

# Russia's Game in the Balkans

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Paper

The Return of Global Russia

## Introduction

As Russian President Vladimir Putin continues his renewed campaign for global influence, Russia increasingly is asserting itself in the Balkans, hoping to slow down the region's integration into Euro-Atlantic institutions and tarnish the image of Western-style democracy in Southeastern Europe.

Moscow eagerly plays up shared cultural ties and supports Russian commercial efforts to deepen economic and trade relations in key strategic sectors—like energy, banking, and real estate—to create Balkan political and economic dependence. Russian influence operations foster people-to-people connections, with the goal of creating Russian-friendly local constituencies and levers of influence that could allow Moscow to inhibit further integration into Western economic, political, or security structures. To buttress these efforts, Russia also seeks to exacerbate political and social fissures in several Balkan countries, including providing financial and public relations support for far-right groups.

Moscow's willingness and ability to aggravate and prolong political instability in select Balkan countries appears geared toward undermining, or at least delaying, their prospects for integration into the European Union (EU) and North Atlantic Treaty Organization (NATO). As xenophobia and populism upend political systems in European countries with far stronger institutions, the Kremlin's cultivation of far-right groups and authoritarian-style politicians in the Balkans is worrying. Russia's efforts will fuel democratic backsliding and political polarization—both of which complicate Balkan states' EU and NATO prospects.

For Russia, the Balkans hold significant historic, cultural, and religious connections—shared ties that are actively propagated, and at times exaggerated, by Russian public diplomacy efforts and media narratives. The region's geostrategic location between the Black and Mediterranean Seas, as well as its proximity to the Middle East, is also important to Moscow. The Black Sea provides Russia with access to warm-water ports—the quest for which has been a historic driver of Russian diplomatic and military activity in Southeastern Europe. And as one of the last regions of Europe—before the former Soviet space—that has not yet been fully integrated into Euro-Atlantic structures, the Balkans present an obvious target for Russian influence operations that are geared toward slowing down and even preventing EU or NATO enlargement. By bogging down expansion in the Balkans, Moscow hopes to prevent renewed discussion about membership for Georgia, Ukraine, or any other former Soviet state.

The Kremlin's influence campaign in the Balkans also helps steer Western focus away from more disturbing actions elsewhere—Russia's military buildup in the Sea of Azov and subsequent aggression in the Kerch Strait, the worsening war conditions in eastern Ukraine, South Ossetia's moving boundary

line, and Moscow's subtle influence operations targeting post–Velvet Revolution Armenia. For Russia, the Balkans are a tool used to deflect attention from other activities and influence broader European security and economic institutions.

However, Moscow does not necessarily seek, nor would it be able, to assert itself as the preeminent power in Southeastern Europe, where it competes for influence not only with the West but also with China, Turkey, and even Persian Gulf states—all of which are active in the region. Russian government officials visit the Balkans frequently, promising increased trade and investment, yet Russia produces little of what the region needs beyond energy, does not manufacture consumer goods that most Balkan shoppers want, and often fails to deliver on its promises of loans or investment.

Furthermore, Russian hard power frequently undercuts its soft power efforts. The annexation of Crimea and war in eastern Ukraine refocused NATO toward Russian threats in Europe and reinvigorated several Balkan countries' stalled Euro-Atlantic integration prospects. Russian overreach in the Balkans—from the allegedly Russian-backed coup attempt in Montenegro to the Kremlin's efforts to stoke nationalist opposition to the Greek-Macedonian name dispute deal—has alienated political elites in countries where Russia traditionally has enjoyed warm ties.

U.S. Vice President Mike Pence warned of Russia's influence operations and covert efforts in the Balkans and highlighted U.S. resolve to support Balkan autonomy at the 2017 Adriatic Charter Summit in Montenegro, saying that:

*Russia continues to seek to redraw international borders by force. And here, in the Western Balkans, Russia has worked to destabilize the region, undermine your democracies, and divide you from each other and from the rest of Europe. Russia's intentions were laid bare over the past year when Moscow-backed agents sought to disrupt Montenegro's elections, attack your parliament and even attempt to assassinate your Prime Minister to dissuade the Montenegrin people from entering our NATO Alliance. President Trump has called clearly on Russia to "cease its destabilizing activities." And I can assure you: The United States of America rejects any attempt to use force, threats, or intimidation in this region or beyond. The Western Balkans have the right to decide your own future, and that is your right alone.*

Balkan leaders—both NATO members and aspirants—welcomed his visit and the strong statement of American support. A year later, however, U.S. President Donald Trump questioned whether U.S. troops should defend Montenegro, by then NATO's newest member. The president's statement highlighted his personal disdain for the alliance and conveyed wavering U.S. commitment to the Balkans, where American involvement has been key to stabilization efforts since the 1990s. This disconnect between the president and his national security team—in addition to the U.S. public's lack of interest in the Balkans and concerns among Trump's political base about expansive U.S. foreign policy commitments to distant regions of the world—underscores inconsistencies in U.S. policy and highlights the lack of clear leadership in a region where Russia's recent activity risks exacerbating political and social instability.

The EU, by contrast, has demonstrated greater focus on the Balkans with its 2018 enhanced strategy for the region. While this updated plan includes the ambitious goal of two new Balkan EU members by 2025, years of passive engagement and the slow pace of the European project have spurred growing frustration in Balkan states. Many Europeans remain wary of expanding into the Balkans, given the bevy of internal problems facing the EU and the fact that several member states from Central and Eastern Europe have regressed democratically or struggle with continued corruption and rule of law shortfalls. Despite the new strategy, it remains unclear whether Europe is willing or able to devote the financial and human resources required to help the Balkan's remaining EU aspirants institute the wide-reaching reforms required for membership.

This failure, by both the United States and the EU, to articulate a coherent and consistent approach to the region has created ample space for Russian interference in the Balkans.

