

## Bromance. Turkey's activity in the Western Balkans

Marta Szpala, co-operation: Adam Michalski

At the beginning of September 2022, Turkey's President Recep Tayyip Erdoğan paid a visit to Bosnia and Herzegovina (BiH), Serbia and Croatia. The trip was the culmination of Turkish diplomatic activity towards the region in recent months. Earlier, in June 2022, Turkish Foreign Minister Mevlüt Çavuşoğlu visited Serbia, Croatia, BiH and Kosovo, in August 2022 he attempted to act as a mediator during the escalation of the Serbian-Kosovan conflict, and on 2 September 2022 he attended the summit of the Serbian-led Open Balkan<sup>1</sup> initiative held in Belgrade. These activities are consistent with Ankara's policy that involves fostering its image as both an influential actor, and at the same time a neutral mediator in the Western Balkans – one that is able to contribute to a resolution of bilateral disputes and to the region's stabilisation. Turkey has pursued this policy for more than a decade. In addition, it has been consistently expanding economic influence in the Balkans, accompanied by the development of its retinue of soft power instruments based on shared religious and historical background. However, Turkey's cooperation with the region's states is also riddled with challenges. These include Ankara's close collaboration with Moscow, which raises concern in some Balkan capitals; increasing tension in its relations with the EU and the US; as well as multi-faceted intra-regional disputes.

### The Balkans in Turkey's policy

The Balkans are among the strategic – albeit not principal – objectives of Turkey's political and military activity while in recent decades also of its economic and cultural undertaking. The region continues to be deeply rooted in Turkey's historical memory (including the Ottoman legacy, the cultivated identity of the descendants of individuals displaced from the Balkans). In the political aspect, Ankara's aspiration is to be a 'patron' of this region, in particular Albania, BiH and Kosovo, which is due to the fact that these areas are inhabited by a large number of Muslims. It endeavours to present itself as an actor able to stabilise the Balkan Peninsula and as a neutral mediator in bilateral disputes and inter-ethnic conflicts. Although Turkey does recognise Kosovo's independence and supports its efforts to consolidate its statehood, at the same time it continues to develop intensive economic and political cooperation with Belgrade.

<sup>1</sup> For more see M. Szpala, 'Inicjatywa Open Balkan – kręta droga ku regionalnemu Mini-Schengen', OSW, 23 December 2021, [osw.waw.pl](http://osw.waw.pl).



From the historical perspective, Turkey's involvement in the region is the legacy of Ahmet Davutoğlu (who served as Foreign Minister in 2009–2014 and as Prime Minister from 2014 until 2016) from the Justice and Development Party (AKP), which has ruled the country since 2002. His “strategic depth” doctrine – which has shaped Turkey's policy towards the Balkans and other regions – emphasised Ankara's involvement in all regions of the former Ottoman Empire, utilising historical, cultural and social ties between Turkey and these regions as a tool to promote its own political and economic interests. When Davutoğlu served as Turkey's MFA chief, there was a significant improvement in Turkey's relations with Serbia and a boost in its economic expansion in the region. Despite his resignation from the AKP in 2019, Turkey's policy towards the Balkan Peninsula continues to be based on the strategy Davutoğlu devised.

This means that the Balkans are also one of the few fronts of Ankara's diplomatic activity to offer a positive political atmosphere and the prospects for expanding investment markets. Alongside this, Turkey views this region as a favourable area for its continued power projection (soft power in particular), even if the scale of influence still does not compare to those of other actors – like that of the EU and US. Despite growing political and social ties, Turkey's activity in the region – unlike in Syria, Libya or the Caucasus – does not lead to a direct intervention on a larger scale, particularly when it comes to shaping internal political dynamics of these individual states.

The goals of Ankara's policy in the Balkans are largely convergent with the interests of the West, which views EU and NATO en-

**” The Balkans are one of the few fronts of Ankara's diplomatic activity to offer a positive political atmosphere of potential economic expansion.**

largement in the region as a means of fostering stabilisation, preventing conflicts and boosting free trade mechanisms. In the long-term perspective, support for the Balkans' Euro-Atlantic integration is expected to provide Turkey with a stable investment base facilitating the development of its trade and services. This is all the more so because from Turkey's point of view the aspect of increasing this type of cooperation is relatively conflict-free in the context of its relations with the Western states, offering numerous opportunities for improving ties with the region's states. This situation stands in stark contrast to the serious tensions affecting various aspects of Ankara's cooperation with its other allies, including: the US (Turkey's removal from the American F-35 programme due to its purchase of the Russian-made S-400 defence system; political disputes over the Kurdish question in Syria; divergent interests in the Mediterranean Sea) or the EU (the accession dialogue has long been defunct; numerous conflicts with EU member states, including the Republic of Cyprus and Greece).

