

EYES WIDE SHUT: HOW TO READ CHINA'S PLAYBOOK IN THE WESTERN BALKANS

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SUMMARY

- The EU lacks a clear “China conditionality” in its enlargement policy with Western Balkan countries—that is, defining and implementing conditions for candidates to engage with China—and the topic of China remains largely absent from accession talks.
- The EU’s own hesitant China policy is in part to blame. The union’s official stance of balancing cooperation and rivalry no longer reflects EU actions in practice, which lean towards confrontation.
- As membership talks stall, China’s influence in the Western Balkans grows, raising fears that new member states could act as promoters of Chinese interests and veto actions against Beijing in the EU.
- The EU must clarify its China policy and embed it as a clear conditionality in the accession process.
- It also needs to establish a firm timeline for Western Balkan membership and strike a better balance between requirements and incentives to encourage progress.

The red flag ignored

In 2021, one instance of China's involvement in the Western Balkans set off the EU's alarm bells: Montenegro was heading towards financial collapse after a huge loan from China's Exim Bank for a controversial highway project swelled into a debt mountain—at one point topping a third of the country's annual budget. The EU sprang into action. It rapidly mapped developments on the ground, strengthened its China teams and eventually stepped in to prevent Montenegro from falling into debt bondage with China.

The episode was a wake-up call for the EU on Beijing's expanding footprint in the bloc's periphery. Yet, four years later, the EU still does not have a clear “China conditionality” for EU aspirant countries, and the topic of China remains noticeably absent from formal accession talks. The void is made larger by the EU's own hesitant and ambiguous China policy.

More than two decades since the EU granted a perspective for membership to Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia, accession seems to have drifted ever farther from sight. What was once a time-bound political and institutional effort with a clear goal has shifted into an open-ended, multi-generational journey buffeted by geopolitical headwinds and mounting frustration.

Given this, it is not surprising that Western Balkan countries are increasingly exploring a wider range of partnerships, most notably with China. Beijing's footprint in the region is evolving from infrastructure projects and loans to investments and acquisitions, with its influence ever more entrenched in the region's core institutions.

After years of build-up, the risks China's behaviour poses are apparent: debt and opaque deals, but also a lack of accountability and transparency, a disregard for data privacy, and an undermining of EU laws. If Western Balkan countries join the EU, they could become promoters of Chinese interests in the bloc and wield vetoes over the EU's actions against China, as Beijing's interests increasingly clash with those of Brussels.

But there is a deeper, more enduring challenge here. When the EU began its policy of enlargement almost 40 years ago, Western political, economic and social models reigned uncontested. Russia was on the back foot, while China was only a distant rising power. Europe's eastern and the south-eastern peripheries were perceived solely as vectors of Westernisation.

Today, that context has shifted dramatically. The global order no longer leaves space for unquestioned Western dominance, and Europe's peripheries are now arenas where multiple

global powers compete for influence. The EU's enlargement framework has not caught up with the new geopolitical reality. Without reforming its approach, the EU risks undermining the transformative potential accession was originally designed to foster.

This policy brief maps China's presence in Western Balkan countries and decodes its tactics. It also examines the EU's evolving China policy, including its related legal instruments, expectations and de facto approach. Finally, it looks at how and to what extent "China conditionality" is reflected in the accession negotiation process.

Geopolitical games

The core assumption behind EU accession negotiations is that they serve to align candidate countries' laws, norms and institutions with those of the union, thereby socialising and integrating these states into the European legal and political fabric. This process also generates effective constraints on third countries.

While the degree and duration of integration vary—evidenced by setbacks in Victor Orban's Hungary, for example—the underlying principles remain. Accession drives a comprehensive overhaul of legal systems, administrative practices and public institutions. It is a far more than a technical exercise: it is a profound process of social transformation that aims to embed shared sovereignty and prepare countries for full participation in the EU.

Playing geopolitical games in accession talks clearly runs counter to this wider goal. Yet, the accession process in the Western Balkans has been dominated by such manoeuvring, with some governments using accession as a tool in their broader geopolitical calculations.

