

#6 China and the EU in the Western Balkans

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Key Takeaways

- China engages with the Western Balkans mainly as a financier of infrastructure and investor, aiming to strengthen connectivity with the EU through the Belt and Road Initiative.
- China does not follow a unified regional strategy but builds bilateral relations, with Serbia as its key partner and weaker ties with countries like Kosovo.
- Western Balkan countries value China's financing and low conditionality, though actual investment levels remain limited and often focus on acquiring existing assets rather than creating new ones.
- While EU and Chinese engagement are not inherently zero-sum, China's presence can undermine EU-driven reforms by introducing alternative standards and weakening EU conditionality mechanisms.
- The EU should accept China's role but better manage it by leveraging accession conditionality to ensure that Chinese involvement aligns with EU rules and long-term objectives.

Recommendations

- The EU should better align its approach to the Western Balkans by offering attractive economic alternatives to China while maintaining a credible enlargement process. This includes using accession conditionality more effectively to ensure that Chinese investments comply with EU standards on governance, procurement, and transparency.
- At the same time, the EU should strengthen enforcement and communication of its rules and values. This involves stricter monitoring of procurement practices, stronger action against corruption, and clearer communication of the benefits of EU standards to both governments and citizens.
- The Netherlands should continue developing its comprehensive China strategy and play an active role in shaping EU policy toward China's involvement in the Western Balkans. This includes engaging in intra-EU debates and ensuring alignment with broader EU objectives.
- It should also strengthen its leadership role in promoting rule of law and good governance, both within the EU and the Western Balkans, thereby reinforcing EU standards in the region.

Executive Summary

This Clingendael Report examines how China's approach to the six non-EU countries of the Western Balkans (WB6) relates to EU interests, particularly whether Chinese influence affects government behaviour in ways that run counter to EU objectives. China engages with the region primarily as a financier of infrastructure and a source of investment, in line with its strategic aim of developing the Land-Sea Express Corridor under the Belt and Road Initiative to improve China-EU connectivity.

China does not pursue a unified regional strategy but embeds bilateral relations within the 17+1 cooperation platform, involving Central and Eastern European countries and Greece. Relations vary across the WB6, with Serbia as China's preferred partner and Kosovo having the weakest ties. The effectiveness of Chinese engagement depends on national perceptions: while China is seen as an important source of infrastructure financing, disappointment exists regarding limited foreign direct investment, which mainly consists of acquisitions rather than new projects. Governments nonetheless welcome China's limited conditionality, typically restricted to adherence to the One China policy.

Serbia in particular has used ties with China to balance against the EU and other powers. Although awareness of risks linked to Chinese lending is increasing, WB6 governments are likely to continue cooperation to support their economic development. At the same time, cultural and civil-society linkages with China remain limited, and public debate on China is underdeveloped across the region.

Chinese and EU engagement do not constitute a zero-sum game in principle, but they do differ significantly in practice. While the EU maintains deeper and more institutionalised relations through accession frameworks, China's presence can hinder EU norm diffusion. In areas such as governance, transparency, environmental standards and human rights, cooperation with China has at times led WB6 countries to diverge from EU-aligned reforms. China's role may also weaken EU mechanisms of conditionality and socialisation.

To address these challenges, the EU should recognise the developmental needs of the Western Balkans and the inevitability of Chinese involvement. At the same time, it should more effectively use accession conditionality to shape the terms under which China operates in the region, ensuring alignment with EU standards and long-term objectives.