This is why Turkey seeks to manifest its support for the region's stability and communicates its intention of resolving contentious issues that trigger tensions. At the same time, it seeks to increase its own economic influence in the Balkans, and in the context of the present energy crisis, it therefore offers help in ensuring supplies of electricity and less expensive gas to the Balkans from Azerbaijan.

## Political involvement

Starting from the 1990s, Turkey viewed its participation in peace-keeping missions in the region (SFOR in BiH, KFOR in Kosovo) as an important instrument for building its influence in the Western Balkans. As a NATO member, it supported the creation and transformation of the region's various armed forces. When Davutoğlu assumed the office of Foreign Minister in 2009, Turkey intensified its presence in the region and expanded its array of instruments as to further its influence there. The South East European Cooperation Process (SEECP) established in 1996<sup>2</sup> has become an important platform for

---

<sup>2</sup> Aside from the Balkan states and Turkey, the initiative includes Bulgaria, Greece, Romania and Slovenia.

this cooperation between Turkey and the Balkans. Under the mechanism, Ankara initiated two trilateral cooperation formats – with BiH and Serbia and with BiH and Croatia – intended to resolve disputes regarding BiH's institutional structure and to enhance Turkey's position in the region. In order to improve its relations with Belgrade, which deteriorated significantly when Ankara recognised Kosovo's independence, it became involved in supporting the development of Sandžak, Serbia's economically backward region inhabited mainly by Muslims.

However, due to the outbreak of the war in Syria in 2014, Turkey's relations with the Balkan states were pushed off centre stage. Moreover, internal changes and

” **Erdoğan has based his influence in the region on strong personal relations with prominent politicians – the President of Serbia and the Prime Minister of Albania.**

increasingly serious tension in Ankara's relations with the EU and the US have redefined Turkey's presence in the region. Additionally, the failed coup against Erdoğan carried out in 2016 – organised, according to the Turkish leadership by Erdoğan's former political ally Fethullah Gülen – served as an ideal pretext for curbing Gülen's political and economic influence in the Balkans. As a consequence, since that time Ankara has put pressure on the Balkan capitals to fight the influence of the so-called Gülen movement (Hizmet) in exchange for increased investment activity, more extensive personal contacts with the local leaders and continued development of economic cooperation.

In recent years, Erdoğan has established personal contacts with the region's leaders – Serbia's President Aleksandar Vučić, the leader of Bosnia's biggest political party Bakir Izetbegović, Albania's Prime Minister Edi Rama, and Hashim Thaçi, former President of Kosovo, who during his rule was an influential politician representing his country's the biggest political party. What these politicians have in common is their autocratic style of governance and political pragmatism. Furthermore, Erdoğan's visit to BiH was an element of his support for Izetbegović and his Party of Democratic Action (SDA) ahead of the general election held on 9 October 2022. Both politicians have taken part in each other's campaigns and attended family celebrations (e.g. their children's wedding ceremonies). One new common feature shared by Erdoğan and some Balkan leaders is their increasing scepticism of the EU. In particular, Belgrade and Tirana are using their favourable relations with Ankara to bolster their position vis-à-vis Brussels. However, close ties do not always translate into Turkey's economic activity in specific states, of which Erdoğan is reproached particularly frequently in BiH.

## Old and new alliances

Recent years have seen an evident increase in cooperation between Turkey and Serbia. Earlier, Belgrade had a reserved attitude towards Ankara, which was due to the memory of the Ottoman rule in the region and to Turkey's support for Kosovo and Bosniaks, who are traditions rivals of the Serbs. During his visit to Serbia in September 2022, Erdoğan – among other things – criticised the West's “provocative” policy towards Russia. This was interpreted as a gesture of support for the authorities in Belgrade, who (just as Ankara) refused to join in with the sanctions against Moscow. Serbia views Turkey as a valuable partner in the ongoing energy crisis, one that is able to provide it with gas (including from Azerbaijan) and electricity. It also intends to purchase Turkish-made Bayraktar combat UAVs. Turkey's support for the Open Balkan initiative was another manifestation of close relations between the two states. The initiative has come under particularly heavy criticism from Kosovo and BiH (which do not belong to it), as they view it as a tool for boosting Belgrade's economic domination in the region.

