nearly 19%.⁸ Economic hardship feeds social dissatisfaction and, in the final analysis, undermines EU integration and NATO membership by feeding anti-establishment sentiments. The external narrative of Montenegro as a star performer in the Western Balkans sits at odds with the daily experience of many citizens. Social and political protests are becoming increasingly common.

Channels of influence. Investment in tourism and real estate provides Russia with some leverage over Montenegro's economy. At the same time, Montenegro does not import any natural gas, and is not dependent on Russian energy resources. Oleg Deripaska's investment in a large industrial enterprise, a deal brokered by Djukanović himself in the mid-2000s, strained relations between Podgorica and Moscow.⁹ The political spat over Montenegro's accession process to NATO in 2014-2017 added even more bad blood. Trade dropped by half after Montenegro joined the Western sanctions against Russia in 2014, after the illegal annexation of Crimea. However, Russian investment has never dropped below 10% of total stock in the country, which is a significant proportion. In addition, the number of Russian tourists visiting the country has not declined over the same period. Russia is still the principal country of origin for visitors to Montenegro¹⁰, and Moscow has been reluctant to 'weaponise' its economic links, as sanctioning Montenegro might prove counterproductive. So the bridge between the two economies is still there. According to studies, every third company registered in Montenegro is linked to Russian capital¹¹, and about 4200 Russian Federation citizens hold residence permits, not an insignificant number in a country of some 600,000 people.

Nevertheless, the economic dislocation felt by most of the country feeds anti-Western attitudes and bolsters the pro-Russian opposition. The Russian and pro-Russian media focuses extensively on themes such as unemployment, poverty, demographic decline and emigration from Montenegro. They blame corruption at

⁸ See European Commission, Commission Staff Working Document, Montenegro 2018 Report. COM (2018) 415 Final, Strasbourg, 17 April 2018, p. 42 ff, <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-montenegro-report.pdf>

⁹ In 2005, Oleg Deripaska's Central European Aluminium Company (CEAC), a business registered in Cyprus, bought KAP. At that point, KAP accounted for 51% of Montenegrin exports and 15% of GDP. By 2013, however, KAP had gone bankrupt, and was heavily indebted to the Montenegrin government. As a result, the state recovered ownership and ultimately confiscated Deripaska's shares. The expropriation triggered a long legal battle.

¹⁰ Statistical Office of Montenegro.

<https://www.monstat.org/userfiles/file/turizam/din2018/ukupno2018/Survey%20on%20arrivals%20and%20overnight%20stays%20of%20tourists,%20total%20-%202018.pdf>

¹¹ Martin Vladimirov. 'Montenegro – the Power of Small', in Ognian Shentov (ed.) *The Russian Economic Grip on Central and Eastern Europe*, London: Routledge, 2018.

the top as well as Djukanović's pro-Western policies. The ongoing wave of protests in Podgorica and Budva, prompted by a bribery and money-laundering scandal involving a former mayor of Podgorica and Duško Knežević, a businessman, shows that some of the underlying grievances are legitimate. It is because of Knežević that Montenegro is currently seeing a new upsurge of protests driven by social discontent and opposition to the abuse of power by the DPS. Russia can simply shine a light, through its media and propaganda arm, on the brewing discontent in order to discredit the EU and NATO.

Economic assistance is another channel of foreign influence in Montenegro. Turkey's developmental agency TIKa has carried out over 300 projects at a total cost of some US\$200 million. A good chunk of this money has gone to the healthcare sector.¹² Yet since Turkey has overall been supportive of Montenegro's Western orientation, its involvement does not stir controversy, in contrast to that of Russia.

¹² Jovana Marović, op.cit..

POLITICS

Vulnerabilities. Montenegro fell into a major political crisis in 2015-16, whose aftershocks are still felt today. It started with anti-government protests in the autumn of 2015 and culminated with the general elections in October 2016. The day before the vote the government announced it had blocked a coup attempt by Serbian nationalists and rogue security operatives backed by Russia. The plot involved Serbian nationalists as well as former commander of the Serbian gendarmerie. According to the indictment, the operation was also supported by Russian military intelligence (GRU). Two suspected GRU agents were forced to leave Belgrade in the immediate aftermath of the arrests in Montenegro.¹³ In 2017, Andrija Mandić and Milan Knežević, two leaders of the DF, were indicted for “preparing a conspiracy against the constitutional order of Montenegro” and “an attempted terrorist act.” Nebojša Medojević, another DF leader, was arrested in November 2018 and has since been held in detention pending trial on corruption charges. The judicial proceedings against the major opposition force have turned domestic politics into a zero-sum game. Suspicions of political interference in the trial are rife. Though Djukanović enjoys support from the West and is keeping the political system under control, volatility is making a comeback. The street protests in Podgorica which took off in February 2019 in reaction to disclosures about corruption and money-laundering involving high-ranking officials and businessman Duško Knežević, who until recently was close to the DPS, have exposed the tensions building up within society and the political system.

Djukanović's controversial personality divides the pro-Western bloc. He dismisses the liberal NGO community as ‘para-political organisations’. As in Serbia, the DPS-dominated government has helped establish alternative civic structures, including polling agencies, to undermine those critical of its performance in power.

¹³ Dimitar Bechev, The 2016 Coup Attempt in Montenegro: Is Russia's Balkans Footprint Expanding?, Foreign Policy Research Institute, April 2018. <https://www.fpri.org/article/2018/04/the-2016-coup-attempt-in-montenegro-is-russias-balkans-footprint-expanding/>

Discrediting or co-opting the pro-Western opposition allows the DF to harness the citizenry's legitimate socio-economic and political grievances. At the same time, the opposition's Serbian nationalist and anti-Western/pro-Kremlin leanings make Djukanović's job of staying in power easier. So long as there is no centrist challenger to spearhead the opposition, chip away votes from the DPS and convince the minority parties to jump ship, the *status quo* will endure.

Montenegro's political woes are not a product of institutional design. The proportional electoral system, with its relatively low threshold of 3%, allows for a multiplicity of parties to gain representation in parliament. The minorities (Bosniaks/Muslims, Albanians, Croats) have reserved seats to ensure they have a voice in the legislature. The problem boils down to the informal rules governing Montenegrin politics, which are common to many unconsolidated democracies. The state is a resource to be exploited by rent-seeking coalitions, presided over by the DPS *nomenklatura* and its business allies. Mechanisms for accountability are weak. This puts a high premium on the EU's efforts to strengthen the rule of law in the country, notably through the institution of the special prosecutor. But as long as there is no sufficient domestic pressure on the authorities, these efforts are not likely to bear any fruit.

Enabling factors. Despite progress on the path to EU accession¹⁴, democracy is stagnating in Montenegro. Its Freedom House score has gone from 3.79 in 2009 to 3.93 in 2018, on a scale from 1 (consolidated democracy) to 10 (consolidated autocratic regime).¹⁵

Accountability is in decline too, with freedom in the media deteriorating sharply. The main factor at play is the lack of turnover of power, which perpetuates the incumbent political and business elite. Civil society remains the only credible bulwark against further backsliding, in conjuncture with pressure from EU institutions in the context of the accession talks. Brussels' insistence on strengthening the rule of law has yielded only partial results. Anti-corruption investigations through the Special Prosecutor's Office (SPO) have resulted in sentences. However, since autumn 2016, the SPO has diverted its attention almost exclusively to the case of the failed Russian coup.

Control of the state gives the DPS and its clientele privileged access to public resources. The boundaries between government & business and between public &

¹⁴ According to Wikipedia's 'Accession of Montenegro to EU' page, "As of February 2019, there is currently one chapter waiting to be opened, twenty-nine chapters open, and five chapters that have been provisionally closed, including two chapters in which there is nothing to adopt."

¹⁵ <https://freedomhouse.org/country/montenegro>

private are blurred. For instance, the current minister of finance, Darko Radunović, was formerly head of a bank owned by the president's brother. The scandal prompted by the recordings¹⁶ of the businessman Duško Knežević (see above) is also a vivid illustration of the problem. Svetozar Marković, Djukanović's confidante and sometime head of the loose federation between Serbia and Montenegro, has been sentenced on charges of corruption and abuses of power related to public land in the coastal town of Budva. The political and business elites in Montenegro are in position to marshal state resources as a basis for private partnerships with external players seeking profit and geopolitical leverage by investing in the country.

State capture has polarised the political scene and society at large, and opened the gates for foreign actors to interfere in domestic affairs on the pretext of defending the losers from Djukanović's reign, which they portray as being sanctioned by the West.

Channels of influence. Both the DPS establishment and the anti-Western opposition have been suspected of illegitimate dealings with foreign actors and private entities, as well as governments.

Party-to-party connections. In May 2016, Milan Knežević, one of the leaders of the DF, signed a declaration with Sergei Zheleznyak, the Russian Duma's deputy speaker, calling for a 'militarily neutral Balkans'. It was part of a last-ditch campaign to prevent Montenegro from entering NATO in the run-up to the elections in the autumn. Then, in late June, Knežević and Andrija Mandić, another prominent figure in the DF, signed a similar document with representatives of pro-Russian parties from across the Balkans at Putin's United Russia congress. Smaller parties such as True Montenegro (*Prava Crna Gora*), which failed to clear the threshold at the last elections in 2016, have also pledged their allegiance to Russia and Putin. This gives the Kremlin a broader choice in selecting proxies on the ground.

Links also exist between Turkey's governing Justice and Development (AK) Party and the Bosniak Party (*Bošnjačka Stranka*, BS) which is a coalition partner of the DPS. The party's leader Rafet Husović lobbied in the past for Erdoğan to visit Podgorica. He also attended Erdoğan's inauguration as president. However, relations have become more distant of late; Husić did not take part in Erdoğan's pre-election rally in Sarajevo on 20 May 2018, nor did he go to Ankara for the subsequent inauguration, unlike Rifat Fejzić, the head (*reis*) of the Islamic community. Still, the BS insists it has a

¹⁶ The recordings were supposed to contain the proof that president Djukanovic has required and received 100,000 EUR as bribe from Mr. Knezevic. See <https://balkaninsight.com/2019/04/19/montenegro-president-sues-newspaper-businessman-over-bribe-claims/>

special relation with the AKP, maintaining it is the natural bridge between Ankara and Podgorica, given its role in the cabinet where Husović serves as a deputy prime minister.

Financing political and civic organisations. Montenegro is a small country, and relatively small amounts of money can buy extensive influence. Russia can effectively control parts of the opposition, whether alone, in partnership with Serbia, or using Serbia as a proxy. The government has accused the DF of receiving financial support from Russia, which is not unlikely.¹⁷ That charge is also part of the indictment against Milan Knežević and Andrija Mandić in the trial concerning the alleged coup plot of October 2016. The arrest and trial of Nebojša Medojević (see above), the third DF leader, was also connected to alleged money laundering in 2016.

Transnational corruption and permeability to international crime. The influx of money into Montenegro raises concerns about collusion between international business interests and the country's political establishment which feeds off rents. Deripaska's acquisition of KAP, which was brokered and guaranteed personally by Djukanović, is a case in point. Investment into luxury real estate coming from the Gulf has not generated controversy, but is also probably worthy of scrutiny.

¹⁷ Montenegrin opposition leaders visit Moscow to reaffirm ties, *BalkanInsight*, 17 October 2018.

FOREIGN POLICY AND SECURITY

Vulnerabilities. Montenegro is now part of NATO, as well as a frontrunner for EU accession. While EU membership is not at issue, NATO continues to be a polarising subject. According to a recent survey by the Centre for Democracy and Human Rights (CEDEM), 63% favour accession to the EU and 19% are against. With regard to NATO, however, 42% are still opposed to membership and 40% are supportive.¹⁸ Another study by the International Republican Institute from 2017 found out that 55% of Montenegrin citizens consider Russia as a partner and only 21% see it as a threat to Europe. Furthermore, more than half believe that NATO membership would be very expensive for Montenegro, and that the Alliance plays a negative role in the world. Putin is by far the most popular foreign politician, enjoying 66% support, well ahead of Serbia's Aleksandar Vučić who comes second. A majority also holds the view that Montenegro has little control over its foreign policy and is under the sway of great powers.¹⁹ In the 2016 legislative elections, the anti-NATO DF garnered just over 20% of the vote, and the Key (*Ključ*) Coalition led by Miodrag Lekić, who has called for a referendum on NATO membership, won 11%.

The polarised views on Montenegro's security policy limit the scope of the security and defence-sector reforms required to make Montenegro's membership in the Alliance a success and potentially set a positive example for neighbouring Serbia. Montenegro has good relations with all of its neighbours, including Kosovo (especially after the demarcation of the common border was finalised in March 2018), Albania and Bosnia & Herzegovina; nonetheless, it remains exposed to turbulence in the wider region. The country is stuck in the middle – while leaning to the West, a substantial part of the population is opposed to NATO, sceptical about the EU, and in thrall to Putin.

¹⁸ 'Djukanović najpopularniji, DPS najjači', RTCG. 12 December 2018. <http://www.rtcg.me/vijesti/politika/224033/djukanovic-najpopularniji-dps-najjaci.html>

¹⁹ Public Opinion in Montenegro, 6-12 October 2017. http://www.iri.org/sites/default/files/montenegro_ppt.pdf

Enabling factors. In common with other states in the region, Montenegro suffers from institutional inertia, political roadblocks, and a lack of resources which hinders reforms in strategic areas such as justice and home affairs, a key prerequisite for EU membership. Without comprehensive judicial reform, Montenegro will find it hard to achieve accession in the mid-2020s. Opposition by key member states such as France, the Netherlands and Denmark could lead to further delays. Their scepticism is mostly driven by a general hostility to EU enlargement, but a closer scrutiny into the domestic situation in the country is unlikely to change their stance. Together with domestic political tensions, these setbacks along the way to the EU make Montenegro's position precarious.

Regional dynamics could also exacerbate domestic divisions and hamper Montenegro's foreign policy. These include Serbia's upgrade of its own military forces, with help from Russia and Belarus. The perception of a regional arms race pitting Serbia against NATO members – primarily Croatia but also Montenegro – feeds into the polarisation of Montenegrin politics. A potential standoff between the West and Serbia/Russia over Bosnia & Herzegovina could do the same. Montenegro is looking from the sidelines at the escalating tensions between Serbia and Kosovo, such as the imposition of a punitive tariff by Prishtina. Equally, a potential deal between President Vučić and Kosovo's Hashim Thaçi involving Serbia recognising Kosovar sovereignty in a territorial swap could raise fears of a spillover of instability into Montenegro.

Montenegro is also involved in several outstanding territorial disputes with its neighbours, such as with Croatia over the Prevlaka peninsula in the Adriatic. Russian propaganda outlets such as Sputnik never fail to bring up this dispute, noting that Croatia's ultimate objective is to establish control over the Bay of Kotor (*Boka Kotorska*), where a large part of Montenegro's Croatian community lives.

Channels of influence. Foreign-sponsored information campaigns, such as those conducted through the pro-Russian media outlets, galvanise domestic opinion with regard to foreign policy issues. The Democratic Front and other pro-Moscow forces have consistently criticised the Montenegrin government's participation in the Western sanctions against Russia. The EU's periodic renewal of the sanctions provides opportunities to make the case for neutrality, highlighting divisions within Montenegro with regard to foreign and security policy, and allowing for pro-Russian opposition to sow distrust in Western capitals. In the same vein, pro-Serbian parties criticise the decision to relocate the Montenegrin navy from the Bay of Kotor to the

port of Bar, which they say is a concession to Croatia made under pressure from NATO.

Another issue which is becoming increasingly important, and is prone to being exploited by disinformation and propaganda campaigns, is the influx of Middle-Eastern migrants from across the border with Albania, i.e., another member of NATO.

Proxies of foreign states in critical institutions such as the judiciary, the foreign ministry, the National Security Agency (*Agencija za nacionalnu bezbednost*, ANB) and the military have been hindering efforts to reform key sectors of Montenegro's government. In the run-up to NATO membership, the personnel of these institutions were all vetted; but as recently as June 2014, NATO officials estimated that between 25 and 50 staff at the ANB had been compromised by links to Russia.²⁰ Russian security officials, including the head of the Foreign Intelligence Service (FIS), visited Podgorica regularly in the 2000s when Moscow's relations with Djukanović were still in good shape. Russia (or other adversaries for that matter) could work through the intelligence networks which Serbia presumably maintains in Montenegro. Widespread negative perceptions of NATO and the US could also come into play, by creating an environment which would enable 'spoilers' in the state apparatus to pursue their agenda. Last but not least, backdoor access to security institutions could provide Russia or other malign actors with sensitive information about the nexus between politics, business and high-level corruption, which would be useful should any of them wish to blackmail the Montenegrin leadership.

Direct disruptive tactics are another instrument which could (and as a matter of fact, is being) used to sabotage the key institutions charged with Montenegro's integration into the West. A telling precedent for this appeared in January 2017; before Montenegro joined NATO, the hacker collective Fancy Bear (believed to be under the control of Russian military intelligence) staged an attack against the Ministry of Defence in Podgorica, along with other government institutions and media. Montenegrin officials recorded a surge from just 22 hacker attacks in 2013 to over 400 in the first nine months of 2017.²¹ It is questionable to what degree the country has developed the requisite defence capabilities to thwart such attacks or counteract cyber espionage.

²⁰ Srdjan Janković, "Montenegro, Russia and NATO: An Issue of Double Agents?" *RFE/RL*, 21 July 2014

²¹ Maja Živanović, Russia's Fancy Bear Hacks its Way into Montenegro, *BalkanInsight*, 5 March 2018.

NORTH MACEDONIA

North Macedonia has for some time been a kind of bellwether for the Western Balkans. In the early 2000s it spearheaded the region's integration into the European Union (EU) and NATO. After failing to join the Alliance, due to Greece's veto at the Bucharest Summit in 2007, the former Yugoslav republic went through a period of democratic backsliding. The governing VMRO-DPMNE party led by Nikola Gruevski consolidated a model of governance based on a fusion of state capture and populist nationalism which set an example for the wider region. In 2006, Gruevski came to power with a promise to do away with corruption and promote market-friendly reforms, but soon thereafter he sought to exploit nationalism, which manifested in an emphasis on Macedonia's ancient past which deepened the conflict with Greece. The government used the resultant Greek veto over the country's accession to NATO and the EU as an alibi to take control over the bureaucracy, the public sector, security services and the media, which silenced critics and crippled civil society. The transition of power in 2017, following a prolonged domestic crisis and a wave of popular protest, provides an opportunity to dismantle that legacy with help from the EU. The Union's mediation during the crisis between 2015 and 2017 made the change of political guard in Skopje possible, and has facilitated the initiation of prosecution procedures of high-profile corruption and abuse of power, through the Office of the Special Prosecutor which was installed in response to its demands. However, cleaning up politics and establishing the conditions for good governance remain a tall order, given that its roots go deeper and further back in time than Gruevski's reign.

