

The Credibility of Credit: The Strategic Triangle between the European Union, China and Montenegro since 2010.

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Abstract

Montenegro is subject to conditionality as an EU candidate state amidst their accession process. At the same time, the Montenegrin government has initiated an economic partnership with China to finance the ambitious Bar-Boljare highway project. This article sheds light on this trilateral relationship through an analysis of the link between the failed Europeanisation of Montenegro and their choice to sway towards China rather than accept EU funding. The research is based on an analysis of Montenegro's annual EU accession reports.

Keywords: Montenegro, Conditionality, EU Enlargement, Belt and Road Initiative, EU-China Relations

Introduction

Ever since the Cold War, the world order has been changing gradually. The dissolution of the Soviet Union left the formerly bipolar system with Western bloc domination contrived by liberal institutions and alliances. However, several emerging powers have started to challenge Western dominance during the early twenty-first century. The place of the European Union (EU) within the changing world order is a topic of large scholarly debate, especially now that the ‘rise of the Rest’ is challenging what used to be the ‘rise of the West’.¹ The ability of the EU to exert its power on others remains highly debated in a world where China becomes increasingly influential in regions of the EU’s interest. The Western Balkans, an important neighbouring region of the EU, are a prime example of this. Through the *Belt and Road Initiative*, announced in 2013 by Chinese President Xi Jinping, China has struck economic agreements with numerous states in Africa and Eurasia. In regard to Central- and Eastern Europe, China has initiated the *16+1 forum*, through which they intend to invest in the economies of these partaking states. Scholars such as Astrid Pepermans argue that this initiative is part of China’s strategy to gain economic and political influence in regions such as the Western Balkans.² Various Balkan states are in stages of the EU accession process, and as a geographically and strategically important region, China’s efforts are relevant to EU foreign policy in the region.

One country that has particularly attracted Chinese attention is Montenegro. Within the past decade, Montenegro has accepted enormous loans from China to finance its endeavours to drastically improve its domestic infrastructure. As such, the Bar-Boljare highway project was intended to become the major artery of Montenegrin connectivity and financing of the project could not merely be realized out of Montenegrin pockets. Therefore, China’s Export-Import (CHEXIM) Bank provided Montenegro with ‘‘85 per cent of the 810 million US dollars construction contract (a quarter of Montenegro’s GDP in the year it was signed)’’, which was used to commence the construction of a costly highway in 2015.³

¹ N. Ferguson, *Civilization: The West and the Rest* 1 (2012): 1, 10.

² A. Pepermans, ‘China’s 16+ 1 and Belt and Road Initiative in Central and Eastern Europe: economic and political influence at a cheap price.’ *Journal of Contemporary Central and Eastern Europe* 26 (2018): 3, 198.

³ M. Sošić, ‘Montenegro’s Road Ahead: Infrastructure between EU and China’ *Clingendael Institute* (April 14, 2021), <https://spectator.clingendael.org/nl/publicatie/montenegros-road-ahead-infrastructure-between-eu-and-china>, accessed on April 14, 2022.

However, it became evident that the project was not viable, and the debt service was unsustainable.⁴ Not only is Montenegro now considered to be debt trapped by China, but the Bar-Boljare highway project remains unfinished and stability for the Montenegrin public debt seems far out of reach. The European Union could play a large role in assisting, as Montenegro is a candidate state of the European Union. Moreover, the EU should be interested because the relationship between the EU and China is becoming ever more important, and member states have diverging stances towards China.⁵ Research on EU foreign policy towards China in the Western Balkans is not only relevant due to recent developments, but it can also shed light on the EU's ability to exert its power on other regions in a changing world order. Central to the EU's foreign policy in Montenegro is the conditionality as part of the accession process, which Montenegro needs to adhere to in order to become a permanent member of the European Union. The trilateral relationship between the EU, Montenegro and China remains especially understudied and research on the potential link between conditionality of EU candidate states and Chinese influence allows for a more comprehensive understanding of EU-China relations in the Western Balkans. Therefore, this paper will be centred around the following research question:

Is there a link between Montenegro's EU accession process and the Chinese investments in the Montenegrin Bar-Boljare highway project of 2015?

Methodology and Structure

To gain a grasp of a potential link between the conditionality imposed on Montenegro as part of the EU accession process and the decision of the Montenegrin government to reach out for Chinese financial aid, this research lends itself to answering two subsidiary questions, to be answered in consecutive chapters. Firstly, however, chapter one precludes this by introducing the theoretical framework of Europeanisation. The application of this framework to the evidence found in this study is quintessential, as it provides the groundwork for the assessment of the effects of conditionality on the Montenegrin system. This chapter juxtaposes multiple scholarly visions on the theory of Europeanisation, which allows for an overview of not only the results desired by the EU throughout the accession process but also

⁴ L. Deron., T. Pairault., & Pasquali, P. 'Montenegro, China, and the Media: A Highway to Disinformation?' *China Africa Research Initiative Briefing Paper 7* (2021): 1, 5.

