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**BACHELOR THESIS**

**Analysis of Bilateral Cooperation Between Greece and the Balkans**

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## **1. Abstract**

This thesis analyzes Greece's geopolitical objectives in the Balkan Region by focusing on its foreign policy and bilateral cooperation with its Western Balkan neighbors, Albania, Kosovo and North Macedonia. Greece intends to utilize the tools at their disposal to maintain its sphere of influence in the region. This thesis focuses on the aforementioned countries of the Western region: Albania, Kosovo and North Macedonia. The grounded-driven research explores Greece's role in becoming a regional power and natural leader in the Balkans and the geostrategic implications of the region's potential to become a fruitful region.

This thesis focuses on the development of Greece's role within the region in regards to its foreign policy, Bilateral Cooperation and Trade. Further on, Greece faces various challenges to its accession as a regional power from foreign investors such as Turkey, Russia and China, as these powers offer complex factors that play into the regional geopolitical and energy arena. With the analysis of the empirical data, this thesis assesses how each of the selected Western Balkan country's responses stands to benefit from more Greek involvement in the region.

## **2. Introduction**

The idea of Greece as a nation goes beyond just the territorial boundaries of Greece. The Greeks can be found everywhere in the Balkans, and many in modern Greece have roots in countries from South-eastern Europe. This is the primary reason the elites in Greece find the Balkans culturally close to Greece and intertwined with its national interest. However, before digging into the details of Greek interaction with the Balkan countries, it is crucial to measure the extent to which Greece can impact the regional status quo in the Balkans. Furthermore, it is apt to distinguish the somewhat confusing terms like Balkans, western Balkans and South-eastern Europe. Balkans is a broad term generally used to refer to the countries in South-eastern Europe. The breakup of Yugoslavia in 1991 led to a series of clashes in the region. Wars erupted in Croatia the same year, in Bosnia and Herzegovina from 1992 to 95, and in Serbia and Kosovo in 1999.

Macedonia and Albania could also not prevent the epidemic of war and insurgency. Things calmed down by the end of the last century. In the 90s, the countries in southeastern Europe that were least affected by the wars presented a strong case for their integration into the EU, while the remaining countries were designated as western Balkans by the European commission. These countries included Croatia, Serbia, North Macedonia, Albania and Kosovo. (Bartlett, W. 2006, p. 201-218) The bilateral cooperation between Greece and mainly the three western Balkan countries of Albania, Kosovo and North Macedonia will be analyzed in the areas like foreign affairs, trade, and security. In addition, it is essential not to overlook the impact of great power politics in the region with enormous strategic value.

Greece is a NATO member and part of the EU and is best suited to contribute to the democratic consolidation of South-Eastern Europe, a region with complex ethnic divisions. However, contrary to the expectations, Greece has had a limited role, be it in the state management in Albania or the democratic transition in the Former Yugoslav Republic of Macedonia. Greece has all the reasons to play a pivotal role in the Balkans if we look at the number of interactions Athens had with these countries in the past. Linguistic resemblances, as well as religious and cultural, speak volumes in favor of this argument. There were opportunities in the 90s when Greece could have taken a 'Return to Europe' approach towards the neighbors. Nevertheless, Greece did not have cordial relations with its neighbors except Bulgaria. Besides projecting a Europeanizing agenda, Greece was also ideally suited to extend economic support and trade in the region as it had the best GDP in 2000 compared to all the Balkan countries (KOPPA, 2018).

Things seemed to change after the Thessaloniki summit in 2003 when Greece took the first natural step toward a role as a regional catalyst. Furthermore, in the last two decades, substantial Greek capital flowed into the Balkans, transforming both the Balkans' economies and Greece's status in the region. There have been ups and downs, especially post-2008, but Greece has still maintained substantial regional investment (KOPPA, 2018).

Greece has Europeanized its foreign policy ever since it joined EC/EU in 1981 and its role as a trans-regional actor in the Balkans needs to be analyzed chronologically. Europeanization was the need of the country called "the Sick man of Europe", and now its role as a trans-regional actor has become an automatic choice keeping in view the current strategic environment. The threat from the Northern Balkan countries diminished after the end of the Cold War. The European Union's rhetoric determines Greece's foreign policy in the East and the North. Greece has been constantly pinched since its accession to the European Council to pursue a benchmark reform-based modern government. There is no reason the case would be any different for integrating western Balkan states into Europe. 'Do more' has been the consistent policy of the European Union for the Balkan countries. It can be rightfully argued that Greece could act as a facilitator for the western Balkan countries, especially considering a forced strategy for Greece owing to the geography it is bestowed with (Triantaphyllou, 2005). This seems like a favorable scenario for Greece and its Balkan neighbors.

Recently, Greek Prime minister Kyriakos Mitsotakis called for the European Union to integrate all 6 six Balkan nations into the EU by 2033. The prime minister went on to say ahead of the Southeast European Cooperation Process (SEECP) that the EU needs to prove that "when it sets out a vision, it has the intent and the capacity to follow through" (Greek PM says EU must integrate Western Balkans by 2033: Politico, 2022). The statement comes against the backdrop of the Russia-Ukraine war and waning EU influence in the Balkans. The void, as a result, paves the way for Russia and China to set their footmarks footprints in this part of the world. The Balkans, ravaged by conflicts and weak economies, do not have many options to choose from, while on the other hand, Greece fears that Chinese and Russian presence in the region would not just affect its influence but also pose a security threat to the country itself. Slovenia, while chairing the EU presidency last year, had pushed the agenda of integrating the six Balkan countries into the EU, which was repelled by the commission's president, maintaining the same stance of "Do more"

(Gadzo, 2021). It can be argued that keeping in view the fast-moving affairs in the international arena, the EU needs to reconsider its harsh conditions before it gets too late.

Greece has emerged in the last decade as one of the largest investors in the Balkans. (Bestian, 2004) The possible motives behind Greece transforming into an expansionist economy could result from its urge to attain a regional economic role. Particular policies such as the 'Hellenic plan for the economic reconstruction of the Balkans' were designed in line with the earlier intent. After the transition from the socialist phase, Balkans could not keep up with the momentum. The public and private sectors were in poor conditions. Hence it received less Foreign direct investment (FDI) compared to the central European countries. Also, the FDI from Greece started to flow in the last two decades. Before the 90s, there were fewer than just ten companies that were operating abroad. (Dimitrios Maditinos, D. K. 2011, p. 205-221)

The investment trend in the Balkans was a result of several factors. Initially, it was thought that investment was easy in the short term with no obligations in the long run. However, in the second phase, the investment dropped due to a bad image of Balkan economies reflected in the activities like corruption and money laundering. In the third phase, just before 2000, gradual stability in the region attracted investment from the elite in Greece. The last phase is the one running from post-2000 that is marked by heavy investments in Balkan economies caused by great productivity in the Athens stock exchange. It could be argued that Greece's economic relationship with the Balkans started as a coincidence, with the Balkans seemingly a fun option (Dimitrios Maditinos, 2011). Investing in the Balkans, despite other differences, works well for the Balkan economies. Moreover, it serves Greece well by projecting its image in the European community and keeping significant powers like China and Russia at a margin. In addition, Trans-Adriatic Pipeline (TAP) from Azerbaijan to Greece and Greece to Bulgaria is an attempt to avoid Russian gas dependency in the region (Tagle, 2022).