North Macedonia, which is now on the verge of entering NATO, and eagerly looking forward to starting accession talks with the EU thanks to the resolution of the long-standing name dispute with Greece, is confronted by the following vulnerabilities:

Fragmented politics and society. Even if the existence of North Macedonia as a state is no longer being called into question, in contrast to Bosnia & Herzegovina or Kosovo, politics in that country is still shaped by a deep-running cleavage between the majority Macedonians and the ethnic Albanian community, which accounts for about one-quarter of the population¹. The ethnicisation of political life is enshrined in the constitution and legislation which, owing to the 2001 Ohrid Framework

¹ http://www.stat.gov.mk/PrikaziPoslednaPublikacija_en.aspx?id=54

Agreement (OFA), promotes a power-sharing model based on community rights. In effect, North Macedonian politics is subdivided into two separate ethnic silos. Political parties compete in each of the two segments: the governing Social Democratic Union of Macedonia (SDSM) vs. VMRO-DPMNE in the Macedonian segment; and the Democratic Union for Integration (DUI) vs. the Besa Movement and the Alliance for Albanians (AA) in the Albanian. Cross-bloc voting is rare, even though a number of Albanian voters defected from the DUI to the SDSM during the general elections in December 2016.²

This polarisation provides an incentive for parties on both side of the divide to exploit ethnic divisions. Thus VMRO-DPMNE, the self-proclaimed heir of the Internal Macedonian Revolutionary Movement (VMRO), has a strong nationalist agenda/doctrine, and has been rallying against the centre-left SDSM for accommodating Albanian demands for extended linguistic rights. The Besa Movement and AA, on the other hand, are challenging the DUI's dominance in the Albanian segment, which dates back to 2002, by employing both anti-corruption and nationalist rhetoric³.

Ethnicisation hinders good governance and the consolidation of the rule of law. Power sharing is premised on the division of the spoils, with Albanian support in putting together governments traded for access to state resources and rents. As a general rule, North Macedonia is governed by coalition governments representing the parties which have won the majority of votes in their respective community. The current cabinet headed by Prime Minister Zoran Zaev is an exception, in that the SDSM finished behind VMRO-DPMNE in December 2016, but the DUI and AA gave their support to the Social Democrats. As a result, Zaev's chances of conducting root-and-branch governance reforms are slim. Implementing governance reform without touching the DUI's fiefdoms is not tenable.

The name issue with Greece held (North) Macedonia hostage for more than a quarter century. The impasse over the dispute involving the name of the state exacerbated the country's internal problems. In the most recent phase of the conflict, from 2008 to June 2018, when the so-called Prespa Accords were signed, Athens imposed a veto on Skopje's membership in both NATO and the EU. As a result, the West lost leverage over the previous government under Gruevski, who in turn was handed an alibi to strengthen his grip on state institutions and the public sector, in partnership with the

² Over 60,000 Albanian voters switched from the DUI to the SDSM which fielded Albanians in its lists. Dane Taleski. 'The Elections in Macedonia Brought Political Balance, But Will They Bring Stability or Restore Democracy?' *BIEPAG*, December 14, 2016. <https://whogoverns.eu/the-elections-in-macedonia-brought-political-balance-but-will-they-bring-stability-or-restore-democracy/>

³ <https://balkaninsight.com/2018/10/25/small-albanian-parties-condition-support-for-macedonia-s-name-process-10-24-2018/>

DUI, his coalition partner. The rule of law turned out to be a casualty of the dispute, and remains so to this day. Gruevski's entrenchment in power over a decade, along with the EU's diminished leverage over Macedonian political elites, exacerbated long-standing issues connected with clientelism, corruption, and limited accountability. In late 2018 and early 2019, the implementation of the Prespa Agreement (amending the constitution to change the country's name) was made possible by VMRO-DPMNE deputies defecting from their party. The government co-opted them by extending amnesty from prosecution to them for a range of alleged wrongdoings, the storming of parliament on 27 April 2017⁴ being the most important one.

Ethnic fragmentation and polarisation in Macedonian society offer extensive opportunities for non-Western actors to meddle in domestic affairs. For instance, Russia has for years been piggybacking on the nationalist backlash against the demands put forward by Albanian parties, such as the introduction of legislation to make Albanian an official language across public institutions. More recently, Moscow sided with actors opposing the compromise with Greece through changing the country's name. Similarly, Turkey has been cultivating ties with the Besa Movement, the party which splintered from the Democratic Union for Integration (DUI).

⁴ Sinisa Jakov Marusic, 'Macedonia Passes Amnesty for Parliament Attackers', 18 December 2018.
<https://balkaninsight.com/2018/12/18/macedonia-passes-amnesty-for-parliament-attackers-12-18-2018/>

SOCIETY

North Macedonia's society bears all the hallmarks of post-Communist transition. That includes growing inequality across social strata and regions within the country, economic dislocation, unemployment, environmental degradation, and low levels of trust in public institutions. Large-scale emigration to the West has been the result. In 2013, Eurostat found out that some 230,000 people had left the country between 1998 and 2011, a full one-tenth of the population.⁵

Civil society is strong in the capital Skopje, as exemplified by the protests against Gruevski's government in 2015-2017. Yet elsewhere in North Macedonia, particularly small towns and rural areas, that is not the case. To be sure, there are instances where local society has been mobilised; for example, in April 2017 the town of Gevgelija in the southeast held a referendum on whether to allow mining operations at several nearby sites. But such examples of collective action are exceptional. Holding corrupt officials accountable at the local level is rare, especially if their party happens to be in government.

The deterioration of the media environment over the past decade or so has hampered the public sphere. Research studies on media literacy point that North Macedonia is vulnerable to fake news and disinformation⁶. Online media is exempt from the purvey of the media regulator, and self-regulation through the Association of Journalists in Macedonia (ZNM) is not effective either. Where regulations exist, they have been used to inappropriate ends; the VMRO-DPMNE government used their influence over the regulator and the courts to silence critics and shut down media.

⁵ Ivana Kostovska. 'Eurostat Data Reveal Exodus of Macedonians', BalkanInsight, 29 January 2016
<https://balkaninsight.com/2016/02/01/eurostat-data-reveal-exodus-of-macedonians-01-29-2016/>

⁶ <http://www.medium.edu.mk/attach/Summary-of-MIL-research-in-Macedonia-ENG.pdf>

Illiberal attitudes are also well-entrenched in society. The campaign (both online and offline) to boycott the consultative referendum in September 2018 (#Бojкотирам), for example, gained a great deal of traction amongst ethnic Macedonians, who bought into the argument that the Prespa Agreement would lead to a wholesale erasure of their ethno-national identity. Nationalism remains a potent mobilising force.

Social issues are compounded by the ethnic cleavage between Macedonians and Albanians, which has been perpetuated not only by party politics but also by public policies such as education. Articulating an ethnically inclusive agenda based on social and economic aspirations rather than identity politics is difficult, albeit not impossible. Other large communities such as Turks, and especially the Roma, have been marginalised; their political representation at the national level is channelled through ethnic parties aligned with one of the two major Macedonian players, VMRO-DPMNE or the SDSM.

Vulnerabilities. The mix of ethnic polarisation and nationalism over the past few years poses a constant threat to stability in North Macedonia, and has been compounded by social factors such as economic insecurity and the strong pull of illiberal values. The backlash against the Prespa Agreement, culminating with the VMRO-DPMNE-led boycott of the consultative referendum in September 2018, suggests that such fractures could be easily exploited by political operators. Another case in point was the nationalist protests in the spring of 2017 against the formation of a SDSM government, leading to the storming of parliament on 27 April. Intercommunal tensions manipulated by political players also provide fertile soil for foreign powers to interfere.

Foreign actors and dissemination channels. The most direct route to influencing North Macedonia's society is the media. During Gruevski's tenure as prime minister, the main print and TV outlets passed into the hands of oligarchic figures closely aligned with the government. They backed the Skopje 2014 project refashioning the capital into a showcase of so-called 'antiquisation', or the cult of the ancient Macedon of Alexander the Great and Philip II. The media praised the government's economic policies and smeared critics, and also gave much positive coverage to Russia, much like in Serbia under Aleksandar Vučić. One such instance was President Gjorge Ivanov's award by the Moscow State University of an honorary doctorate in early February 2014 – just as the crisis in Ukraine was peaking. Another relevant instance is the contract signed with Gennadi Tymchenko's Stroitransgaz in 2015 to upgrade the gas grid in exchange for the Soviet-era debt. There is hardly any critical coverage of

Russia or focus on its domestic affairs. The reason for the positive coverage has been the Gruevski government's hope of profiting from bilateral relations with Moscow and, to some degree, the anti-Western bias amongst some pro-VMRO opinion makers who have spilled endless amounts of ink on conspiracy theories scapegoating George Soros, which are also a talking point in the Kremlin-affiliated media.

In more recent years, Russia has cultivated and developed channels of its own, such as associations, opinion makers, social media platforms, and even a political party which is said to be drawing inspiration from Putin's United Russia⁷. Russian flags have become a constant feature of anti-government protests, including the campaign against the Prespa Agreement. Moscow's image as the protector of ethnic Macedonians, a fellow Slav Orthodox nation, has received a great boost.

Turkish-language media are accessible to the local Turkish community via cable TV and, if need be, can be used as an efficient soft power instrument. Representing 4% of North Macedonia's population, the Turkish minority has preserved its cultural identity and follows the trends in today's Turkey closely. Turkish popular culture, such as TV soap operas, has a broad appeal, transcending the religious and ethnic dividing lines in Macedonia. At the same time, the main target of Turkey's influence is the local Muslims. The Religious Affairs Directorate (*Diyanet*) has close ties to local Islamic clergy, who seem to coordinate with Ankara on all the important issues. The Turkish International Cooperation and Development Agency (TIKA) is very active, both on supporting the preservation of cultural identity for the Turkish minority (by funding the reconstruction of Ottoman-era sites like the Sultan Murad Mosque in Skopje's Old City, for example), and on catering for the majority (TIKA recently donated medical equipment to a maternity hospital in the North Macedonian capital).

There are Turkish minority political parties⁸ and NGOs representing the interests of the community, most of them (opportunistically) oscillating in supporting either VMRO-DPMNE or the SDSM. Although it is hard to assess how much influence Turkey intends to promote through these organizations, there are threads which on close observation might link one of the Albanian political organisations, the Besa Movement, to the political parties in power in Ankara.

⁷ <https://balkaninsight.com/2018/08/06/rightists-call-for-boycott-of-macedonia-s-name-referendum-08-06-2018/>

⁸ The most important is the Turkish Democratic Party (DPT), a traditional partner for Gruevski's VMRO-DPRM coalition, which currently holds one seat in NM's parliament and one mayoral office.

In parallel to the Turkish government's active interest, there are other foreign actors which exploit Islam to build a foothold in North Macedonia. Informal and formal organizations (NGOs) close to the government in Ankara, such as the Humanitarian Relief Fund (IHH), have permanent presences on the ground, keeping the local community involved in their activities. For instance, the IHH's local partners have contributed money and volunteers in the past for the organisation's activities in the Gaza strip.

More radical groups are present on the ground as well. Suljeman Rexhepi, the head of the Islamic Community in Macedonia (IVZ), has been vocal in denouncing imams who have been spreading radical Islam and potentially aiding terrorist groups like the self-proclaimed Islamic State to recruit followers⁹. Formal, established Salafist organisations, however, have not been very influential in North Macedonia. The bulk of clergymen receive their formal theological education either locally or in Turkey, and to a lesser extent in Saudi Arabia, Egypt and elsewhere in the Middle East too.

The influence of radical Islam is creeping into the Muslim community (both Turks and Albanian), because of the deficit of legitimate imams, the poor religious education programmes and the authorities' failure to prevent the formation of 'parallel mosques', illegal places of prayer used by extremist imams (both Macedonians and foreigners) to propagate their messages.

⁹According to F. Strojkovski, and N. Kalajdziovski's report on Macedonia for the Extremism Research Forum, "As of early 2018, the number of male foreign fighters who have travelled to Syria/Iraq emanating from Macedonia was around 140, with 14 women also said to have travelled to the region".

ECONOMY

In many senses, the North Macedonian economy is closely integrated into the EU, which accounts for roughly 70% of its trade. Serbia ranks second, China third, and Turkey fourth with 5.9%, 3.8% and 3.2% respectively of the total flows in and out of the country (according to data from the European Commission for 2017).¹⁰ The situation is similar regarding foreign investment, even if successive governments have tried to diversify sources, for example by reaching out to Russia to invest in the energy sector, or through participation in the 16+1 Initiative¹¹ bringing together China and Eastern Europe.

Much like in other parts of the Balkans region (Bosnia & Herzegovina, Serbia but also Bulgaria), Russian investments in sectors such as energy and tourism/hospitality have been used – or even created – in order to offer inroads into North Macedonia's political system. Russian investors such as the millionaire Sergei Samsonenko managed to cultivate close links with the VMRO-DPMNE governments running North Macedonia until late 2016.

Turkey is present in the banking and the industrial sector, although the FDI has not come into the focus. Examples include the airport operator TAV, Koç Holding (owner of Ramstore), Halkbank, the Acibadem group (specialising in healthcare) and Süttaş (dairy products). In September 2014, Prime Minister Gruevski toured Turkey to promote Macedonia as an investment destination offering incentives such as low levels of taxation. In February 2018, Zoran Zaev addressed the Turkish Union of Chambers and Commodity Exchanges (TOBB) in Ankara, and promised to double the trade turnover.

¹⁰ European Commission, DG Trade, Fact Sheet on Trade in Goods with North Macedonia. Available at https://webgate.ec.europa.eu/isdb_results/factsheets/country/details_for-jrep-macedonia_en.pdf

¹¹ <http://ceec-china-latvia.org/about>

One should not underestimate the economic footprint of North Macedonia's large neighbour Serbia, which could serve as a gateway to Russian interference. Serbia does not have a large FDI portfolio, but remains North Macedonia's second most important trading partner after the EU-28.

Some of North Macedonia's trade with Bulgaria is connected to Russia and Russian capital also. Lukoil supplies its network of fuelling stations in the country from its Neftokhim refinery near the Black Sea port of Burgas.

The extent to which foreign powers' have a real footprint in the North Macedonian economy is a matter of discussion. Some financial inflows into the country in the form of FDIs originate from offshore tax havens, and are therefore difficult to link to business entities at home or from abroad. However, it is a safe assumption that at least some of the money is connected to external actors with links to the political and business establishment in Skopje. As elsewhere, offshore finance is also of benefit to transnational criminal networks, and/or to those laundering proceeds from corruption.

As previously stated, Russia's presence in North Macedonia's economy, especially in the energy sector, is not important because of the numbers it brings to the state budget, but rather because which sectors it targets its investments to – mainly strategic sectors. Gazprom has a monopoly in gas supply; Russian money has been invested in the Skopje district heating company; and Lukoil owns a network of fuelling stations supplied from the refinery in Burgas, Bulgaria.

In 2016 the Balkan Petroleum Holding, a British-Cypriot outfit registered by another shell company in the British Virgin Islands just a couple of weeks before, was bidding for a stake in the national oil company Makpetrol. The formal director of the company was Vasili Evdokimov, a British citizen of Belarusian origin who has been linked to a number of other suspect commercial activities¹².

Businessman Sergei Samsonenko, close to former Prime Minister Gruevski, invested in gambling, hospitality, and food processing businesses. He was also involved in much-publicised ventures such as the construction of a sports centre in the Skopje neighbourhood of Aerodrom. Samsonenko, who sponsored prominent local sports teams, announced that he would pull out from the country after the change of government in spring 2017.

¹² <https://www.intellinews.com/obscure-holding-company-plans-takeover-bid-for-macedonia-s-largest-fuel-retailer-101429/>

Unlike Russia, whose capital has mainly targeted energy sector, Turkey has a more extensive portfolio. Strategic sectors are also preferred, with the TAV Airport Holding (*Tepe Akfen Vie Havalimanlari Holding A.Ş.*) winning a concession for Skopje airport, and Turkish banks operating branches all over North Macedonia. The influence the Koç Holding has in the Macedonian retail sector is also of considerable importance.

Prime Minister Zaev has welcomed Turkish investors, much like Gruevski before him, who cultivated friendly ties with President Erdoğan. The continuity between Gruevski and Zaev's policies suggests that the potential for investment and increased trade volumes gives Turkey much potential leverage, yet there is no evidence that Turkey has tried to instrumentalise its investments in strategic assets, notably airports, to exert pressure or gain political advantage of any sort vis-à-vis North Macedonia. But should such an opportunity arise, Erdoğan would have several cards to play at his disposal.

Investors close to Hungary's FIDESZ have acquired media outlets catering to Zaev's nationalist and conservative opponents. Ágnes Adamik and Peter Schatz have taken over Alfa TV as well as the pro-VMRO-DPMNE weekly *Republika*. Whether the investment involves money coming from former Prime Minister Gruevski, who has received asylum in Budapest, is an open question. The transactions took place in April 2017, just as power switched to Zaev and his SDSM. The arrival of Hungarian investment helped VMRO-DPMNE to maintain a foothold in the media at a time when it was moving into opposition, and its own oligarchic allies soon proved unable to financially support the outlets that had previously backed Gruevski.

Enabling conditions. The weak rule of law and the lack of transparency facilitate the influence of money from unclear origins which could be used to buy political influence in the country. The public sector still dominates the economy, which provides power-holders with endless opportunities to use the state's resources for personal advantage and/or nurturing political clienteles. Rampant corruption and nepotism thrived while Gruevski was in charge, and has proven resilient since, with partisan appointments being made in the public sector, and doubts concerning public procurement practices still persisting.

Channels for dissemination. Investment and trade have been instrumental in building political connections and generating soft power. The business empire Sergei Samsonenko built overnight is a case in point: he paid for the reconstruction of the St. Clement of Ohrid church (*Saborna crkva*) in downtown Skopje; he became the sponsor of the Vardar handball team, which won in the EHF Champions League in

2017, along with the eponymous football team which boasts a long and distinguished history. However, Samsonenko's fortunes changed with when VMRO-DPMNE left government. He declared he would hand the sponsorship of Vardar back to the municipality of Skopje in August 2017, but since then he has delayed his exit from the companies he established/purchased in North Macedonia, and instead declared he is on the lookout for a new owner/buyer. This reversal suggests that the Russian's business operation in North Macedonia has found favourable conditions to thrive under the patronage of Gruevski et al. The investor from Rostov-on-Don was, in all likelihood, a stakeholder in a scheme which also involved the former government and its business cronies, and this non-transparent mode of conducting business enabled Russia beyond doubt to exercise leverage over Gruevski.