⁵ R. Maher, 'The elusive EU-China strategic partnership.' *International Affairs* 92 (2016): 4, 974.

an understanding of criteria that indicate effective coherence to conditionality. The criteria are based on both the perspective of the EU, the party that imposes conditionality to promote European integration in candidate states, and the perspective of Montenegro, the party that should comply with conditionality if it wishes to progress in the accession process. These criteria are subsequently applied to the research on the trilateral relationship between the EU, Montenegro and China in chapters two and three. Lastly, the first chapter offers a comprehensive conceptualisation of the term conditionality, as the measurement of the effects of conditionality offer an indication of the degree of Europeanization in candidate states.

The second chapter assesses the impact of the conditionality throughout the EU accession process in Montenegro. This entails a chronological analysis of Montenegro's progress ever since they were granted their candidate status in 2010. The European Commission (EC) publishes annual reports of the progress made with regard to the European integration that stood central to the Montenegrin accession programme. The examination of these subsequent reports will shed light on the chronological developments that happened during this period, which is why this paper studies the development throughout two intervals of five years. As such, the analysis of Montenegro's progression status of 2010, 2015 and 2020 provides a chronological comprehension of Montenegro's progress throughout the entire process. The chronological aspect is crucial as the accession process is linear: the European Union expects its candidate states to display continuous progression in compliance with the imposed conditionality. On top of that, as these reports are substantial and thorough, their assessment will induce a comprehensive understanding of these developments. Before establishing the link to Chinese influence in Montenegro, a prior understanding of conditionality impact on the Europeanization is quintessential. Chapter II hence lends itself to answering the first subsidiary question:

What impact did the conditionality as part of the EU accession process have on Montenegro?

The application of criteria derived from chapter one provides a foundation for determining the effects of conditionality in Montenegro in chapter two. Specifically, this encompasses an assessment of Montenegrin compliance with conditionality, as well as a study of the resulting degree of Europeanisation. The comprehension of conditionality effectiveness during the accession process follows through an assessment of the determinacy behind the conditionality of the potential next enlargement round in which Montenegro could reside. An understanding of the determinacy is the foundation on which an analysis of Montenegro's capacity to comply with the conditions rests. The determinacy of EU conditionality derives from the EC's

Opinion on Montenegro's application for membership in 2010, because the definitive conditions for their accession process were officially presented in this document. The analysis of Montenegro's capacity to comply with these conditions follows through the assessment of the EC's valuation of Montenegrin Europeanization progress throughout the accession reports of 2015 and 2020.

However, the Europeanization of Montenegro is not solely affected by their capacity to comply with conditions, but also by both the credibility of their membership and the domestic costs paired to their compliance. The credibility of Montenegro's membership is based on the EU's willingness to expand, and hence the distance Montenegro experiences to be away from the prospect of membership. As such, the assessment of credibility rests on estimates of public opinion based on Eurobarometer surveys throughout the accession process, which comprises a complete insight on the willingness to expand in combination with an elaboration on the enlargement fatigue in high EU politics.

The third chapter introduces the third party in the Montenegrin playing field: China. In order to establish the link between the Montenegrin EU accession process and the choice to accept Chinese investments in 2015, it is first crucial to understand the Montenegrin choice to seek Chinese financial aid for the Bar-Boljare highway project instead of utilizing alternative sources of funds such as the EU financial aid as part of their candidate status. Chapter III therefore answers the second subsidiary question:

Why did the Montenegrin government choose Chinese investments over EU funds to finance the construction of the Bar-Boljare highway in 2015?

The study not only depends on the agreements made between Montenegro and China but also forms a comparison of the benefits and drawbacks of both Montenegro's options for external funds: namely the EU funding packages and the Chinese investments. This allows for better comprehension of the considerations made by the Montenegrin government to reach out to China. An understanding of the nature of the EU funds and the attached conditions follows through the assessment of the Instrument for Pre-accession Assistance (IPA) packages. The nature behind the Chinese investments derives from an analysis of existing academic literature on Chinese influence in the Western Balkan region as part of the Belt- and Road Initiative.