The national security of Greece relates to the stability in the Balkans. Since Greece has invested substantially in the region in the last two decades, any instability will put its assets at risk. Greece has raised the Balkans' security issue at all forums, including within the European Union. It has actively participated in the Southeast European Cooperative Initiative (SECI) (Chrysochoidis, 2000). Greece plays an active role in stability in the Balkans, particularly in the post-Dayton era. Some of the priorities in the region include economic restructuring in Serbia (an

aggregate investment of around 2.2 billion dollars) (Cord magazine, 2022). protecting the territories of the Former Yugoslav Republic of Macedonia (FYROM) and containing extremist incidents in Albania. Greece also participates in the UN peacekeeping missions in Bosnia (EU mission under Petersburg format), Kosovo (NATO and EULEX) and North Macedonia. Athens also advocates that NATO should retain forces in the Balkans for longer. Hence, Greece's membership in the European Union, NATO and ties with the US (particularly defense) are crucial for its role in the Balkans. However, it can be said vice versa, as advocating for peace and stability in the Balkans adds to the respect and position of Greece in the status quo (Dokos, 2001).

The capacity of Greece influences the Balkans is consistent with the region's needs. Particularly in the areas like foreign policy, trade and security, the extent of Greek influence has been assessed. The Greek interaction with the Balkans is primarily due to cultural and geographical proximity. However, the developments in the last decade or so explain that Greece's contributions to the Balkans come mainly in conformity with its Europeanizing foreign policy and in an attempt to overcome its insecurity caused by the persisting threat of Interference by the major powers in the form of China and Russia.

### **3. Literature review**

The thesis research is based on a combination of primary and secondary sources. This comprises gathering information from relevant sources regarding The research topic. Academic literature focused on the geopolitics of the region, Greece and the selected Western Balkan Countries related to the grounded theory utilized in the thesis. At the same time, news items will be used to support the analytical investigation of Greece's geopolitics, foreign policy and bilateral cooperation in the Balkans since they provide the most recent updates on the matter. The news articles give readers access to actual data sets that back up the theoretical assumptions and research questions at hand. Furthermore, to supplement the research with empirical data and examples from the commercial sector and non-governmental groups.

Quantitative research will be conducted through academic sources to review each country's culture, etymology, history, foreign policy, and bilateral cooperation in the Balkan region will give contextual background for establishing a grasp of modern geopolitical and economic dynamics. Such an approach will lay the groundwork for a set of analytical tools and theoretical assumptions

to forecast probable solutions and developments in Greece's role in stabilizing the Balkans and help with the selected Western Balkan country's geopolitical aims to benefit Greece in becoming a regional power.

This will involve an analysis of Greek foreign policy, Bilateral cooperation and trade to establish that more involvement in the region is indeed positive. The source will be "Deciphering the Greek Economic Diplomacy towards the Western Balkans: actors, processes, challenges" (Panagiotou & Tzifakis 2022).

This approach is consistent with the theory utilized to investigate the research question.

Foreign policy and bilateral cooperation can be examined from various perspectives, including culture, economics, military, geopolitics, geography, and the environment. Given the extensive evidence of the economic implications of Greece's economic and foreign policy and long-term planning, this thesis will concentrate on geopolitics. As previously said, the geopolitical approach is inextricably linked to improving regional and bilateral cooperation. The empirical evidence is drawn from trustworthy regional and English-language news sources.

Future comparative research on this topic could provide additional nuance and collection of real-time data, statistical datasets, and predicted policy changes to Greece's and the selected Western Balkan geopolitical priorities and strategy in the Balkans. A comparative approach like this could include cutting-edge research that reveals new patterns of behaviour in the region.

## 4. Methodology

### 4.1. Research Questions

This study sought to build a theory in answer to the following research question:

- **Main Research Question:** If Greece became a regional power in the Balkans, would it stabilize the region?
  - **Sub Research Question:** Could greater Greek involvement in the Western Balkans help the aforementioned nations to be accepted into the European Union?

The research questions will be answered by closely analyzing Greek development in policy and bilateral cooperation in the Western Balkans, and the supporting research question argues the role of Greece's capabilities for improvement from the involvement of advisory powers from nations such as China and Russia in light of both geopolitical theory and the theory of strategic



intelligence. The main research question receives support from a sub-question, which will provide the necessary background information for engaging the main question.

#### **4.2. Hypothesis**

This thesis's purpose is the research question and the supporting research question. Why would the selected Western Balkan countries in this analysis benefit the most from Greece's increased involvement in the region? Relations between Albania, Kosovo, and North Macedonia would improve significantly if Greece became more involved in the region as a Balkan superpower. Greece's involvement in the region would allow Greece to open doors for the smaller Balkan countries. So, for the Balkan countries to benefit from this cooperation, does Greece need to expand its presence in the region through trade, defense, and politics to increase stability? The current research question seeks to answer not only whether or not Greece's involvement in the Balkan sphere will contribute to the overall stability of the region but also which Balkan countries stand to benefit from Greece's involvement in the Balkan sphere. Therefore, it is crucial to research the regional cultural, economic, and political contrasts and how Greece could play a beneficial role in the Balkan countries' ties.

#### **4.3. Research Scope**

The research scope of this thesis is entirely in the title, "Greece and the Balkans", which defines the Geographical limits of this thesis. The complex under investigation is the "internal" geographical complex for Greece and the Balkans, with "Balkan instability and Greek Regional involvement" as the specified geopolitical element. The Balkan Geographical Complex will be employed not only because it is indicated in the title, which is already a fundamental condition, but also because the "geopolitical element," the "Balkan instability and Greek regional involvement," exists, acts, and impacts the entire geographical area of the complex. The empirical data collected for this thesis was published from 2001 to 2022.

#### **4.4. Method**

The research approach employed in this thesis is qualitative grounded theory, which means that the qualitative method will allow this thesis to investigate a phenomenon or process and create new ideas based on gathering and analyzing real-world data. It is essential to use this method since political concepts are firmly grounded in their history. Qualitative research uses the grounded theory – that a theory should emerge from the collected and analyzed data. The text sources used

are from academic research papers that will consider the geopolitical past, present and future of Balkan stability and instability and Greek regional involvement.

Due to the particular character of the cultural, trade, political, and organizational components of bilateral relations in this geographical area, the sub-system comprises "Balkan instability and Greek regional involvement" in the "Western Balkans."

We will examine the impact of the instability of the Balkans and Greek regional involvement on the aforementioned sub-system, in particular, defense, trade, politics and cultural affinity being our four pillars. At this stage, we shall determine the geopolitical trends and dynamics for each sub-system under consideration. The trends, defined exclusively in terms of "power," provide information on The pillars to which the "geopolitical element" under investigation belongs (in our case, Balkan instability and Greek regional involvement). As a result, their activities are already defined or may be defined within the framework of each sub-system. This type of conclusion is defined as a "positive sub-systemic component trend of power" in the "interior of the system" of the "geopolitical factor."

The research will be based on three pillars:

- The first pillar is the research design. This consists of exploration, which involves investigating a new phenomenon that appears in our research environment.
- The second pillar is the description, which contains a more extensive and precise analysis of the issue. The when, where, and how.
- The third and final pillar is that of explanation - why a phenomenon occurs.

#### **4.5. The Case Studies & Their Choice**

**Albania** - Albania shares Epirus's geographical and historical territory in southeastern Europe, which Greece and Albania presently share. Greece has supported Albania's NATO membership and the country's European course. Greek-Albanian ties are crucial for protecting the rights of the Greek National Minority; therefore, a comprehensive contractual framework and frequent exchanges of visits at all levels characterize Greek-Albanian ties and prove too great partnership and development in the region.

**Greece** - Greece, located on the Balkan Peninsula and surrounded by Western Balkan neighbors, has a regional sphere of influence as it is part of the EU and NATO. Balkan countries can secure their position as European candidates as Greece can endorse their entry. It is in their

interest for Greece to become a regional power by investing in and trading with Greece, signing treaties and agreements, and establishing regional security and bilateral cooperation.

**Kosovo** - Kosovo was chosen because of the Recognition issue on the Greek side, yet the future of these two nations seems fertile and engaging. Greece is dedicated to promoting peace, stability, and development in the Western Balkans. The long-term goal of Greece is to improve living circumstances, maintain minority rights, and preserve Kosovo's religious and cultural legacy. Greece supports the EU-mediated talks between Belgrade and Pristina.