# Balkan Peninsula



## Russian Foreign Policy Under Putin

Until the conflict in Ukraine, Western policymakers paid scant attention to Russia's efforts to expand its political, economic, and military influence outside of the former Soviet space. Russia's internal political and economic challenges limited its ability to project power and influence beyond its immediate neighborhood, while the Kremlin's stated goal of integrating with the West reduced perceptions of Russia as a threat.

Vladimir Putin's return to the Russian presidency in 2012 and the deterioration of relations between Russia and the West over Ukraine have led to a more activist Russian foreign policy. Russia now relies on a growing array of diplomatic, military, intelligence, underworld, religious, cultural, cyber, and economic tools to influence political and economic decisionmaking and shape popular attitudes across Europe, the Middle East, Asia, Latin America, and Africa. These tools—described in the Carnegie Endowment for International Peace's "The Return of Global Russia: An Analytical Framework"—are used to advance Russian political, commercial, and financial interests in key parts of the world, as Russian support for far-right and far-left populism across the Euro-Atlantic space upends political norms and strains key institutions. Moscow hopes to complicate Western states' ability to articulate cohesive policies and to undermine the cohesion of the transatlantic alliance.

The Kremlin highlights its increased global activity and international clout on state television and through other forms of propaganda to convey to the Russian public and target populations across the world the notion that Russia under Putin's leadership has returned to great power status. The downsides of Russia's activist foreign policy—the death of soldiers or mercenaries in foreign wars, the alienation of some of Russia's closest partners, or the country's weakened position vis-à-vis China—are rarely covered in Russian or Russian-friendly regional media. Instead, the Kremlin's active propaganda machine on its overseas engagements works to enhance Putin's domestic political base and global standing at a time when Russia faces international sanctions, geopolitical isolation from its traditional partners in the West, and growing social discontent at home.

Russia's increased activity in the Balkans is part of this new foreign policy approach, although Russian involvement there is far from new. When the Soviet Union collapsed in 1991, post-Soviet Russia secured a small role for itself in the Balkans by using its clout in the United Nations (UN) to stand up for Serbia during the Yugoslav wars of the 1990s. Yet the 1999 NATO bombing campaign during the Kosovo war and Russia's subsequent limited role in the United Nations Interim Administration Mission in Kosovo (UNMIK) reinforced Russia's relatively weak hand<sup>1</sup>—a perception that the Kremlin has been trying to change.

Russian threats and influence operations were not NATO's main focus in the Balkans until 2014. Before then, the West saw NATO as a stabilizing force in a region that had been rocked repeatedly by political instability and violence with disastrous results for European security. NATO's goal in the Balkans is to ensure it remains politically and socially stable, and to prevent the region from again becoming a hotbed of ethnic, religious, or extremist violence. The United States and its European allies have supported the Balkans' integration into Euro-Atlantic structures. Western powers have used the possibility of NATO or EU membership as an incentive for transitioning Balkan states to improve the rule of law, enhance civilian control of the military, and increase the political accountability of governments and politicians to their people. The war in Afghanistan gave some Balkan states the opportunity to put their partnership with the West into high gear, leading to NATO membership for Albania, Bulgaria, Croatia, Romania, and Slovenia by 2009. Membership prospects for remaining Balkan states have diminished, but Russia's 2014 annexation of Crimea and the war in eastern Ukraine prompted NATO and the EU to reengage with the region and prioritize countering Russian malign influence.

The collapse of East-West relations over Ukraine, however, has bled into the Balkans, transforming the geopolitics of the region into a zero-sum game. This has created problems for the region's leaders. Before 2014, most tried to balance their country's foreign policy between Russia and the West, because many Balkan states are internally divided between liberal elements that look to Europe and conservative elements that are more receptive to Russia. This balancing act has become much more difficult since the annexation of Crimea.

## Russia's Toolkit in the Balkans

### Economics, Energy, and Investment



Energy is the primary economic tool of Russian influence in the region. Moscow's proven ability to transform energy into a diplomatic tool reflects the dominant role hydrocarbons play in the Russian economy. Moscow has long hoped to reduce its reliance on Ukraine as a transit state for gas exports by utilizing Southeastern Europe instead, while making several midsize European countries dependent on Russian gas.

Russia's most ambitious project was the South Stream gas pipeline, which was to stretch from Russia across the Black Sea into Bulgaria, Greece, Hungary, Serbia, Slovenia, and Austria. Proposed in 2007, South Stream was the hallmark of Russian energy diplomacy, but it failed—in part, because it was more of a geopolitical project than a commercial one. The pipeline was not economically viable, experienced long-delays, and ultimately was deemed in violation of the EU's Third Energy Package, which mandated increased competition within Europe's gas and electricity markets. These regulations hampered South Stream's potential profitability and its ability to raise financing. After Crimea's annexation and the imposition of sanctions on Russia made financing even harder, South Stream was shelved and was later replaced by Turkstream, another ambitious gas pipeline across the Black Sea from Russia to Turkey. This, too, is a geopolitical project, highlighting the growing ties between Ankara and Moscow. Moscow continues to tout the possibility of involving other Balkan states in Turkstream through pipeline spurs—Bulgaria and Serbia, in particular, remain receptive to this idea.

Beyond pipelines, Russian companies have had more luck penetrating energy markets with less ambitious projects in Bosnia and Herzegovina (hereafter Bosnia), Bulgaria, Romania, and Serbia, where Russian firms have gained stakes in or control of electricity generation, nuclear power projects, refineries, and gasoline sales. In 2008, Russia's Gazprom Neft, a subsidiary of Gazprom, took a controlling stake in Serbia's Naftna Industrija Srbije (NIS) oil and gas company, a deal worth over \$450 million, and committed to invest at least \$600 million more in the company. Critics at the time claimed the price was far too low and that Belgrade was paying back Moscow for Russian diplomatic support over Kosovo, which declared independence earlier that year. Russia's willingness to block UN recognition of Kosovo and to provide diplomatic backing for Serbia in other international organizations appears to have facilitated Russian energy companies' entry into Serbia's energy sector, giving Moscow greater leverage.