Furthermore, chapter III establishes the potential link between the degree of Europeanization in Montenegro based on the outcomes of chapter II and the choice of the

Montenegrin government to accept Chinese funding for the Bar-Boljare highway project. This involves an analogy of the bilateral relationship between the EU and Montenegro, and the Montenegro-China partnership. A crucial aspect to this analogy is the status quo of the development of Montenegrin infrastructure, based on estimates made in EC documents on Montenegro's connectivity and road network, which provides a contextual background required to understand the motives of the Montenegrin elite to make their investment choice. Moreover, the comparison of both Montenegro's options for alliance is based on an extensive analysis of existing academic knowledge and sheds light on the implications of the decision made by the Montenegrin government in 2015.

This division of chapters will allow for not only a separate analysis of the bilateral relations between the EU, Montenegro and China, but will ultimately contribute to a more comprehensive understanding of the trilateral relationship between the three parties. Moreover, finding out whether the EU's conditionality imposed on Montenegro had an effect on Chinese financial influence in the region – which is highly relevant for the EU's foreign policy in the European hinterland – will shed light on the effectiveness of the current EU accession process. If the research would show that the Montenegro-China partnership was in fact sped up because of their accession process to the EU, this could raise questions about the state of the current EU conditionality imposed on candidate states.

As the consequences created by the Chinese loans in Montenegro are still in full effect, research on the role played by the European Union can prove fruitful in gaining a deeper understanding of the strategic competition between China and the EU in the Western Balkans. This research does not intend to make recommendations on the future path taken by the Montenegrin government in their attempt to solve their debt crisis but rather intends to examine the strategic role played by the EU and China as a result of their national interests in the region, ever since Montenegro has applied for an EU membership. Not only does Montenegro remain understudied, but the path it has taken in regard to China is also exemplary of the entire Balkan region, as other states are in a similar position as EU candidates, making it a case study with potential for generalization. Thus, through the application of Europeanisation as a theoretical framework on the EU-China strategic relationship in the case of Montenegro, this research will add to the understanding of EU-China relations in the Western Balkans in the past decade and a half.

Historiography and Academic Debate

This paper is an addition to the historiography within several academic debates. Firstly, the overarching debate on the changing world order and specifically the new position of power taken by the European Union. According to scholar Oran Young, the world order – or international order – is a “broad framework of arrangements governing the activities of all (or almost all) the members of international society over a wide range of specific issues”.⁶ Several scholars have continued to build upon this conceptualization, for instance, Zhimin Chen. According to Chen, the world order is a “set of sustainable arrangements in the international system”, which was once dominated by the United States and has gradually become multipolar.⁷ With the aforementioned “Rise of the Rest”, coined by Niall Ferguson, the BRICS countries (Brazil, Russia, India, China and South Africa) are emerging powers challenging the western-dominated world order.⁸ In this case, as China is bound to overtake the West in terms of economic power, research on China’s external strategy in regions such as the Western Balkans over the past decades, and specifically concerning EU foreign policy in this region, will add to the debate on the changing positions of the EU and China within the current world order.

Moreover, this research ties in with the subsequent debate on the EU’s foreign strategy within the current world order. Some scholars, such as Heather Grabbe, believe that the EU is a transformative power in the region of Central- and Eastern Europe, meaning that it has the capability to exert its power onto external regions and transform them according to EU standards.⁹ Grabbe argues that the EU faces a major strategic choice regarding the exertion of its transformative power, claiming that the choice to do so in a strong way will assist the EU and its neighbours in countering Russian influence.¹⁰ One way the EU could do so is by the accession of more Central- and Eastern European states to the Union. However, the debate on this topic is controversial. Proponents follow Grabbe’s line of reasoning and want the EU to become a stronger bloc against emerging powers in the world order such as Russia and China.

⁶ O. Young, *International Cooperation: Building Regimes for Natural Resources and the Environment* (1989): 3, 13.

⁷ Z. Chen, ‘China, the European Union and the fragile world order.’ *Journal of Common Market Studies* 54 (2016): 4, 777-778.

⁸ N. Ferguson, *Civilization: The West and the Rest* (2012), 10.

⁹ H. Grabbe, *The EU’s Transformative Power: Europeanisation through Conditionality in Central and Eastern Europe* (2006): 1, 13.

¹⁰ H. Grabbe, ‘Six Lessons of Enlargement Ten Years On: The EU’s Transformative Power in Retrospect and Prospect’. *Journal of Common Market Studies* 52 (2014): 1, 54.