POLITICS

North Macedonia's domestic politics is beset by a long list of vulnerabilities. State capture, the formidable challenges concerning the rule of law, and the enduring appeal of nationalism top the list. These factors make the political system fragile and open to numerous avenues for external meddling.

For a long time, Macedonia was a byword for state capture, clientelism, and nationalism gone wild. Former Prime Minister Nikola Gruevski talked the West's talk while turning the state into a fiefdom for his party (or even his family). His Albanian partner, the DUI, took its share of the spoils. The decade of VMRO-DPMNE rule exemplified the triumph of illiberalism over the rule of law, accountability and transparency, setting an example for the whole region. Between 2008 and 2017, Macedonia backslid on all the important international indices¹³, and came close to consolidating a competitive authoritarian regime based on control over the state's repressive apparatus, the public sector and the media.

Despite the change in government, democratic values have still not yet triumphed. Pro-Western civil society fought back against the Gruevski regime in alliance with the opposition SDSM, and ultimately propelled Zoran Zaev to power in May 2017. He has shown willingness to reverse the trend and bring Macedonia into NATO and the EU, but so far his efforts have only been halfway successful. The Social Democrats have their own baggage from the time they were in power. Moreover, Zaev's SDSM is dependent on the support it had to accept from the corruption-tainted DUI, a compromise made in 2017 in order to be able to form a new government.

¹³[http://country.eiu.com/\(F\(ka2h5aRTKPDARg44L0PyYbdmB2OheE0eFGDRE8dqfnNr7EqLHxhEOWXEwgpicfqm6CVB3XytgBsC1waKQ7GVVa29Ox9UU7z6xj78jpZWZc1\)\)/article.aspx?articleid=1925171376&Country=Macedonia&topic=Politics&subtopic=Forecast&subsubtopic=Political+stability](http://country.eiu.com/(F(ka2h5aRTKPDARg44L0PyYbdmB2OheE0eFGDRE8dqfnNr7EqLHxhEOWXEwgpicfqm6CVB3XytgBsC1waKQ7GVVa29Ox9UU7z6xj78jpZWZc1))/article.aspx?articleid=1925171376&Country=Macedonia&topic=Politics&subtopic=Forecast&subsubtopic=Political+stability)

The rule of law has been compromised with the politics surrounding the implementation of the Prespa Agreement with Greece. The amnesty law passed in December 2018 absolved some of the perpetrators of the mob attack against parliament on 27 April 2017; this was widely interpreted as a price for some opposition MPs supporting the constitutional amendments to change the country's name in line with the Prespa Agreement.¹⁴

Though some senior politicians have received sentences, Gruevski being the most prominent example, the Office of the Special Prosecutor has a long way to go in strengthening accountability; the institution was originally conceived as a temporary measure, and its survival in the longer term is also under question.

The resolution of the name issue with Greece was a necessary condition to address those challenges, but not of itself sufficient. It was a prerequisite which was met in order to unblock the EU accession process, which may strengthen the European Union's leverage over North Macedonia's domestic politics. At the same time, as the examples of Serbia and Montenegro (which have been engaged in membership talks for years) suggests, Brussels cannot substitute for domestic momentum towards democratic consolidation. In 2018, for instance, the watchdog Freedom House downgraded Serbia from 'free' to 'partly free' on account of the authoritarian practices of President Aleksandar Vučić's rule¹⁵.

Nationalism continues to stain North Macedonia's politics. The change of name has provoked a backlash and given rise to recurrent mass protests backed by VMRO-DPMNE. Former Prime Minister Nikola Gruevski, sentenced to imprisonment on graft charges, fled the country to seek refuge in Hungary (an EU member state). But his successor as party leader, Hristijan Mickovski, has not disowned Gruevski's legacy. VMRO-DPMNE has opted for a hardline candidate in the forthcoming presidential elections which would determine who is to succeed Gorge Ivanov, the incumbent president and a leading critic of the compromise with Greece. Moreover, the coming into force of the new language law is likely to result in fresh tensions between ethnic Macedonians and Albanians. The law would make the Albanian language official across state institutions (including the courts) in all parts of the country, rather than only in municipalities where Albanians make up more than 20% of the population, as was the case before.

¹⁴ Conversations with journalists and experts from Skopje, January 2019. Notably, the law was introduced by a group of eight MPs who had previously left VMRO-DPMNE and voted with the government on launching the procedure to amend the constitution in October 2018. That draft, providing for selective amnesty, came after parliament had voted down an earlier one proposed by VMRO-DPMNE which foresaw full amnesty for everyone indicted in connection to the storming of the legislature in April 2017.

¹⁵ <https://freedomhouse.org/report/freedom-world/2019/serbia>

North Macedonia's constitutional layout favours ethnic polarisation, in that power-sharing puts a premium on identity politics over other forms of mobilisation. Parties build their legitimacy either by means of clientelism (co-opting constituents via direct payments, services, or employment) or playing the nationalist card. Incumbents can use both strategies, but challengers typically opt for the latter. The opposition to the DUI, the incumbent in the Albanian segment, may resort to nationalist outbidding in addition to offering criticism related to corruption. That always risks the unleashing of a vicious circle: a new escalation of the Albanians' demands, as in 2016-17, would create a backlash in the Macedonian community and undermine Zaev in future elections. The electoral system does permit bicomunal politics; in 2016, for instance, the SDSM fielded Albanian candidates. But the unwritten rule that Macedonian and Albanian parties do not compete on each other's turf still holds.

Channels of dissemination. As fragmentation across communal lines is built into North Macedonia's political system both formally and informally, foreign powers have ample opportunities to insert themselves as protectors of groups within the country. This is done through formal channels: e.g. when Russian state media gives voice to and amplifies the Macedonian opposition's message that 'the Zaev government has betrayed national interests through the treaty with Greece', necessitating early elections. It can also be achieved informally: through behind-the-scenes financing of groups critical of the government's line on compromising with neighbours and accommodating the Albanians' demands (which are two sides of the same coin, according to nationalists), supporting locally-based or diaspora media with a nationalist bent.

The Western strategy is based on consolidating a pro-EU and pro-NATO bloc composed of SDSM and the Albanian parties through high-level diplomacy and public outreach. Russia, by contrast, will exploit the divisions - whether between Macedonians and Albanians, or 'patriots' and 'compromisers' in the ethnic Macedonian camp.

FOREIGN POLICY AND SECURITY

Unlike other countries in the Western Balkans, foreign policy has long been a matter of consensus in (North) Macedonia. Both VMRO-DPMNE and the SDSM favoured EU and NATO integration, along with the entire Albanian spectrum. Membership in Western clubs has been seen as a key precondition for the survival of the state, as well as for economic and social advancement and prosperity. All administrations since 1991 have pursued these objectives. Although Gruevski flirted with non-Western powers, his government never formally abandoned the objective of joining EU and NATO. What came as a gamechanger was Zoran Zaev's initiative to resolve the dispute with Greece, which implied making a compromise on the name as a price for membership in both organisations. As a result, foreign policy became a polarising issue, and thus a vulnerability ready to be exploited by spoilers.

There are further vulnerabilities rooted in the decision-making process. Crucial steps such as the Prespa Agreement were not properly communicated and explained to the public, which created friction along the way; this gave opportunities for the nationalist opposition and President Ivanov to blame Zaev and Foreign Minister Dimitrov for acting in a non-transparent manner. While it was clear that Zaev had no choice but to seize the momentum, it is clear that the government failed in its outreach after the treaty was signed. The campaign preceding the consultative referendum was a lost opportunity to make a stronger, more compelling argument for the rapprochement with Greece.

Since 2015, Russia has assumed a higher profile in North Macedonia. In 2017 the SDSM mobilised their supporters in protest against Gruevski, promising to re-start the stalled processes of accession to NATO and the EU. By default, Moscow backed the government, which was at best indifferent and at worst complicit in the failure to resolve the dispute with Greece. The Russian Ministry of Foreign Affairs characterised the protests against Gruevski as another 'colour revolution' orchestrated by the

West¹⁶, including CIA and other security agencies and/or George Soros. Another example of Russia's unprincipled interference in Macedonia's internal politics is the Kumanovo incident. In spring 2015, when government forces clashed with ethnic Albanian militants under suspicious circumstances, it blamed the opposition for bringing North Macedonia close to the brink of another inter-ethnic war. Foreign Minister Lavrov accused Bulgaria and Albania of plotting to partition their neighbour¹⁷. Moscow's line was picked up by pro-government media and spokespersons in Skopje.

More recently, Russia opposed the name deal with Greece as a Western diktat, and sought to position itself as the patron of ethnic Macedonians: "The Prespa Agreement is a foreign policy gambit backed by the EU and NATO. By opposing it, Russia is presented with an opportunity to undercut Western influence." Thus Moscow supported the nationalist campaign to boycott the advisory referendum in September 2018 (which failed because of low turnout). Russia has allies within the EU too, such as Viktor Orban's Hungary, which has positioned itself as an ally of Gruevski, even going so far as to grant him asylum in Budapest. By contrast, Turkey – after being ambivalent for a time – chose to support the deal, which in effect brought North Macedonia into NATO.

Other foreign actors interested in at least influencing North Macedonia's foreign policy and security are its so-called regional 'new neighbours' (the states formed after the dissolution of Yugoslavia). On the ethnic Macedonian side this mostly means Serbia, and to a lesser degree Bulgaria. Bulgaria has been largely supportive of the Prespa Agreement, which came at the end of its presidency of the EU Council. Meanwhile, the Serbian leadership represented by President Vučić and Foreign Minister Ivica Dačić has criticised it, and at times they have even appeared to side with Putin's outright hostility to the Zaev-Tsipras agreement.

Vulnerabilities. Support for EU and NATO membership remains high in Macedonia. However, NATO in particular is far more popular with the Albanians than with the majority ethnic Macedonians. The latter are susceptible to anti-Western propaganda, including disinformation and fake news which shapes their views of foreign affairs and entrenches the stereotype that North Macedonia is the perennial victim of great powers and ill-intentioned neighbours (primarily Greece, Bulgaria and Albania/Kosovo). The anti-Americanism which goes back to the Yugoslav wars of the 1990s has some traction too, although it is acknowledged that the US played a seminal role in keeping Macedonia safe in those difficult years.

¹⁶ <https://uk.reuters.com/article/uk-greece-macedonia-russia/vying-for-influence-russia-accuses-us-of-meddling-in-macedonia-idUKKBN1O60WQ>

¹⁷ <https://sputniknews.com/europe/201505201022354329/>

Channels of dissemination. Foreign-policy propaganda and disinformation is mostly homegrown or imported from the diaspora in Western Europe, North America and Australia. That was exposed in the run-up to the consultative referendum in September 2018. The boycott, which was promoted on social media, enjoyed widespread support. Nationalist groups spearheading the campaign such as the Christian Brotherhood, Legacy 1903, the Hardcores (*Tvrdokorni*), Makedonium and the Third Party of Macedonians were backed – and possibly financed – from abroad as well, in line with a long-standing tradition which goes back decades.

Next-door Serbia, which has been more extensively penetrated by Russian official media (such as the Sputnik news agency) or pro-Russian outlets, has a clear influence on attitudes to foreign affairs too. The anti-Western messages originating from Russia resonate with criticism of the North Macedonian government for capitulating to Greek pressure. During his visit to Belgrade in January 2019, Vladimir Putin contrasted the efforts by Serbia and Kosovo to reach a compromise solution to a long-standing problem to the Prespa Agreement which the West, in his view, forced down Skopje's throat, statements which Vučić has never contradicted. What is more, he has consistently used the phrase 'Macedonian scenario', implying Serbia is facing the threat of chaos and failure as seen (in his interpretation) next door. Such criticism of Zaev, and indirectly his foreign policy, feeds into the opposition's rhetoric inside North Macedonia.

There is some evidence of direct meddling. Zaev has blamed Ivan Savvidi¹⁸, a Thessaloniki-based Russo-Greek businessman, for sponsoring protests against the Prespa Agreement. In summer 2018, the Greek authorities expelled two Russian diplomats and denied entry to two more for stoking opposition against the Prespa Agreement in northern Greece. United Macedonia, a newly founded political party headed by Yanko Bačev, and which claims to be aligned with Vladimir Putin's United Russia, has been very prominent in the rallies against Zaev, as have the Russian flags carried by its members, and the party was a key part of the referendum boycott campaign. VMRO-DPMNE is in an ambivalent position; its leadership remains formally committed to the EU and NATO, but the party's rank-and-file seems to be much more in tune with Russia's anti-Western rhetoric. It is an open question whether Moscow actually attempted to pressure or bribe individual parliamentarians in either North Macedonia or Greece during crucial moments, such as the vote on amending the Macedonian constitution and the Greek legislature's subsequent ratification of Prespa.

¹⁸ <https://www.occrp.org/en/investigations/8329-russian-businessman-behind-unrest-in-macedonia>

SERBIA

In many ways Serbia is a central country to the Western Balkan region: it is playing for high stakes in two unresolved disputes of changing intensity (Kosovo; Bosnia and Herzegovina), and ethnic Serbs represent considerable, politically significant minorities in each of the successor states of former Yugoslavia. Its aspirations to become an EU member state depend most directly¹ (or rather, in a changed context marked by the rise of Euroscepticism, simply to continue its path to membership) on its ability to reach a 'comprehensive, legally binding normalisation agreement'² with Kosovo; while its approach to the region³ – whether it is proactive, constructive and positive; or reactive, destructive and negative – can significantly affect the stability and overall development of its neighbours. Serbia's current leadership must take on this responsibility: the decisions they take in 2019-20 will determine whether the country they lead catches up with richer and more orderly societies⁴, or faces stagnation and depopulation⁵.

The context

Serbia is a post-conflict and post-authoritarian country, in transition for almost 20 years, aspiring to membership in the EU, which is understood as an imagined "better place"⁶. Following the traumatic loss of Yugoslavia as an "enlarged nation state"⁷, "reluctantly independent"⁸ Serbia became the largest successor state to former

¹ An entire chapter (no. 35) of the accession negotiations (between the government of Serbia and the EU) is entitled 'Other issues: Kosovo'.

² The European Commission, February 2018, 'A credible enlargement perspective for and enhanced EU engagement with the Western Balkans', p. 7

³ This is how all Western Balkans-related policies are colloquially called.

⁴ Citizens often use the expression 'normalcy' when describing the desired, ideal state of affairs.

⁵ Around 35,000 people leave Serbia on an annual basis; according to OECD, the total number since 2000 is 650,000. Ljiljana Bukvić, 27 February 2019, "Odliv mozgova mnogo veći nego što se prikazuje" [Brain drain much greater than presented], <https://www.danas.rs/ekonomija/odliv-mozgova-mnogo-veci-nego-sto-se-prikazuje/> (accessed 28 February 2019) Serbia's population may drop from 7 to 5.7 million inhabitants by 2060, with almost one million citizens being older than 75. MONS info graphics, 'Projected number of citizens in European Union and Serbia in 2030 and 2060 according to age groups', <https://mons.rs/infographics> (accessed on 1 March 2019)

⁶ Timothy Garton Ash, 13 February 2019, 'Were we stupid? Reflections on the hopes of 1989, 30 years on', Kolarac, Belgrade; video available at <https://www.youtube.com/watch?v=XGOpBeVxQ4> (accessed 28 February 2019)

⁷ This is a concept strongly contested by many, and debates surrounding the true character of the 'first' and 'second' Yugoslavia persist in historiography. One overview of the different approaches and views is available at <https://pescanik.net/jugoslavija/> (accessed 28 February 2019)

⁸ Serbia regained its independence following the outcome of the referendum in Montenegro in 2006. Oddly enough, Montenegro's decision to leave the state union made Serbia independent once again.

Yugoslavia. Three decades have passed since 1989, when the full implications of the end of the Cold War were not understood, through years of international isolation, a triumphant return to the ranks of democracies, to the full resurgence of the 'Kosovo issue' just as the country was knocking on the door of European integration. Many citizens see this time as lost; they want and call for stability ('normalcy'), while pointing to a number of negative aspects of the economic (the rise of unemployment, followed by the decline of purchasing power due to dramatic changes in the structure of the economy) and political transition (the weakening of the state and the strengthening of populist leaders, with the possible exception of Zoran Djindjić). The country's objective achievements (access to European and global markets; the positive influence of foreign investment; regular and mostly democratic elections) rarely outweigh the observed weaknesses (low salaries and job insecurity; insufficient or inadequate public investment, resulting in poor infrastructure; decline in the quality of public services).

The EU candidate status granted to Serbia in 2012 (with negotiations starting in 2014) has drawn the interest of 'third actors'⁹ (Russia, China, Turkey and the Gulf states). These actors' access to decision-making has been facilitated by the country's geographical position, surrounded by EU and NATO members; Serbia's cultural and historical links to them; official Belgrade's non-critical attitude towards their aggressive actions and human rights transgressions¹⁰, the proclaimed policy of military neutrality¹¹, and support over Kosovo (in the case of Russia and China). While these actors certainly do not offer an alternative to the European Union in terms of economic integration, they do in the context of governance; that is, how to achieve economic progress without the liberalisation of society. Here the experiences of some EU member states (first labelled "illiberal democracies" by Ivan Krastev in 2007) may also be indicative.

The dominant position of President Vučić and his Serbian Progressive Party (SNS) is the final determinant of Serbia's international. In power since mid-2012, the SNS splintered from the Radical party following years of electoral failures. Today it is a movement¹² managed 'offline' (i.e. outside the usual, statute-stipulated party

⁹ Bundling these completely different countries together is certainly not helpful; however, in an effort to describe the competing models of governance that are vying for influence in the Western Balkans, this is the most neutral way to do so.

¹⁰ "From January 1 until December 31, 2018, the European Union issued a total of 54 declarations urging candidate and potential candidate countries, as well as states belonging to the European Economic Area and Eastern Partnership, to align themselves with these documents. During that period, Serbia complied with only 28 declarations, i.e. 52 percent". Igor Novakovic, Natan Albahari and Jovana Bogosavljevic, January 2019, 'An analysis of Serbia's alignment with the European Union's foreign policy declarations and measures in 2018', Belgrade: ISAC Fund, p. 2

¹¹ Serbia proclaimed its policy of military neutrality in November 2007, by a Resolution of the National Assembly, in anticipation of Kosovo's imminent independence. This policy has been more or less strictly followed ever since.