Through its investment in NIS, Gazprom Neft gained assets elsewhere in the region, including subsidiary enterprises—gas stations, storage facilities, drilling and exploratory rights, and representative offices—in Bosnia, Bulgaria, Croatia, Hungary, and Romania. These facilities give Russian commercial entities a visible presence throughout the broader region and create affinities in provincial communities where Russian entities own—either directly or indirectly—stakes in important local employers.

Russia also expanded its hold on the Serbian energy sector with indirect investments channeled through Russian-owned companies operating in the EU—vehicles that Russian commercial entities frequently use to invest in the Balkans under the radar. Russian energy investment conveys Russian influence and helps build soft power, even if an investment is never fully realized. Russian investments in Bosnia, for example, are channeled through the Republika Srpska (RS), the Serb-dominated entity through which Moscow tries to influence Bosnia's political trajectory. Investments there have made Russia the fifth-largest investor in Bosnia. Yet, not all of Russia's pledged investments are implemented or profitable. Russian oligarch Rashid Sardarov pledged to invest 800 million euros in the Republika Srpska in 2011 and his Cyprus offshore holding company controls at least five energy companies in the RS, but one of his promised thermal power plants, originally scheduled to open in 2017, appears delayed indefinitely. Russia's Zarubezhneft controls oil refineries in the Republika Srpska towns of Brod and Modriča, Russia's largest realized investment in Bosnia. Although these refineries have cost investors around \$60 million since 2016, they continue to operate. This suggests that economic profit is less important than leverage over the RS. These investments keep Bosnian Serb refinery workers employed, build goodwill toward Russia, and allow the Republika Srpska leadership to highlight its partnership with Moscow.

Beyond energy, Russia is often presented in the region as the financial lifeline for the Bosnian Serb entity. Senior Russian officials and former Republika Srpska president Milorad Dodik—now the Serb member of Bosnia’s tripartite presidency—have held multiple rounds of high-profile negotiations. Russia has pledged several loans to prop up the Republika Srpska’s state budget—according to Dodik, Russia promised at least \$625 million in 2014—but there is little evidence that Moscow has in fact delivered the money to Banja Luka. Dodik readily admits this. Yet, perception matters more than reality. From Moscow’s point of view, these pledges help keep Dodik in place as a lever inside Bosnia. And after the imposition of Western sanctions for pushing forward a 2016 referendum in defiance of the Bosnian Constitutional Court, Dodik has few options besides Russia.

Russia has also invested in other sectors across the region: banking, retail, real estate, and tourism. In 2012, Russia’s state-owned Sberbank purchased Volksbank International, formerly the Eastern European subsidiary of an Austrian banking group, now called “Sberbank Europe.” The acquisition gave the Russian bank a relatively large retail and commercial banking presence in Southeastern Europe, with assets in Bosnia, Croatia, the Czech Republic, Hungary, Serbia, Slovakia, and Slovenia. Sberbank’s purchase of Volksbank International also highlights how Russia’s economic presence in the Balkans is channeled indirectly either through European corporate subsidiaries or even less transparent offshore means. Sberbank’s corporate lending activities over time have transformed it into one of the largest creditors in the region. Its loans to Croatia’s Agrokor food group, one of the largest private companies in Southeastern Europe with over 50,000 employees, are notable given Agrokor’s recent bankruptcy protection filing. As part of a debt-restructuring deal, Sberbank and Russian state-owned VTB Bank are poised to gain close to a controlling stake of the new company, with Sberbank gaining direct control of several Agrokor subsidiaries. Due to Agrokor’s size and its links to Balkan food supply chains, farmers, restaurants, retail, and other fields, the restructuring deal could enhance Russian commercial clout in multiple sectors from hospitality to agriculture across several Balkan states. It also underscores Russia’s growing economic interests in Croatia—a member of both NATO and EU—which include a recent deal to supply the country with 1 billion cubic meters of gas each year. Whether Russia’s growing economic footprint will translate into broader political influence

is unclear, particularly after a Sberbank executive claimed in January 2019 that the Russian bank intends to sell its stake in the Croatian company later in the year. Croatian Prime Minister Andrej Plenković, however, indicated that he had no knowledge of any such plans.

Russian entities enjoy influence in several Balkan countries’ real estate and tourism markets, particularly in Montenegro and Bulgaria. Russia’s *Novaya Gazeta* claimed in 2012 that Russian citizens own about 40 percent of real estate in Montenegro, particularly along the Adriatic coast. Visa liberalization, which gave noncitizen landowners visa-free access to the country for up to a year, led to a spike in Russian visitors and potential investors to the country. By 2016, roughly one-third of all foreign companies registered and operating in Montenegro were Russian owned, making it the Balkan country with the greatest Russian investment. Actual Russian investment in Montenegro may even be higher, given the large presence of offshore investments. Similarly, Bulgaria has also become a top destination for Russian tourists, with the country capitalizing on its proximity to Russia, Black Sea coastline, and cultural and religious ties. Bulgaria’s tourism minister claimed during a 2018 trip to Russia that over 400,000 Russian citizens own second homes in the country, and the Bulgarian National Bank estimates that Russian investment into the Bulgarian real estate sector has exceeded 1 billion euros. Bulgaria is attractive to Russian real estate investors because of its relatively easy visa procedures for foreign owners of Bulgarian property and the eventual ability to obtain a residency permit in an EU state—an appealing option for middle-class Russians who are priced out of more expensive EU countries. In addition to the financial flows, tourism and real estate also bolster Russian soft power efforts by facilitating people-to-people connections and making key Adriatic and Black Sea resort towns dependent on Russian visitors.

## Information Space: Propaganda, Digital Space, and Cyber

Moscow amplifies its commercial presence and links to the region through repeated high-level visits, robust information campaigns, and partnerships with local media outlets, bloggers, and politicians who push Russian-friendly news stories or anti-Western narratives. Russian corporate sponsorship of football teams, charity events, schools, athletic associations, and Russian language or cultural associations also enhances goodwill among target populations. These soft power tools emanating from the private sector constitute a large part of Russia's public diplomacy to the region, complementing more formal Russian state outreach through embassies, cultural centers, friendship societies, the church, and honorary consuls.

