

Transactional politics in the Western Balkans under Trump's second term

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Theme

The EU now faces the challenge of rebuilding its credibility and securing meaningful reforms in the Western Balkans during Trump's second presidency, as lingering tensions and the legacy of the previous 'stabilocracy' continue to affect the enlargement process.

Summary

The [EU's approach](#) to the Western Balkans (WB6) highlights the importance of sustained diplomatic efforts for enlargement. From 2014 to 2019, EU efforts, especially on rule-of-law reforms, were largely ineffective. This period called 'stabilocracy', between 2014 and 2019, saw the EU support local governments in exchange for security and stability, but this weakened reform efforts and increased transactional relationships. As tensions over Kosovo and Serbia or the political situation in Bosnia and Herzegovina persist, and with the Trump Administration, the EU faces a challenge in maintaining its credibility and ensuring meaningful reforms in the enlargement process.

Analysis

1. Lessons learnt from enlargement

The EU has often been characterised by a certain rigidity in its geopolitical activity, burdened on many occasions by institutional frameworks that guide its actions on the global stage. However, this rigidity does not preclude the possibility of drawing valuable lessons from its approach to the Western Balkans. The region, comprising Albania, Serbia, Montenegro, North Macedonia, Kosovo, and Bosnia and Herzegovina (collectively known as the WB6), has long been a focal point of EU diplomatic and political engagement. The challenges faced in the area provide critical insights into the EU's enlargement strategy and the broader implications for its geopolitical ambitions.

Between 2014 and 2019, during a period marked by stagnation in the enlargement process, the WB6 experienced an [increase in corruption](#) –particularly between 2017 and 2019– along with rising authoritarianism, as reported by the Economist Intelligence Unit, the Bertelsmann Transformation Index and Freedom House. [State capture](#) also intensified during this time. As a result, many segments of the local population, especially in Serbia, have grown increasingly pessimistic about the prospects of EU accession. Such a situation has also led to geopolitical ramifications, with countries like Russia, China, Turkey and the UAE gaining more influence in a region that is crucial to EU

security. Consequently, Brussels has faced negative outcomes;¹ for instance, a study by the European Court of Auditors found that EU support for the rule of law in the WB6 from 2014 to 2020 was largely ineffective. Essentially, this constituted a wasted opportunity in a vital area such as judicial reform, which is critical for legal security, investment and, eventually, accession to the Single Market.

However, after that, some changes were observed in Brussels' strategy, although Macron's veto in 2019 was a setback for countries like Albania, North Macedonia and Montenegro. The EU, among other initiatives, increased diplomatic activity in the region, put more effort into advancing its communication strategy (*stratcom*) and focused on combating disinformation, especially from Russia. Between June and October 2022, following Russia's aggression against Ukraine, the enlargement process was revived with momentum similar to that which emerged after the 2003 Thessaloniki Summit, though in a different European and international context. On 28 August 2023, Charles Michel, President of the European Council, said: 'I believe we must be ready –on both sides– by 2030 to enlarge'. Enlargement Director-General Gert Jan Koopman, a few months ago, also advocated the 'progressive integration' of the WB6 as a guiding principle, and even acknowledged in a corrective tone that the 'timing of accession should not be separated from its benefits because it is tough to sustain reforms'. On 8 November the European Commission announced the approval of the Growth Plan, allocating €6 billion to fund the process and reduce economic disparities between member states and candidates. Two symptoms of this new direction were observed: a competitive climate between contenders, as seen in the race for membership in SEPA, and the traditional political cynicism was softened by forcing aspirants to meet in summits and ministerial meetings, where the cordiality of the family photo took precedence over neighbourhood disputes.

In any case, as the months passed, the initial momentum faded, as expected. During the last EU-WB6 summit on 21 December, Antonio Costa, Charles Michel's replacement, did not refer to any definitive date for accession and instead said: 'The summit wasn't about the specifics of enlargement as such... It was more about the broader strategic picture. We appreciate that there is frustration in the region but there's fresh momentum now'. It seems clear that enlargement is not only about meeting reform promises by the WB6 but also about the state of the EU, as the Union must be restructured to accommodate potential new members, as predicted in the Granada Declaration of the European Council in October 2023. However, the criteria and preferences of each country show significant disagreements on how to enlarge, even among those who seem to have the most in common, such as Hungary and Slovakia regarding Ukraine.

2. The conservative alliance

The enlargement paralysis between 2014 and 2019 led to a type of diplomatic relationship between EU member states and the WB6 that can be summarised as 'stabilocracy'. This involved tacit support for local governments, which were often only

¹ For a general view, see N. Hovic (2024), 'Pre-enlargement reform failures in the Western Balkans: social and economic preconditions of the rule of law', *Hague Journal on the Rule of Law*, nr 16, p. 693-714, 19/VI/2024, <https://doi.org/10.1007/s40803-024-00235-2>.

marginally aligned with the reform agenda, in exchange for, first, guaranteeing security and stability in the region (such as in the fight against irregular immigration, organised crime and terrorism or signing cooperation agreements with [Europol](#) or [Eurojust](#)); secondly, protecting foreign investment in the absence of legal certainty; and third, supplying labour to the economies of EU member states, which also contributed to local demographic decline, one of the most serious problems faced by the WB6. However, beyond a model that stabilised continental diplomatic relations, the enlargement paralysis eroded trust among the political elites of the WB6 regarding the EU's European perspective and weakened the principle of conditionality, as the loss of incentives reduced reform efforts while consolidating the transactional nature of relations between the WB6 and Brussels.