Furthermore, Ankara is trying to use its favourable relations with Kosovo and Serbia to achieve an improvement in the relations between these two countries through mediation (so far to no avail) and to act as Sarajevo's political patron by taking part in talks held in BiH between Bosniaks on the one hand

and Croats and Serbs on the other. At present, Turkey supports the former group in the increasingly heated recent debate on the reform of BiH's electoral law and of its institutional structure. During his visit to Sarajevo, Erdoğan criticised the activities of the Western-backed High Representative<sup>3</sup> Christian Schmidt, who announced that if no agreement is reached between the main political actors regarding the electoral law reform, he will exercise his extraordinary powers, enshrined in the 1995 Dayton Agreement, and will impose new laws in this matter top-down. Turkey's President interpreted Schmidt's ultimatum as an act "against the principles of democracy", which was intended to preserve his image as a defender of the Bosniaks' interests. The Bosniaks fear that the variant of the reform proposed by the High Representative may step up ethnic segregation in Bosnia and Herzegovina, weaken the central-level authorities and aggravate the decision-making paralysis. In its attempts to take a specific stance in regional disputes, Ankara is exposing itself to the risk of worsening relations with each of the parties involved. In this case, Turkey's stance was criticised by Croatia's President Zoran Milanović, who supports Schmidt's proposal because he is hoping to boost the representation of Bosnian Croats in BiH's institutions.

### Economic impact

The Balkans are a region where Turkish business activity is particularly intensive when it comes to infrastructural projects (the Novi Pazar–Tutin road connection in Serbia, modernisation of the Križevci–Koprivnica railway in Croatia, sections of Corridor Vc – an element of the TEN-T network in BiH connecting Hungary with Dalmatia), as well as direct investments, particularly in the banking, energy and manufacturing sectors (especially the textile production sector). Recent years have seen a pronounced increase in the value of Turkey's exports to the region's states – Turkish-made goods are popular with Balkan customers due to their favourable quality to price ratio and similar consumer preferences. Turkish investors view the Balkan Peninsula as an attractive destination due to its proximity to EU markets, facilitated trade with the EU and location on the route to the EU. Their economic expansion has received significant support from President Erdoğan, who during his visits to the region is frequently accompanied by numerous businesspeople (there were 200 of them during his most recent visit).

Turkey has signed free trade agreements with all Balkan states – North Macedonia (1999), Bosnia and Herzegovina (2003), Albania (2008), Serbia (2009), Montenegro

” **As a receptive market with a cheap workforce, located in the vicinity of the EU, the Balkans are an attractive destination for Turkish business expansion.**

(2010) and Kosovo (2013). The last decade has seen a major increase in its exports to these markets. In 2021, the value of Turkish-Serbian trade exchange stood at 1.7 billion euros and Turkey's exports to Serbia have increased almost twofold since 2017. A slower, albeit consistent pace of increase in Turkey's trade with other Balkan states has also been recorded. Since 2017, its exports to BiH have increased by 65%, up to 649 million euros, and the value of trade exchange between the two countries stands at around 832 million euros. In the case of Kosovo and Albania, Ankara is their second biggest trade partner – after the EU – in 2021 Turkey's exports to these countries stood at 587 million euros and 647 million euros, respectively. In the case of North Macedonia and Montenegro, Turkey is their fifth biggest trade partner and in 2021 its exports to these countries stood at 530 million euros and 110 million euros, respectively.

<sup>3</sup> The High Representative supervises and controls the process of implementation of the Dayton Agreement that ended the armed conflict in BiH in 1995. Under the so-called Bonn powers, they are authorised to issue and amend laws (legislative initiative) and to remove politicians and public officials from office.

A dramatic increase in Turkish investment activity in the Western Balkans has also been recorded – since 2007 the value of these investments has increased fourfold. Despite this, their scale continues to be insignificant and Turkey is not among the top ten investors. Turkish capital is particularly present in the Balkan banking sector. In Albania, Banka Kombëtare Tregtare, owned by Çalık Holding, has a 28% market share. In Kosovo, four out of eight banks owned by foreign investors – Banka Kombëtare Tregtare, TEB, Ziraat Bank, İşbank – are controlled by Turkish consortia and their combined market share is 16%. In North Macedonia, the Turkish state-controlled Halkbank has an around 7.2% market share.