On the other hand, opponents claim that the EU should be reluctant to speed up the accession of Central- and Eastern European states, as they want to avoid negative spill-over from poor governance and weak economies.¹¹ The EU's 'Big Bang' expansion of 2004, in Central and Eastern Europe, also caused a lesser urge to expand: the enlargement project was considered to be "incapable of replicating previous political triumphs" and a catalyst for crises.¹² As such, enlargement opponents called the project "a bridge too far".¹³

Additionally, this research will lend itself to the ongoing debate on China's strategic agenda as a result of the Belt- and Road Initiative and the 16+1 forum. On the one hand, some scholars believe that China's huge investments in regions such as the Western Balkans are not merely out of economic opportunity, but are also a method of economic statecraft and increasing their soft power in the area.¹⁴ The term "debt diplomacy" plays a large role in the perception of many scholars who believe the Chinese have an ulterior agenda besides seizing economic opportunities, especially as China has offered enormous loans to various Central- and Eastern European states.¹⁵ China has taken measures to tackle the problems arising with the initiatives, such as the unsustainable debt, but also non-transparency and corruption, through an attempt to "mitigate debt distress and improve debt sustainability".¹⁶ Nevertheless, these Chinese proposed solutions to the problems arising with the initiative are not expected to make a large difference in the near future.¹⁷ Furthermore, another critical notion concerning the Chinese initiatives is the argument that through their efforts in these regions China can exacerbate the existing differences between EU member states regarding the EU's stance towards China. These interests vary in several fields such as politics, economics and normative dispositions.¹⁸

However, on the other side of the debate, scholars are convinced that China's intentions with the Belt- and Road Initiative and the 16+1 forum are merely embedded in domestic concerns. The efforts to stimulate foreign economic activity can be considered to be done with

¹¹ A. Mungiu-Pippidi, 'The legacies of 1989: the transformative power of Europe Revisited.' *Journal of Democracy* 25 (2014): 1, 19-22.

¹² J. O'Brennan, 'Enlargement fatigue and its impact on the enlargement process in the Western Balkans. The Crisis of EU Enlargement.' *IDEAS Special Report* 18 (2013): 1, 44.

¹³ Ibid.

¹⁴ A. Pepermans, *China's 16+ 1 and Belt and Road Initiative* (2018), 198.

¹⁵ T. Summers, 'Structural power and the financing of the Belt and Road Initiative.' *Eurasian Geography and Economics* 61 (2020): 2, 146.

¹⁶ A. He, 'The Belt and Road Initiative: Motivations, financing, expansion and challenges of Xi's ever-expanding strategy.' *Journal of Infrastructure, Policy and Development* 4 (2020): 1, 139.

¹⁷ Ibid.

¹⁸ T. Christiansen, & R. Maher, 'The rise of China—challenges and opportunities for the European Union.' *Asia Europe Journal* 15 (2017): 1, 130.

the intention of survival of the Chinese regime and domestic political stability.¹⁹ As such, foreign investments can be perceived as the continuation of economic growth and Chinese nationalism, with the ultimate intention of gaining domestic political stability rather than attempting to gain political influence in regions such as the Western Balkans. On top of that, scholars such as Tim Summers argue that even if the Chinese intentions were not merely of an economic nature but also with an intent to “enact a counter-hegemonic geography of global capitalism”, the Chinese efforts are constrained due to structural power.²⁰ Structural power in this case constrains the potential ulterior motives of the Chinese efforts through their inability to change the global economy due to structural institutions such as the centrality of the US Dollar.²¹ Nonetheless, the ambiguity of the debate on the implications of the Belt- and Road Initiative and the 16+1 forum is evident and the debate remains far from settled. The research in this paper will attribute to a more comprehensive understanding of the implications of Chinese investment in Montenegro specifically and the investigation of a link with EU conditionality in Montenegro sheds light on EU-China relations in the entire region of the Western Balkans.

¹⁹ A. Nordin, & M. Weismann, ‘Will Trump Make China Great Again? the Belt and Road Initiative and International Order.’ *International Affairs* 94 (2018): 2, 242.

²⁰ T. Summers, *Structural power and the financing of the Belt and Road Initiative*. (2020), 149-150.

²¹ Ibid.