Regional leaders have amassed power during this period through personalistic profiles, which has been referred to as 'egopolitics' (except Montenegro and North Macedonia, where new prime ministers have been appointed during the last couple of years: Milojko Spajić and Hristijan Mickoski). The alignment of the WB6 with Brussels' security policy on sanctions against Russia seems steady, with the notable exception of Serbia, which has provided [financial and military aid to Ukraine](#). Nevertheless, a closer look at the political landscape, especially after Donald Trump's new term in office, reveals illiberal and disruptive dynamics in the Europeanist consensus. In the last political cycle, a community of interests has emerged that crosses the EU-Balkans border, between Robert Fico, Prime Minister of Slovakia, Viktor Orbán, President of Hungary, and the Balkan leaders, who seek to capitalise on international contradictions in favour of Russia, China or the US, depending on the circumstances and shifting balances. Martin Dvořák, the Czech Minister for European Affairs, recently noted that it is probably no coincidence that only two EU members, Orbán and Fico, have recently visited Putin in Moscow: '[Fico and Orbán are undermining EU unity, and the selfish behaviour of individual states will not benefit either of the two countries](#)'. Both Slovakia and Hungary support EU enlargement towards the WB6, but on terms that conflict with the Copenhagen criteria, and thus unsustainable as a core strategy if the EU wants to maintain its model of rights and liberties while advancing towards strategic autonomy.

Orbán has maintained close relations with the Serbian President Aleksandar Vučić for many years and has shown a clear support for Serbia on crucial issues, such as defending the latter's sovereignty over Kosovo, [despite Hungary recognising it as an independent country](#). Under this strategy, Hungary has not only become a threat to Europeanist cohesion but also a transit station for Russia and China into South-Eastern Europe. In 2023 Hungary [received 44% of all Chinese foreign direct investment](#) in Europe, benefiting from increased investments in electric vehicles. Serbia and China signed a free-trade agreement, which has so far been more beneficial for China. China manages mines and factories in Serbia and has loaned billions of euros to the Serbian government. As a result, in 2023 [Serbia owed China around €3.7 billion](#), 12 times more than in 2013. A significant portion of the Balkan public debt is now dependent on China. In May 2024 the Chinese President [Xi Jinping visited only France, Serbia and Hungary](#) during his official European tour.

North Macedonia is going through a complex moment of deep resignation and nationalist eruption following the constitutional name change due to the Greek veto overcome in

2019 and the Bulgarian blockade on its EU accession aspirations since 2020. This has propelled the VMRO-DPMNE party, led by President Gordana Siljanovska-Davkova and Prime Minister Hristijan Mickoski, to power. They have adopted a more critical stance towards the concessions made to neighbouring countries. On 16 December the Parliament of North Macedonia approved a request for a second loan of [€500 million from Eximbank](#), a Hungarian state bank, after receiving the same amount in September. The social democratic opposition, weakened in its governing prospects following a failed political cycle (2017-24), claims that the loan [has political interest behind it](#). The Hungarian President [denied that the loan came from China](#).

Since at least 2021 the strategy of Orbán's government has not been very different in the Republic of Srpska, the Serbian-majority entity in Bosnia and Herzegovina, granting a financial assistance package of €100 million. On 4 April the Hungarian President received the [Order of the Bosnian Entity](#) from Milorad Dodik, in one of the many meetings the two leaders have held over recent years. Both leaders have expressed support for Vladimir Putin and [have openly backed Donald Trump](#). Dodik recently argued that 'if [Greenland can join the United States, if East and West Germany could reunify, why can't the Republic of Srpska in Bosnia unify with Serbia?](#)'. In that same vein, he defended Russia's claim to Ukraine. Dodik's leadership generates significant ethnic tension, but it has become essential for appeasement, as the region struggles to move beyond the ethnocratic model established by the Dayton Accords.

Political currents in the region are filled with such personalist profiles, even within socialist ranks, as seen in the cases of the Croatian President Zoran Milanović and the Albanian Prime Minister Edi Rama. Milanović has been critical of any sanctions that might be imposed on Hungary, has questioned the EU's stance on Russia and [insisted on maintaining independence from the EU](#). Meanwhile, Rama has carved out his political space by aligning with strong leadership figures within conservatism, such as the President of Italy Giorgia Meloni, about the reception of migrants in Albania, or the President of Serbia Aleksandar Vučić, regarding regional stability. That distinguishes him from his Kosovar neighbour, Prime Minister Albin Kurti, who does not enjoy the support of either the US or the EU and is now facing the challenge of forming a government after the recent elections.