A significant part of these calculations is how each country incorporates China into its strategy. Albania and Kosovo persist in their scepticism and distance from China, as previous studies have found. But that is less the case for the other four countries in the region.

Traditionally, Serbia has engaged the most with China, even if President Aleksandar Vucic has found it ever more delicate in recent years to do so as EU policies pull Belgrade closer to Brussels, such as through energy connectivity projects. Likewise, Vucic's relationship with Russia is becoming more difficult to balance, as the EU tightens sanctions on Moscow and the US urges diversification away from Russian energy sources.

The current government of North Macedonia, led by Hristijan Mickoski of the nationalist VMRO, prioritises party identity and electoral positioning over accession, creating more room for hedging. Currently, the VMRO-led government seems unwilling to implement previously

agreed constitutional provision that recognises Bulgarians as one of the country's founding peoples, effectively blocking progress towards EU membership. Previous VMRO-led governments also pursued a “multi-vector” foreign policy, courting projects and partners outside the EU, such as China.

Montenegro's government shows similar tendencies, signing public procurement deals across various sectors with non-EU countries despite the near-bankruptcy experience with Chinese loans just a few years ago. In fact, public wariness towards China has proven quite short-lived.

In Bosnia and Herzegovina, Milorad Dodik, the former leader of Republika Srpska, uses his ties with Russia and China to ensure political survival and deflect international pressure. In the future, these relationships could be used as leverage to preserve the current constitutional order, which might need reform in accession negotiations.

Of course, China seizes on these games. The European Parliament, which plays a significant role in monitoring progress towards EU accession, recently issued a resolution underlining the importance of countering foreign interference in Albania, Bosnia and North Macedonia, offering specific recommendations for each country.

For North Macedonia, the resolution noted that China has made efforts “to expand its influence through information control, investment diplomacy and coercive clauses in infrastructure loan agreements”. MEPs have urged Skopje to address risks, such as “strategic corruption, opaque financial flows, risk of dependency on Beijing”.

The resolution also noted that Bosnia is being targeted by “malign foreign actors” like Russia and China, despite its formal alignment with the EU's foreign and security policy. Albania was noted for growing cooperation with Chinese media including its national public radio and TV broadcaster. Foreign interference and disinformation campaigns originating from Russia and China are even targeting Kosovo, according to the report.

The new Chinese playbook

China has long worked to deepen its presence in the Western Balkans across various areas. But as regional and global dynamics shift, its strategy is quickly evolving. While its long-term goals—political positioning in future EU member states, building networks of friendly local actors, and gaining influence in key policy and economic sectors—remain the same, Beijing is expanding its toolkit to achieve these goals.

First, the Western Balkans is gaining strategic importance as a key segment of the “middle corridor” connecting Asia and Europe. This route is becoming more important as the traditional “northern corridor”, or the “Eurasian land bridge”, has diminished in significance due to increased uncertainty and risk stemming from Russia’s war on Ukraine. Similarly, tensions between Israel and Iran also complicate transport and infrastructure connectivity in the Middle East and hamper the development of the China-Pakistan corridor.

At the same time, the diplomatic environment in central and eastern Europe (CEE) is becoming more challenging for Beijing. The once-prominent “17+1”, the format including 17 countries in CEE plus China, established in 2012, began to break apart a decade later amid increasing scepticism about China’s actions—particularly its limited economic engagement and its de facto support for Russia’s war on Ukraine. The departure of the three Baltic countries in 2021 and 2022 further undermined the platform, reducing its role to mere performative diplomacy.

As EU member states in CEE become more cautious towards Beijing, China has adapted its strategies in a number of ways.

A wider-society approach

During its initial years of entry and positioning in the Western Balkans, Chinese policymakers focused on working with local elites using a state-centric strategy. Now, this approach is evolving into a more balanced, all-of-society model that complements Beijing’s earlier methods.