**North Macedonia** - North Macedonia was an unusual instance since Greece shifted its posture from foe to ally by obstructing its EU candidacy and NATO membership due to a naming dispute over the country's previous name, the Former Yugoslav Republic of Macedonia. Following the signing of the PRESPA agreement, which resulted in the renaming of the territory, Greece has now accepted their EU candidacy and NATO membership, as well as being a significant defense partner, foreign investor, and economic partner in Northern Macedonia.

#### **4.6. Conceptualization & List of Terms**

**Balkans** - The name "Balkans" refers to the region more broadly; it includes states in the region that may stretch beyond the peninsula, and the peninsula's topography does not define it. Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Kosovo, Montenegro, North Macedonia, Romania, Serbia, and Slovenia compose the Balkans.

**Balkan Peninsula** - The Adriatic Sea, the Mediterranean Sea, the Ionian and Aegean seas, the Sea of Marmara, and the Black Sea all encircle the Balkan Peninsula on its western, southern, and eastern sides, respectively. The Balkan Peninsula refers to the following nations: Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Montenegro, Albania, Macedonia, Greece, Bulgaria and Romania. The western coast of Turkey is also included.

**Bilateral cooperation** - The ties or partnerships between Greece and the selected Western Balkan Countries are referred to as bilateral cooperation. These ties will be analyzed to see the prospects for the countries in focus and the room for further development. This here will be discussed in the analysis part of the thesis.

**Foreign Policy** - Greece's approach and policy toward the Balkans and selected Western Balkan countries. Here, we will primarily find political, economic, and geopolitical strategies aimed toward the aforementioned Balkan countries, such as post-Cold war, post-SFRY

disintegration, and current foreign policy toward the Balkans, all of which are discussed in the main body chapter.

**Geography** - This study's geography is entirely focused on the countries of the Balkan Peninsula. As a result, only the topographical, maritime, and air spaces in the Balkan Peninsula region will be investigated.

**Geopolitics** - Geopolitics is defined here as a tool that aims to increase a nation's strength through geographic, economic, military, or cultural assets and by gaining regional and international allies.

**Western Balkans** - The former Yugoslavia and Albania region, except Slovenia, has been referred to as the Western Balkans. The "Western Balkans" has been used by European Union institutions to refer to the Balkan region that includes nations that are not members of the European Union. The Western Balkans refers to the following nations: Albania, Bosnia and Herzegovina, Montenegro, Republic of Kosovo, Republic of North Macedonia, and the Republic of Serbia.

#### 4.7. Thesis Structure

For the Structure, the first chapter of this thesis will begin by studying the selected Balkan countries' historical, geographical, cultural, economic, and political identities. We shall comprehend the origins and cultural affinity of the Balkans through etymology, which will not only help us establish how the region may further develop but also stabilize; it will also help us understand how much potential there is for further improvement in the region.

The focus of the second chapter will be on Greece, its place in the area, and how the country's perspective on its foreign policy has shifted from the immediate aftermath of the cold war to the present day. Greece is a powerful geopolitical and geostrategic force that aided newly established Balkan nations in transitioning from communist-socialist ideology to democratic ideals. This transformation was made possible with Greece's assistance. The dissolution of Yugoslavia created enormous difficulties for Greece and strained its relationships with its neighbors in the Balkans.

In the third chapter, this research question will discuss the Balkans' economic policies as well as their military and security initiatives. as well as examine these policies. The investigation's objective is to decide on the viability of economic expansion in the area presently undergoing development. To succeed in this endeavour, this paper will need to study the policies that are now

in effect in the countries. This would make it possible to evaluate which aspects of these policies need to be modified and how the Balkans' military and economic policies should evolve.

The fourth and last section of this thesis will answer the main and sub-research questions regarding the challenges that Greece needs to overcome for Greece to take on the opportunities within the Balkan region successfully. We will have to figure out the significant challenges to Greece's involvement in the Balkans as other actors have emerged in the region challenging the capabilities and potentials of Greece. The challenges of political instability and poor economic growth coupled with ethnic issues may be a problem of the past if consistent and active Balkans foreign policy in the region can allow Greece to achieve strategic successes in the region as Greece may still appear to be a lucrative actor for the Balkans struggling for economic growth and balance of payments.

## **5. Quality of Relationship In The Balkans**

The Balkans comprised Yugoslavia, Albania, Bulgaria, and Romania. The breakup of Yugoslavia in the 1990s and the emerging secession states increased the number of Balkan states. These newly emerged states known in the Western Balkans region comprise Albania, Croatia, Bosnia and Herzegovina, Kosovo, North Macedonia, and Serbia. The Balkan Peninsula is home to Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Montenegro, North Macedonia, Romania, Serbia, and Slovenia, with parts of Greece and Turkey which are commonly referred to as the Balkans. (Allcock, 2021) The Balkan peninsula holds tremendous strategic significance as the region is bounded by the Adriatic Sea to the West, the Black Sea to the East, the Aegean Sea to the southeast, and the Mediterranean Sea to the south (Bugajski, 2001, p. 3). The following map shows us the territory of the Balkans:



Map 1: The Balkans. (Allcock, J. B., Crampton, Richard J. and Danforth, Loring, 2021).

The Yugoslav disintegration and the Balkan wars based on religious ideology and identity divided the territorial borders. However, the region is still grasped with ethnic conflicts. While Albanians in Albania, Kosovo, and North Macedonia identify themselves as Muslims, Serbs as Orthodox and Romans as Catholics, these ethnic groups continue along the road of conflict and violence (Taylor, 1997, p. 431). Thus, the struggle for identity continues, leaving the Balkans in political and economic instability despite having a significant geographic position in Europe that can help improve their conditions. The following map shows the religious and ethnic diversity in the Balkan Peninsula to substantiate the given claim.



Map 2: Ethnographical map of the Balkan Peninsula showing religious and ethnic diversity (Jovan Cvijić, 1918)

Out of different etymologies, it is most commonly believed that the term 'Balkans' has a Persian-Turkish origin deriving from a Persian world *bauk* meaning 'mud' and Turkish suffix *-an*, representing the peninsula in southeastern Europe. (Todorova, 1997, p. 27) The term became famous under the Ottomans, generally referred to as 'mountain', and in the 20th century, the Balkans adopted more of a political connotation to refer to the southeast European states (Todorova, 1997, p. 28). However, it appears to many as an 'artificial' construct since the Balkan countries, except for territorial affiliations, neither share cultural, ethnic and religious

characteristics nor enjoy stable political and economic relations (Roucek, 1946, p. 365). The dynamics remain broadly similar even in the 21st century, due to which the Balkans cannot enjoy stable relations with extra-regional actors, specifically Greece. Concerning the greater involvement of Greece in the Balkans, three states remain of critical importance: Albania, Kosovo, and North Macedonia.

### **5.1. Albania**

Gaining independence from the Ottoman Empire in 1912, Albania is housed by the Albanian ethnic majority, predominantly Muslims. However, under the communist regime during the cold war, Albania was declared an atheist state. Given the easy access to the sea, Albania has always enjoyed a privileged role under the control of empires, first Roman and later Ottoman, and so has a significant influence on the West and the East. After the disintegration of the USSR, Albania revoked its relations with the West and became a member of NATO in 2009 (Metushaj, 2018, p. 63). Some argue that Albania derives its national identity from pan-Albanian nationalism in attempts to achieve a Greater Albania that integrates Kosovo and western parts of North Macedonia, where ethnic Albanians are living as an influential minority group (Vickers, 2008, p. 11).