¹² Srdjan Bogosavljević, 14 September 2018, 'Future of Political Scene in Serbia', presentation at BFPE's Annual Seminar program, Niš, Serbia

channels) by 'regional coordinators' who "compete under the watchful eye of the president of the executive board"¹³. This kind of informal way of running a party that has allegedly expanded to more than 600,000 members, however effective (and the ability to rapidly mobilise its membership shows that it is), at the same time runs certain risks, because the space for negative influence and clientelism on which the system rests is constantly open.

A figure of undisputed political strength, Vučić has seen nothing wrong in prioritising stability over democracy (hence the rise of the term 'stabilocracy', first coined by Prof. Srdja Pavlović). His highpoint was the summer of 2015, when in a series of much-publicised statements, he promised 'humane treatment' to the migrants passing through Serbia. This message was doubtless intended to discipline the state agencies, but in the end not a single tragic incident was reported, as close to one million people traversed the country. However, ever since the Savamala incident of April 2016¹⁴, Serbia has been sliding towards 'electoral autocracy'¹⁵. As Serbia's President prepares to reach a compromise on Kosovo which might include mutual recognition (and border correction/territorial swaps) with significant implications for the entire region, he is facing the most significant protests to his rule so far¹⁶, which currently have taken place in over 70¹⁷ cities and towns across Serbia.

¹³Slobodan Georgiev, 17 January 2019, 'Vlast i doček Vladimira Putina. Okupljanja na Vučićev način', <https://www.vreme.com/cms/view.php?id=1657544> (accessed 1 March 2019)

¹⁴<https://balkaninsight.com/2017/04/25/savamala-witness-recalls-fearful-night-in-belgrade-04-21-2017/>

¹⁵ See, for instance, Vladimir Gligorov's piece 'Izborna autokratija' [Electoral autocracy], written in April 2017 following the election of Ana Brnabić for Prime Minister: <https://pescanik.net/izborna-autokratija/> (accessed 1 March 2019)

¹⁶ The '1 out of 5 million' protests officially started on 30 November 2018, following the attack on the opposition politician Borko Stefanović. The name is taken from Vucic's own words: "Even if there were 5 million of you, would will not meet a single one of your demands; beat me at the elections". Taken from N1 news, <http://rs.n1info.com/documents/1270421/comments/Vesti/Vucic-o-protestu-Nek-vas-se-skupi-pet-miliona-nijedan-zahtev-necu-da-ispunim.html> (accessed 1 March 2019)

¹⁷ Source Miloš Popović (@milos_agathon) twitter account, https://twitter.com/milos_agathon (accessed 1 March 2019)

SOCIETY

The growing divisions which have weakened the fabric of Serbia's society could also provide entry points for foreign influence. Inequality has exploded since 1989, contributing to the rise of the general feeling among society of being excluded and left behind. With a Gini index of 38¹⁸, and 7% of its citizens at risk of poverty and social exclusion¹⁹, Serbia ranks among the most unequal societies in Europe. Generations therefore relate differently to tradition, (the notion of) Europe²⁰, family values and personal priorities (the importance of career and continuous improvement, for instance), which affects how they vote (systemic/radical, traditional/modernising parties). Since 2000, electoral success has been granted by the 'catch-all' approach, an 'ideology without ideology'²¹ with the emphasis on opportunism: the current ruling coalition presents a case in point. Party members were originally won over by promises of employment in state administration or state-owned enterprises (SOEs), despite a law prohibiting the hiring of new workers which has been in effect since 2013.²² The pool from which support can be drawn is therefore deep. The rally that was recently organised on the occasion of Vladimir Putin's visit to Belgrade showed that not only party members, but employees

¹⁸ MONS infographics, 'Gini coefficient in 2015'; 'Relation between the richest 20% and the poorest 20% of the citizens', <https://mons.rs/interaktivna-mapa-ne-jednaka-evropa> (accessed 1 March 2019)

¹⁹ Beta news agency, 15 October 2017, 'Rizik od siromaštva u Srbiji duplo veći od evropskog proseka' [Risk of poverty in Serbia twice the European average], <http://rs.n1info.com/Biznis/a335211/Rizik-od-siromastva-u-Srbiji-duplo-veci-od-evropskog-proseka.html> (accessed 1 March 2019)

²⁰ Belgrade Centre for Security Policy, 8 March 2017, 'Većina građana za EU ali i saradnju sa Rusijom, žele preciziranje politike neutralnosti' [Most citizens are for the EU but cooperation with Russia as well, want to see more precise policy of neutrality], <http://www.bezbednost.org/Vesti-iz-BCBP/6485/Vecina-gradjana-za-EU-ali-i-saradnju-sa-Rusijom.shtml> (accessed 2 March 2019)

²¹ BBC News in Serbian, 23 October 2018, 'Deset godina SNS: šta treba da znate o ovoj partiji u 100 i 500 reči' [Ten years of the SNS: what you need to know about this party in 100 and 500 words], <https://www.danas.rs/bbc-news-serbian/deset-godina-sns-sta-treba-da-znate-o-ovoj-partiji-u-100-i-500-reci/> (accessed 1 March 2019)

²² The exact number of people employed by the state and SOEs in Serbia is notoriously difficult to determine. The proscribed number, as agreed with the IMF for 2018, is 450,000; estimates from 2014 go as high as 780,000. Ruža Čirković, 17 June 2014, 'Ko je na listi od 780.000 zaposlenih u javnom sektoru' [Who is on the list of 780,000 employed in the public sector], <https://www.danas.rs/ekonomija/ko-je-na-listi-od-780-000-zaposlenih-u-javnom-sektoru/> (accessed 2 March 2019)

working for national and local agencies were expected to attend as well, with the entire experience meticulously organised and presented almost like a field trip.²³

Moreover, the influence of the Serbian Orthodox Church (SPC) is indisputable. In the words of one of our interviewees, “the Church enters peoples’ houses; we [civil society] do not”. The Church serves as an anchor of identity for many people. In moments of crisis, real or perceived, citizens who declare themselves as believers pay even more attention to what the Church is saying. While pundits believed that President Vučić would be able to pacify its leadership with regard to the issue of Kosovo, an open letter from Bishop Teodosije on 7 March, stating, “He who trades [for Kosovo] will be cursed”, clearly shows that this is not true. The SPC is decentralised in a way that means its bishops are seen as equals (with the Patriarch being *primus inter pares* when the *Sinod* – the Church’s highest body – is sitting); relatively independent in their work, and as a rule more influential in their communities (among the flock to whom they are primarily responsible). The Church’s soft power therefore has no real competition; and the connection with Orthodox churches in other countries, above all Russia, is very strong (again, both through history and now). The scene that was filmed in the crypt of St. Sava Cathedral, when Serbia’s president asked the Patriarch to persuade Putin to say a few words to the thousands of citizens gathered outside²⁴, is the best proof of this claim. There are important issues on which the Church avoids open confrontation with the state; one example is abortion, which has been allowed in Serbia since the times of former Yugoslavia. One of our interlocutors was of the opinion that the Church is actually “deeply aware of its weakness” with regard to societal change (and forces of modernisation), and believes its first task is to provide a ‘measure of national identity’.

On the other hand, while 83% of Serbs (and 86% of all citizens in Serbia) adhere to Orthodox Christianity, those actively practicing it (defined as going to church at least once every month) count for just 20% of the population.²⁵ Also, the overall trust in the Church as an institution has been decreasing, from a record of 70% to just below 50%. Following the death of the widely respected Patriarch Pavle and the signing of the Brussels Agreement, it seems as if the Church’s sway over affairs has started to wane.

²³There is no better eyewitness account than this report by Andrija Jovanović for Vice: <https://www.vice.com/rs/article/xwbq7w/ubacio-sam-se-na-sns-spisak-usao-u-autobus-dobio-sendvic-i-evo-kako-sam-se-proveo> [I got myself onto the SNS list, got a sandwich, and here’s how it all turned out], accessed 2 March 2019

²⁴ Tweet by user NemanjaS, <https://twitter.com/dobridabar/status/1085970464630104066> (accessed 19 March 2019)

²⁵ Srdjan Bogosavljevic, 4 March 2019, “Serbia between Vision and Dilemma – National State of Mind”, Kopaonik Business Forum 2019

Identity is affected by the dominant political narrative. In Serbian society, and especially in relation to its perception of the neighbouring nations, it is a narrative of confusion, confrontation, injustice and missed opportunities; but above all, nostalgia for a time of its former (imagined) greatness²⁶. The citizens are unsure where the borders of their country lie (only 33% are certain of this); which days are considered national holidays (to many from the older generation, 29 November, the Day of the Republic in former Yugoslavia, comes to mind); even, the order of colours on the flag, or the national anthem.²⁷ When asked in detail what they consider as 'ours' (in 'domestic' terms), many still think of former Yugoslavia.

In its relationship to the Western Balkan region (or more precisely, the former Yugoslavia), Serbia's leadership, experts and public alike drift between two extremes: on one hand, bitterness and resignation; and on the other, unfounded optimism. Hence the presence of two dominant views: withdrawal (from the region) and the search for partners with whom cooperation will be simpler²⁸; and the other, which insists on assuming leadership (of the region). Judging by the reactions of neighbouring countries and their political representatives²⁹, none of these seems optimal, with the latter being interpreted as quest for (a lost) hegemony. No other actor exploits this as much as Russia, and the Sputnik news agency's operation in Serbia presents us with a perfect example of this kind of propaganda.

Sputnik: a case study

Since the beginning Sputnik's 'edge' in Serbia (and probably elsewhere in the region) has been the free syndication of its original content. The website is comprehensive, covering everything from politics to culture. Its 'multimedia' section includes photos, infographics and caricatures, as well as new videos, typically in the form of interviews updated daily. Of seven original radio shows, most are re-broadcasted; the radio programmes' online live stream is readily available. Topicality is key: there is rapid reaction, critical and dismissive in tone, to the policy initiatives which the West makes, with breaking events presented as telling signs of its imminent demise. In order to

²⁶ "In Yugoslavia, there was vision and idea, gone today; we are living in the present and few of us look in the future". Museum of Yugoslavia Director Neda Knezevic for Deutsche Welle, 30 November 2017, "Jugoslavija je imala viziju kakve danas nema" ("Yugoslavia had a vision that is gone today"), <https://www.dw.com/bs/jugoslavija-je-imala-viziju-kakve-danas-nema/a-41575803> (accessed 1 March 2019)

²⁷ Bogosavljevic, Ibid

²⁸ One such example might be Serbia's interest in the Craiova Group, an informal gathering of prime ministers and heads of states of Romania, Bulgaria, Serbia and Greece, which first convened in 2015.

²⁹ The Prime Minister of Kosovo, Ramush Haradinaj, in the heat of the debate over the possibility of border corrections, literally said that the border with Serbia is actually the border with Russia. The recent spat with Montenegro (despite allegedly excellent relations between Djukanović and Vučić) escalated over cultural appropriation (regarding the 'gusle', a traditional instrument in the Balkans) and raged for weeks on the covers of the tabloids.

ensure that issues important to Moscow are brought up, and the role it plays are presented in a positive way, sympathetic or openly pro-Russian commentators are brought to the studio. The headlines are telling: 'The American fiasco in Warsaw'; 'Why has the EU's foreign and security policy been defeated again?'; 'Can 'yellow vests' bring down the Fifth Republic?', to name just a few. Particular attention – perhaps the most of all – is devoted to cooperation on energy policy: one entire radio programme (show) is named 'Sputnik energy (with Jelica Putniković)³⁰. Another programme is devoted to culture, which is rare in Serbia's budget-tight media environment.

Sputnik's messaging is particularly direct on three issues: that there is no 'European perspective' (for Serbia and other countries in the region)³¹; that NATO should be held responsible for the crimes it has committed worldwide, with the bombing of Serbia being one of the greatest³²; and, more subtly, that Russia is the only international actor supporting Serbia over the Kosovo issue, even when there are doubts regarding the commitment of Serbia's government itself. Due attention is given to the plight of Serbian minorities living in former republics; however, this coverage is no different in tone to most of the other, local news outlets. As historical revisionism abounds, one can hardly be surprised that Sputnik has joined in.

Serbia was considered a 'polarised' society long before the current wave of protests began.³³ In a recent, much-quoted interview, the President of the Serbian Academy of Sciences and Arts Vladimir Kostić said "[For a long time now] we have been a simple collection of lonely individuals, going about in our own misery, with slightly forgotten solidarity and empathy, huddled together in groups which are ever smaller and as a rule disconnected."³⁴ The remainder of the middle class, steady in numbers but expanding to more cities, has taken to the streets, angry at what they see as the ruling party's dictatorship. The opposition leaders have wisely taken a back seat: most protesters do not want them on stage, as some of them belong to the same

³⁰ Sputnik's leading journalists are recognised as experts in the given field: Putniković, for instance, regularly appears and provides comment on media which are seen as open or leaning towards the West on issues of energy policy.

³¹ The messages sent by France's Minister for European Affairs, Nathalie Loiseau, in her recent visit to the region ("The current state of the EU does not allow for enlargement under satisfactory conditions") did not exactly help. Another telling title: Predrag Vasiljević, 28 February 2019, 'New religion of the Serbs: you have to believe in the Brussels temple!' <https://rs.sputniknews.com/analize/201902281118997635-srbi-nova-religija/> (accessed 2 March 2019)

³² Nikola Joksimović, 2 March 2019, 'Uoci 20 godina od bombardovanja: zabraniti kritiku NATO!' [20 years after the bombing: criticism of NATO is forbidden!] <https://rs.sputniknews.com/analize/201903011119013214-zabrana-kritika-nato-cenzura/> (accessed 2 March 2019) Both pieces were prepared in response to the New Foreign Policy Initiative, supported by 18 civil society organisations, which included calls to accelerate the process of European integration and an end to the tabloid-led anti-NATO campaign.

³³ A quick Google search shows numerous analysts from both right and left speaking of polarisation as early as 2015. Even Prime Minister Brnabić resorted to using the phrase when dismissing "the unconstructive criticism by parts of media and the opposition". Tanjug, 17 December 2017, 'Polarizovano društvo: ovako podeljena Srbija tesko će ići napred' [Polarized society: Serbia this divided will hardly move forward], <https://www.alo.rs/vesti/aktuelno/brnabic-ovako-podeljena-srbija-tesko-ce-i-sporo-ici-napred/136353/vest> (accessed 2 March 2019)

³⁴ *Vreme*, 27 December 2018, 'Intervju, Vladimir Kostić: Bez jasnog uvida u sopstvene vrednosti [Interview, Vladimir Kostić: With no clear insight into one's worth], <https://www.vreme.com/cms/view.php?id=1653174> (accessed 1 March 2019)

generation which failed to meet public expectations before the SNS came to power. This is in sharp contrast with protests held in the 1990s.³⁵ Instead it is the intellectuals, artists, and students who address the crowds, demanding that the 'rules of the game' are respected; it remains to be seen whether they are speaking for the silent majority.

Serbia's cultural preferences are not set in stone, and the 'third actors' know this. As the elite are drawn closer to 'Europe', this opens up space for cultural influences and exchange. Despite content from Europe and the West prevailing, interest in something different is growing, be it a movie, a television programme or a visiting play. Quality content equals soft power³⁶, and the ties established over recent years of interaction can only be strengthened. In 2014, China opened a Confucius Centre at the University of Novi Sad, after the one already existing in Belgrade, and has been planning to introduce Chinese language studies.³⁷ A cultural centre is being built in New Belgrade, at the site previously occupied by the Embassy of China which was destroyed in the NATO bombing of Serbia.³⁸ Since 2012, Gazprom has been awarding scholarships to the best students at technical faculties and high schools to continue their studies in Russia; as of 2017, through a programme entitled 'Energy of knowledge', 95 students have been supported. Jobs in Gazprom (represented by NIS in Serbia) await them upon their return (if they have good records).³⁹ The company also supports Russian-language competitions and 'knowledge Olympiads', in cooperation with several faculties in Serbia. There are thus strong incentives to learn a language: well-renowned universities may offer scholarships, or a successful company might be hiring.

The growth of Turkey's soft power has been largely underreported. Young people in Novi Pazar and its surroundings have been attracted by Turkey's excellent universities; many choose to stay and try their luck in Istanbul and other major cities & university centres. They are aided by informal but strong diaspora networks which have acted as interlocutors for decades. Health tourism is also growing, with

³⁵ Vuk Velebit, 27 February 2019, "Da li je vreme da političari preuzmu aktivniju ulogu u protestu jedan od pet miliona?" [Is it time for politicians to take a more active role in the 1 out of 5 million protests?] <https://talas.rs/2019/02/27/ucisce-politicara-na-protestima/> (2 March 2019)

³⁶ There are dozens of examples. Year in year out, the Alexandrov choir concerts and the visits by the Bolshoi ballet are among the most anticipated cultural events of the year in Belgrade. The Russian-produced TV series *Кухня* [The Kitchen] was broadcast by the Radio-Television of Serbia in the prime-time New Year schedule after it had won universal acclaim abroad. This February, on the occasion of Chinese New Year, a 'Festival of light' was held at Belgrade's Kalemegdan fortress for the first time.

³⁷ 021 Radio, 27 May 2014, 'Otvoren Konfucijev institut na Filozofskom fakultetu' [Confucius Institute opened at the Philosophy Department], <http://www.021.rs/story/Novi-Sad/Vesti/82829/Otvoren-Konfucijev-institut-na-Filozofskom-fakultetu.html> (accessed 2 March 2019)

³⁸ Beta/N1, 1 February 2019, 'Kineski festival svetlosti otvoren na Kalemegdanu' [Chinese festival of light opened at Kalemegdan], <http://rs.n1info.com/Lifestyle/a457729/Kineski-festival-svetlosti-otvoren-na-Kalemegdanu.html> (accessed 2 March 2019)

³⁹ NIS Gazprom Neft, 'Stipendiranje' [Scholarships], <https://www.nis.eu/lat/odrzivi-razvoj/energija-znanja/stipendiranje> (accessed 2 March 2019)

standing agreements between the two countries on treatment and care. Turkish businesses for their part are attracted by Serbia's relative stability (especially compared to recent events in Turkey), its inexpensive labour force, the subsidies provided by the government, and access to the markets of both EU and Russia. They have been focusing on the textile industry as one area of their expertise, but more recently, construction companies have shown interest in highways and airports. Closeness in terms of culture is evident: Turkish soap operas dominate prime time on family-oriented channels from Zagreb to Skopje; Belgrade and Serbia are no exception. Tourism within Turkey, which had been interrupted by the fear of terrorism and political instability, is picking up again. They could be divided on many other issues, but all the Bosniak parties are unanimous with regard to Turkey and their support for deepening ties between the two countries. Somewhat similar to the relation between the Serbs and Putin⁴⁰, Erdogan's visits have always been central event(s) for Serbia's Bosniak community. In the words of Rifat Rifatović, the prominent young director, "as much as I am frightened by such (ideas of) flawlessness – and I am generally not in love with politicians – there is an emotional and cultural foundation to these displays of affection, love and support."⁴¹

The culture of memory provides ample opportunities for the influence of 'third actors'. While the need to remember the victims and prosecute those responsible who remain at large is indisputable, today it too often reminds us of war continued by other means; anniversaries are politicised in such a way that uninformed observers might think that the horrific act in question did not happen years ago, but has only just taken place. This adds up to an understandable feeling of injustice, caused by the fact that in former Yugoslavia it was (and still is) rare to see all the perpetrators of a crime punished. Finally, the very elites that led or contributed to the hostilities are today the ones deciding how they will be interpreted; a vicious circle has formed, from which it will be difficult to escape.