Specifically, China has shifted from large-scale, sector-specific projects, such as in infrastructure and energy, towards a more diffuse, multi-actor approach across several sectors. This includes engaging with cultural, academic, business and educational organisations and using projects and institutional agreements to embed and consolidate cooperation. After the Communist Party launched the “go out” strategy at the start of the 2000s, which was updated and relaunched in 2013 by President Xi Jinping, various Chinese state structures, companies and institutions have adopted internationalisation strategies, now clearly visible in the Western Balkans.

In addition, China has identified “pillar countries”, such as Hungary and Serbia, and has intensified cooperation with them. These countries then serve as hubs to reach the wider Western Balkans region.

Free-trade agreements

After years of limiting free trade agreements (FTAs) while China's domestic firms matured, Beijing is now actively seeking market-opening agreements. In July 2024, its free trade agreement (FTA) with Belgrade entered into force, eliminating tariffs on 90% of traded goods.

China has concluded similar agreements with Georgia, Switzerland, Iceland and Belarus, and is currently negotiating deals with Norway and Moldova. In June, it granted duty-free access to its market for all African countries with the exception of Eswatini, which recognises Taiwan. China seems set to expand this approach in the coming years.

Infrastructure

Infrastructure has been at the core of China's efforts to position and embed itself in the Western Balkans. Rapid Chinese activity—and the attendant risk of economic and political capture in countries such as Montenegro—prompted belated scrutiny from EU institutions, including the European Commission and the European Parliament. The European Parliament in particular flagged multiple vulnerabilities and urged corrective measures in the entire Western Balkan region. Montenegro's near-debt crisis linked to the Bar-Boljare motorway, and the EU's reaction to it, foreshadowed more barriers for Beijing to secure new projects in the country and its neighbours.

However, that has not been the case. In August 2023, Montenegrin authorities awarded a €54m contract for a Budva-Tivat motorway section to two Chinese contractors, Shandong Foreign Economic and Technical Cooperation and Shandong Luqiao Group. Strikingly, Podgorica recently shortlisted three Chinese companies (Shandong Hi-Speed Group, Power Construction Corporation of China and China Communications) and the Azeri firm Azvirt for the construction of a 23km stretch of nothing less than the Bar-Boljare highway. Shortly after that, the European Commission and the European Bank for Reconstruction and Development, which are funding about a third of the €605m project, requested Montenegro cancel the pre-qualification tender. This was in response to local protests and because “only firms from China, Turkey and Azerbaijan were shortlisted,” according to local media.

Moreover, the government of Montenegro has signed bilateral agreements in infrastructure and other areas with Hungary and the UAE that contain exemptions from open public procurement procedures, inviting problems similar to those created by the Bar-Boljare highway, such as lack of transparency and unsustainable financial commitments.

In addition, actors with significant links to Chinese and Russian business interests continue to expand their influence in the Western Balkans. One example is ArcelorMittal, one of the

world's largest steelmakers, which recently sold its steel mill and iron ore mine in Bosnia to Pavgord Group—a local company linked to Dodik, who has close ties with both Beijing and Moscow.

Additionally, Bosnia's investment promotion agency signed a memorandum of understanding in February 2025 with the China-Europe Association for Technical and Economic Cooperation with the stated goal of identifying new investment opportunities.

Telecommunications

Despite US efforts to contain its expansion, Huawei remains entrenched in the Western Balkans. Recently, it signed a network capacity upgrade agreement with BH Telekom, Bosnia's main telecom provider.

Chinese engagement in this sector is now taking multiple forms. First, new operators are installing Huawei-made core hardware. This is the case with the Hungarian firm 4iG, which signed an wide-range agreement for strategic development with Huawei in May 2024, covering research and development, AI and other areas. The firm is present in Montenegro and Albania, following a series of aggressive acquisitions in 2021 and 2023 respectively, and it entered North Macedonia in 2024.

Significantly, 4iG is providing not simply telecom services, but also IT services, data and cloud management, and software, and it recently entered the defence market in cooperation with the Hungarian government. The inclusion of AI is noteworthy when considering China's "AI Plus" policy, which seeks to introduce and integrate AI capabilities across all of its industries and processes. From this perspective, firms such as Huawei no longer focus only on hardware or control of data flows, but also supplying the entire ecosystem of telecommunications. Over the last few years, both Huawei and ZTE have intensified their internationalisation strategies and efforts to penetrate various markets.