3. Prospective calculation

The concentration of governmental power in these leaderships, while enabling political manoeuvring in the volatile and disordered context of the Trump era, also creates a paradox. The logic suggests that, in an environment of unstable and uncertain balances –such as Bosnia and Herzegovina's ethnocratic division, the contentious negotiations between Belgrade and Pristina or neighbourhood disputes with North Macedonia– Trump's arrival could escalate regional tensions by destabilising recent diplomatic agreements or reshaping NATO's role in the region.

Yet the Balkan elite yearns for closer ties with the US Administration through a 'strongman' policy. The transactional negotiation approach of the new US Administration, which has been at odds with large multilateral agreements, aligns with an environment where current leaders are comfortable using a cost-benefit framework. During the

previous Administration, between 2019 and 2021, Richard Grenell served as the Special Envoy for Negotiations between Serbia and Kosovo, advocating this provisional, economically focused approach. The strategy's main casualty was the Kosovo government, led by Prime Minister Albin Kurti, who had a strong disagreement with Grenell, contributing to his ousting [after a no-confidence vote in 2020](#). In 2023 the US diplomat [was honoured by Aleksandar Vučić in Belgrade](#) and praised Hashim Thaçi, the former Kosovar leader and rival of Albin Kurti. In recent political periods, US and EU diplomacy has sidelined Kosovo in favour of Serbia, whose regional influence is seen as more appealing and reliable for the interests of Brussels and Washington. Beyond that, US-Serbia relations extend into the business sector. Donald Trump's son-in-law, Jared Kushner, served as a White House official during Trump's first term. Kushner founded the company Affinity Partners and announced plans [to build luxury residential towers](#) and office buildings on the site of the former General Staff building in Belgrade, which was bombed by NATO in 1999, and which has a significant symbolic value in the heart of Serbia's capital. These multimillion-dollar investments also extend to Albania's coastline. Just a few weeks ago, Serbia offered to host a summit between Trump and Putin, arguing that ['Serbia is a country where Putin is very popular'](#). Serbia knows how to capitalise on its position as a geopolitical crossroads for major powers, but this is only possible in an environment of political stability.

However, Kosovo has strengthened ties with Turkey. After violent clashes between KFOR and Serbia in May 2023, Ankara sent a commando battalion to Kosovo through NATO. Turkey has provided military support and, in 2023, [supplied Bayraktar TB-2 drones to Pristina](#). At the end of 2024 Turkey's Chemical and Mechanical Industry Corporation and Pristina signed an agreement to build a munitions factory in Kosovo. This forces Belgrade to determine what it can offer Trump, opening the possibility of less close relations with China or more economic engagement with the US, alongside eye-catching concessions to Trump that could be leveraged for media attention, such as an agreement to normalise relations between Serbia and Kosovo in 2020.

This same approach extends to the relations promoted by the Serb-Bosnian leader Milorad Dodik with China and Russia, while also seeking the removal of US sanctions imposed on him and his inner circle due to his political actions and secessionist threats. Both Serbia and the government of the Republic of Srpska celebrated Trump's victory, and both leaders aligned with the policies favoured by the White House. Similarly, the Turkish President Recep Tayyip Erdoğan, interested in maintaining and expanding his influence in the Albanian, Albanian-Kosovar and Bosniak worlds, has been following this trend for over a decade.

Trump's rise to power opens up a horizon of unpredictable agendas, reminiscent of earlier times, such as the border exchange between Serbia and Kosovo, which faced widespread opposition from various sectors of the Balkan and Western political classes. In this unpredictable scenario, the EU faces the potential full membership of Montenegro, following Croatia's accession to the Union more than 10 years ago. However, there remains uncertainty about whether Serbia through Hungary will adopt a constructive stance on this, given Russia's interests in the local Slavic.

Conclusions

This apparent regional stability, primarily supported by autocratic foundations, has its counterpart in social conflict. Recent protests have erupted in Serbia, for example, after the EU and Serbia signed a lithium mining project agreement, which was opposed by strong social movements. Serbian society, experiencing annual protests against the government since at least 2020, holds the highest levels of rejection towards the EU in the WB6. Following the death of 15 people in a train station collapse in Novi Sad on 1 November, protests were reignited, in a context of growing political and social tension. On 28 January, the Serbian Prime Minister Miloš Vučević resigned, and an intense period of protests is expected, with the opposition focused on boycotting institutions.

The EU seems to consider these governments as inevitable in the current political ecosystem, which comes at a significant credibility cost for its communication strategy in the region. The guarantee of stability under an illiberal framework will become a medium-term risk for the EU if Brussels does not assertively push for the rule of law and ensure local commitment to the Copenhagen criteria. An enlargement based just on geopolitical necessity undermines EU values. Governments that concentrate vast amounts of power without sufficient legitimacy from the majority of society –not necessarily electoral– can provoke serious social crises. The new US government will be a key test for Brussels and EU member states' ability to maintain security in the region while also fostering genuine democratic reform and adherence to the rule of law. Balancing support for stability with the promotion of democratic principles will be crucial in restoring the EU's credibility, otherwise, social conflict and the instrumentalisation of potential regional tension by the elite will be the most likely scenario over the next four years.