⁴⁰ In the words of civil society activist Aida Ćorović, "When you want to be the 'biggest' Serb, you support Russia, and when you want to be the 'biggest' Bosniak, you support Turkey."

⁴¹ Sanja Kljajic, 11 October 2017, 'Majka Turska kao majka Rusija' [Mother Turkey like mother Russia], <https://www.dw.com/sr/majka-turska-kao-majka-rusija/a-35890521> (accessed 2 March 2019)

ECONOMY

Serbia's economy is inextricably linked to the markets of EU and CEFTA countries, from which it exports and imports nearly 80% of all its products and gains over 80% of its foreign direct investment (FDI). Despite certain positive indicators (such as macroeconomic stability, GDP rising in 2018⁴², and allegedly declining unemployment⁴³), there are numerous internal structural weaknesses. With comparatively low and inefficient public investments⁴⁴, successive governments have relied heavily on foreign investment and loans, increasing the risk of indebtedness. Add structural problems of employment, the departure of skilled labour, the demographic crisis; and the phenomenon of clientelism, high corruption and state capture⁴⁵, and what we have is an image of a society in which the most serious resilience gaps that 'invite' illicit influence can be found in the sphere of the economy.

In theory, small- and medium-sized enterprises (SMEs) were supposed to gain the most from access to the EU market. Also, increased competition would – again, in theory – lead to the breaking of monopolies, and lower prices for food and various consumer goods. There is a mixed record on both points: for the SMEs, the problem is access to funding and knowledge, with the government prioritising large foreign investors; while although food prices are at 70% of EU average, low wages make them still too high for many consumers. Furthermore, on a year-to-year basis,

⁴² Government representatives boasted a record growth rate in 2018, but they failed to mention how Serbia's economy has grown at a paltry 1% per year since 2012; and although the debt-to-GDP ratio seems good (just above 50%), it would take only two to three years of excessive loans to go back to the state of high indebtedness Serbia found itself in 2013/15.

⁴³ Since the government adopted EU methodology, which counts as employed anyone who worked at least some time during the observed year, there is no consensus regarding the exact level of unemployment; many speculate it is significantly higher than the official rate of 12% for Q4 of 2018.

⁴⁴ In order for Serbia to achieve a long-term economic growth rate of 3% per year, it needs to increase the level of its public investment from 21% to 32.6% of its GDP. Ekapija, 5 June 2018; 'Efikasnost investicija u Srbiji niža za 17,1% u odnosu na EU' [Efficiency of investment in Serbia lower for 17,1% than in the EU], <https://www.ekapija.com/news/2150041/efikasnost-investicija-u-srbiji-niza-za-171-u-odnosu-na-zemlje-eu> (accessed 2 March 2019)

⁴⁵ According to the World Bank, "state capture occurs when the ruling elite and/or powerful businessmen manipulate policy formation and influence the emerging rules of the game to their own advantage."

consumer prices (as an indicator of the net inflation rate) have on average increased by 2.5%.⁴⁶ To alleviate this lack of funding, the EU and its financial institutions have launched several programmes; one example is COSME (Competitiveness of Enterprises and SMEs), for which SMEs based in Serbia have been eligible since 1 January 2016. The money can be used for investments, or to provide bank and loan guarantees; there are also two websites: one (the European Business Portal) for those who want to sell their products and services on the common market; and another, the SME institutionalisation portal, targeted at those looking beyond the EU and towards ASEAN and MERCOSUR markets. Nevertheless, the transformation of Serbia's economy into one that is more centred on SMEs is still a long way ahead.

One of Serbia's foremost priorities is access to seaports, in order to be fully integrated into global markets. This is why it has been seeking to improve its transport corridors to the ports of Bar, Durrës, Thessaloniki, Piraeus and Constanța in cooperation with neighbouring states, as most such corridors run through Serbia's territory. Until recently, upgrades and construction of entirely new infrastructure were primarily funded by the EU and international financial institutions (such as the European Investment Bank and the European Bank for Reconstruction and Development). However, over the last decade, the Chinese (several companies, with China Road and Bridge Corporation handling the greatest portfolio), Russian (Russian Railways), Turkish (Tasyapi) & American-Turkish (Bechtel-Enka) companies and consortiums have been stepping in. The reasons are (at least) threefold: first, some of the corridors being built are not part of the trans-European transport networks and as such are not eligible for EU funding⁴⁷; second, some of the loans (but not the investments)⁴⁸ provided for construction come with comparatively low interest rates⁴⁹; and third, courting and signing MoUs with different partners⁵⁰ is also a way of political positioning (or balancing).

⁴⁶ Republički zavod za statistiku, "Indeksi potrošačkih cena, februar 2019" <http://www.stat.gov.rs/sr-latn/vesti/20190312-indeksi-potrosackih-cena-februar-2019/?s=0301> (accessed 22 March 2019)

⁴⁷ The "highway of peace" between Niš and Priština will be a notable exception to this rule.

⁴⁸ Serbia is yet to consider a different model for updating its infrastructure, i.e. concession or BOT (build-operate-transfer); approach so far has been to keep critical infrastructure "in our own hands".

⁴⁹ For instance, a loan provided by the Chinese Exim Bank for the construction of the Surčin-Obrenovac leg of the E-763 motorway (also known as Corridor 11) in Serbia includes a 2.5% interest rate per annum with a 5-year grace and 15-year repayment period. Source: Preferential Buyer Credit Loan Agreement between the Government of the Republic of Serbia and Export-Import Bank of China, 5 November 2016, <http://www.parlament.gov.rs/upload/archive/files/lat/pdf/zakoni/2016/3358-16%20lat.pdf> (accessed 2 March 2019)

⁵⁰ It has been speculated for some time that this American-Turkish consortium, which built a controversial and (because of the price tag) contested highway connecting Kosovo (Priština) and Albania (Durrës), will be invited to take on the remaining Morava corridor in Serbia, connecting the European E-75 and E-763 highways, precisely because Serbia's leadership needs to 'balance out' its loan portfolio, which since 2018 has become too exposed to 'third actors' such as Russia and China. See <https://www.ekapija.com/en/news/2281703/american-bechtel-and-serbia-sign-memorandum-on-morava-corridor-start-of-construction> (accessed 2 March 2019)

Weakness is also induced by the often unprofessional management of large systems which generate debt year after year, with governments forced to look abroad for strategic partners, who are then in an ideal position to impose their own conditions (often taking over a given company). There is no vetting of the investors, the real intentions behind their investments and their possible effects; numerous examples can be found of failed privatisations for which nobody was held responsible. The favouring of foreign capital has given rise to another negative practice: denying access to the contents of strategically important and valuable contracts⁵¹, regardless of where the investor comes from. This has aroused suspicion; acting upon complaints filed by the media and civil society organisations, the Public Commissioner for Access to Information has intervened on repeated occasions, but to no avail.

Two provisions typical of such contracts speak of other weaknesses. One is the stipulation to preferentially procure goods and services from the company's country of origin; another, to allow jurisdiction in the other country if a dispute arises.

Recent experiences show that the secrecy is there for a reason. One notable example concerns the highly controversial Belgrade Waterfront development. Announced as a €1bn greenfield investment at one of the most prestigious undeveloped locations in Belgrade (presently occupied by rail- and bus yards), it is now a €300 million undertaking at most, half of which will be secured through interest loans⁵². Furthermore, the City of Belgrade and the Republic of Serbia are expected to take on the brunt of the costs by investing in additional infrastructure, such as a ringroad and railway around Belgrade so that the waterfront can be fully developed. The land on which apartments and office space will be constructed was leased by a *lex specialis* to the investor for a period of 99 years for free – treatment so preferential that it beggars belief. Similar controversy has since surrounded the sale of the Agricultural Combine Belgrade (PKB in short); this area was interesting because of the huge swath of land it owned on the Danube's left bank, but now it seems its sale will prevent the construction of the ideal route of a much-needed highway connection to the Banat.⁵³

The investments we have described may often be dubious but the fact is that they are strategically located (with regard to transport infrastructure, energy, or the

⁵¹ Notable recent examples include contracts with FIAT to take over the automobile plant in Kragujevac; Etihad, which purchased a controlling share in the national airline; the steel mill in Smederevo, and the Belgrade Waterfront development.

⁵² Iva Martinovic, Radio Free Europe, 27 December 2016, "Strane investicije u Srbiji: tajne u skrivenim detaljima" ("Foreign Investment in Serbia: Secrets in Hidden Details"), <https://www.slobodnaevropa.org/a/kapitalni-projekti-u-srbiji-tajne-u-skrivenim-detalljima/28199240.html> (accessed 2 March 2019)

⁵³ Insajder, 6 February 2019, "PKB i Al Dahra: Šta tvrde premijerka i ministri, a šta su činjenice (VIDEO)", <https://insajder.net/sr/sajt/tema/13389/> (accessed 2 March 2019)

extraction of minerals)⁵⁴; these are state investments (they are either state-owned companies, or the investments are realised with state money); and they are insufficiently transparent, especially in comparison with foreign direct investments coming from EU countries. Some of the companies taken over employ thousands of people in otherwise impoverished regions (Smederevo and Bor are notable examples) which gives them enormous leverage: labour and property disputes are resolved quickly in their favour. However, it should be noted that companies based in the West were the first to come (and remain) in Serbia after the democratic changes, as is especially apparent in the context (and global trend of) outsourcing, which is a dominant factor. Trade distance, which is significantly greater in the case of Russia or China, is important: the markets onto which Serbia exports are in neighbouring countries, and there are several EU states (Germany, Austria, and Italy) in which the Western Balkans are already considered part of the production cycle⁵⁵. Finally, even if an investment or a loan is agreed, the poor planning and inefficiency of Serbia's public administration (in terms of granting the necessary permits) means that years may pass until it is realised.⁵⁶

⁵⁴ RTB Bor, taken over by Chinese Zijin is a mining-smelting combine, while Smederevo steel mill, previously owned by US Steel is now owned by Chinese Hesteel group and renamed HBIS.

⁵⁵ Dušan Reljić, Introductory remarks, Fifth Belgrade Dialogues: 'Serbia in a Geopolitical Cramp', Belgrade, 22 November 2017

⁵⁶ For instance, after the loan agreement was signed with Russian Railroads to rebuild sections of Serbia's rail corridors, it took five years to begin the work.

POLITICS

Quality of governance in Serbia is extremely uneven, with almost complete centralisation; the local level of government has been seriously neglected and weakened by previously adopted legal solutions, culminating in the 2016 Law on Local Self-Government⁵⁷. In this way it is easy to implement whatever was agreed at the central level of government, but local ownership is lacking. With laws adopted at a deliberately frantic pace, and the opposition lacking room to intervene thanks to the ruling parties' tactic of submitting hundreds of amendments⁵⁸, the political system in Serbia resembles a parliamentary democracy less and less. This is also due to the weakening of institutions, especially the independent supervisory and regulatory bodies⁵⁹ which are widely understood and supported as one of the major achievements of a young democracy. Drafts of laws and other documents contain provisions which enable unrestricted influence over policy, and simultaneously narrow the space for interested stakeholders to intervene.

Only two years ago Serbia was ranked among the 'flawed democracies'⁶⁰ in which citizens find rights and freedoms too often inaccessible, and where both their participation and their interest in political processes is low. This year, many headlines were made by Freedom House's assessment of Serbia's state of democracy as 'partly free', with particularly low scores given for political rights and civil liberties, with the following explanation:

⁵⁷ N1, 7 October 2016, 'Aleksić: Na lokalni ćemo krpiti rupe, a u JP bahačenje' [Aleksic: At the local level we will have to make ends meet, while SOEs spend extravagantly], <http://rs.n1info.com/Vesti/a199596/Miroslav-Aleksic-i-Danijel-Dasic-o-finansiranju-lokalne-samouprave.html> (accessed 2 March 2019)

⁵⁸ One recent example concerns nearly 550 amendments submitted to the two laws discussed before the Law on Budget, which was already 23 days late to Parliament. Fonet, 7 December 2018, 'CRTA i Otvoreni parlament: Vlast zloupotrebljava Parlament' [CRTA and Open Parliament: Government is Misusing the Parliament], <https://www.danas.rs/politika/crta-i-otvoreni-parlament-vlast-zloupotrebljava-parlament/> (accessed 2 March 2018)

⁵⁹ Three months have passed since the deadline expired for the election of a new Commissioner for Information of Public Importance.

⁶⁰ The Economist Intelligence Unit's Democracy Index, <https://infographics.economist.com/2018/DemocracyIndex/> (accessed 2 March 2019)

Serbia's status declined from Free to Partly Free due to deterioration in the conduct of elections, continued attempts by the government and allied media outlets to undermine the independent journalists through legal harassment and smear campaigns, and President Aleksandar Vučić's de facto accumulation of executive powers that conflict with his constitutional role.⁶¹

Such an estimate was a long time coming: reforms concerning the issues that EU understands as critical – separation of powers, judicial reform and media freedoms – have been dragging on for years, with civil society and government in disagreement over the quality of the solutions being adopted. For instance, 2017 and 2018 were spent on the government's attempts to force through a media strategy that contained serious flaws, as well as amendments to the Constitution which, instead of strengthening judiciary's independence, were intended to curtail it.⁶²

The SNS is relentless when it comes to opposition; long before the protests, many were wondering just how weak it has to be for the ruling party not to feel threatened. The former leaders of the 'yellow gang' (the term used to describe formerly in power Democratic Party and its derivatives) are described as 'thieves and hoodlums'; one of the SNS's priorities in 2012 was for the government to launch investigations into crooked privatisation deals, with 14 of them presented by Vučić himself as key. Nothing came of those investigations; however, the campaign added to the overall impression of failure of the previous elites.

For the first time in a long while, the protests have raised the profile of the opposition. A poll by NSPM (New Serbian Political Thought) shows how, for the first time in three years, support for the SNS has fallen below 50% (now 44%). Following the events of 16-17 March, most notably the storming of the Radio-Television of Serbia on Saturday evening and the surrounding of the Presidency on Sunday afternoon, serious disagreements about how to proceed have surfaced among the protestors. Commentators have pointed out the danger that more radical political options – such as the Dveri political party – might take over the protests, although such a scenario seems unlikely for now, due to the protestors' highly heterogeneous composition.⁶³

⁶¹ Freedom House, 'Freedom in the World 2019: Serbia', <https://freedomhouse.org/report/freedom-world/2019/serbia> (accessed 2 March 2019)

⁶² Beta, 25 October 2018, 'Pravnici: Venecijanska komisija nije dala pozitivnu ocenu' [Legal experts: Venice Commission did not give a positive recommendation], <http://rs.n1info.com/Vesti/a430682/Pravnici-Venecijanska-komisija-nije-dala-pozitivnu-ocenu.html> (accessed 2 March 2018)

⁶³ A great deal of – there is no other way to put it – lazy reporting has surrounded the ongoing protests. Dveri constitute just one of almost a dozen different parties, movements, unions and initiatives opposed to the ruling regime. Its leader Bosko Obradović asserted himself at a moment when it started to seem that, after three and a half months of inconclusive demonstrations, the protests had reached an important crossroad. By entering the television building – apparently by the use of force – he provoked a reaction from

On the same side of the political spectrum, the 'pacification' of organised (football) supporters, long seen as one of the 'fists' of nationalism, has been an important achievement for the ruling party. It was accomplished in several ways: first, by continuing state support for the two teams with the biggest fan bases (Red Star and Partizan) in such a way where the most profitable SOEs (such as Telekom Srbija or the Serbian oil industry) are being asked (ordered) to provide funding in dire times (which means always, due to poor management, gross corruption and incompetence). Second, the companies set up by leaders of the supporters' groups (several of whom have substantial criminal records) have been granted valuable contracts. The most striking example concerns the Ultra-kop company, set up by 'fan leaders' of Red Star Belgrade; in just a few years, with zero references and only six employees, this company has grown enough to take on complex work assignments, usually in partnership with various government-owned entities.⁶⁴ There is speculation that because of these and similar deals, there is zero incentive for the organised supporters to join any of the anti-government rallies, including the '1 of 5 million' protests.

This is why we should not be surprised by the constant 'flirting' – among government and opposition parties alike – with other models competing with liberal democracy. Despite adopting them on the most superficial, narrative level, the Serbian elites' attachment to (or internalisation of) 'European values'⁶⁵ remains questionable. In the same way the West is perceived as 'weak', the attractiveness of some of the accomplishments of Hungary, Turkey or Russia grows. Their experiences with practicing illiberal democracy (or autocracy) are shared by a significant number of politicians who participate in the cooperation programmes designed to include high-ranking members of political parties and parliament. Once there, they proudly post photos with those countries' political leaders, promising to their voters that they will 'do what they have done' and never jeopardise their long-established friendships.⁶⁶ It is no wonder, then, that decisions concerning these countries are easily adopted in parliament or at government sessions.⁶⁷ They need to seek no other justification for

the police, as well as a series of arrests that gave the opposition strong impulse to continue. This ongoing debate on the character of the protests is another test of whether there is space for pluralism in Serbia's society, as well as a measure of its democratic potential.

⁶⁴ *Insajder*, 19 December 2018, 'Firma vođe navijača Zvezde zajedno sa gradskom firmom dobila posao od EPS-a' [Fan leaders together with city-owned company granted power grid overhaul contract], <https://insajder.net/sr/sajt/tema/12911/Firma-vo%C4%91e-navija%C4%8Da-Zvezde-zajedno-s-gradskom-firmom-dobila-posao-od-EPS-a.htm> (accessed 22 March 2019)

⁶⁵ This was left almost unmentioned in the last parliamentary or presidential elections; unlike, for instance in 2008 or 2012, when it was a major issue.