Diversified financial cooperation

Financial cooperation between China and the Western Balkan countries is diversifying. The North Macedonian government, headed by Mickoski, sought to secure loans from Beijing and obtained €500m from the Hungarian state-owned Export-Import Bank, which appears to have acted as an intermediary. Hungary itself obtained loans worth €1bn euros from Chinese lenders (the Exim Bank and the Hungarian branch of the Bank of China).

China is also promoting yuan clearing in the region. In 2024, the Bank of China in Serbia launched yuan-clearing services and completed its first cross-border remittance linked to a

Chinese-owned steel plant. As a leading actor in yuan internationalisation, the Bank of China is likely to promote wider yuan settlement across the Western Balkans.

At the same time, China is expanding financing instruments that support corporate internationalisation, such as increased venture capital support for AI and IT firms. This broadening of financial channels marks a shift from the earlier dominance of large, state-led frameworks such as the Belt and Road Initiative, and the 17+1 (later 14+1) format. Now, financial cooperation happens increasingly through Chinese banks and corporate lending.

Defence

There are notable developments in the areas of defence and military equipment. China has supported in particular the emergence and strengthening of a domestic drone sector in the Western Balkans, which has matured rapidly and is now aggressively pursuing international markets. Serbia is a primary focal point of China's defence engagement. In 2020, Belgrade received shipments of CH-92 and CH-95 military drones, bundled with eight laser-guided missiles. The cooperation has since expanded to include an air-defence system, the FK-3, which is now operational within the Serbian air forces.

Along with China, Turkey is also making significant strides in penetrating the drone market in the Western Balkans, with sales in countries such as Bosnia, Kosovo and Albania.

Media and more

In the field of media and information, recent data in North Macedonia and Kosovo indicate an increase in media activity driven by China. Beyond that, China has been attempting to create new international institutions to circumvent what it sees as Western-dominated structures. A few months ago, it launched the International Organisation for Mediation as a new platform for dispute settlement made up of 33 founding states, including Serbia.

The EU's China policy: Evolving toolkit, no clear policy

As Western Balkan states deepen their ties with China, the EU still has not found its footing. In an effort to capture the complexity of its evolving relationship with China, as well as the diversity of perceptions among EU member states, the EU has framed its China strategy around three coexisting tracks: partnership, competition and rivalry. In practice, however, these strands have pulled the strategy in different directions in recent years, weakening the original compromise and producing fragmented policy.

Rhetoric remains strong in the cooperation track, particularly on climate change, green industries and AI. However, practical cooperation is limited and has now become mostly ritualistic, centred on ceremonial summitry statements of little consequence. Meanwhile, green industry has turned into a space of competition and even rivalry. China's dominance in rare earth minerals, and its willingness to use that dominance to achieve its geopolitical goals, has foreclosed substantive cooperation, pushing Europe to seek out other partnerships in this field.

In relation to AI, the EU and China have exchanged views, but they have not undertaken any substantive discussions on AI governance. Deteriorating security ties make any prospect of changing this status quo even less likely. In fact, this space is becoming an arena for competition with China, as the EU launches initiatives such as InvestAI (€200bn) and its AI Gigafactory Fund (€20bn).

Such competition is becoming the defining feature of EU-China relations and extends to an increasing number of fields, ranging from electric vehicles, specialised machinery, advanced manufacturing, electrical equipment, chemicals, renewable energy technologies, high-tech products and more. As China has shown little appetite to change its industrial model—subsidies, export support, overcapacity and restricted market access for foreign firms—this list can only be expected to grow, reinforcing the competitive dynamics of the past few years.

In addition, the EU and China are increasingly facing each other off in third markets across the globe, particularly in South-East Asia and Latin America. This dynamic has accelerated during the second Trump administration as both the EU and China seek to diversify away from a protectionist America.