Others believe Albania has accepted the status quo of separate Albanian identities in the region (Vickers, 2008, p. 14). While the ethnic dilemmas continue, Albania has played a crucial role in stabilizing the Balkans, given its geostrategic position and relatively better political situation in the 21st century, regarding its large diaspora in the Balkans. For example, if we refer to the existence principle, Albania's strategic interest is for North Macedonia to exist, which means that Albanians living in North Macedonia must be constructive concerning the country. The number of Albanians in Macedonia is significant, and they are still discriminated against there, whereas Albania has adopted a step-by-step approach to problem-solving through dialogue and collaboration rather than conflict. (Metushaj, 2018, p.61)

### **5.2. Kosovo**

Kosovo is the last Balkan state to achieve independence from former Yugoslavia. Since its inception in 2008, ethnic Serbs dominate the northern and some southern parts of the country, while Albanians reside in the rest (Ocal & Celenk, 2010, p.167). With most Albanians (92.9%), Kosovo is predominantly an Islamic state (Demjaha, 2017, p. 187). In its initial years after



independence, Kosovo remained engulfed in regional politics where Serbia and Albania continued to contest for Kosovo's integration into greater Serbia or Greater Albania, respectively (Ocal & Celenk, 2010, p.178). The ethnic conflict between Albanians and Serbs has resulted in several violent confrontations, so the political environment remains unstable mainly. Over the years, the European Union (EU) has played the role of a facilitator between Kosovo and Serbia, with Greece as a mediator. In April 2013 came the first round of negotiations under "The First Agreement of Principles governing Normalization of Relations", but the talks have always ended in a stalemate due to various incidents such as constructing the wall in northern Mitrovica by Serb authorities and operating a direct train between Belgrade and northern Mitrovica by Belgrade authorities (Demjaha, 2017, p. 192). Due to very reasons, Kosovo has not been able to perform well economically as its strive for security, and territorial integrity continues.

### **5.3. North Macedonia**

Macedonia has maintained a central geographical position in the Balkans since its independence in 1991. This central position has allowed North Macedonia to play a significant geopolitical and geostrategic role. For centuries, Macedonia has offered trade and transportation networks between the Middle East and Europe. The popular Vardar-Moravian corridor through which Ottoman conquests of the Balkan took place also runs through Macedonia. (Gibas-Krzak, 2014, p. 216). While previously called the Former Yugoslav Republic of Macedonia, Macedonia and Greece had a long-held dispute over its name, which Greece believes to have derived from Greek origin and contradicts Greece's northern region of Macedonia. Under the PRESPA Accord signed in 2019, Macedonia changed its name to the Republic of North Macedonia (Halasz, Labropoulou & McKenzie, 2019). This will allow Macedonia to have better prospects for EU membership, the ambitions largely restrained by Greece and ethnic conflicts and political instability.

### **5.4. Aftermath of SFRY Dissolution**

Territorial borders in the Balkans have been changing for centuries, leaving ethnic groups scattered across boundaries (Vickers, 2004). Albanians, Serbs, Macedonians, Bulgarians, Bosnians and Greeks; are engaged in ethnic differences, riots and violent confrontations, leading to civil wars and insurgencies in the Balkans. The relationship between Balkan states is highly complex; however, the patterns of cooperation and confrontation mainly derive from the

ideological and ethnic standpoint. Albania and Kosovo enjoy a close relationship due to the majority of ethnic Albanians residing in Kosovo and historical, cultural, lingual and religious ties between the two. Due to increased pan-Albanian nationalism among Kosovar Albanians, the region suffers instability as the threats of Kosovo integration into Albania linger, essentially threatening the interests of Serbia, which has not even extended recognition to Kosovo (Less, 2021).

Sandwiched between two regional powers, Kosovo has been unable to draft its national identity (Less, 2021). While the idea of integration into Albania offers positive perspectives and enjoys substantial popular support in Kosovo and Albania, Serbia is least likely to let that happen. Under more significant confrontation with Serbia over the years, Kosovo has grown closer to Albania with the rise in trade volume between the two. As of 2018, the total trade flow between Albania and Kosovo stood at 270.7 million euros (Instituti Gap & Instituti Riinvest, 2020, p. 15). Albania and Kosovo have signed multiple economic agreements; the recent one took place in 2019, under which Kosovo is to join the Albanian power grid from April 2020 (Stojanovic, 2019).

When it comes to North Macedonia enjoys a complex relationship with Albania and Kosovo. A sizeable Albanian majority residing in North Macedonia has often become a bone of contention between the neighbors, as evident from the 2001 insurgency in Macedonia and the creation of the self-proclaimed Republic of Ilirida, primarily supported by Albania (Bumci, 2004, p. 16; Dukanovic, 2019, p. 94). The conflict only ended with the Ohrid agreement in 2001 that guaranteed Albanians representation at all levels of the Macedonian government (Dukanovic, 2019, p. 94-5). The national struggles of North Macedonia have been a cause of constant tension in the region, due to which Albania follows a very conservative policy towards North Macedonia in an attempt to protect ethnic Albanians as well as not involving itself in domestic matters of a sovereign entity (Krisafi, 2020).

North Macedonia and Kosovo enjoy formal diplomatic relations as North Macedonia recognized Kosovo right after its independence (Marolov & Ivanova, 2014, p. 262). This is mainly due to the common historical past under Yugoslavia, which renders similar struggles and conquest for national identity. Such commonalities have allowed North Macedonia and Kosovo to establish economic ties, which have helped improve relations with Albanian communities (Dukanovic, 2019, p. 95). Overall, it is imperative to note here that the political, economic, ethnic, and security

relationship between Albania, Kosovo and North Macedonia, including their impact on the strategic stability of Europe and a central position in Eurasia, render them crucial regional actors (Gibas-Kzark, 2014, p. 213). In addition to this, the Balkans do not only share the legacy of the Byzantine Empire, which rendered poor development and weak institutional structures but also share a common communist past which has resulted in current instability as the Balkans are still tempted toward authoritarian rule, xenophobic nationalism, ethnic differences, and religious animosities (Bugajski, 2001). Leading to economic stagnation and weak state apparatus, the Balkans cannot formulate and implement effective cooperation mechanisms and the peace process in the region. In all such chaos, Greece remains a lucrative option for the Balkans to improve their economic, political and security conditions.

## **6. Greece and the Balkans**

Located to the south of the Balkans, Greece is a democratic and a capitalist state that helped the newly independent Balkan states in a smooth transition from communist-socialist ideologies to democracy as well as introduced market-economy in southeastern Europe, primarily known as the Balkan region (é, 2018, p. 58). Due to the geographical proximity between Greece and the Balkans, Greece's political stability and security largely depend on that of the Balkans. Greece shares borders with three Balkan states, including Albania, North Macedonia, and Bulgaria. The disintegration of Yugoslavia created enormous challenges for Greece and resulted in the deterioration of relations with its Balkan neighbors (Larrabee, 2005, p.405). Since the late 1990s, Greece has made significant diplomatic efforts to improve its relations with the Balkans to ensure regional stability and security; however, subsequent events in the Balkans have been an enormous obstacle.

### **6.1. Greek foreign policy towards the Balkans in the post-Cold War**

Greek foreign policy towards the Balkans has been a mix of cooperation and containment since the Balkan states were under communist influence. At the end of the Cold War, however, opportunities for greater cooperation evolved as the Balkans attempted to be a part of the modern capitalist system. In the post-Cold War, Greek foreign policy towards the Balkans can be divided into two periods: before and after the 2008 financial crisis.

## **6.2. Greek foreign policy towards the Balkans (1995-2008)**

While Greece's cold war Balkan policy ended with Yugoslavia's disintegration, Greece attempted to revive its relations and its peripheral position in the Balkans as Constantine Simitis became the prime minister in 1996. To put an end to the diplomatic isolation of Greece, Prime Minister Simitis signed a friendship and cooperation agreement with Albania which focused on solid economic and trade relations, military cooperation, solving the issue of the Greek minority in Albania and extending the legal status to Albanians residing as immigrants in Greece (Larrabee, 2005, p. 410). Since then, Greece has offered legal status to thousands of Albanians in exchange for Albania's help in combating cross-border crimes and introducing the Greek language in Albanian schools (Larrabee, 2005, p. 410). Greece also offered diplomatic support to end the ethnic crisis between Albania and Macedonia in 2001, which successfully led to Ohrid Agreement (Panagiotou & Valvis, 2014, p. 31).