⁶⁶ At times posts on Facebook and Twitter become frankly problematic from the standpoint of the oaths that were given. For instance, one politician who is an MP in the National Assembly added the caption 'my leader' when posing next to the president of a foreign country.

⁶⁷ In late 2017, Serbia extradited the Kurdish opposition politician Cevdet Ayaz to Turkey, despite the recommendation of the UN Commission against torture not to do so. He fled his home country after being sentenced to 15 years in prison for 'undermining constitutional order'. B92, 23 December 2017, "'Slučaj srpskog Kurda': Šta će biti sa Dževdetom Ajazom?" https://www.b92.net/info/vesti/index.php?yyyy=2017&mm=12&dd=23&nav_category=11&nav_id=1339640 (accessed 3 March 2019)

their actions than the one provided by President Vučić himself, who has pursued the best possible relations with all of the aforementioned countries and their leaders.⁶⁸ All of this additionally weakens the liberal forces in Serbia's society who, as they lose the fight for the political centre, retreat into a 'bubble' created around civil society and parts of the academic community.

With inefficient oversight mechanisms, financing remains protected from public view, while the lack of internal democratic practices and voluntarism leaves political parties open to various types of malign influence. Of all the actors analysed, these might pose the greatest liability to Serbia's prospects.

⁶⁸ Serbia was very careful not to align with any side when the August 2016 coup erupted in Turkey; meanwhile, Orbán's government has enabled and encouraged the Hungarian party's (SVM) participation in successive governments, although this is only one part of Serbia's relationship with Budapest, today described as 'the best ever'. *Blic*, 13 June 2018, 'Vučić sa mađarskim šefom diplomatije: Najbolji odnosi dve zemlje u istoriji' [Vučić with the Hungarian Foreign Minister: best relations between the two countries in history], <https://www.blic.rs/vesti/politika/vucic-sa-madarskim-sefom-diplomatije-najbolji-odnosi-dve-zemlje-u-istoriji/vpxj0k> (accessed 3 March 2019)

FOREIGN AND SECURITY POLICY

Next to the economy, ‘third actors’ hold the greatest leverage over the country’s foreign and security policy. The principal reason, of course, is Serbia’s Kosovo policy, with its many implications. Two of its most visible aspects concern the support by Russia and China, who have refused to recognise Kosovo in the UN Security Council; and the efforts by these countries’ foreign ministries, which have two aims: rescinding recognitions of Kosovo’s independence by engaging the more distant and less interested countries which did not give the matter much thought back in 2008; and preventing Kosovo from joining international organisations, of which so far UNESCO and Interpol have been most prominent. The latter actions – although considered ‘fair game’⁶⁹ since the authorities in Prishtina also lobby on their own behalf – have contributed recently to the overall worsening of relations⁷⁰ between Serbia and Kosovo. Serbia returns the favour by not aligning with EU and UN resolutions that are critical of Russia and China. On more than one occasion, this has been done in violation of the principles of international law (i.e. Crimea) or respect for democracy (resolutions adopted against the behaviour of countries which have not recognised Kosovo’s independence, Venezuela being the latest example). Although no influence is more direct, the Serbian leadership carefully considers each decision in an attempt to maintain its balancing act. The narrative employed by the decision-makers can therefore be misleading. For instance, the Humanitarian Centre in Niš will hardly ever be granted immunity from Serbian laws, despite Russia’s insistence.⁷¹

There is a more concrete price tag to Serbia’s Kosovo policy, one that concerns the budget allocations made over the years. In an ironic twist of fate, Belgrade has now

⁶⁹ The Brussels Agreement on the principles of normalization of relations from April 2013 only stipulates (in article 14) that the two sides will not block each other’s “European path”.

⁷⁰ Starting from 7 November 2018, Prishtina has been imposing 100% tariffs on imports from the two countries in the region which have not recognised it, Serbia and Bosnia & Herzegovina. This has created the deepest crisis in relations since the start of the Brussels-mediated dialogue.

⁷¹ The agreement on its establishment was signed in 2009; the Centre was opened in 2012, but as of 2019, it has not been granted diplomatic status.

become responsible for its own 'parallel institutions' operating in Kosovo (or relocated to Central Serbia) – some of which, years after relinquishing their authority to Prishtina, are still functioning, with salaries that need to be paid. Some of the measures introduced with the idea of easing the lives of the Serbian community – i.e. giving up VAT for the sake of a trust fund – have turned into sources of gross embezzlement.

Military neutrality is another matter. This policy, which was born out of necessity on the eve of Kosovo's declaration of independence, has since been legitimised and is supported by the majority of population.⁷² The ministries of defence and foreign affairs have invested significant effort to create the impression that Serbia is cooperating with all sides while striving for membership in the EU. While military exercises organised with the US, NATO and EU member states do take place more often (19 in 2018), those undertaken with Russia are also becoming more frequent – from 3 in 2017 to 9 in 2018.⁷³ Also, for the first time in years, Serbia's young diplomats have been receiving training in Moscow, in parallel to that provided in centres in the West. Given Belgrade's foreign policy position and the general positive disposition of the population and civil servants towards such cooperation, this is bound to continue.

The procurement of weapons & weapon systems and defence industry cooperation constitutes the third potential weakness. With armed forces more reliant on Soviet-produced or -licensed hardware, despite strong local potential⁷⁴ it is easier – and cheaper – to meet the country's military requirements by seeking deals with Russia and other producers of similar equipment, i.e. Belarus. This raises eyebrows in the rest of the region, but as long as it does not affect perceived balance of power (arms and armaments) in the region, the West remains silent. One recent notable exception concerned the possible acquisition of Mi-35 Hind attack helicopters, which the United States has openly discouraged Serbia from doing.

⁷² The latest public opinion poll, by CeSID and CEAS in December 2018, speaks of 60% support. <http://www.politika.rs/sr/clanak/419135/Vecina-gradana-smatra-da-KiM-mora-da-bude-u-sastavu-Srbije> (accessed 3 March 2019)

⁷³ Marko Tašković, 'Dilema da li smo bliži NATO ili Rusiji lako može da se reši ako pogledate jednu brojku' [The dilemma of whether we are closer to NATO or Russia can be easily resolved if you look at one number], 29 May 2018, <https://www.blic.rs/vesti/drustvo/dilema-da-li-smo-bliži-nato-ili-rusiji-lako-može-da-se-reši-ako-pogledate-jednu/11q7cqjw> (accessed 3 March 2019)

⁷⁴ Serbia's defense industry, predominantly state-owned, employs 9000 people and generates US\$1bn every year.

Conclusion

What, then, are Serbia's principal vulnerabilities, affecting its prospects for EU membership and unhindered development? Although more lasting influence and presence has been achieved in the fields of economy and society, it is the system of governance that constitutes the weakest link. Key decisions are made within a closed circle with little or no public scrutiny; questions from the expert community and the media are sidelined. It is hard to imagine intervention from within the system, with so many high-ranking positions deliberately filled by interim officials. Informal channels prove more valuable than formal ones; parliament is not a pressure point, but rather a place to exchange information and simply confirm what the executive desires. Citizens are not asked for their opinions; they are co-opted by extraordinary, urgent procedures that make later reassessment difficult. Numerous examples can be found at the local level, where participatory politics should be at their strongest.

Civil society understands these worrying trends, and warns the public, but is disconnected from power and lacks real influence. Independent reporting reaches only a fraction of the population, taking into account the penetration of Twitter and news networks critical of the government. Even then, it is difficult to distinguish real from 'fake news'.

Serbia is therefore open to all sorts of influence – not only from 'third actors', but companies from the West as well. They are almost unopposed in their desire to obtain their policy goals. Whether they will be ultimately successful, however, depends on the leadership, which is still undecided over what direction the country should take – and is thus still unpredictable.

PERMEABILITY INDEX

Summary, outlook and conclusions

1. Among the countries studied, Bosnia and Herzegovina and Serbia face outstanding vulnerabilities in the fields of politics, society and foreign policy. Bosnia and Herzegovina's vulnerability to malign influence in the economic sector is also relatively and objectively high.
2. With the above-mentioned exception of Bosnia and Herzegovina, the economic vulnerabilities of the countries in the region are not overwhelming. The financial state of these countries is more likely to be worsened indirectly, through actions in other fields such as politics or foreign policy. However, the incapacity of national governments to ensure the development of fair societies by reducing development gaps between regions or social groups is an issue which affects 5 out of 6 countries (North Macedonia being the exception).
3. Without exception, it is in the domain of politics where all the countries in the region face the greatest vulnerabilities. The rule of law, as well as the constitutional and electoral frameworks, are either malfunctioning or failing to fulfil their intended purposes.
4. While the numeric data suggests that Serbia and Bosnia and Herzegovina are similar, there are some meaningful differences. Bosnia and Herzegovina, by comparison with Serbia, presents more vulnerabilities on the issues of political representation and the sustainability of national debt.

Methodology

How does one measure a country's vulnerability to outside influences? The main research team started from the premise that the vulnerabilities are of various types, which led to the classification of 4 fields of research: society, politics, economics, and the field of foreign policy, security and defence.

Experts and practitioners from each field were asked to provide statements measuring a given country's vulnerability to outside influence in that field. The statements were grouped by said research team into sub-domains as follows:

Society field:

- Sub-domain: The divisions within (6 statements)
- Sub-domain: The state and the fair society (6 statements)
- Sub-domain: The pace of change (4 statements)
- Sub-domain: The outside world (6 statements)
- Sub-domain: Media and civil society (7 statements)

Foreign policy, security and defence field:

- Sub-domain: Foreign policy orientation (5 statements)
- Sub-domain: National resilience (5 statements)
- Sub-domain: National security (5 statements)
- Sub-domain: Political and strategic narratives (3 statements)
- Sub-domain: Military (in)dependence (4 statements)

Politics field:

- Sub-domain: Constitutional and electoral system (5 statements)
- Sub-domain: Political parties (5 statements)
- Sub-domain: Representation (6 statements)
- Sub-domain: Public administration and the rationality of the state (6 statements)
- Sub-domain: Rule of law (4 statements)

Economics field:

- Sub-domain: Sustainability of national debt and deficit (4 statements)
- Sub-domain: Competitiveness and transparency (6 statements)
- Sub-domain: Share of ownership and control over local business (4 statements)
- Sub-domain: Locals working abroad (2 statements)
- Sub-domain: Energy self-sufficiency (4 statements)
- Sub-domain: Trade and tourism (3 statements)

- Sub-domain: Media business models (2 statements)

The final list of statements was reached after a multiple round of reviews, in which researchers from all the six countries under study (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia) participated.

For each of the four fields and each of the six countries, a number of local experts were picked to provide their reaction to the statements according to a modified Likert scale (not true at all or not applicable in the country / there is some truth to the statement / statement is relatively true / statement is absolutely true). These respondents were individuals whose work, activity or knowledge in the field was significant: politicians, members of academia, NGO leaders and specialists, state employees of greater relevance, journalists or otherwise employed policy experts. This method has often been used in polls on corruption, measuring the confidence of businesses in a country's immediate future, politics (Electoral Integrity Project and V-DEM⁷⁵), "measuring democratic accountability (Kitschelt and Kselman 2013), democratic states' foreign policy positions toward Iran (Wagner & Onderco 2014), the positions of key political actors on the EU constitution (Dorussen, Lenz, and Blavoukos 2005), and the ideological leanings of legislative and bureaucratic institutions (Saiegh 2009 Clinton and Lewis 2008). Beyond political science, researchers use experts to assess classroom interactions in education (Meyer, Cash, and Mashburn 2011), gauge risk and uncertainty related to civil infrastructure (Cooke and Goossens 2004), estimate species population in biology (Martin et al. 2012), and create indexes of societal stressors (McCann 1998)⁷⁶, etc. but not on this topic and not in this region.

The following table lists the number of experts from each country who responded to at least one statement for each sub-domain:

<i>Country/field</i>	<i>Economics</i>	<i>Politics</i>	<i>Foreign policy, security and defence</i>	<i>Society</i>
Albania	16	16	16	17
Bosnia and Herzegovina	15	16	14	16
Kosovo	12	11	14	11
North Macedonia	16	16	16	16
Montenegro	14	16	14	17
Serbia	11	16	23	16

⁷⁵ 'Expert Surveys as a Measurement Tool: Challenges and New Frontiers' by Cherie Maestas, p.1-2 in *The Oxford Handbook of Polling and Survey Methods* (ed. Lonna Rae Atkeson and R. Michael Alvarez).

⁷⁶ *idem*, p.3.

It is the belief of the research team that, in the case of this study, such experts are more knowledgeable concerning a country's specific vulnerabilities in a field than nationally representative samples. We acknowledge the limitations of the procedure, such as the existence of factors including response rate, expert selection biases, and the ideological bias and subjectivity of the respondents. In the context of the last of these factors, we would like to draw attention to two potential biases: nationalism ('let's not make things look so bad for the country') and the desire to attract attention and financing ('let's make things look worse than they actually are'). It is our belief that national pride may have influenced the answers of respondents to a significant degree, without fully distorting the study results.

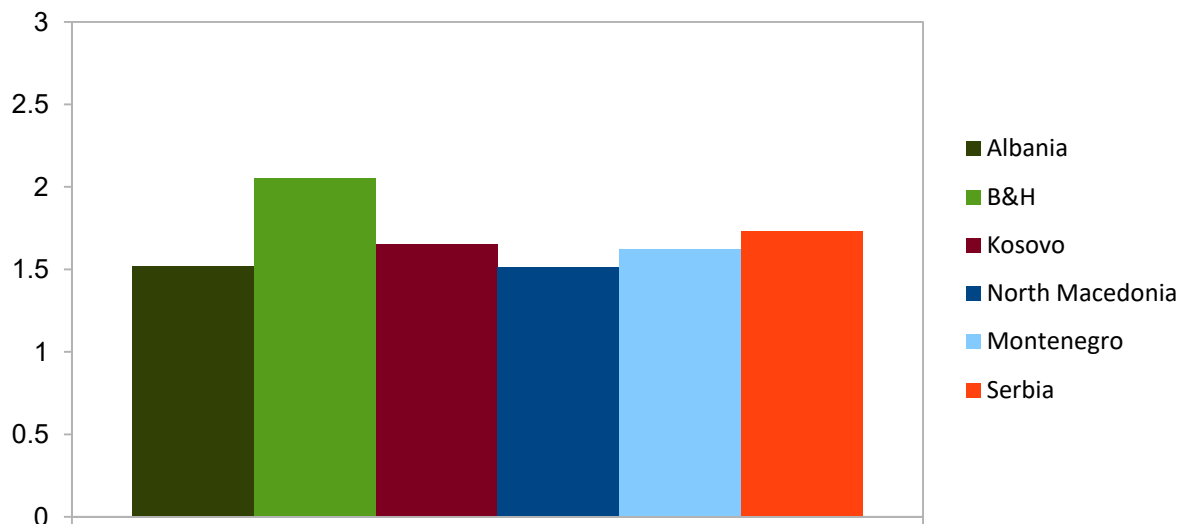
Each answer was given a numerical value, with 0 for 'not true at all or not applicable in the country' and 3 for 'statement is absolutely true', the other two options receiving the intermediate values of 1 and 2.

In the case of each of the six countries:

1. for each statement within each sub-domain, an index was calculated by averaging the numerical value of all the reactions to the statement;
2. the vulnerability indexes of each sub-domain were calculated by averaging the numerical values of all the indexes of the statements (as mentioned in point 1 above);
3. the vulnerability indexes of each field were calculated by averaging the numerical values of all the vulnerability indexes of the sub-domains (as mentioned in point 2 above);
4. the total vulnerability index of the country was calculated by averaging the numerical values of the vulnerability indexes of each field (as mentioned in paragraph 3 above).

As the questionnaire and the research itself are original, we have chosen not to use any weighting procedures.

Total Vulnerability Index (0 = not vulnerable, 3 = very vulnerable)



Raw data:

Albania: 1.52

Bosnia and Herzegovina: 2.05

Kosovo: 1.65

North Macedonia: 1.51

Montenegro: 1.62

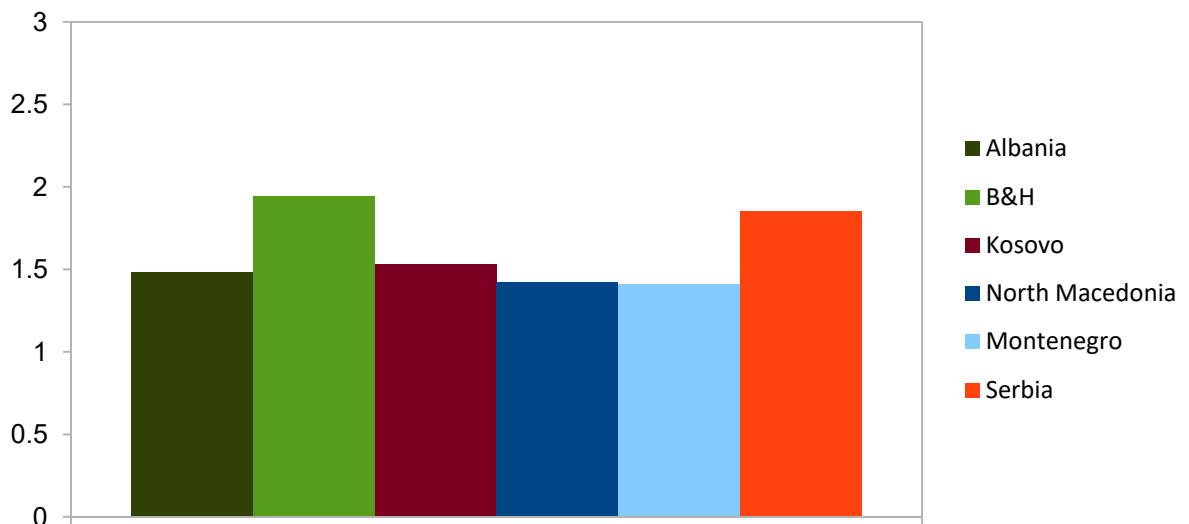
Serbia: 1.73

Explanation and discussion:

The countries under study fall into four separate groups. The vulnerability indexes of Albania and North Macedonia are close to the theoretical average of 1.5. Kosovo and Montenegro have slightly higher vulnerability indexes (1.65 and 1.62 respectively). Serbia's vulnerability index (1.73) is moderately high; that of Bosnia and Herzegovina is exceedingly high (2.05).

As seen in the following graphs, Bosnia's vulnerability index in each field is higher than that of the other countries being studied. Serbia has the 2nd highest vulnerability indexes in the fields of foreign policy and society; it is middle-of-the-pack (tied for 3rd) when measuring the political vulnerability index; it also has the lowest economy vulnerability index of all countries that participated in the study.