Russian-friendly or Moscow-supported media in the region eagerly highlight local resentments toward Brussels, Washington, or Balkan politicians who push their countries too far westward. These narratives generally present the West as the cause of the region's democratic deficiencies, economic troubles, and continued ethnic divisions. They claim that U.S. or EU support for certain pro-Western political elites at all cost is the root cause of the states' failures to address corrosive corruption or to develop rule of law-based political systems and empowered civil societies. This narrative ironically echoes Western criticism of Russia's support "at all costs" to authoritarian, far-right, or other allegedly pro-Russian politicians and public figures in the region. Russian propaganda in the region frequently highlights an alleged Western preference for defending Muslim groups in the Balkans at the expense of Orthodox Christians. It likewise stresses European advocacy for minority and LGBT rights, and claims that the United States backs ethnic separatism and efforts to dismember Balkan states. Given lingering resentment over NATO's 1999 bombing campaign of Serbia, these narratives can find sympathetic audiences among ethnic Serbs. By playing up these grievances, Russian propaganda undermines public and elite support for the West, which remains the region's main trading partner, source of foreign investment, and preferred destination for migrant labor.

Within Europe, the Balkans appear particularly vulnerable to fake or manipulated news narratives. The Open Society Institute's Media Literacy Index lists Serbia, Bulgaria, Montenegro, Bosnia, Albania, and Macedonia as the European states least equipped to identify and push back at fake news due to lagging education systems and poor political literacy. Russian news agencies also take advantage of cash-strapped Balkan news sources by providing content to local outlets for free or at extremely low cost. In Serbia, where Russia began its Belgrade-based Serbian-language service, Sputnik Srbija, in 2015, this outreach has allowed Russian media narratives to proliferate through mainstream Serbian-language media outlets. Russia also launched RBTH Daily, a mobile app version of its Russia Beyond service, in Bulgarian, Croatian, Macedonian, Serbian, and Slovenian. In addition to these clearly Russian-origin media outlets, local websites that publish pro-Kremlin views—often taken directly from Sputnik, RBTH, or other Russian information sources—have proliferated since 2015 in Serbia and Montenegro, although their funding sources are not clear. Articles reposted by these local websites have included anti-NATO or anti-EU viewpoints and, more worryingly, called for the unification of ethnic Serbs from Serbia, Montenegro, North Kosovo, and Bosnia's Republika Srpska into a single political entity that should have close ties to Russia. With irredentism lingering in the Balkan far right, such messages are alarming.

Given rising internet penetration rates across the region, growing smart phones usage in key countries, and the popularity of social media, Russia's use of mobile platforms to cultivate influence will likely continue to increase in the coming years. The narratives conveyed through these mediums are geared toward diminishing public support in the region for integration with Western political, economic, and security institutions. By highlighting Serbian or Orthodox victimhood, these messages also risk complicating conflict reconciliation efforts.

In addition, U.S. and Macedonian law enforcement are investigating whether Russia sought to take advantage of high regional unemployment and underemployment and Macedonia's relatively high rate of cyber crime to outsource some of its blogging and trolling activity, possibly including efforts to influence elections in the United States and Europe. Fake websites denigrating Hillary Clinton during the 2016 presidential election allegedly have been traced to domain registrations and trolls in Albania,

although site proprietors deny direct Russian sponsorship. The connection between Balkan and Russian trolls remains sketchy, but the nexus of cyber crime (particularly bad in Albania, Bulgaria, and Serbia, in addition to Macedonia) and technically savvy youth with limited job prospects provide Russia with potential avenues of influence in the digital world. They give Moscow the opportunity to outsource its disinformation campaigns—something it has a track record of doing elsewhere.

Finally, Southeastern Europe remains vulnerable to cyber attacks from both state and nonstate actors, particularly at key turning points in a country’s political evolution: elections, political referendums, and national decisions to seek membership in multilateral organizations. Kosovo was an early victim of large-scale cyber attacks during the 1998–1999 war; Kosovar media outlets claim that the country’s political institutions remain frequent victims of cyberattacks today. However, investigations into alleged Russian-origin cyber attacks in Southeastern Europe focus mainly on Montenegro, where cyber attacks against government institutions spiked in 2016 and 2017 prior to its accession to NATO. Those attacks have been traced to APT28, also known as Fancy Bear, which the United States claims is tied to Russia’s military intelligence service, the GRU. The attacks occurred alongside a robust Russian-driven anti-NATO propaganda campaign in the country, as well as the 2016 coup plot.

These incidents highlight the importance of cyber abilities and disinformation in Russia’s toolkit. With a potential land swap being discussed by Kosovo and Serbia and NATO membership back on the horizon for the newly renamed Republic of North Macedonia, malign actors could use similar cyber tools and disinformation to try to thwart these processes. As a result, several Balkan states are now enhancing their cyber defense capabilities with Western assistance, with Russia deemed one of the major—but not only—cyber threats to the region.

## Culture Wars

Beyond the media, the Kremlin harnesses the Russian Orthodox Church as a vehicle of influence in countries with substantial Orthodox populations. Moscow deploys the narrative of Slavic brotherhood and shared Orthodox Christianity to fortify its relationships with political leaders, churches, and independent groups in Bosnia, Bulgaria, Greece, Macedonia, Montenegro, and Serbia. Russian Orthodox Patriarch Kirill serves as a visible interlocutor between his church and its counterparts across Southeastern Europe, including to Orthodox minority groups in non-Christian countries, like Albania, Bosnia, and Kosovo. Putin’s much-publicized pilgrimages to Mt. Athos in Greece in 2005 and 2016 were Russia’s most visible global outreach efforts. Mt. Athos hosts twenty monasteries and is a center of Orthodox mysticism. Putin’s visits prominently displayed Russia’s effort to promote itself as a benefactor of modern-day Orthodoxy. In the Balkans, Russia tries to foster connections with local Orthodox officials to sway public and elite opinion in its favor.