The breakthrough came in Greece's relations with North Macedonia as both states found an interim agreement in September 1995, which was a critical step towards rapprochement (Panagiotou & Valvis, 2014, p. 30). While it could not settle ideological and ethnic differences, the economic relations considerably improved. North Macedonia became the second-largest trade partner of Greece and a significant center for Greece's foreign investments (Larrabee, 2005, p. 411). Other sectors such as tourism and cross-border traffic also improved vastly. The bone of contention, however, remained the name issue referred to the United Nations, but no considerable agreement could be reached. However, it did not significantly impact the economic relations between the two (Panagiotou & Valvis, 2014, p. 30). Meanwhile, Greece also developed solid relations with Serbia and other Balkan states based on ideological commonalities or in the economic dimension. Between 1995 and 2008, the trade between Greece and the Balkans increased nine-fold, from US\$ 402 million to US\$ 3606 million (Panagiotou & Tzifakis, 2022, p. 13). The imports totalled US\$ 1028.7 million by 2008, increasing with North Macedonia by 37 times, Albania by 3.5 times, and Serbia by three times (Panagiotou & Tzifakis, 2022, p. 13).

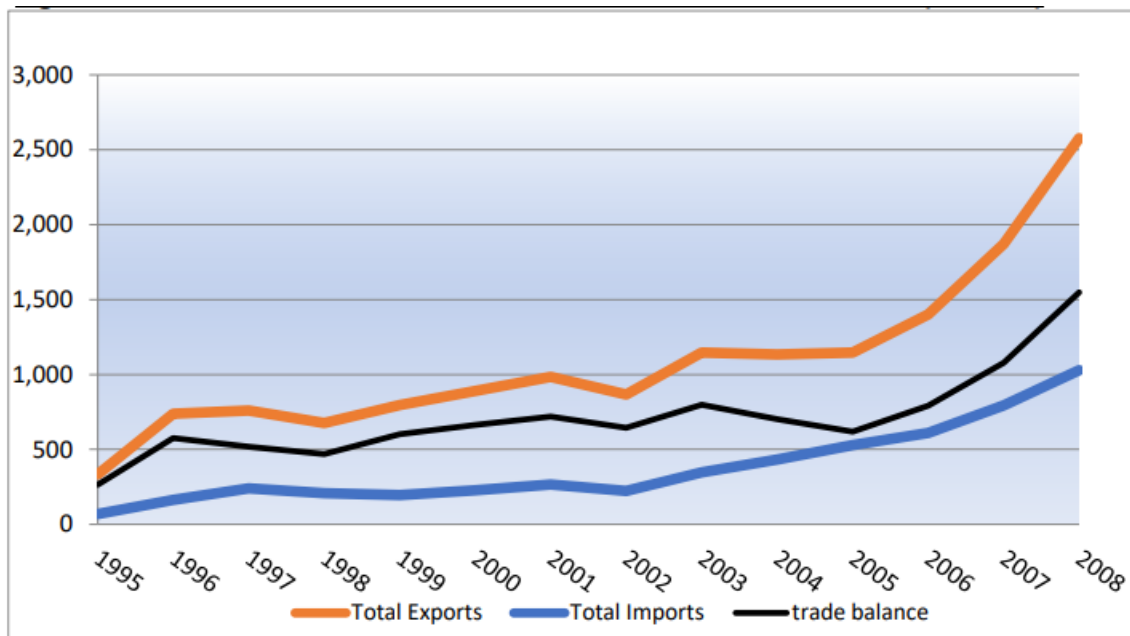


Figure 1: Greece's total trade with the Balkans, 1995-2008 in US\$ millions (Panagiotou & Tzifakis, 2022)

This reflects that while Greece has been keenly active on the political front in the Balkans, the central part of Greek foreign policy was based on economic diplomacy and was quite successful in normalizing relations with the Balkans. As a result, Greece heavily invested in multiple other sectors of the Balkans, including banking, food, and telecommunications and became the largest foreign investor in the region (Bastian, 2004, p. 458-490).

### 6.3. Greek foreign policy towards the Balkans (2008-present)

By 2008, Greece had the largest GDP in southeastern Europe, but the sovereign debt crisis hit Greece in late 2009 due to structural restraints in the Greek economy and no monetary flexibility policy in the aftermath of the global recession. This harmed Greece's economic relations with its Balkan neighbors. By 2010, trade between Greece and Balkans had already shrunk by 27.2%; by 2016, it had declined to 38.3% to that of 2008 (Panagiotou & Tzifakis, 2022, p. 20-21). The Greek crisis slowed down the economic activity in the Balkans, resulting in democratic backtracking. From 2008 to 2016, Greece could not formulate an active Balkans policy whilst managing to avert its bankruptcy and crash out of the Eurozone. While the trade continued, it largely deteriorated but began to improve after 2016, especially with Albania, North Macedonia, and Serbia.

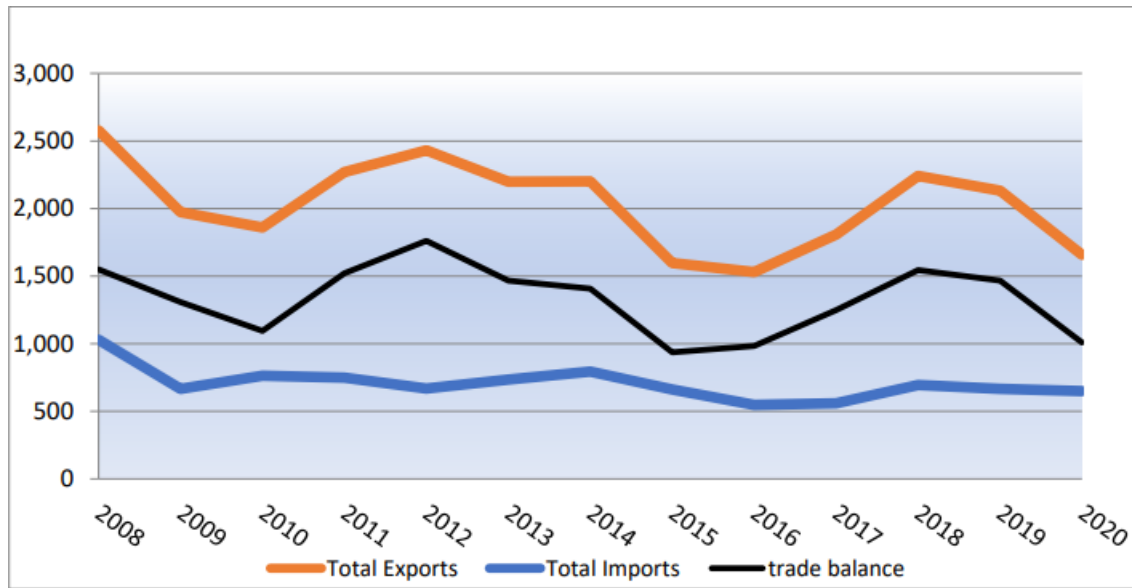


Figure 2: Greece's trade with the Balkans, 2008-2020 in US\$ millions (Panagiotou & Tzifakis, 2022)

While economic diplomacy could not be used as an effective tool during the recovery period, Greece's post-recovery Balkans policy did not only aim to reconstruct economic relations but also to settle lingering disputes with Balkan neighbours, including the maritime conflict with Albania and the name issue with North Macedonia. This development mainly occurred since Greece no longer enjoyed hegemony over the Balkans nor could act as a bridge between the Balkans and Europe (Koppa, 2018, p. 63). Moreover, the crisis also raised questions over the geostrategic role of Greece and its relations with the EU since Greece was not economically in a position to share the burden of the migrant crisis hitting Europe in 2015 (Koppa, 2018, p. 65).