Increasingly, the EU and many member states see China as a rival. This perception is driven predominantly by Chinese support for Russia's war on Ukraine. But Beijing's intransigent refusal to address EU concerns over unfair trade practices is also producing systemic effects, even if the EU hesitates to define them in this manner. Policymakers seem to prefer to preserve some space for geopolitical maneuvering, particularly as tensions with US president Donald Trump are so heightened. For similar reasons, Britain has refrained from including China in the top tier of its "covert foreign influence" register.

Drifting towards decoupling

The EU's core policy dilemma towards China is routinely described as a choice between de-risking and decoupling. The former means reducing dependencies in selective sectors; the latter, a total disentanglement across all sectors. In practice, however, competition is

accelerating, and the EU's actions appear to reflect this reality—undermining the possibility of a deliberate policy choice.

As the EU tries to reverse asymmetries with China (like unequal market access) that it tolerated in an earlier era, it is facing strong Chinese resistance. This is turning discrete trade grievances into a widening set of disputes across many sectors. In this context, not only is the EU itself likely to continue to clash with China, but some member states such as France are even keen to go further and apply much wider, generalised tariffs in order to protect French and EU industries from China.

A patchwork of measures against Beijing

While the EU avoids explicitly defining and labelling its emerging approach to China, recent actions make the direction clear: it is moving towards decoupling. As competition expands and intensifies, the EU has rolled out a suite of legal instruments aimed at boosting its economic security and strategic autonomy:

- **The Anti-Coercion Instrument (2023)**. This is probably the bloc's most prominent tool to deter and respond to economic pressure from non-EU countries, such as trade restrictions and boycotts. Though not yet deployed, the EU has considered using it amid trade tensions with China and the US.
- **The Foreign Subsidies Regulation (2023)**: This instrument targets distortions created by subsidies to non-EU entities operating in the bloc's single market. Such distortions have granted unfair advantages to non-EU firms, especially Chinese ones, in acquisitions and public procurement contracts.
- **The EU's International Procurement Instrument (2022)**: This tool ensures reciprocity in access to international procurement markets, thereby addressing the difficulties EU companies have faced in China when competing in its expanding procurement market. It was used for the first time in June 2025, partially restricting Chinese medical-device manufacturers' access to the EU's €150bn market in response to barriers faced by EU firms in China.

As the EU expands its policy toolbox and uses its various legal provisions, trade with China has become increasingly complicated.

For example, the European Commission has initiated several proceedings against major Chinese online retailers. These include the Chinese marketplace AliExpress—for potentially

breaching the bloc's Digital Services Act and not doing enough to prevent the sale of counterfeit goods and unsafe products. But a final determination on whether to impose sanctions is still pending. The commission has also initiated an investigation into Chinese retailer Shein for potentially violating EU consumer protection linked to sale of illegal goods. And in October 2024, it opened formal proceedings against Temu, another major Chinese retail platform, for potential violations of the Digital Services Act. This involves examining whether Temu has sold non-compliant products, as well as its recommendation algorithm and the allegedly “addictive” design of the platform.

Other actions against China at the member-state level could have wider EU implications. Italy and Germany, for instance, have attempted to block the transfer of private data of EU citizens by DeepSeek, the Chinese AI-powered chatbot. This practice of individual EU member states adopting unilateral measures to address various aspects of China's behaviour could expand in the future.

The China conditionality

The development of a “China conditionality”—that is, defining and implementing conditions for the Western Balkan candidates to engage with China—remains a work in progress.

Historically, accession conditions were negotiated between the EU, member states, institutions such as the European Commission and the European Parliament, and the candidate countries themselves. These conditions focused on political, economic and legal reforms, and were then monitored during the accession process to ensure alignment. While there is some leeway for adoption, their implementation by the prospective EU member state is deemed essential for integration into the EU. The ongoing accession processes with the Western Balkan countries are no exception.

Accession in the region is at markedly different stages, with, for example, Montenegro deep into the process while Kosovo lacks a clear path forward. However, one thing is certain: the process is advancing while any possible China conditionality is still in development. That gap stems mostly from the absence of a stable, EU-wide consensus on China. The EU's policies are frequently reactive—it forms them in response to emerging tendencies and threats, as seen in the piecemeal rollout of the various investigations and instruments outlined above.