At present, the biggest recipients of Turkish investments include Albania (608 million euros) and Kosovo (340 million euros). Most

” **Under the AKP, Turkey is building close international relations based on a common cultural and, most importantly, religious heritage.**

frequently, in these countries Turkish investors took over companies that had a monopolistic position on the local market. In Kosovo, Turkish holdings Çalık and Limak own the country’s sole electricity distributor. In Albania, Kürüm Holding has privatised the Albtelecom telecommunications company, hydroelectric power plants, steelworks and mines. Turkish greenfield investments, which generate new jobs, are mainly located in Serbia, on the major transport route to the EU.

In addition, Turkish companies have won lucrative infrastructural contracts. Limak Holding has built a hydroelectric power plant complex in Albania, and in collaboration with French company Aéroports de Lyon it has developed a new terminal building and facilities at Pristina International Airport. For the time being, Ankara’s plans regarding the co-funding of new road infrastructure in the Balkans have failed to materialise. In 2018, an agreement was signed for the construction of a Sarajevo–Belgrade motorway with the participation of Turkish banking institutions, though to date no relevant funding for this purpose has been ensured.

## Turkish soft power

Typical elements of Turkey’s policy under the AKP include efforts to build close international ties based on a common cultural and, most importantly, religious heritage. There has been a major increase in the activity of state institutions such as TİKA, Yunus Emre and Diyanet (the Directorate of Religious Affairs), especially since 2016 due to the Turkish government competing with the Gülen movement for influence in the region. Since the early 1990s, the Gülen movement has been actively involved in expanding the network of educational facilities in the Balkans, which, due to their high quality of tuition, became very popular with the local political and economic elite (particularly in Albania, Kosovo and North Macedonia). Following the failed coup carried out in 2016, there was an overhaul of Turkey’s set of soft power instruments – the institutions associated with the Gülen movement were marginalised and replaced with those backed by the state and the ruling party. This process was riddled with tensions between Ankara and specific states,<sup>4</sup> because Turkey demanded that individuals associated with the movement be extradited, while the local authorities remained opposed to this (including due to the fact that they feared criticism from the EU, should they yield to Turkey’s demands<sup>5</sup>).

Promotion of so-called moderate Islam<sup>6</sup> is another element of Turkey’s presence in the Balkans and a particular priority for the West since the attacks on the World Trade Centre in 2001. Turkish Islam

<sup>4</sup> R. Toè, ‘Gülen Schools Fight Provokes New Tensions in Bosnia’, *BalkanInsight*, 26 July 2016, [balkaninsight.com](http://balkaninsight.com).

<sup>5</sup> N. Radisic, ‘Borrell on Turkey’s extradition requests: W. Balkans must respect rule of law’, N1, 3 August 2022, [rs.n1info.com](http://rs.n1info.com).

<sup>6</sup> A. Cupcea, ‘Religious Soft power in Turkey’s Kin State policy in the Balkans: the role of the Diyanet and TİKA in the Muslim Communities in Kosovo and Dobruja Region in Romania’ [in:] I. Armakolas et al. (eds.), *Confronting Multiple Crises: Local and International Perspectives on Policy-Making in Kosovo*, Kosovo Foundation for Open Society, Prishtina 2022, p. 433–461, [kfos.org](http://kfos.org).

was intended to be a remedy for the increasing role of an ever more radical variant of this religion; that since the 1990's was supported in the region by Arab states through the funding of mosques and educating imams. Diyanet is playing a leading role in these activities, as it facilitates the education of imams at Turkish universities and supports theology schools in the region.

Furthermore, the AKP supported the creation of Turkish higher education facilities, including the International University of Sarajevo (2004) and the International Balkan University in Skopje (2006). Soon after its establishment in 2007, the Yunus Emre Institute opened its field offices in the Balkans in order to popularise Turkish language and culture. At present, the Turkish Cooperation and Coordination Agency (TIKA) is another institution actively operating in the region. This government institution has opened offices in all states of the region with the aim to promote Turkey by offering development assistance. TIKA focuses on activities carried out in areas inhabited by disadvantaged groups. It builds educational facilities, hospitals, playgrounds and elements of infrastructure, and in doing so it not only spreads a positive image for Ankara but also establishes networks of loyal collaborators and a power base that supports the pursuit of its interests in the region. It also helps to rejuvenate and modernise elements of Turkish cultural heritage from the Ottoman era, while build new mosques. During his visit to Croatia, President Erdoğan together with President Milanović opened the Islamic Culture Centre and a mosque, both built with the agency's support.