#### 6.4. Greek motivations for greater involvement in the Balkans

With the revival of its economy, Greece is again motivated to acquire the leadership position in the Balkans. Currently, Greece's policy towards the Balkans represents a shift from assertiveness to cooperation aimed at integrating the Balkans into the EU. For many, this represents an effort to regain its reputation in the EU and the wider European region, which is significant for Greece's geopolitical interests, such as acting as the regional hegemon in the Balkan, preventing the Balkans from inclining toward Turkey and Russia, and protect its political, security, energy, and maritime interests in the Eastern Mediterranean (Karagiannis, 2020). To achieve these interests, Greece needs to ensure stability on its northern front. Other than that, a more significant

tilt towards the Balkans reflects Greece's efforts to prevent such economic fallouts of the crisis by better integrating with the Balkan states. The greater the trade volume between Greece and the Balkans, the more robust the region's economy. This means less brunt of any economic crisis for Greece to bear alone.

In addition to these geopolitical and economic motivations, geostrategic and security factors are also important. Located at the axis of Eurasia, the Balkans maintain a significant geostrategic position in southeast Europe. This considers Halford John Mackinder's idea of Heartland and Nicholas Spykman's idea of Rimland. Balkans are present on the strip of coastal land that Spykman regards as the Rimland and Mackinder as eastern Europe. According to Spykman, "whoever controls the rimland controls Eurasia and whoever controls Eurasia controls the world", whilst according to Mackinder, "who rules East Europe commands the Heartland (which is Eurasia); who rules the heartland, commands the world-island; who rules the world island, controls the world" (Gibas-Kzark, 2014, p. 213). This makes the Balkans center of strategic attention of major powers such as Russia and China in Eurasia. Even though it is not in Greece's interest to rule the world, it appears to be in Greece's interest to prevent Russia and China, the western rivals, from controlling the Balkans (Reka, 2022). To deter the threats of Russian and Chinese expansion into the Balkan region, Greece needs to work for the Balkan integration into the European Union.

## **7. Bilateral cooperation between Greece and the Balkans**

While the bilateral cooperation between Greece and the Balkans has again increased since the end of the debt crisis, there have been major developments in its bilateral relations with Albania, Kosovo, and North Macedonia.

### **7.1. Greece and Albania**

Albania and Greece share a complex bilateral relationship. As thousands of Albanian immigrants reside in Greece and Albania is home to the Greek minority, the relationship has been solid yet turbulent. Like Greece, Albania is also a member of NATO and has supported Albania's accession to the European Union under the "Agenda 2014" aimed at Balkan integration into the EU. Cooperation between the two is mainly visible in trade and the economy. Though Albania was severely affected by the Greek debt crisis, trade relations never came to a halt. The Greek

investments, however, dropped sharply and could not be reversed due to which Greek investment stock decreased to 221 million euros in 2019. While trade was severely impacted from 2009 to 2015, it started recovering in 2016, and by 2019, the total trade between Greece and Albania grew by 44%, including imports (14%) and exports (53%). The start of the COVID-19 pandemic again harmed Greece-Albania trade relations, leading to a decrease in trade surplus by 12.2% (Panagiotou & Tzifakis, 2022, p. 23). The Alpha bank of Greece had 34 branches in Albania as of 2018. However, in 2021, the bank announced its decision to sell its shares in Albania and halt its operation but so has not happened yet (Panagiotou & Tzifakis, 2022, p. 36).

In addition to the economy, Albania and Greece have increased their cooperation on a political level by catering for another long-held dispute, i.e., the delimitation of maritime jurisdiction in the Ionian Sea. In January 2021, Greece doubled the extent of its territorial waters from 6 to 12 nautical miles, primarily opposed by Albania (Cuka, 2021). While the dispute was referred to the European Union in 2009, Albania's Supreme Court declared it unconstitutional, stating that the agreement does not fall under the equity principle of the United Nations Convention on the Law of Sea (UNCLOS). In 2018, negotiations started again, and the matter was taken to the International Court of Justice (ICJ) in October 2020 (Cuka, 2021). In May 2022, both countries pledged to speed up their maritime delimitation dispute before the ICJ to practice their sovereign rights in their maritime spaces, respectively (Sinoruka & Stamatoukou, 2022).

Moreover, Albania and Greece are also a part of the 870km long Trans-Adriatic Pipeline (TAP) which flow from Azerbaijan to Greece, Albania and Southern Europe, completing the Southern Gas Corridor. Signed in 2013 between Italy, Greece, and Albania, the pipeline is operational as of February 2022 amid Russian threats to divert natural gas from Europe (Iden, 2022). This reflects energy cooperation between Albania and Greece for diversification of natural gas supply and improving energy security in the Balkans and wider European region.

## **7.2. Greece and Kosovo**

Greece is one of the six European states, in addition to Spain, Slovakia, Romania, Cyprus and Serbia, that has not extended recognition to a former Serbian province Kosovo upon declaring independence in 2008 (Stamatoukou, 2022). The primary motivation behind not extending recognition remains Greek relations with Serbia and joint religious affiliation, i.e., Orthodoxy, while Albania is a Muslim majority state. However, with the Russian invasion of Ukraine and



growing economic relations between Serbia and Turkey, Greece upgraded its "Kosovo's Economic and Commercial Affairs Office" to an "Office of Interests" in 2021 (Stamatoukou, 2022). Many believe it to be a slight shift in Greek policy towards Kosovo, which might end in recognition in the long run. Greece is also suffering pressure from the EU and the United States to recognize and integrate Kosovo into Europe so that Russia cannot exploit Kosovo for its interests. While Greece has ruled out any such shift in policy, it expects the normalization of relations between Kosovo and Serbia so that the region can move closer to stability and security (Fetahu, 2021).

However, to maintain this stability, Greece has established economic relations with Kosovo and has helped Kosovo integrate into the global economy by voting for Kosovo's entry into the World Bank, IMF, European Bank for Reconstruction and Development and other such financial institutions (Fetahu, 2021). This can be seen as Greece's attempt to westernize Kosovo and integrate it into a global capitalist economy. As of 2019, Greece's exports to Kosovo stood at US\$ 45 million, mainly comprising petroleum products, metals, chemicals, coal and other industrial products, while the imports were extremely low, including metalliferous ores, beverages, iron and steel. (Panagiotou & Tzifakis, 2022, p. 32-33).

### **7.3. Greece and North Macedonia**

While Greece and North Macedonia had established close economic ties, further developments in their bilateral relations were hindered by a decades-old dispute over the name of the Former Yugoslav Republic of Macedonia (FYROM). Under this contention, Greece had obstructed Macedonia's membership of the NATO and EU. Not being members of NATO and EU had significant political, economic and security ramifications for Macedonia. Until 2016, the Macedonian government was unwilling to accede to Greece's demands of changing the name and used nationalistic arguments in their diplomatic struggle with Greece. However, the social democrat government in Macedonia undertook a different line of action in 2016 to accommodate Greek demands and find a way to get into NATO and the EU (Daskalovski, 2019, p. 66). This policy led to a new agreement between Macedonia and Greece, known as the Prespa Accord. Signed on June 17th, 2018, the PRESPA Accord has renamed Macedonia North Macedonia (Daskalovski, 2019, p. 66-67).