I – Europeanisation as a Theoretical Framework

1.1. Europeanisation Theory

The theory of Europeanisation emerged as part of academic analyses of European integration in the second half of the twentieth century. According to Claudio Radaelli, whose definition of Europeanisation is most widely spread and accepted amongst EU scholars, Europeanisation is the ‘processes of (a) construction (b) diffusion and (c) institutionalization of formal and informal rules, procedures, policy paradigms, styles, “ways of doing things” and shared beliefs and norms which are first defined and consolidated in the making of EU decisions and then incorporated in the logic of domestic discourse, identities, political structures and public policies’.²² The research on Europeanisation was therefore a shift from an ontological to a post-ontological research agenda, as academics attempted to create a theoretical framework that could explain the domestic impact of European governance on its member states.²³

Whereas Europeanisation was originally applied to member states, the Eastern expansion induced the scholarly application of Europeanisation as a method of explaining the impact of the EU on its candidate states as well.²⁴ It became clear that the analytical framework not only indicated the domestic impact of EU regulatory policies within the Union itself, but it also showed that Europeanisation reached beyond the EU borders.²⁵ More specifically, Europeanisation as part of the EU accession process occurs in candidate states which could reap more benefits from eventual EU membership than the domestic price of compliance with EU conditions will be.²⁶

All EU candidate states follow an accession procedure through which they have to comply with the EU norms and values. The term conditionality is therefore used to describe the process through which the EU requires their candidate states to comply with particular conditions. These conditions are pragmatically listed in the *acquis communautaire*, the body of EU law which has to be adopted by candidate states in order to become full members of the

²² C. Radaelli, ‘The Europeanisation of Public Policy’ *The Politics of Europeanisation* 1 (2003): 1, 30.

²³ D. Denti, ‘The Europeanisation of candidate countries: the case for a shift to the concept of EU member state building.’ *Contemporary Southeastern Europe* 1 (2014): 1, 11.

²⁴ F. Schimmelfennig, ‘Europeanisation beyond the member states.’ *Journal for Comparative Government and European Policy* 8 (2010): 3, 320.

²⁵ M. Bauer, C. Knill, & D. Pitschel, ‘Differential Europeanisation in Eastern Europe: The Impact of Diverse EU Regulatory Governance Patterns’ *Journal of European Integration* 29 (2007): 4, 406.

²⁶ A. Moravcsik, & M. Vachudova, ‘National Interests, State Power, and EU Enlargement.’ *East European Politics and Societies* 17 (2003): 1, 56-57.

Union. The nature of the power asymmetry between the EU and candidate states, as a result of the accession conditionality, as well as the continuous EU attempts to transfer its rules onto the candidate states makes for a top-down operation of Europeanisation, which explains EU conditionality: the Montenegrin government is required to comply if they wish to be granted full membership.²⁷

Moreover, as the Europeanisation of candidate states became a sub-field of Europeanisation, academics noticed a methodical difference through which Europeanisation occurred in candidate states. Although the EU generally uses softer instruments such as positive incentives, persuasion and normative pressure in candidate states, the monitoring of compliance is much more intrusive and direct than in member states.²⁸ This goes accompanied by an inability of candidate states to alter the rules for conditionality, making compliance a difficult but essential aspect of the accession process. Political scientist Frank Schimmelfennig confirms this notion by concluding that ‘‘effective Europeanisation is the product of EU conditionality’’.²⁹ An analysis of the impact of Europeanization on candidate states such as Montenegro thus requires a thorough understanding of EU conditionality. Accordingly, the following section will involve a deep delve into EU conditionality with the purpose of allocating criteria that indicate proper compliance with the EU’s intended domestic change in candidate states.

1.2. Conditionality Criteria

The effectiveness of EU conditionality on candidate states is dependent on four factors. The first two factors revolve around Montenegro’s progression throughout the accession reports, whereas the latter two factors concern external features based on the EU’s and Montenegrin willingness to advance the European integration of Montenegro.³⁰ Therefore, section 2.1 analyses the determinacy behind the specific conditions set by the EU in the Montenegrin accession process. The decision to grant Montenegro candidate status was made in 2010 when the European Commission (EC) issued a favourable opinion on Montenegro’s application.

²⁷ U. Sedelmeier, *Europeanisation in new member and candidate states* (2011), 29.

²⁸ *Ibid.*, 6.

²⁹ F. Schimmelfennig, *Europeanisation beyond the member states* (2010), 321.

³⁰ A. Zhelyazkova, I. Damjanovski, Z. Nechev, & F. Schimmelfennig, ‘European Union conditionality in the Western Balkans: external incentives and Europeanisation.’ *The Europeanisation of the Western Balkans 1* (2019): 1, 23.