Nevertheless, it is unclear how the recent split between the Russian Orthodox Church and the Ukrainian Orthodox Church will impact Russian soft power in the region, particularly now that the Constantinople Patriarchate has sided with the Ukrainian Orthodox Church by granting it independence. The Russian Orthodox Church quickly broke from the larger Patriarchate. The patriarch of the Serbian Orthodox Church appears to be backing Moscow, labeling the Constantinople Patriarchate’s decision as catastrophic. Other Orthodox churches in the Balkans appear caught in the middle. With time, this split in Orthodoxy could weaken Russian influence and soft power in the region.

Oligarchs with ties to the Russian Orthodox Church and far-right elements in Russian society actively contribute to Russian soft power efforts in the Balkans, providing Moscow with a mask of deniability should an influence operation go awry. The most prominent example is Konstantin Malofeev, whose St. Basil the Great Charitable Foundation is the largest Orthodox charity in Russia, with a reported budget of over \$40 million. In addition to its work inside Russia, the charity supports family values campaigns throughout Eastern Europe. Malofeev and his charity appear to be key conduits for Russia’s outreach to conservative Orthodox groups in the Balkans. For example, the charity was behind efforts to bring the “ritual of Holy Fire,” which symbolizes Christ’s resurrection to Orthodox Christians, from the Church of



the Holy Sepulchre in Jerusalem to Serbia for the first time for Orthodox Easter in 2015. According to the charity's website, it financed and arranged for an Easter flame to be brought from the church in Jerusalem to Belgrade for a ritual ceremony. The flame also traveled to Croatia, Montenegro, and the Republika Srpska. Ruski Ekspres, a Belgrade-based Russian media outlet, coordinated and broadcast the ceremony live in both Russian and Serbian.

Malofeev likewise financially supported the construction of a monument of Russian Czar Nicholas II in the Republika Srpska as a sign of friendship between Russia and the Bosnian Serb population. His media outlet, Tsargrad TV, has long expressed interest in expanding its presence in the Balkan media market to promote pan-Orthodox ideologies. Malofeev's conservative think tank, Katehon, is vehemently anti-American and anti-Western, and it promotes pan-Slavic views and pushes a variety of conspiracy theories that tarnish Western-friendly politicians in the region. It also has published articles justifying Russia's "civilizational role" in the Balkans. Malofeev's institutions are key components of Russian soft power to the Orthodox world.<sup>2</sup>

Sanctioned by the United States for his involvement in Russia's annexation of Crimea and efforts to destabilize eastern Ukraine, Malofeev facilitated additional Russian Orthodox and Russian nationalist outreach to far-right counterparts in Southeastern Europe. Six months after the annexation of Crimea, he reportedly coordinated the entry of more than a hundred Cossacks into the Republika Srpska—seen as a sign of Russian support for then president Dodik on the eve of Bosnia's October 2014 elections. Malofeev and Leonid Reshetnikov, a former senior Foreign Intelligence Service official and member of Katehon's supervisory board, were allegedly involved in the initial stages of planning the 2016 Montenegro coup attempt—a plot that would eventually be taken over by elements working under the GRU and highlights the darker side of Russian outreach to the region.

Another oligarch, Ivan Savvidis—once a parliamentarian from Putin's ruling United Russia party—was allegedly a key interlocutor in efforts to bribe Greek Orthodox clergy and government officials to stoke nationalist opposition to the Prespa agreement, the 2018 deal between Athens and Skopje to settle the Macedonian name dispute that has stymied the latter's bid for NATO membership. Savvidis's Greek company owns 51 percent of the soccer team PAOK FC in Thessaloniki, the capital of the Greek province of Macedonia. He paid off the team's debts in 2012, ensuring its long-term viability and winning him favor among the team's fans—some of whom later protested the Prespa agreement. PAOK FC, however, constitutes just a small part of his assets in the province, where he also has stakes in a television station, two newspapers, hotels, a tobacco factory, and the city's main port—all of which enhance his influence in an area where nationalist sentiment on the Macedonian name issue runs high.

Savvidis's influence on the Greek right wing contributed to the recent political tensions in Greece over the Macedonian name issue. Former Greek defense minister Panos Kammenos, the head of the far-right Independent Greeks party, was a vocal backer of Savvidis in the government and a Russian-friendly presence in parliament. The two men appear to have more than a business relationship, with Savvidis inviting Kammenos to his daughter's wedding. Shortly after the Prespa agreement was announced in June 2018, Kammenos took the lead in publicly denouncing the deal from within the government. In October 2018, he clashed in a cabinet meeting with then foreign minister Nikos Kotzias, who negotiated the deal. Kotzias reportedly objected to Kammenos's statements earlier that month in Washington, when he told then U.S. secretary of defense James Mattis that a "Plan B" was needed. Kammenos retorted by accusing Kotzias of financial mismanagement and doing the bidding of Hungarian-American financier George Soros—a long-standing bête noire in Russian propaganda narratives. Prime Minister Alexis Tsipras initially sided with Kammenos after he reportedly threatened to pull out of the coalition government—which depends on the Independent Greeks party's votes—if the deal moved forward, prompting Kotzias's resignation. In addition to his close ties to Savvidis, several Western journalists have identified Kammenos as a conduit of Russian influence in Greece and the West in general. He traveled to Moscow after the dispute with Kotzias, where he defended the special relationship between Greece and Russia and called for the creation of a strategic partnership between them.

Savvidis also allegedly helped stoke Macedonian opposition to the Prespa agreement by paying far-right Macedonian nationalists and soccer hooligans to mount violent protests against the deal. After Skopje was rocked by violent demonstrations against the country's name change referendum in June 2018, investigative reporters uncovered evidence that Savvidis provided roughly \$350,000 to foment opposition to the deal, including social media efforts aimed at deflating turnout for the September 30, 2018, referendum. Those efforts appear to have worked. Although voters passed the referendum with over 90 percent approval, the turnout fell far short of the 50 percent threshold needed for the results to be binding.