Foreign policy and security vulnerability Index (0 = not vulnerable, 3 = very vulnerable)



Raw data:

Albania: 1.48

Bosnia and Herzegovina: 1.94

Kosovo: 1.53

North Macedonia: 1.42

Montenegro: 1.41

Serbia: 1.85

Explanation and discussion:

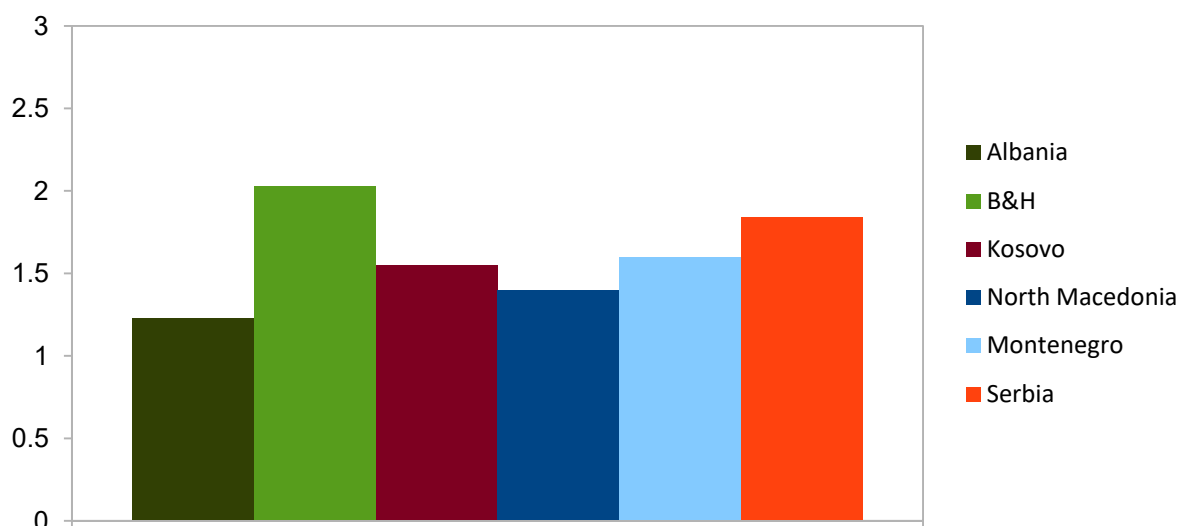
In four of the six countries, the foreign policy and security vulnerability index is slightly under the theoretical average of 1.5 (Albania, North Macedonia, Montenegro) or very close to that average (Kosovo, 1.53). Serbia (1.85) and Bosnia and Herzegovina (1.94) stand out, having significantly higher total security and foreign policy vulnerability indexes.

Major vulnerabilities (index above 2) in this domain are:

- For Serbia: foreign policy orientation and the political and strategic narrative
- For Bosnia and Herzegovina: foreign policy orientation
- For all countries: national resilience to hybrid warfare, information warfare, cyber-warfare and natural disasters.

A particularly high vulnerability index value (2.64) is encountered in the case of Bosnia and Herzegovina on the issue of a lack of general consensus on the country's strategic orientation at the level of the political elites.

Society vulnerability Index (0 = not vulnerable, 3 = very vulnerable)



Raw data:

Albania: 1.23

Bosnia and Herzegovina: 2.03

Kosovo: 1.55

North Macedonia: 1.40

Montenegro: 1.60

Serbia: 1.84

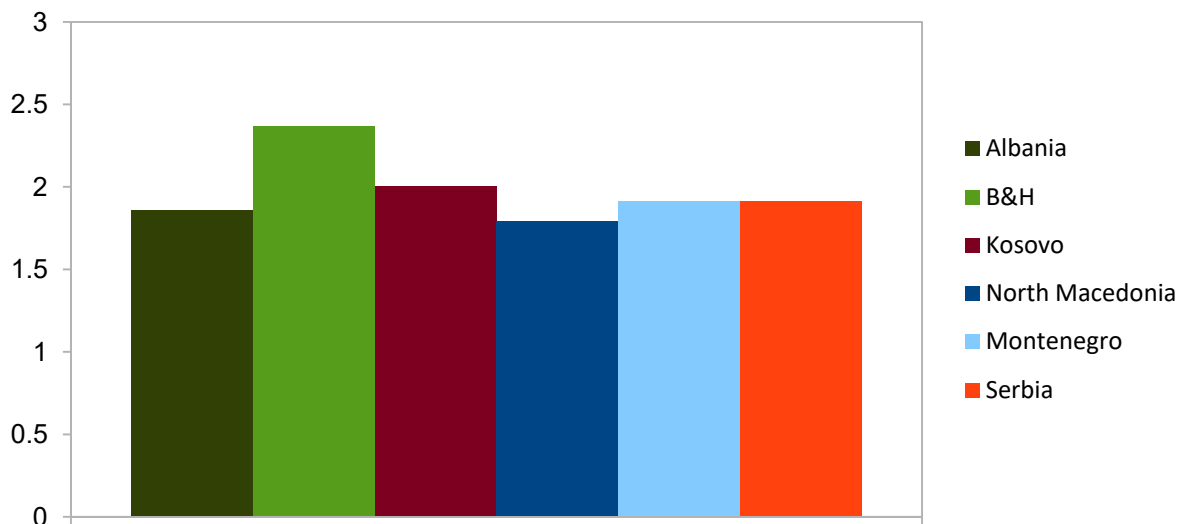
Explanation and discussion:

In four of the six countries the social vulnerability index is under the theoretical average of 1.5 (Albania, North Macedonia) or slightly above it (Kosovo, Montenegro). Serbia (1.84) and Bosnia and Herzegovina (2.03) stand out, having a significantly higher total social index.

Major vulnerabilities (index above 2) in this domain are:

- For both Serbia and Bosnia and Herzegovina: media and civil society (the demonisation of journalists as spies/foreign agents, the visibility of fake news, the vulnerability of some sections of society to fake news).
- For Bosnia and Herzegovina: the divisions within the country, media and civil society.
- For all countries except North Macedonia: the state in relation to the establishment of a fair society.

Political vulnerability Index (0 = not vulnerable, 3 = very vulnerable)



Raw data:

Albania: 1.86

Bosnia and Herzegovina: 2.37

Kosovo: 2.00

North Macedonia: 1.79

Montenegro: 1.91

Serbia: 1.91

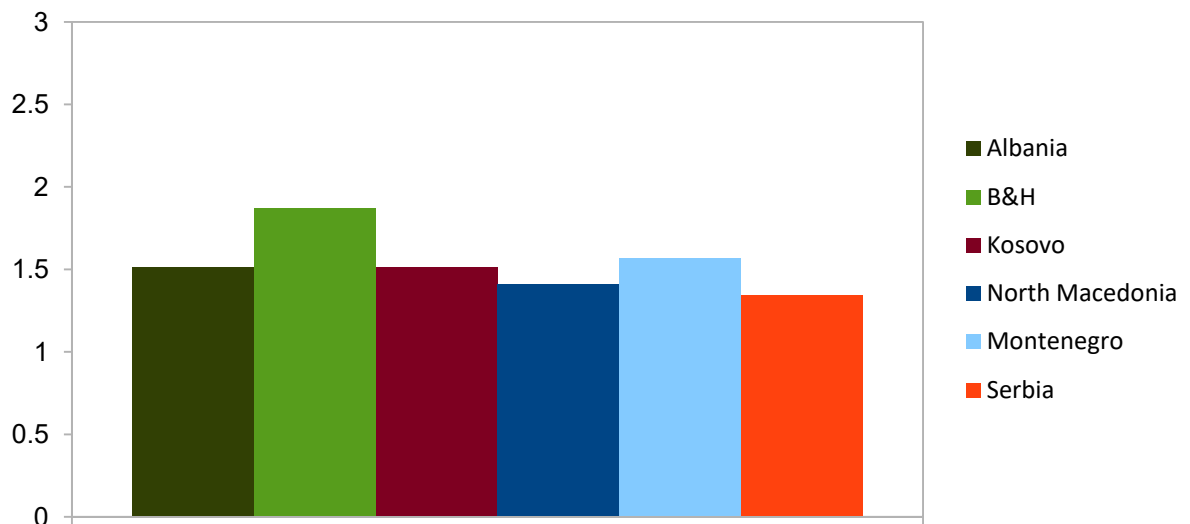
Explanation and discussion:

With the exception of Bosnia and Herzegovina, whose political vulnerability index is extremely high (2.37), all countries are grouped around high values (in between 1.79 and 1.91), significantly higher than the theoretical average of 1.5.

Major vulnerabilities (index above 2) in this domain are:

- For all countries except North Macedonia: the rule of law.
- For all countries except North Macedonia and Montenegro, the vulnerabilities in their constitutional and electoral systems are high (above 2.00) and should be a major cause of concern. It must be mentioned that the vulnerability indexes of North Macedonia and Montenegro in this sub-field (constitutional and electoral system) are actually very close to the 2.00 threshold, at 1.99 and 1.98 respectively.
- For Albania, Bosnia and Herzegovina and Kosovo: political parties, namely the excessive concentration of power and the unpredictable legislative agenda.
- For Bosnia and Herzegovina and Serbia: public administration and rationality, namely an inefficient and politically-dominated bureaucracy.
- For Bosnia and Herzegovina: representation (the political parties' priorities being significantly different from those of the general population, and significant groups feeling unrepresented by any political actor).

Economic vulnerability Index (0 = not vulnerable, 3 = very vulnerable)



Raw data:

Albania: 1.51

Bosnia and Herzegovina: 1.87

Kosovo: 1.51

North Macedonia: 1.41

Montenegro: 1.57

Serbia: 1.34

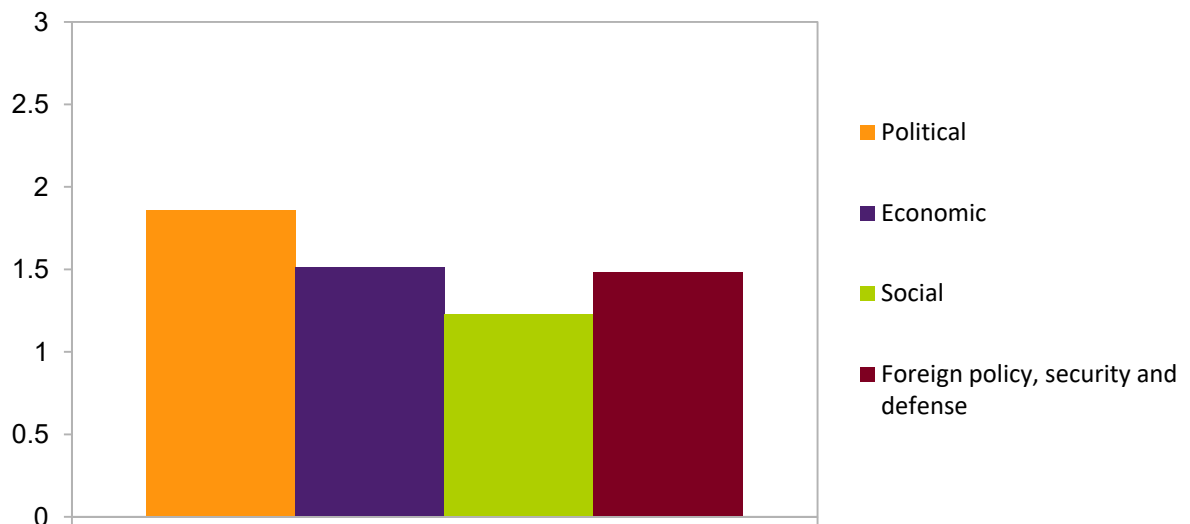
Explanation and discussion:

With the exception of Bosnia and Herzegovina, whose economic vulnerability index (1.87) is significantly higher than theoretical average of 1.5, all the countries are grouped around that theoretical average or below it.

Major vulnerabilities (index above 2) in this domain are:

- for all countries: competitiveness and transparency.
- for Bosnia and Herzegovina: Sustainability of national debt and deficit, as well as media business models.

Albania's vulnerability indexes (0 = not vulnerable, 3 = very vulnerable)



Raw data:

Political vulnerability: 1.86

Economic vulnerability: 1.51

Social vulnerability: 1.23

Foreign policy, security and defence vulnerability: 1.48

Explanation and discussion:

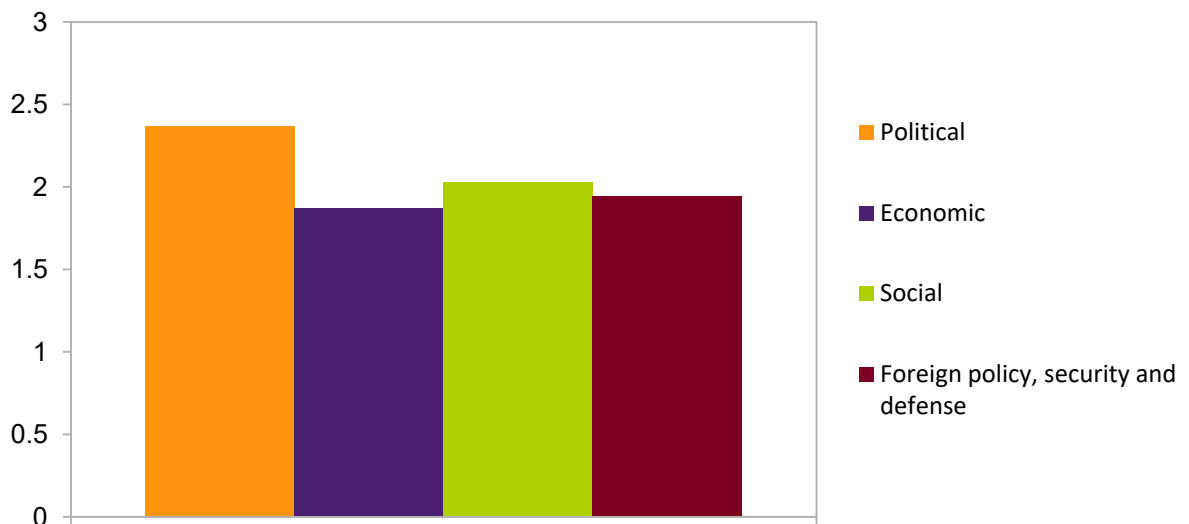
In relative terms, the vulnerability indexes of Albania are among the second-lowest of all the countries being studied in absolute terms; the vulnerability indexes are close to the theoretical average of 1.5, with the exception of politics.

Issues of great concern (vulnerability above 2.25) are:

- Important representatives of national security institutions are susceptible to political influence or cronyism.
- There are regions of the country and sections of society which are significantly more likely to be manipulated by fake or misleading media.
- Many people believe public institutions or service providers are not there to help them or do not do enough for them.
- Many people believe election results and proceedings are false or manipulated.
- There are some regions of the country or sections of society which are much poorer than others.

- A significant part of the population believes people can only succeed if they have political support or patronage.
- Political power within parties is generally concentrated in the hands of one person or a certain cohesive group of interests.
- Key civil servants in public administration are controlled by political interest groups, although they are nominally independent.
- The justice system in general tends to be significantly influenced by political or business interests.
- Important political elites tend to be above the law, and do not necessarily comply with laws or judicial decisions.
- The competitiveness level of the economy is low, which makes strategic sectors of the economy easier to control by a small number of wealthy individuals.
- The country's State Owned Enterprise sector is large and rife with corruption and political cronyism.
- Most local magnates have made their fortunes through political favouritism.
- The country's growth model and political situation are likely to increase economic inequality for some regions or groups.
- The share of the undeclared or illegal labour force in the country's total labour force is significant.
- The current flow of investment is limited and economic growth is slower than expected.
- National media in the country is guided by illegitimate political or economic interests rather than profit-making.

Bosnia and Herzegovina's vulnerability indexes (0 = not vulnerable, 3 = very vulnerable)



Raw data:

Political vulnerability: 2.37

Economic vulnerability: 1.87

Social vulnerability: 2.03

Foreign policy, security and defence vulnerability: 1.94

Explanation and discussion:

In relative terms, the vulnerability indexes of Bosnia and Herzegovina are the highest in all four fields of all the countries studied. In absolute terms, the vulnerability indexes are all extremely high, the lowest (economic vulnerability) being far above the theoretical average of 1.5.

Issues of great concern (vulnerability above 2.25) are:

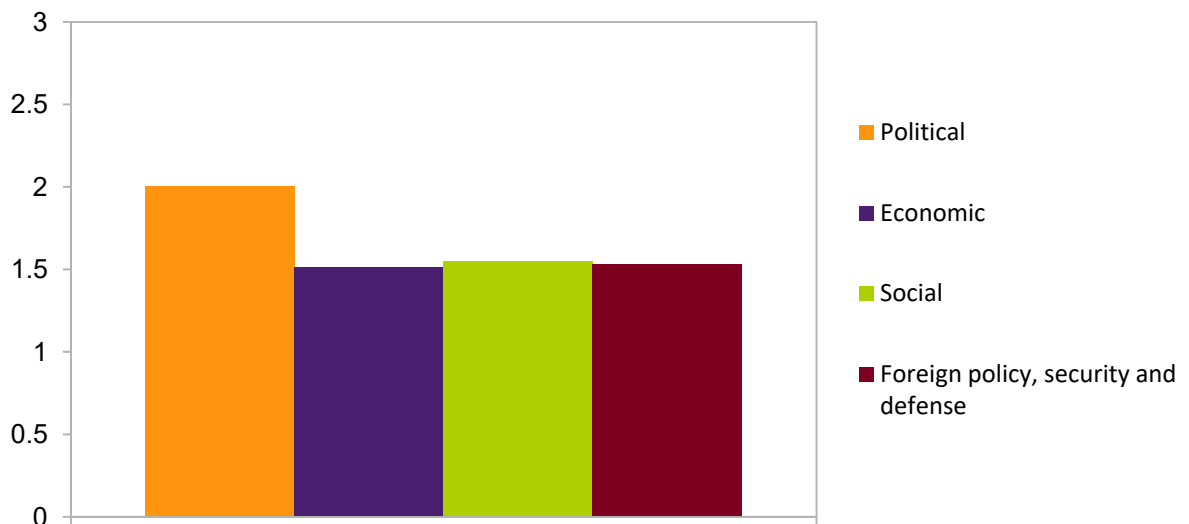
- Foreign policy decision-makers in my country are polarised between Atlanticism and counter-Atlanticism.
- There is a lack of general consensus on the country's strategic orientation at the level of the political elites.
- The country's resilience to hybrid warfare (including paramilitary structures) is particularly underdeveloped as compared to the threat.
- In case of a crisis or natural catastrophe, my country's intergovernmental agency coordination would be dysfunctional.