This document, to be referred to as ‘the opinion’, contained not only an assessment of Montenegro’s potential to become a permanent EU member at the time but laid out the key priorities for Montenegro to address during their accession process. The opinion is hence evidence of the most relevant rules and norms the EU wants Montenegro to adopt, indicating the determinacy behind the conditionality of Montenegro’s accession process. It is essential to gain a grasp of the determinacy behind the conditions set by the EU, as the accession strategy has changed throughout the history of the expansion of the EU, and the potential expansion in the Western Balkans has caused a shift in determinacy once again.³¹

The impact of conditionality on the candidate state is dependent on two factors, namely the capacity of candidate states to adopt EU rules, as well as the willingness to accept the domestic adoption costs of the transfer of EU conditions.³² Section 2.2 will cover the capacity of Montenegro to adapt to EU standards, based on the availability of financial and administrative resources. Candidate states need to perform well enough economically to meet the requirements of the European Single Market, and the administration needs to be capable to adopt the many legislative components of EU governance written in the *acquis communautaire*.³³ Signs of bad governance such as high levels of corruption could inhibit the impact of EU conditionality.

Subsequently, section 2.3 builds on this conditionality analysis through a valuation of the credibility of the accession process and eventual membership perspective. There is a correlation between the likelihood of a candidate state becoming a definitive member of the EU and the impact of the conditionality. Candidate states with a good prospect to achieve EU membership are more likely to be domestically influenced by conditionality.³⁴ However, research on the history of the Eastern enlargement of the EU has shown that conditionality works best for candidate states that are neither too far nor too close to joining the EU.³⁵ Thus, this section contains a valuation of Montenegro’s membership perspective, which is based on the credibility of their membership from the perspective of the EU’s enlargement strategy.

Lastly, an analysis of the domestic costs of conditionality in Montenegro will be the focus of section 2.4. Europeanisation will only work if conditionality is complied with, meaning

³¹ Ibid., 24.

³² A. Zhelyazkova, *European Union conditionality in the Western Balkans* (2019), 23.

³³ Ibid., 28-29.

³⁴ M. Bauer, *Differential Europeanisation in Eastern Europe* (2007), 407.

³⁵ A. Dimitrova, ‘Europeanisation and civil service reform in Central and Eastern Europe.’ *The Europeanisation of central and eastern Europe* 1 (2005): 1, 73.

that the domestic costs have to be lower than the potential gains of membership. This section will therefore cover the compliance of the Montenegrin system to EU conditionality, based on the alignment of the ruling elite with EU standards. The willingness to comply plays a crucial role due to the lack of progress that can be made in the accession process when candidate states do not have the intention of fully adopting the *acquis communautaire*. A large distance between the national identity of candidate states and a common European identity could inhibit the willingness of candidate states to comply with conditionality.³⁶ Additionally, the domestic costs of a candidate state hinge on the willingness to comply with conditionality by not only the government itself but also on opposing parties which could resist compliance through Euroscepticism.³⁷ On top of that, limited statehood could hinder compliance as well, as the candidate state should have an uncontested over their territory, which should be recognized by the international community.³⁸ Hence, the domestic costs of compliance are the main obstacle to conditionality and could even overpower the attraction of a strong and credible membership offer.³⁹

³⁶ F. Schimmelfennig, 'European Regional Organizations, Political Conditionality, and Democratic Transformation in Eastern Europe.' *East European Politics and Societies* 21 (2007): 1, 136-137.

³⁷ G. Noutcheva, & S. Aydin-Düzgit, 'Lost in Europeanisation: The Western Balkans and Turkey.' *West European Politics* 35 (2012): 1, 59.

³⁸ T. Börzel, 'When Europeanisation Hits Limited Statehood: The Western Balkans as a Test Case for the Transformative Power of Europe.' *KFG Working Paper Series* 30 (2011): 1, 8.

³⁹ F. Schimmelfennig, *Europeanisation beyond the member states* (2010), 331.

II – Montenegro’s EU Accession Process

2.1. Determinacy

The determinacy behind the conditionality of the accession process is clearly evident from the opinion of 2010, in which the EC made a clear distinction between political and economic conditions. Although Montenegro was granted a subsequent candidate status, this does not entail that the opinion was predominantly positive towards Montenegro’s political and economic progress. In fact, the opinion of the EC recommended granting Montenegro the opportunity to participate in the accession process but highlighted the importance of close monitoring of Montenegro’s progress as there were major reforms needed to improve and eventually live up to EU standards.⁴⁰ The determinacy behind those conditions mentioned in the opinion of 2010 played a large role in laying the foundation on which Montenegro’s progress was to be made and thus can be divided into a political and economic section as well.

As for the political conditions of Montenegro’s accession process, the EU’s priority is the diffusion of shared norms. In particular, the EU looks for the political criteria of democracy, the rule of law, respect for human rights and international cooperation.⁴¹ These criteria are in line with the portrayal of the EU as a normative power, as argued by many scholars. Moreover, after the expansion of the EU in Central and Eastern Europe, there was a significant shift in the determinacy of political norms because their relevance in the accession was emphasised and a more strict and coherent system of compliance was introduced.⁴² Whereas the implications of these norms often overlap, for example as democracy and rule of law are often intertwined, the EC nevertheless decided to address each of them as separate conditions to be met by Montenegro.