Nonetheless, proponents of the agreement prevailed in the Macedonian parliament, which approved the country's name change to the Republic of North Macedonia on January 11, 2019, putting the agreement's future back into the hands of Greek parliamentarians. Kammenos resigned two days after the Macedonian parliament approved the change, upending Greece's coalition government and causing Tsipras to call a no-confidence vote that he narrowly survived. The Greek parliament approved the deal on January 25, 2019, with 153 votes—just two more than the minimum needed. Savvidis's efforts to thwart the agreement ultimately failed, although the vote was delayed due to public demonstrations outside parliament. While the dispute certainly exacerbated political tensions in Greece and Macedonia, it also strained ties between Russia and both Balkan countries and highlighted how Moscow's increased assertiveness can backfire.

## Political Ties

Moscow works to deepen ties with Balkan political leaders who share the Kremlin's authoritarian approach to governance, its conspiratorial views of the West, and its rejection of Western cultural norms, particularly those concerning minority rights. The Balkans provide Moscow with fertile ground for promoting authoritarian worldviews. Bosnian Serb leader Milorad Dodik, for example, has called for a Russian-style nongovernmental organization (NGO) law that would require some nonprofit organizations to register as foreign agents and submit detailed financial information on their funding. Political parties in the Balkans that allegedly receive covert or overt support from Moscow fuel conspiracy theories about the West similar to those pushed by Russian officials. One common narrative concerns George Soros's philanthropic support to NGOs. Russian officials and Russian-friendly Balkan politicians claim his philanthropy is part of Western efforts to foster color revolutions and destabilize Balkan political systems for geopolitical gain. These anti-Soros narratives—which appear to have taken root first in Russia, where Soros-affiliated organizations were outlawed in 2015, and then spread across Eastern Europe—are now being pushed globally by the far right, often with Russian assistance. They clearly pander to anti-Semitism, which remains a problem in many Balkan countries.

Russian officials show little reticence in trying to stoke nationalist discord in and between Balkan countries. During the 2015–2017 Macedonian political crisis, Moscow backed former prime minister Nikola Gruevski and helped his then ruling VMRO-DPMNE party amid mounting tensions inside the country. Moscow repeatedly accused the United States of orchestrating Macedonia's political crisis, although the massive street protests were actually sparked by revelations that the Gruevski government had illegally wiretapped 20,000 politicians, journalists, and other critics. Long-standing anger at corruption and cronyism in senior levels of government and in VMRO-DPMNE added further fuel. Yet, Russian Foreign Minister Sergei Lavrov quickly turned the situation into a zero-sum game with the West, blaming the Macedonian protests on “outside forces” and claiming Western states purposely destabilized Macedonia to punish Gruevski for failing to abide by EU sanctions policy.

In 2015, Lavrov and other Russian officials went so far as to push the narrative that NATO members Albania and Bulgaria sought to dismember Macedonia—false allegations that his Bulgarian counterpart labeled as “irresponsible.” Two years later, the Russian Ministry of Foreign Affairs repeated the similarly false assertion that Albania, with the support of the EU, NATO, and Kosovo, was seeking territorial claims against its neighbors: Greece, Macedonia, Montenegro, and Serbia. Both times, by internationalizing what was essentially a domestic affair, Russian officials risked exacerbating internal

ethnic tensions between the country's majority Macedonian population and minority Albanian population, as well as fostering regional discord.

Moscow values the symbolism of high-level diplomacy, frequently dispatching senior Russian officials on trips to the Balkans while also welcoming their counterparts to Moscow, often with prominent business or religious leaders in tow. Russian officials crisscrossed the Balkans in 2018: Lavrov traveled to Serbia and Slovenia in February, followed by Federation Council Chairwoman Valentina Matviyenko's April visit to Bosnia that included stops in both Sarajevo and Banja Luka. During that visit, Matviyenko labeled ambitions to join NATO a "dangerous experiment" that goes against the will of large parts of the region's population. Foreign Intelligence Service Director Sergey Naryshkin traveled to Belgrade in April, highlighting the security service's growing influence on Russian foreign policy outreach. Naryshkin is well known in the Balkans from his frequent visits when he served as chairman of the Duma from 2011 to 2016. Lavrov and Minister of Emergency Situations Yevgeny Zinichev rounded out the year with more visits to the broader region.

Putin, in turn, hosted Serbian President Aleksandar Vučić for the May 9 Victory Day parade in Moscow—Vučić's second visit to Moscow in less than six months—as well as Dodik on the eve of the October 2018 Bosnian election. Putin traveled to Serbia in January 2019 in a highly symbolic visit, where several high-level bilateral trade, investment, and cooperation agreements were announced. These diplomatic engagements are largely performance art that allows Moscow to show it retains influence in Europe, but they also are useful for Balkan leaders. Putin's January visit enabled Vučić to show Russian-friendly elements of his electorate that integrating with the West does not necessarily preclude positive ties with Moscow, and gave him an opportunity to placate nationalists further to his right, who are even more pro-Russian than he and may have Moscow's backing. The spectacle also focused attention away from the antigovernment protests that have been occurring since December 2018.

## Security, Intelligence, and State Proxies

When it comes to security ties, Moscow's efforts in the Balkans focus primarily on Serbia, the one country without formal aspirations to join NATO, and the Republika Srpska. Serbia became an observer to the Collective Security Treaty Organization (CSTO) military alliance in 2013 and participates in military exercises with Russia and other CSTO partners—most recently the Russian-Serbian-Belarusian "Slavic Brotherhood" military exercise in July 2018. Moscow and Belgrade signed a military technical assistance agreement in 2016 to support Serbia's military modernization program, by upgrading and replacing its Yugoslav-era military stocks with used MiG-29 fighter jets, T-72 tanks, and combat patrol vehicles donated by Russia or Belarus. These donations, however, are somewhat controversial because Serbia is stuck with the cost of upgrading the equipment—most of which is nearing the end of its usable life.