Agreements signed in September 2022 with BiH and Serbia on lifting the requirement to carry a passport when crossing the border (an identity card is sufficient) are additional elements intended to boost the intensity of social contacts. Turkey is a popular tourist destination for the inhabitants of the Balkans and Turks account for a major share of visitors coming to the region (particularly BiH, North Macedonia and Albania). In addition, Ankara offered its support to the Balkan states during the COVID-19 pandemic – it donated vaccines and acted as a middleman in their purchase, and built a new hospital in Albania in record time, which translated into a major boost in Turkey's positive image.

## Outlook

For the region's states, Turkey is an attractive partner due to its economic potential, assistance programmes and direct support offered to Turkish-friendly political actors. However, its strategy of maintaining favourable relations with all sides is meeting increasing obstacles. At the same time, friction in Turkey's relations with Washington, Brussels and Berlin, and its rapprochement with Moscow and efforts to develop economic cooperation with Serbia in particular, have resulted in a rise in scepticism about Turkey on the part of some Balkan states, and has undermined Ankara's credibility as a country supporting the region's Euro-Atlantic aspirations. Ankara's ambivalent policy towards Russia's invasion of Ukraine is one particular source of concern, weakening the confidence of its traditional allies (Kosovo, Bosnian Muslims, Albania) who unanimously supported the West and joined in with the sanctions imposed by the EU. However, such a stance creates new scope for cooperation with Serbia and Serbs.

Due to Turkey's increasing economic problems, there are numerous doubts regarding the prospects for Ankara's continued expansion, funding of investments and soft power projects in the Balkans. Turkey's flagship projects in the region (the Belgrade–Sarajevo motorway) have insufficient funding which Ankara was expected to provide. The fact that Turkey's cooperation with the Balkan states is based on close contacts with their specific leaders has not translated into prospects for long-term development of international relations, and it exposes the current relations to serious turbulence should the leadership change. For example, cooperation between Pristina and Ankara clearly deteriorated when in 2021 power was seized in Kosovo by the Vetëvendosje party. Given the complicated regional relations, it may be extremely difficult for Turkey to maintain its position as a neutral mediator due to the fact that rapprochement with Serbia triggers distrust in its contacts with other states.



## APPENDIX

**Table 1. Export of goods from the Balkan states to Turkey**

|                        | 2017                            |                     | 2021                            |                     |
|------------------------|---------------------------------|---------------------|---------------------------------|---------------------|
|                        | Exports<br>(in millions of EUR) | Share<br>in exports | Exports<br>(in millions of EUR) | Share<br>in exports |
| Albania                | 15.9                            | 0.7%                | 43.0                            | 1.4%                |
| Bosnia and Herzegovina | 220.4                           | 3.9%                | 183.0                           | 2.5%                |
| Montenegro             | 22.0                            | 6.0%                | 24.0                            | 5.5%                |
| Kosovo                 | 7.1                             | 1.9%                | 17.5                            | 2.3%                |
| North Macedonia        | 77.9                            | 1.5%                | 128.2                           | 1.8%                |
| Serbia                 | 273.2                           | 1.8%                | 289.7                           | 1.3%                |