⁴⁰ European Commission, ‘European Commission Opinion on Montenegro’s application for membership of the European Union’ *Directorate-General for Neighbourhood and Enlargement Negotiations* (November 9, 2010), https://ec.europa.eu/neighbourhood-enlargement/opinion-montenegros-application-membership-eu-0_en, accessed on March 13, 2022, 12.

⁴¹ F. Schimmelfennig, *Europeanisation beyond the member states* (2010), 330.

⁴² A. Zhelyazkova, *European Union conditionality in the Western Balkans* (2019), 24.

2.1.1. Democracy

Firstly, as for democracy, the opinion mentioned that Montenegro is a parliamentary democracy which was formed after a well-managed referendum on independence.⁴³ The EC recognizes that Montenegro's state building is becoming stronger, which is essential as they are such a new state.⁴⁴ However, the EC mentioned the presence of "significant deficiencies in the functioning of democratic institutions and shortcomings in the implementation of legislation".⁴⁵ The EC notes a lack of parliamentary capacity to ensure proper oversight of the government, which could be a catalyst for corruption.⁴⁶ Moreover, Montenegro's public administration remained weak and highly politicised, which could be an additional indication of a low democratic quality. This also shows from the EC's notion of a lack of respect for the division of powers, especially as the judicial system required reform. These criteria should be an indication of progress in the Montenegrin accession process, as a lack of democratic progress does not comply with the EU conditions and even results in higher adoption costs which could prohibit effective conditionality.⁴⁷

2.1.2. Rule of Law

Another main concern was the rule of law framework. Although it had been strengthened in the years leading up to 2010, the implementation was still considered deficient.⁴⁸ Again, the judiciary played a large role as law enforcement institutions did not function well, especially in the areas concerning the combating of large problems such as organised crime and corruption.⁴⁹ Both the prosecution and law enforcement used to fight organised crime were considered weak and thus criteria on which Montenegro had to improve. Furthermore, the EC especially doubted the accountability of the judiciary because corruption remained prevalent and there were concerns about the role of the parliament in appointing the judicial and prosecutorial councils and state prosecutors.⁵⁰ Therefore, the functioning of the judiciary was an important criterion to be improved for successful compliance with conditionality. The

⁴³ European Commission, *European Commission Opinion on Montenegro's application for membership of the European Union* (2010), 5.

⁴⁴ *Ibid.*

⁴⁵ *Ibid.*

⁴⁶ *Ibid.*

⁴⁷ T. Börzel, *When Europeanisation Hits Limited Statehood* (2011), 9.

⁴⁸ European Commission, *European Commission Opinion on Montenegro's application for membership of the European Union* (2010), 6.

⁴⁹ *Ibid.*

⁵⁰ *Ibid.*

problem of corruption evidently spilt over onto other areas of state authority, such as administration of tax and customs, as well as local administration. Corruption could play an important role in the deterioration of spatial planning and construction permits as well, which is especially relevant in the case of Montenegro as their infrastructural plans are a crucial aspect of their relation to China. These issues were quintessential to the accession process as the EU had the intention to settle major rule of law problems prior to accession instead of dealing with them afterwards.⁵¹

2.1.3. Human Rights

As for human rights, the EC considered the Montenegrin institutional framework regulating human rights to be largely in place and up to European standards.⁵² Despite a generally positive judgment of the protection of human rights in Montenegro, the EC mentioned several areas where improvement was necessary. The concerns were particularly severe regarding the freedom of expression. The EC acknowledged the substantial improvement of the anti-discrimination legal framework but argued that there was a major lack of freedom of expression in practice.⁵³ The EC highlighted their concerns with the discrimination of ethnic minorities, as well as persons with disabilities and LGBT persons. The persisting gender inequality was an additional problem. In light of the discrimination problem, increased awareness and sensitivity of the administration, police and judiciary was required.⁵⁴ The minorities living in Montenegro, of whom many are displaced persons, did not have satisfactory economic and social rights such as education and employment.⁵⁵ Moreover, the action plan for ensuring residence for displaced people was not up to European standards, as many of the displaced Roma, Ashkali and Egyptian people were sheltered in temporary camps with sub-standard living conditions.⁵⁶ Thus, the required improvement of the protection of minorities in Montenegro as well as the freedom of expression would play an important role in Montenegro's accession progress and their efforts shed light on their capability of adopting EU freedom standards.