Russia has provided military-style training for Serb teenagers in Serbia and Russia, presumably as part of an effort to promote cultural links and military-patriotic solidarity between youth in Russia and ethnic Serbs in the region. Serbian police shut down one such training camp in 2018, citing concerns about child abuse. Russia also established a humanitarian response center in Niš, Serbia, to enhance regional capacity to respond to weather emergencies and other natural or man-made disasters. While the center hosts advanced emergency response capabilities and contains a broad base of emergency response equipment, several Western states have accused the facility of serving as an intelligence collection center or military post. No matter what its purpose really is, the facility gives Moscow a potential collection and operational platform to monitor events in Serbia and key countries of interest, including Bosnia, Bulgaria, Kosovo, and Macedonia. Serbia so far has rebuffed Russian entreaties to grant diplomatic status to the Niš facility, which would limit Serbia's ability to inspect operations and monitor the nature of Russian activities there.

Moscow's security assistance to the Republika Srpska is growing, although it formally contradicts the spirit of the Dayton Accords, which prohibit an independent Bosnian Serb military. Dodik skirts those

preclusions by enhancing the military capacity of the entity's independent police forces—for example, the Republika Srpska has purchased at least 2,500 automatic rifles from Serbia for its police. Bosnian officials in Sarajevo claim Dodik is trying to procure Russian-manufactured anti-aircraft Igla 1-V missiles that can be mounted on helicopters. Official police units from the Republika Srpska have received Russian training since 2016 in both Banja Luka and Moscow, including anti-terrorism and crowd control trainings (likely to curb protesters) at a facility in the Republika Srpska. Officials in Sarajevo are concerned that Russia may be trying to create another operational center, similar to its facility in Niš.

Beyond the police, a Bosnian Serb paramilitary unit called Serbian Honor, believed to include elements of the Serbian criminal underworld, reportedly received training at the Niš facility, presumably from Russian counterparts. Another organization, the Veterans of the Republika Srpska, allegedly conducts military-style trainings as well. It has ties to the obscure International Advisory Committee of Organizations of Reserve Officers (IAC), a Russian-origin umbrella organization founded in 2010, which connects reserve and retired military officers from the former Soviet Union, Eastern Europe, and a few Western European and Middle Eastern countries with the purpose of promoting conservative moral values and so-called “healthy lifestyles.” IAC membership generally consists of far-right groups. Both Serbian Honor and the Veterans of the Republika Srpska operate under Dodik's supervision in the Republika Srpska.

One should not overstate the influence of these far-right paramilitary groups or their connections to the Russian government. Their actions are not coordinated by the Kremlin, but via proxies and their membership largely consists of disenfranchised fringe elements. Nevertheless, they constitute ready-made tools that Russia has used to stoke anti-EU and anti-NATO sentiment and work against reform-minded political actors in the region. Moscow backs similar fringe nationalist organizations and far-right personalities elsewhere in Europe to fuel political and social discord in countries with much stronger and more resilient institutions than those found in Bosnia.

Dodik also cultivates ties to unofficial dark elements of Putin's regime, like the Night Wolves motorcycle gang, which has become a public symbol of Russia's unofficial diplomatic outreach. The Night Wolves have regional affiliates across Central and Eastern Europe, including in Bosnia, Bulgaria, Macedonia, and Serbia, and support a Balkan Cossack Army. This so-called army's mission is to push back on the imposition of “foreign values” in the Balkans and to promote pan-Slavism; it may have links to Aleksandr Boroday, who participated in the annexation of Crimea, helped instigate the war in eastern Ukraine, and has ties to Malofeev.

Neither the Balkan Cossack Army, the Night Wolves, nor these far-right youth organizations act under direct Kremlin supervision, although they may have some connections with senior Russian government officials and security services. The Kremlin reportedly provided a \$41,000 grant to the Night Wolves for their March 2018 Balkan tour that underlined Russia's support for Dodik and his secessionist efforts. The Night Wolves' cultivation of Balkan criminal elements and radical nationalist groups unnerves many Balkan states and likely inhibits the organization's ability to gain any broad following in the region.

Nonetheless, these groups serve as potentially disruptive forces and their members can stymie political reform and push pro-Russian agendas in the Balkans. For example, radical Serb nationalists with links to criminal elements and the Serbian Night Wolves affiliate allegedly participated in the 2016 GRU-orchestrated coup plot to assassinate the Montenegrin prime minister and throw that country into political chaos, according to Montenegrin and Serbian officials. Already well documented, the attempted coup during Montenegro's October 2016 parliamentary elections was purportedly intended to prevent the country's accession to NATO the following year. Malofeev allegedly played an organizational role in launching the plot. In addition to recruiting Serb nationalists from Montenegro and Serbia to mask GRU involvement, the plan reportedly involved cyber attacks against social media messaging apps to spread disinformation about voter fraud and efforts to instigate mass public protests against the ruling party. Armed mercenaries from Serbia and Montenegro reportedly planned to dress up as Montenegrin police officers, storm parliament, and shoot at protesters. According to Serbian media, the two Russian GRU

officers in Serbia that reportedly oversaw and funded the operation quickly left the country days after the plot was exposed. Russian Security Council Head Nikolai Patrushev flew to Belgrade to calm Serbian nerves, initially describing it to Serbian officials as a rogue operation. He secured the repatriation of the Russian GRU officers, who are now being tried in absentia, along with twelve other coup plotters detained by Montenegro. The use of nonstate actors—the Night Wolves, paid mercenaries, and far-right radical groups—has become an important part of Moscow’s toolkit for foreign adventurism in the Balkans and beyond, providing the Kremlin with deniability should an operation go wrong.

## What Is at Stake?

Russia actively looks for opportunities to expand its influence in the Balkans, project power into Western Europe, and complicate transatlantic policy formulation toward the region. Moscow approaches its goals in several ways.

Moscow’s greatest success seems to be taking advantage of lingering local grievances toward the West, by cultivating conservative Orthodox constituencies and finding common ground with far-right nationalist groups. Russia also propagates “color revolution” narratives about Western states allegedly undermining local governments for geopolitical gain through foreign assistance programs, charitable foundations, and NGOs. In a region where conspiracy theories run rampant, and where Russia’s presence is growing in traditional and new media, these narratives take hold relatively easily among conservative sectors of the population and the economically disenfranchised.

