



Strengthening Democratic Resilience in Serbia: Tackling the Kremlin Playbook in Southeast Europe

Policy Roundtable

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Policy Note and Questions for Discussion

Southeast Europe is the most vulnerable flank of the European democratic and market economy community. Countries in the region seem to continuously slip into a state of resignation, democratic backsliding and stabilitocracy - the situation where semi-authoritarian regimes and oligarchs thrive. Russia and China, alone and in open or tacit coordination, have leveraged [governance deficits in SEE countries](#) in order to advance their own political and economic interests and further undermine democratic development. Such activities in the Balkans take place against the background of Moscow's and Beijing's intensified efforts at eroding the international democratic community as part of the Great-Power competition. The coronavirus pandemic has revealed the growing cooperation between Russia and China, although it is not necessarily always pre-meditated. The war in Ukraine has exacerbated these trends even further over the course of 2022, acting as a propaganda lightning rod which the Kremlin has utilized to sow further discord and division across the region. The [Kremlin Playbook](#) has been again put to use and tested across SEE in both EU and NATO members and other Western Balkan countries.

Arguably, with the start of the war in Ukraine and the unanimous response of the global democratic community, the Kremlin's capacity to stoke trouble on the Balkans has declined. However, it seems that Moscow might have intensified its hybrid operations with the clear intent of rolling back democratic advances and hurting the region's prospects for Euro-Atlantic integration. In fact, the Kremlin has openly and repeatedly voiced [its intention of disrupting the EU and NATO as models of governance themselves](#). Russia uses every opportunity to meddle in the region's affairs, capture local elites through energy deals and blanket the Balkans with propaganda aimed at perpetuating social fissures and ethnic tensions. The dissemination of disinformation has been a core element of Russia and China's conduct of influence activities. Russia has deployed a [variety of instruments as part of its media capture campaign](#), including direct ownership and/or informal financial (advertising, public procurement) and political ties to the editorial and management bodies of local media outlets, broadcasting of Russian channels, diffusion-proofing, building networks of friendly journalists and content-creators, as well as nurturing agents of influence among politicians and other public figures.

In addition to disinformation and media capture, illicit financial flows have represented another tool for the conduct of authoritarian sharp power operations. Russia has [directed illicit funding streams in order to influence national decision-making bodies in the Balkans](#) as well as on an international scale, whereas [China has used the economic leverage from Belt and Road Initiative projects to extract political concessions](#). Furthermore, a still underexplored but increasingly important avenue for authoritarian state interference is related to digital financial operations.

The global offensive that Russia and China are waging against rules-based democratic societies through a toxic mix of disinformation and illicit money is having especially negative repercussions on vulnerable regions such as the Balkans. SEE governments and civil society, as well as the EU, NATO and the US need to act quickly and robustly to address vulnerabilities and build democratic resilience across the region. However, the new impetus for EU integration of the Balkans, following the provision of candidate status to Ukraine and Moldova, need not and should not come at the expense of reducing governance conditionalities. Following the start of the war in Ukraine governments in the region can no longer sustain positions of balancing between the West and Russia, although some have kept trying in effect enabling Kremlin's continuing influence in SEE. Building democracies that deliver across the region should happen in parallel with strong commitment to the region's further integration into the Euro-Atlantic community. It should also be underpinned by attracting further constructive capital to the region and ensuring the most competitive use of provided development assistance.

Serbia is an EU candidate since 2012. However, its EU negotiation process has stalled after 2016. It is currently the Southeast European state subject to the most intensive Russian influence. Serbia is the largest hub for illicit financial flows in the Western Balkans and a playground for foreign authoritarian propaganda. By virtue of its economic standing and language similarities in the region, the country is a transmitter of economic and media influence across the SEE, especially in Bosnia and Herzegovina, Montenegro and North Macedonia. The Kremlin has established a solid economic, information and security infrastructure in Serbia. Moscow's disinformation and propaganda flows into Serbian mainstream media outlets and is regularly echoed by the highest ranks of the Serbian government and state-owned business. Media outlets such as Sputnik and Russia Today have a free reign in Serbia, and their narratives exploit the extreme divisions and irredentism within Serbian society, in particular vis-à-vis Kosovo and NATO. This toxic concoction has ultimately led to the decline of public support for EU integration (as of 2022 less than half of the population is already in favor) and for democratic development. At the same time, corruption and state capture remain high and governance reforms have stalled amid a rising populist - authoritarian rule, which has sought to model and align itself with similar regimes in Moscow, Ankara and Budapest. Corporate transparency can be improved significantly and still allows for sizable inflows of illicit finance, including very high Russian economic footprint in real estate and energy, and Chinese foothold in infrastructure. Improving Serbia's capacity for democratic resilience and speeding up the country's EU accession would be of utmost importance for the whole region.

Questions for discussion:

How has the strategic situation changed in Serbia following Russia's invasion in Ukraine regarding in particular illicit financial flows and media capture as tools of foreign influence? What are the primary external challenges to development faced by the Balkans and Serbia in particular? How great of a challenge is posed to the Balkans by Russian influence?

What are the main vulnerabilities of the country concerning the entry and impact of illicit financial flows (components and channels) and media capture (ownership, advertising, government, cognitive)? Which are the main governance deficits that enable unwanted foreign influence over national decision-making?

How best can Serbia and the Balkans build resilience to authoritarian influence? What can the national government, civil society and international democratic partners (the EU and the US) best do to support such democratic resilience? What is the most likely scenario for EU accession of the country and what are the key prerequisites to make this a success?