The China conditionality is thus a moving target, and such targets are especially difficult to institutionalise and enforce. Steps towards it continue to resemble a loose collection of principles rather than a well-defined and coherent structure of conditions, laws and practices

expected from the Western Balkan countries.

It is important to note that the EU's China conditionality would invariably involve external actors, such as the US, given their interests in the Western Balkans and the historically close alignment of American and EU foreign policies. Ideally, what should be in question is a wider "Western conditionality" that incorporates shared US and EU interests, albeit in a political rather than institutional context. This could cover areas such as export controls, investment screening and data security. The US and EU member states could also address this bilaterally and separately. But so far no structured dialogue has taken place between the EU and US to arrive at a common understanding on a China-related conditionality beyond some ad hoc considerations, for instance in the area of security. The same holds for the interaction between Washington and the respective capitals in the Western Balkans, which remain focused on regional stability and increased economic engagement. As things stand, the EU and the US are more likely to pursue the fulfilment of their conditions separately.

As with the EU, the US administration is also grappling with an unclear and evolving China policy. Export restrictions on chip manufacturing software, for example, have oscillated between security risk and negotiation card with Beijing. Likewise, export controls on Nvidia's powerful H20 chip, vital for AI development, have been inconsistent. The US has also all but ceded green energy as an area of rivalry, given its dismissive approach to the sector. Considering all this, the current US administration does not have a structured China containment policy.

Including the China element in accession negotiations

The EU is showing limited signs of attempting to insert a China conditionality into accession negotiations with Western Balkan countries. Recent updates on membership talks with Serbia show very few chapters in which China is discussed. Even when such references do appear, they tend to be vague and lack explicit conditions and deadlines. For instance, chapter 30 (external relations) mentions Serbia's FTA with China and contains some notes on compatibility. But the text is brief and non-committal and lacks a timeline and an awareness of the consequences of this agreement.

In chapter 31 (foreign, security and defence policy), China's deepening ties with Serbia are noted, and are even listed in some detail, but not as a point of conditionality. Chapter 5 (public procurement) similarly notes the practice of circumventing tenders through intergovernmental agreements, which has long been China's preferred approach, but does not set out corrective measures.

Several accession chapters could address China-related issues. These include:

- **Chapter 10 (digital transformation and media)**, which could incorporate China's penetration in 5G networks in the Western Balkans and the role of Chinese actors in the media;
- **Chapter 19 (social policy and employment)**, which could address frequent violations of labour law by Chinese companies in Serbia;
- **Chapter 31 (foreign, security and defence policy)**, which could tackle the growth of Western Balkan defence and security ties with Beijing, including the acquisition of weapons;
- **Chapter 5 (public procurement)**, which could incorporate China's status as one of the largest beneficiaries of non-tender procurement, such as through intergovernmental agreements. The issue is barely mentioned even in the Montenegro process.

Given this context, it is little surprise that instances of non-compliance with EU law are already emerging. For example, in the area of public procurement, Montenegro has signed and prepared numerous bilateral agreements which contain non-competitive clauses in relation to public tenders in different sectors. The case of the Bar-Boljare motorway, for example, simply appointed the China Road and Bridge Corporation as the executer of the project, bypassing competitive tender. Not only does this contradict EU law, but it also almost led to the bankruptcy of the country just a few years ago. As discussed, such clauses exist in agreements with the UAE (in tourism and real estate) and Hungary (in road and rail transport and infrastructure), and are being discussed in preliminary texts of similar agreements with Ukraine (in e-government, digital services and education) and France (energy, health care and defence).

This trend persists despite the fact that Montenegro has provisionally concluded chapter 5 negotiations with a general recommendation to reduce the number of non-competitive public tenders. Still, not only is the practice of bypassing tenders spreading to more sectors, but it is being codified in contracts with international entities.