Moscow also seeks to take advantage of corruption and limited transparency to curry favor with political, media, and economic elites, opening up commercial opportunities for Russian companies wherever possible. Moscow develops toeholds in key Balkan states to show domestic and global audiences that Russia still has influence and power in Europe, despite EU sanctions and Russia’s diplomatic isolation. Russia’s primary goal in these endeavors is to slow down, if not stop, Balkan states from integrating into the EU and, especially, NATO. In countries where integration proves impossible to stop, Moscow hopes that these cultural, economic, and political inroads will provide it levers of economic and political influence even after the country joins either organization.

For Russia, however, the Balkans are not a prime area of strategic interest, and Moscow is unlikely to use force to prevent NATO or EU expansion into the region. It simply is not as important to the Kremlin as the former Soviet space, where Russia has twice gone to war over misplaced concerns over Georgia’s and Ukraine’s NATO prospects. Instead, the Balkan states are significant because they are arenas in which Russia can project power and influence in Europe to generally unnerve the West. Given the region’s turbulent recent past, Russia’s outreach to far-right groups and underworld elements in the Balkans is risky, but it is consistent with the Kremlin’s approach elsewhere in Europe.

Moscow’s tactics, however, have not necessarily enhanced Russia’s power or clout in the region. Its gambit to derail Montenegro’s NATO membership failed, forcing the Russian Security Council chairman to clean up the mess. Although the Prespa agreement’s future is unclear, Russian efforts to derail that process have been exposed, resulting in discord between Athens and Moscow. Russia’s economic forays into the region have not prevented closer political or economic ties between most Balkan states and the West. Recent polling in several Balkan countries suggests people generally still support a Western trajectory—including Serbia, where roughly half of the population supports EU membership. The slow pace of EU and NATO membership for those hopeful aspirants provides Moscow with space to make inroads, but Russia is not necessarily an attractive alternative.

On the economic front, Russian influence is limited primarily to energy, real estate, and banking. Many Balkan states would like to diversify their economic and trading partners, but Russia is just one of many prospective partners. The financial clout of China or the Gulf States and the proximity of Turkey or the EU outweigh what Moscow generally can offer. Even in places where Russian economic influence is



greater, like the Republika Srpska, much of it is symbolic. European integration remains the overarching goal of all Balkan states.

To counter Russian malign influence in the region, the United States and Europe can engage in several efforts that would be welcomed by most Balkan states.

**Demonstrate commitment to the region.** NATO has been involved in the Balkans since the 1990s; its efforts helped end the Yugoslav wars and provided the region with postwar stability. Yet, recent statements by Trump and the unsteady nature of EU engagement raise questions about the West's commitment to the region. The EU's new enhanced strategy is promising, but Brussels must actually deliver. Demonstrating that the West is a reliable partner willing to work on shared challenges—such as migration, human trafficking, organized crime, cyber threats, or terrorism—is likely to resonate with Balkan leaders and populations. The West should continue to support the region's economic and political modernization. Improving the business climate and creating jobs over the long term is key to improving socioeconomic conditions and highlighting the benefits of Western-style reform.

**Avoid zero-sum rhetoric when it comes to the Balkans.** Balkan politicians are forced to balance nationalist elements of their population with more liberal sectors. The Balkans have long had cultural, geographic, and economic ties with both the East and West, and generally have tried to cultivate good relationships with both Russia and Western Europe. Since 2014, mounting tensions between Russia and the West have made that balancing act more difficult. As a result, the West should also avoid overinflating Russian influence in the region; doing so may garner assistance funds to push back at Russian influence but also risks becoming a self-fulfilling prophecy. The West should also avoid knee-jerk negative reactions to Russian, Chinese, or Middle Eastern investment in the region. Balkan states need diversified economies and trading partners to improve socioeconomic conditions.

**The West should emphasize its shared interests with the region.** The United States and the EU should continue to support bottom-up reform efforts and highlight how they can unleash the region's economic potential. Europe is a large market with high quality-control standards. Helping Balkan states meet those lofty EU standards will help open markets beyond the West. The West should also contrast its long-standing efforts to provide stability in the Balkans with Moscow's approach of leveraging opportunities to destabilize the region and divert Western attention away from more important Russian interests, like Eurasia. Western support for independent local journalism to expose malign influence in the Balkans is key.

**Help states shore up resilience and awareness of Russian malign activity.** Russia conducts active measure campaigns to manipulate public opinion in the Balkans. It also tries to stoke divisions within countries, among countries, or between Balkan states and the West. Exposing Russia's tactics—often corrupt schemes, relationships with oligarchs, or connections with criminal elements—will resonate with many. Efforts to help regional governments shore up vulnerabilities to disinformation are important, including backing programs to counter fake news, improving cyber defenses, supporting efforts to promote critical thinking, and assisting new media platforms. Balkan people who remain frustrated by the economic status quo and want better governance. In addition to shoring up state resilience to Russian malign activity, these efforts can close loopholes that other actors use to curry favor with the region—often to the detriment of Western interests.

## Notes

<sup>1</sup> Russia regained a role in peacekeeping operations in Kosovo with the creation of UNMIK, and it provided the largest non-NATO contingent to the UN-mandated (but NATO-led) peacekeeping force there. Yet, Russia enjoyed only limited influence over those peacekeeping operations and Russian President Vladimir Putin in 2003 withdrew Russian peacekeepers from UNMIK, along with Russia's peacekeepers in Bosnia, citing the expense of the operations and its need to reallocate military resources elsewhere.

<sup>2</sup> Leonid Reshetnikov, a former senior Foreign Intelligence Service officer and head of the Russian Institute of Strategic Studies from 2009 to 2017, is a member of Katehon’s supervisory board. A Balkan specialist and ally of Russian Security Council head Nikolai Patrushev, he called for Russia to become more active in the Balkans in 2016. Reshetnikov reportedly reached out to Orthodox priests in the Balkans and pro-Russian civil society groups to orchestrate protests in 2016 against Montenegro’s NATO membership bid.

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