- Important representatives of national security institutions are susceptible to political influence or cronyism.
- The country's defence and foreign policy strategic framework and/or outlook are unsuited for the existing security challenges in the region.
- The country's national strategy does not acknowledge the danger of information warfare.
- There is a strong feeling of nostalgia for how things used to be in the country before democracy/capitalism.
- Fake or misleading political or news stories often garner more visibility than their rebuttals or clarifications.
- Journalists and/or civil society activists are often labelled as foreign spies, mercenaries or servants of foreign powers which are working to destabilise the country.
- Media and civil society fail to properly warn about or prepare the broader public for media manipulation.
- Nationalist or anti-Western views from new or little-known sources often go viral on social media.
- Some regions of the country or sections of society are significantly more likely to be manipulated by fake or misleading media.
- Significant ethnic minorities are excluded from political, economic or social representation.
- Many people believe public institutions or service providers are not there to help them or do not do enough for them.
- Many people believe election results and proceedings are false or manipulated.
- Some regions of the country or sections of society are much poorer than others.
- A significant part of the population believes people can only succeed if they have political support or patronage.
- Political parties have a hard time forming sustainable governing coalitions after elections.
- Policy-making is more influenced by ideology or political interest than by evidence and science;
- Generally, the priorities of political parties are significantly different from the priorities of the general population.
- There are significant and cohesive social groups, tied by religion, sexual orientation, wealth or other binding principles, which feel they being strategically unrepresented by any relevant political actor.
- Key civil servants in public administration are controlled by political interest groups, although they are nominally independent.
- The public administration is generally inefficient in implementing public policy.
- Generally, the government's legislative agenda is oftentimes unpredictable and

can change overnight.

- Political power within parties is generally concentrated in the hands of one person or a certain cohesive group of interests.
- The justice system in general tends to be significantly influenced by political or business interests.
- Important political elites tend to be above the law and do not necessarily comply with laws or judicial decisions.
- The non-elective institutions that frame the democratic system (constitutional court; electoral authority) are highly politicised or irrelevant.
- A significant public discourse accuses institutions of force (the judiciary, police, military, etc) of distorting the country's democratic order.
- The system of democratic checks and balances is dysfunctional or unpredictable.
- The distribution of constitutional powers overwhelmingly favours political actors who resort to populism during electoral campaigns.
- The legislation or practice of raising funds for political parties is not overseen by independent institutions in practice.
- The country's institutions are ineffective at stopping illegitimate influence on elections.
- The government's macro-economic governance or supervisory institutions are incompetent, weak or highly politicised.
- Weak data collection and lack of transparency policies has made cartelisation possible.
- The level of competitiveness in the economy is low and makes it easier for a small number of wealthy individuals to control strategic sectors of the economy.
- The country's State Owned Enterprise sector is large and rife with corruption and political cronyism.
- Most local magnates have made their fortunes through political favouritism.
- The country's growth model and political situation are likely to increase economic inequality for some regions or groups.
- The share of the undeclared or illegal labour force in the country's total labour force is significant.
- The current flow of investment is limited, and economic growth is slower than expected.
- A sharp decrease in the level of remittances to the country would create chaos.
- National media in the country is guided by illegitimate political or economic interests rather than profit-making.

Kosovo's vulnerability indexes (0 = not vulnerable, 3 = very vulnerable)



Raw data:

Political vulnerability: 2.00

Economic vulnerability: 1.51

Social vulnerability: 1.55

Foreign policy, security and defence vulnerability: 1.53

Explanation and discussion:

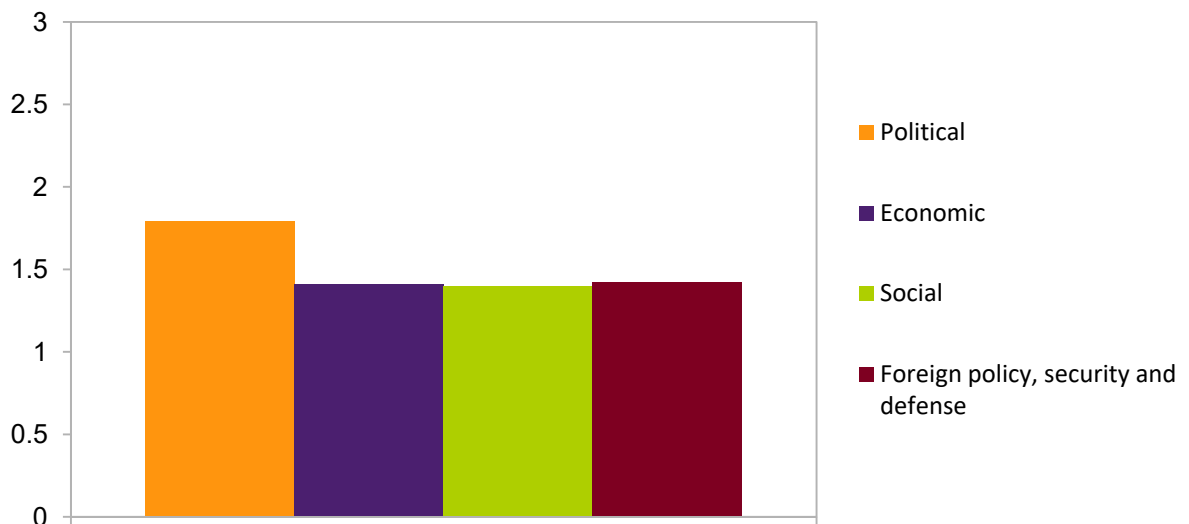
Kosovo's vulnerability indexes are average, the exception to the rule being the political vulnerability index (2.00), which is much higher than the theoretical average of 1.5.

Issues of great concern (vulnerability above 2.25) are:

- Tensions between my country and one or more its neighbours could degenerate into conflict.
- Policy-making is more influenced by ideology or political interest than by evidence and science;
- Key civil servants in public administration are controlled by political interest groups, although they are nominally independent.
- The public administration is generally inefficient in implementing public policy.
- Many people believe public institutions or service providers are not there to help them or do not do enough for them.

- Some regions of the country or sections of society are much poorer than others.
- A significant part of the population believes people can only succeed if they have political support or patronage.
- The legislation or practice of raising funds for political parties is not overseen by independent institutions in practice.
- The country's institutions are ineffective at stopping illegitimate influence on elections.
- Political parties have a hard time forming sustainable governing coalitions after elections.
- Generally, the government's legislative agenda is oftentimes unpredictable and can change overnight.
- Political power within parties is generally concentrated in the hands of one person or a certain cohesive group of interests.
- The justice system in general tends to be significantly influenced by political or business interests.
- Important political elites tend to be above the law and do not necessarily comply with laws or judicial decisions.
- The non-elective institutions that frame the democratic system (constitutional court; electoral authority) are highly politicised or irrelevant.
- The level of competitiveness in the economy is low and makes it easier for a small number of wealthy individuals to control strategic sectors of the economy.
- The country's State Owned Enterprise sector is large and rife with corruption and political cronyism.
- Most local magnates have made their fortunes through political favouritism.
- The share of the undeclared or illegal labour force in the country's total labour force is significant.

North Macedonia's vulnerability indexes (0 = not vulnerable, 3 = very vulnerable)



Raw data:

Political vulnerability: 1.79

Economic vulnerability: 1.41

Social vulnerability: 1.40

Foreign policy, security and defence vulnerability: 1.42

Explanation and discussion:

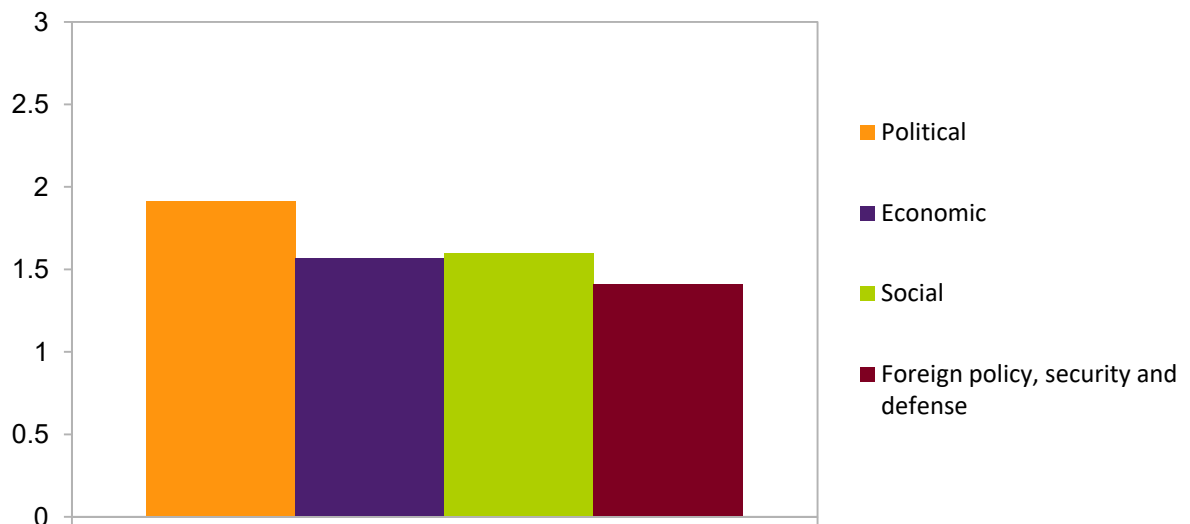
In relative terms, the vulnerability indexes of North Macedonia are the lowest of all the countries being studied in absolute terms; the vulnerability indexes are close to the theoretical average of 1.5, with the exception of politics.

Issues of great concern (vulnerability above 2.25) are:

- The country's resilience to hybrid warfare (including paramilitary structures) is particularly underdeveloped as compared to the threat.
- Important representatives of national security institutions are susceptible to political influence or cronyism.
- Many people believe public institutions or service providers are not there to help them or do not do enough for them.
- Some regions of the country or sections of society are much poorer than others.

- A significant part of the population believes people can only succeed if they have political support or patronage.
- Political power within parties is generally concentrated in the hands of one person or a certain cohesive group of interests.
- Most local magnates have made their fortunes through political favouritism.

Montenegro's vulnerability indexes (0 = not vulnerable, 3 = very vulnerable)



Raw data:

Political vulnerability: 1.91

Economic vulnerability: 1.57

Social vulnerability: 1.60

Foreign policy, security and defence vulnerability: 1.41

Explanation and discussion:

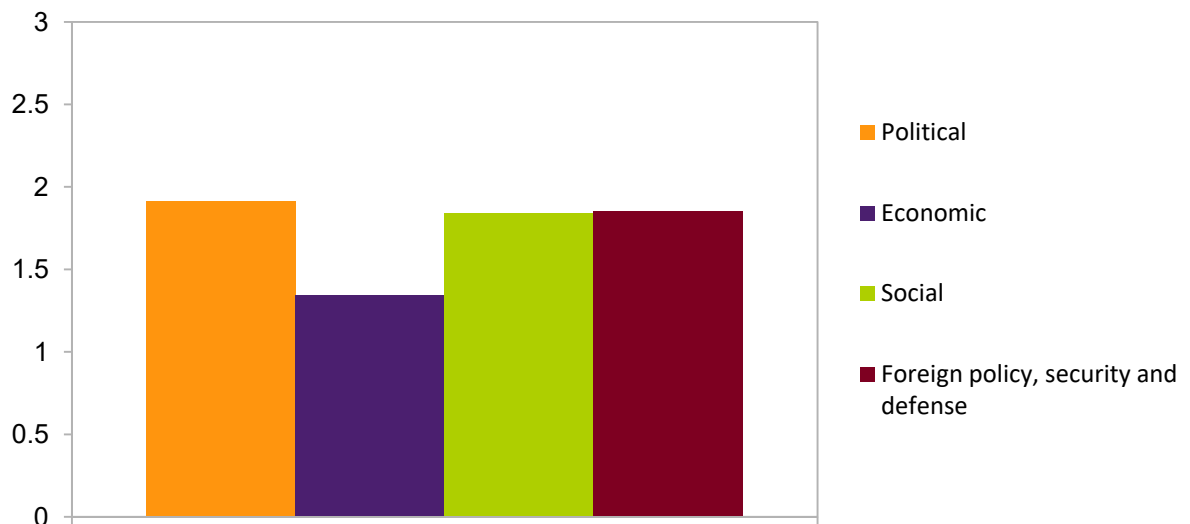
Montenegro's vulnerability indexes are average, the exception to the rule being the political vulnerability index (1.91), which is much higher than the theoretical average of 1.5.

Issues of great concern (vulnerability above 2.25) are:

- Important representatives of national security institutions are susceptible to political influence or cronyism.
- Many political leaders who employ pro-Western public discourse are considered corrupt or insincere.
- Journalists and/or civil society activists are often labelled as foreign spies, mercenaries or servants of foreign powers which aim to destabilise the country.
- Many people believe public institutions or service providers are not there to help them or do not do enough for them.

- Many people believe election results and proceedings are false or manipulated.
- Some regions of the country or sections of society are much poorer than others.
- A significant part of the population believes people can only succeed if they have political support or patronage.
- Political power within parties is generally concentrated in the hands of one person or a certain cohesive group of interests.
- The justice system in general tends to be significantly influenced by political or business interests.
- Important political elites tend to be above the law and do not necessarily comply with laws or judicial decisions.
- The non-elective institutions that frame the democratic system (Constitutional Court; Electoral Authority) are highly politicised or irrelevant.
- Policy-making is more influenced by ideology or political interest than by evidence and science;
- Key civil servants in public administration are controlled by political interest groups, although they are nominally independent.
- The public administration is generally inefficient in implementing public policy.
- The government's macro-economic governance or oversight institutions are incompetent, weak or highly politicised.
- Weak data collection and lack of transparency policies has made cartelisation possible.
- The level of competitiveness in the economy is low and makes it easier for a small number of wealthy individuals to control strategic sectors of the economy.
- The country's State Owned Enterprise sector is large and rife with corruption and political cronyism. Most local magnates have made their fortunes through political favouritism.

Serbia's vulnerability indexes (0 = not vulnerable, 3 = very vulnerable)



Raw data:

Political vulnerability: 1.91

Economic vulnerability: 1.34

Social vulnerability: 1.84

Foreign policy, security and defence vulnerability: 1.85

Explanation and discussion:

With the exception of the economy, Serbia's vulnerability indexes are significantly higher than the theoretical average of 1.5, or those of other countries (except Bosnia and Herzegovina). In the domains of foreign policy, security and defence, Serbia's vulnerability index is the highest of all the countries studied.

Issues of great concern (vulnerability above 2.25) are:

- Important representatives of national security institutions are susceptible to political influence or cronyism.
- Many people have negative personal opinions about NATO or the EU.
- Fake or misleading political or news stories often garner more visibility than their rebuttals or clarifications.

- Journalists and/or civil society activists are often labelled as foreign spies, mercenaries or servants of foreign powers which are aiming to destabilise the country.
- Some regions of the country or sections of society are significantly more likely to be manipulated by fake or misleading media.
- Many people believe public institutions or service providers are not there to help them or do not do enough for them.
- Some regions of the country or sections of society which are much poorer than others.
- A significant part of the population believes people can only succeed if they have political support or patronage.
- Policy-making is more influenced by ideology or political interest than by evidence and science;
- A significant part of the political elites are mimicking democratic behaviour only in order to ease the country's accession into the EU or NATO.
- Key civil servants in public administration are controlled by political interest groups, although they are nominally independent.
- The public administration is generally inefficient in implementing public policy.
- The justice system in general tends to be significantly influenced by political or business interests.
- Important political elites tend to be above the law and do not necessarily comply with laws or judicial decisions.
- The system of democratic checks and balances is dysfunctional or unpredictable.
- The country's institutions are ineffective at stopping illegitimate influence on elections.
- Political power within parties is generally concentrated in the hands of one person or a certain cohesive group of interests.
- Weak data collection and lack of transparency policies has made cartelisation possible.
- The country's State Owned Enterprise sector is large and rife with corruption and political cronyism.
- The share of the undeclared or illegal labour force in the country's total labour force is significant.
- National media in the country is guided by illegitimate political or economic interests rather than profit-making.

PROJECT PARTNERS AND AUTHORS



GlobalFocus Center is an independent international studies think tank which produces in-depth research and high quality analysis on foreign policy, security, European affairs, good governance and development. It functions as a platform for cooperation and dialogue among individual experts, NGOs, think-tanks and public institutions from Romania and foreign partners.

The Asymmetric Threats programme focuses on strategic communications, terrorism and radicalization, cyber security and hybrid war.

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AUTHORS



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Marko Savkovic works as Program Director at the Belgrade Fund for Political Excellence (BFPE), in charge of the program of [the Belgrade Security Forum](#).

Previously, Marko worked for seven years as a researcher in the Belgrade Centre for Security Policy (BCSP), where he co-authored the first "Dictionary of European Security", followed by a pioneering study in Serbia's and Western Balkans' civilian capacities for peace operations.

Marko is a member of the working groups dedicated to chapter 31 (Foreign, Security and Defence Policy) and 35 (Other issues: Kosovo) of Serbia's European integration process, within the National Convent on the EU.

His work and thoughts have been published extensively in academic journals as well as various magazines and portals. He regularly writes for *Novi magazin* weekly and *Danas* daily newspapers. From 2011 to 2014, he was a guest lecturer at the Centre for Security Cooperation – RACVIAC. As of November 2018, he is a member of the program council of the National Academy for Public Administration.

PARTNERS



BIRN, the Balkan Investigative Reporting Network, was established in 2004 as a network of non-governmental organisations promoting freedom of speech, human rights and democratic values in Southern and Eastern Europe. BIRN has local organisations in Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Romania and Serbia, while the Network is editorially also present in Greece, Bulgaria, Croatia, Moldova, Montenegro, Ukraine, the Czech Republic, Poland, Slovakia, Hungary and Slovenia.

While the country organisations address local needs, BIRN Hub, registered in Bosnia and Herzegovina, also implements regional and international programs. BIRN Hub brings extensive expertise to journalists in post-communist and post-conflict societies, mainly through sharing the accumulated knowledge from the Western Balkan region.

BIRN Network monitors and advocates for the transparency and accountability of public institutions and enables CSOs and citizens to influence decision-makers. Through objective and timely reporting BIRN pays special attention to some major topics – transitional justice, media freedom, rule of law, organized crime and corruption and ecology.

BIRN has a wide media presence – online, in print, on TV, and on radio.