Integration and political promiscuity

“EU accession is the only game in town”: this cliché from the late 1990s and early 2000s has proven resilient. It captured the unipolar order of that time, but no longer accurately reflects the reality on the ground. More than two decades since the prospect of EU membership was presented to the Western Balkan states, progress has stalled. The timeline continues to recede,

negotiations become ever more complex—all while the geopolitical context shifts. Today, “hedging”, or the practice of interacting with many actors in order to obtain concessions from all of them, is the norm in the region. There are now many games in town.

China has emerged as an influential actor in this context, and is presently deploying a new playbook to consolidate its presence. Its central feature is a society-based approach to engagement. While Beijing historically focused on state institutions and political elites through large-scale, often non-transparent projects—particularly in infrastructure and energy—it is now increasingly engaging directly with societal groups across numerous areas, such as trade, defence, culture, academia, media and more.

China’s influence is also driven by acquisitions of local companies, assets and infrastructure. This approach is visible worldwide and is no different in the Western Balkans. Financial lending now goes beyond the Belt and Road Initiative and other state-led frameworks, with Chinese firms and banks deploying finance and direct investments in various sectors.

Meanwhile, the EU’s own China policy remains uncertain. Its longstanding three-element formula of cooperation, competition and rivalry no longer reflects the real dynamics of the EU-China relationship. While there are instances of cooperation, the dominant theme is competition, at times even confrontation. This transformation is still not fully embedded in the EU’s political discourse or formal policy statements, and there remains a lack of consensus among member states on how to define and approach relations with Beijing.

However, the reality is that the EU has been adopting a suite of legal instruments aimed at responding to Chinese practices. In recent years, there has been a marked increase in the use of these instruments, signalling a steady rise in a competitive logic of interaction. These instruments still resemble a patchwork, but they all point to increasing confrontation in numerous domains.

The China conditionality is in development at the same time as ongoing negotiations with Western Balkan states. While EU institutions are at the forefront of defining both processes, individual member states are also informing them. The European Parliament in particular has been regularly monitoring and adopting resolutions on Chinese actions in south-eastern Europe, and is often more critical than the European Commission.

In addition, the China conditionality is defined in a broader context with the participation of the US, both between Brussels and Washington and between the US and the countries of the Western Balkans. This process is presently complicated by the absence of clear American policy towards China, and the transactional tendency of the US administration which has sidelined security considerations.

These difficulties have led to an absence of China considerations in EU accession negotiations with the Western Balkan states. Given the wider geopolitical impasse, normalised illiberalism and plentiful opportunities for engagement with non-Western actors, elites in the region increasingly face a dilemma between political integration and promiscuity, with multiplying evidence pointing to a preference for the latter.

Recommendations

- **Be more decisive about enlargement and about China.** It is difficult to conceive of a geopolitical EU without a coherent and realistic approach to enlargement. Socialising and integrating large swathes of the bloc's periphery are among the key indicators of its capacity to become a geopolitical actor at a time when such a transformation matters. The EU continues to follow its three-element policy formula towards China, which has little operability in the enlargement context.
- **Create a balance between requirements and incentives.** The EU enlargement process has morphed into an endless game of defining and communicating requirements and conditions without a clear time horizon. Its rules are subject to change; the prospect of new requirements emerging is almost certain. Such a dynamic undermines the incentives for accession. A better balance between requirements and incentives would go some way towards countering this imbalance.
- **Define a firm timeline for accession.** Generations of citizens from the Western Balkan countries have witnessed their hopes of EU membership postponed, receding into an indeterminate timeframe. Thousands have emigrated from the region in pursuit of their individual European dreams, while many continue to plan this journey. Companies and various institutions also define and implement strategies on the basis of no realistic timeline of EU membership. Embedding these strategies in a European framework would be much easier with a firm time horizon of EU accession.
- **The EU needs to engage wider society and citizens.** While EU accession negotiations are conducted between states and their institutions, the ultimate beneficiaries are their citizens. The emphasis on legal harmonisation ensures compatibility and functionality with the future member states, but it only creates an operational framework. Ultimately, integration is about creating and embedding linkages between citizens, companies, civil society, local and regional authorities, and cultural and academic structures.

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