According to the deal, the new name is to be used domestically, bilaterally, regionally, and in all institutions and international organizations. The deal also recognized Macedonian as the

language and nationality of the citizens of North Macedonia (Daskalovski, 2019, p. 67). The deal further paved the way for North Macedonia's accession to NATO in 2020 and has opened accession negotiations with the EU (Georgievski, 2019). NATO membership allows North Macedonia to increase its military strength and security and draw closer to the West. Similarly, EU accession can allow North Macedonia more excellent avenues for trade since it is a land-locked state. Access to the EU's internal market will help strengthen the Macedonian economy and lead toward stability and peace (Wallgren, 2021, p. 54-55). For Greece, on the other hand, this historic reconciliation has finally put an end to the decades-old dispute, turning North Macedonia from a rival to an ally. This new alliance enhanced Greece and North Macedonia's economic and military relationship. According to former Greece Prime Minister Alexis Tsiparis, "the deal will allow the Greek government to become a leading force in the Balkans and the Eastern Mediterranean" (Georgievski, 2019).

From digitalization to transport and energy, Greece has signed several agreements with North Macedonia. However, the most crucial agreement is in the area of defence cooperation. Under this military agreement, the Hellenic Airforce of Greece will be controlling air traffic in North Macedonia in addition to cybersecurity and military intelligence (Michalopoulos, 2019). Since Greece already monitors the airspace of Albania and Montenegro in rotation with Italy, adding North Macedonia to the equation can significantly enhance regional stability (Michalopoulos, 2019).

Overall, there remain positive prospects for bilateral cooperation between Greece, Albania, Kosovo, and North Macedonia as Greek Balkan policy is now focused on greater integration and resolution of historic disputes diplomatically.

## **8. Greek challenges in the Balkans**

Since their inception, the significant challenge for Greece in the Balkans has remained security. With the continued ethnic differences, border conflicts and violence, little has been done to deal with security challenges in the Balkans. While some of the Balkan states, being members of NATO, have done a great deal in improving their defense ties and reforming security policies, considerable challenges still exist. Mainly, the challenges of political instability and poor economic growth coupled with ethnic issues surrounding defense forces result in an inadequate

defense budget and more significant struggles with defence spending (Gecaj, 2018). This is especially true for North Macedonia. Compared to Greece, the military capabilities of the Balkans are very marginal, putting Greece in the role of a security provider for the region. Although Greece has successfully done so under the defense cooperation programs, previously with Albania and now with North Macedonia, at the same time, it increases security challenges.

Greece's external geopolitical threats in the Balkans further adds to these security challenges. Over the years, several other actors such as Turkey, Russia, China Saudi Arabia have emerged in the region, challenging the capabilities and potential of Greece. So, when evaluating the role and status of Greece in the Balkans, it has become quite natural to bring Turkey, Russia, and China into the discussion. Firstly, Turkey is a significant actor given its dominant role in the region since the 1990s. Apart from geographical proximity, Turkey finds the regional stability of the Balkans crucial for protecting its economic interests and expanding the Turkish sphere of influence to undermine Greek influence in the region (Cafiero, 2022). The need for undermining Greek influence mainly derives from the ethnic rivalry between Greece and Turkey concerning Cyprus, an island state in the eastern Mediterranean divided between Greek Cypriots and Turkish Cypriots. Solid relations with the Balkans offer a competitive edge to Turkey against Greece, which Turkey now needs more than ever, given the more significant economic potential which has driven energy explorations in the Mediterranean.

### **8.1. Turkey**

With its geopolitical, economic and energy interests in the Balkans, Turkey is especially challenging Greece's historical role and position in the region (Stronski, 2021). Contemporarily, the major confrontation between Greece and Turkey exists in the energy realm in the Eastern Mediterranean. Given that the Balkans is situated and spread throughout the north of Greece, Turkey views enhancing cooperation with the Balkans as a weakening point for Greece. Turkey and Albania have maintained close relations over the past decade. Albanian Muslims enjoy a cultural and religious relationship with Turkey. Kosovo also enjoys strong ties with Turkey, given the presence of the ethnic Turks minority in Kosovo and Turkey's active participation in the region as a NATO member. Turkey also extended recognition to Kosovo immediately and, ever since, has maintained diplomatic ties resulting in 44 bilateral and cooperation agreements between both actors spanning political, economic, energy, and security domains. Over the years, Turkey has

invested more than \$300 million in Kosovo (Hansel & Feyerabend, 2018, p. 18). Even though it is far lesser than Greek investments, it offers an edge to Turkey to continue its presence in the region.

Similarly, Turkey was the first country, besides the United States, to sign Strategic Partnership Agreement with North Macedonia (Hansel & Feyerabend, 2018, p. 25). It also supported North Macedonia's bid to join the NATO alliance when Greece was apprehensive about doing so (Cengiz, 2022). Turkey is using the military, economic, socio-cultural and infrastructural tools to enhance its influence, given the presence of ethnic Turks. The Balkans have gained a prominent position in the Turkish foreign policy agenda. Given the absence of Greece's focus on the Balkans during times of crisis, Turkey has carefully reestablished its historical and cultural relations with the Balkans, and the geographical proximity has only polished the relations stronger.

## **8.2. Russia**

Next, Russia has also been an essential geopolitical actor in the region, voicing against NATO membership and now against the inclusion of the Balkans into the EU as they undermine fundamental traditional Russian interests. Firstly, due to the geography of Russia, the Balkan region is significant for Russia for access to the Mediterranean Sea. Secondly, Russia seeks to cultivate fraternal ties with Orthodox states in the Balkans, such as Greece, Montenegro, and Serbia (Hadzidedic, 2021). On the political level, however, Russia has a minor influence over Albania and North Macedonia but is diplomatically active on the Kosovo issue (Stronski, 2021). As the Balkans are of great strategic significance for Russia due to their energy and transit potential, Russia also proposed a plan to supply Russian gas from Macedonia to Kosovo, Albania, and Serbia (Hansel & Feyerabend, 2018, p. 18). Currently, Kosovo, Albania, and North Macedonia consume only a fraction of Russian gas, and so on, gas supplies will likely come from Azerbaijan through the Trans-Adriatic Pipeline (TAP) instead of Russian pipelines (Stanicek, 2022, p. 1). This has opened the doors for increasing the assertiveness of Russia. So, the region stability equation does not only include Greece and the Balkans but now increasingly includes Turkey and Russia as well, putting the stability and security into jeopardy as the Balkan region is turning into the new center for a geopolitical and strategic competition where regional and extra-regional actors are employing all means to achieve their interests.



*Map 1 – indicates current non-Russian pipelines and infrastructure including TAP (Trans Adriatic Pipeline, 2022)*

For Russia, the region can benefit from becoming a critical transit region to Italy, Austria and neighboring countries, the possibility of developing interconnectors and a regional market for natural gas. However, In the case of the Balkan Peninsula, The development of the pipeline between Greece and Bulgaria has the potential to spread to other neighboring states turn to provide for more stability and regional cooperation, which will ultimately reduce the little reliance on Russian Petrol.

### **8.3. China**

This further brings China into the geopolitical play in the Balkans, which has emerged as a significant power of influence in the region. China initially focused on investments in energy and infrastructure sectors to expand its global reach and influence. Over the years, China has expanded its focus to cultural engagement, education, and media, i.e., increased reliance on soft power (Shopov, 2022). With the introduction of the Belt and Road Initiative (BRI) in 2013, China has increased its footprint in the Balkans in the economic sphere. However, it continues to follow

the policy of non-interference in the political affairs of states. By 2020, China has already become Albania's third largest trade partner, followed by Italy and Turkey (Musabelliu, 2020, p. 2).

Moreover, China has assisted Albania during the COVID-19 pandemic by providing testing kits and vaccines. China's 16+1 framework with central and eastern European countries also includes Albania and North Macedonia but excludes Kosovo, for China enjoys close and sound relations with Serbia (Sharma, 2021). China neither has significant investment and economic projects in Kosovo nor recognizes Kosovo. Chinese interests mainly lie in the maritime domain, so China is mainly inclined toward Albania to enjoy more accessible access to the Adriatic Sea (Shopov, 2022).