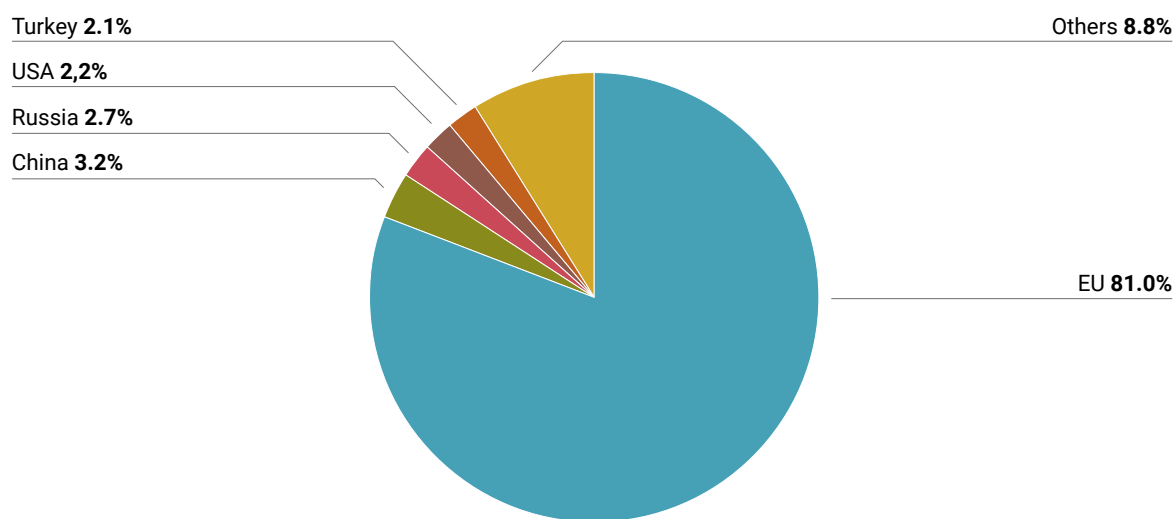
Source: statistical offices of specific Western Balkan states.

**Table 2. Import of goods to the Balkan states from Turkey**

|                        | 2017                            |                     | 2021                            |                     |
|------------------------|---------------------------------|---------------------|---------------------------------|---------------------|
|                        | Imports<br>(in millions of EUR) | Share<br>in imports | Imports<br>(in millions of EUR) | Share<br>in imports |
| Albania                | 380.0                           | 8.1%                | 647.0                           | 10.0%               |
| Bosnia and Herzegovina | 392.0                           | 4.2%                | 649.1                           | 5.9%                |
| Montenegro             | 70.0                            | 6.0%                | 110.6                           | 4.4%                |
| Kosovo                 | 292.6                           | 9.6%                | 587.5                           | 12.5%               |
| North Macedonia        | 324.8                           | 4.7%                | 530.2                           | 5.5%                |
| Serbia                 | 724.8                           | 3.7%                | 1442.1                          | 5.0%                |

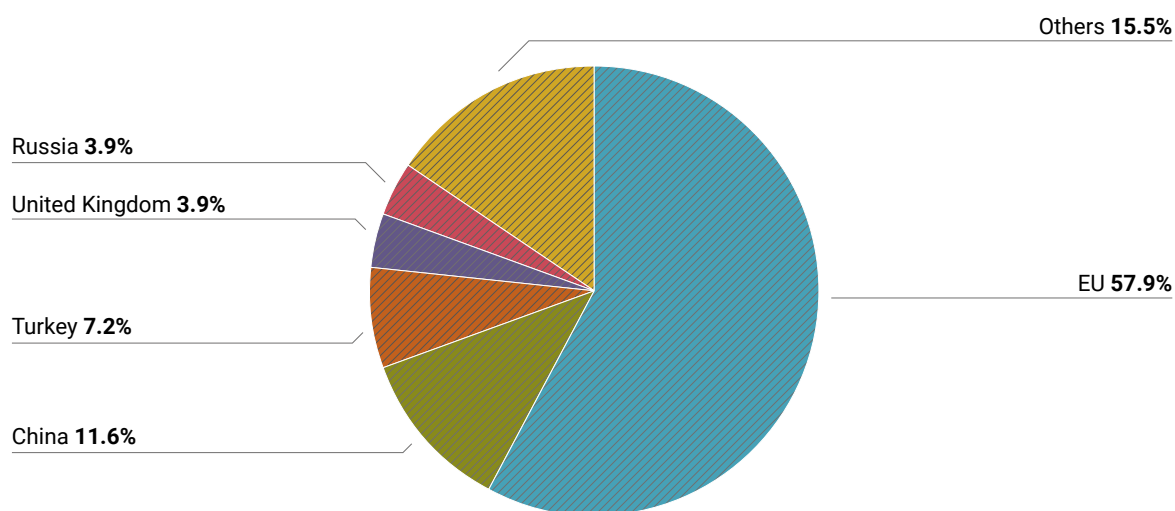
Source: statistical offices of specific Western Balkan states.

**Chart 1. The Western Balkan states' main trade partners in 2021 – share of exports**



Source: Eurostat.

**Chart 2. The Western Balkan states' main trade partners in 2021 – share of imports**



Source: Eurostat.