So even though Greece has been able to revive its economic position in the Balkans, the more significant influence of Turkey, Russia, and other extra-regional actors such as China under the Belt and Road Initiative (BRI) has increased the challenges of cooperation between Greece and the Balkans. This has left Greece with a significant dilemma regarding whether it should focus more on its interests in the Eastern Mediterranean, EU, and NATO or continue to impart greater attention to protecting the Balkans from extra-regional influence. On the bilateral level, however, Greece has taken some crucial steps to amend its ties with the Balkans, especially Albania, Kosovo, and North Macedonia, which has added to Greek opportunities.

## **9. Conclusion: Opportunities for Greece in the Balkans**

To answer the research questions, we must understand that even though the financial crisis hit Greece in 2008, it took Greece more than a decade to regain its lost potential and resume its natural role as the leading actor in the Balkan region. Interestingly, the leading role of Greece is welcomed by almost all the southeast European states, given the political stability that joined Greece with the recent exit from its adjustment program in the wake of the debt crisis. It also complements the increasing need for the financial and political stability of the Balkans. However, while the opportunities await, challenges have multiplied mainly over the past decade, making it difficult for Greece to extract benefits and incentives in its relations with the Balkans in the contemporary period.

In this thesis, we were able to record and evaluate the empirical data to learn more about how and what Greece has done so that it can pursue its geopolitical goals throughout the selected

Western Balkan countries. The objective seems to be that Greece wants to keep a sphere of influence in the region by making the most of its status as a member of the European Union and NATO. The facts present geopolitical and economic variables combined in this tactical plan. As Greece has previously been a gatekeeper and then endorsed North Macedonia, it is a desirable option for the selected Western Balkans to develop bilateral cooperation with Greece as it is a geopolitical goal for them to be part of the European Union and NATO.

### **9.1. Main Research Question**

If Greece became a regional power in the Balkans, would it stabilize the region? Given that the Balkans are developing countries following a languid pace of economic development due to problems of identity and ethnicity, focus on sovereignty and economy stand atop the Balkans agenda. Factors such as recognition, territorial waters, and name disputes. are crucial as they directly strengthen or weaken the stability of the Balkans. For any developed or developing country or any country, by definition, the vital interest of every state, protecting its sovereignty, remains the core national interest. However, for a developing country, this interest often becomes a challenge for the resources at hand are few. For this reason, finding diplomatic solutions to historical animosities between Greece and the Balkans has proved a turning point in the Greece-Balkans relationship. The PRESPA agreement with North Macedonia and subsequent defense cooperation agreements has increased prospects of cooperation between Greece and North Macedonia.

Similarly, the maritime delimitation dispute between Albania and Greece before the ICJ is also receiving critical attention from political leaders on both sides. As far as Kosovo is concerned, the newly established Office of Interests is likely to bring better developments in Greece-Kosovo relations and might pave the way for the recognition of Kosovo if Greece plays a successful role in Serbia-Kosovo negotiations and put an end to their territorial and ethnic rivalries. Other than that, a consistent and active Balkans foreign policy can allow Greece to achieve strategic successes in the region, which have previously been constrained by the changes in political parties in power in Greece.

Under the former Prime Minister Alexis Tsipras, belonging to Syriza – the second largest political party in Greece, the Greek foreign policy towards the Balkans suffered a massive blow under the Eurosceptic, the nationalistic, and pro-Russian outlook of Tsipras standing against

Balkans integration into the EU and their NATO membership (Maksimovic, 2016, p. 7). Under Prime Minister Mitsotakis, however, Greece has reshaped its Balkans policy, centring on greater integration into the EU, enhancing security cooperation, and resolving disputes through the South Eastern European Cooperation Process (SEECF). Despite the fears of populism and political risks attached to Balkans integration into the EU, Greek Prime Minister Mitsotakis has asserted that the EU must include Balkans by 2033, which he believes is a bold but necessary step. This sense of urgency has appeared in the wake of Russia's invasion of Ukraine, making it crucial to integrate the Balkans into the EU to prevent increasing Russian and Chinese influence on the West ("Greek PM says", 2022).

Considering that Greece's economy is greater than the combined economies of the Western Balkans, even though Romania's economy is more prominent than Greece's, Greece appears to be a lucrative actor in the Balkans battling for economic growth and balance of payments. In 2018, Greece formulated the Holistic Development Strategy aimed at regional cohesion through strengthening trade and investment linkages and fostering more robust relations with neighbouring countries (Sanfey, 2018). While the pandemic halted any large-scale investments, there has been an increase in Greek investments in Albania in the agriculture, transportation and tourism sectors. Also, Albania is a considerable market for Greek wine, which is not subjected to customs tariffs. Similarly, Greece has invested almost 474 million euros in North Macedonia, and as the infrastructure projects come to completion, Greek businesses are the ones to benefit the most ("Greek investment opportunities", 2019).

While Turkey is now an active player in Balkans geopolitics, it is only a misperception that Turkey seeks to replace Greece or the EU in the region. It is only to expand its economic and energy interests and protection of Muslims that Turkey appears as a forefront actor. Similarly, Russia's involvement in the region largely derives from the religious and cultural relations with Greece and Serbia in the name of Orthodoxy. This should act as an indicator for Greece to enhance religious cooperation with the Balkans, for states already struggling with ethnic and religious identities welcome such initiatives for peace, security, and development. So far, however, Greece has been unable to focus on the religious dimension in its Balkans strategy.

There is no doubt that Turkish influence in the region is increasing, but Turkey does not match the trade and investment potential of Greece or external economic partners of the Balkans



such as China and European states (Reljic, 2019, p. 190). Russia has not made any significant investments in the Balkans, and from the cultural point of view, the concerned states, i.e., Albania, Kosovo, and North Macedonia, do not enjoy cultural or religious affiliation with Russia (Reljic, 2019, p. 188). These arguments, together with Greece's geographical and political advantage as the neighbour and old Balkans player, suggest that the Balkans are likely to benefit more from Greece's presence than Turkey or Russia. With its economic potential and soft power tools, China remains a significant challenge as the Balkans are primarily inclined towards China for more significant investment potential.

## **9.2. Sub-Research Question**

Could greater Greek involvement in the Western Balkans help the aforementioned nations to be accepted into the European Union? The Western Balkan countries find it more attractive to become a part of the European single market. Despite the 32 billion euros China invested in the region during 2009-2021, the EU remains the most significant economic partner of the Balkans (Stanicek & Tarpova, 2022, p. 2). Moreover, greater Chinese involvement undermines the Balkans' accession to the EU, which views China as a systemic rival. Furthermore, out of the three concerned Balkan states, China appears to find Albania a more lucrative strategic area for investment. This further puts the ball in Greece's court and allows it to strengthen relations with North Macedonia and Kosovo as well as Albania (now that Greece and Albania are on the path to resolving maritime conflict). Since Greece does not aim to become an international superpower and is prone to focus on regional stability, it can make the most out of its renewed position in the Balkans after a decade of economic crisis and pandemics. For that, Greece needs to:

- Adopt the leading role in the South East European Cooperation Program (SEECP) by including the EU to foster more excellent regional connectivity in the economy, infrastructure, human resources, and security.
- Improve infrastructure through cross-border road and railway projects such as (i) the development of Corridor X (including road and rail from Thessaloniki to Skopje, Belgrade, Zagreb and Budapest), (ii) the Pan European Corridor IX, and (iii) the Adriatic-Ionian Corridor.

- Strengthen regional energy projects, including the Trans Adriatic Pipeline, to reduce European reliance on Russia, and the gas interconnector pipeline between Greece and Bulgaria, which has the potential to spread to other neighboring states.
- Reduce delays in trade to decrease the time and cost that the Balkans pay for exports from Greece as per border compliance rules. For their part, the Balkans have taken significant steps toward reducing regional trade barriers under a regional free trade agreement in the wake of their EU accession aspirations.

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