⁵¹ M. Müftüleri-Baç, & A. Çiçek, 'A Comparative Analysis of the European Union's Accession Negotiations for Bulgaria and Turkey: Who Gets in, When and How?' *MAXCAP* 7 (2015): 1, 23.

⁵² European Commission, *European Commission Opinion on Montenegro's application for membership of the European Union* (2010), 6.

⁵³ *Ibid.*, 7.

⁵⁴ *Ibid.*

⁵⁵ *Ibid.*

⁵⁶ *Ibid.*

2.1.4. International Cooperation

The last political criterion is international cooperation. Regional stability was an important factor for the EC, and Montenegro's cooperation through the Stabilisation and Association Agreement (SAA) plays a crucial role in their accession process. In 2010, the EC considered Montenegro's participation in the agreement satisfactory.⁵⁷ Nonetheless, the continuation of Montenegro's commitment to regional stability was required, as this ensured the EU's aims to promote international cooperation and peace in the Western Balkans. Correspondingly, Montenegro's cooperation in the Criminal Tribute for former Yugoslavia is another essential part of Montenegro's accession process, as the EU intends to bolster the adequate resolution of former injustices in the region. Another important factor is the bilateral immunity agreement on the International Criminal Court between Montenegro and the United States. The EC highlights that Montenegro should abandon this agreement as it does not align with the European position on international cooperation.⁵⁸

2.1.5. Economic Conditionality

Concerning the economic conditionality, the EC was primarily determinant for Montenegro to realize a functioning market economy and be capable of coping with the competitive pressure of the EU internal market.⁵⁹ The opinion complimented Montenegrin economic progress in the years leading up to 2010. The EC especially praised the economic stability that had been reached through high growth rates, the reduction of unemployment and keeping the public debt at a moderate level.⁶⁰ However, imbalances in the achieved economic growth were reasons for concern. The stability of the economy could be harmed through several persisting economic issues such as high percentages of informal employment, which points to educational deficiencies, lack of supervision of the banking sector and insufficient energy and transport infrastructure.⁶¹ The latter is especially important as the Montenegrin acceptance of Chinese loans had the primary aim of improving the country's infrastructure.

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ European Commission, *European Commission Opinion on Montenegro's application for membership of the European Union* (2010), 8.

⁶⁰ Ibid.

⁶¹ Ibid.

2.1.6. Implications

In sum, the EC's opinion on Montenegro as a candidate state in 2010 revealed the determinacy behind the conditionality of the accession process. The EC highlighted the importance of the diffusion of EU political norms, especially those of democracy, rule of law, human rights and international cooperation. The economic conditions focussed primarily on addressing internal imbalances, expressing concerns about weaknesses such as the financial sector and the need to strengthen its physical infrastructure and human capital.⁶² The criteria for improvement provided by the EC in the opinion of 2010 shed light on the conditions that are deemed most relevant for Montenegro to comply with. Therefore, the assessment of Montenegro's capacity to improve on those criteria will allow for a thorough analysis of Montenegro's compliance with EU conditionality in the next section.

2.2. Capacity

2.2.1. Democracy

Throughout the accession process, the EC noticed limited democratic progress and highlighted the importance to speed up reforms. As such, the Montenegrin judicial system experienced limited progress as well. The EC considered the system moderately prepared in 2015, with important steps taken towards a legal framework with European standards.⁶³ The full implementation of this legal framework was considered the next step to be required, as progress had to be made on recruitment, professional assessment and promotion.⁶⁴ There was a need for a strengthening of the independence and professionalism of the judiciary, especially in regard to accountability for important issues such as the code of ethics.⁶⁵ In addition to the demand for accountability, the EC required strengthening judicial and prosecutorial capacity within fields such as strategic planning.⁶⁶ Montenegro made limited

⁶² European Commission, *European Commission Opinion on Montenegro's application for membership of the European Union* (2010), 10.

⁶³ European Commission, 'Montenegro 2015 Report' *Commission Staff Working Document* (November 10, 2015), https://ec.europa.eu/neighbourhood-enlargement/system/files/2018-12/20151110_report_montenegro.pdf, accessed on March 13, 2022, 14.

⁶⁴ *Ibid.*

⁶⁵ European Commission, *Montenegro 2015 Report* (2015), 12.

⁶⁶ *Ibid.*

progress regarding these issues after 2015, as the accountability and the human, financial and infrastructural capacity had not improved.⁶⁷

Furthermore, in spite of progress in the Montenegrin election system, parliamentary capacity did not develop as desired. Leading up to 2015, some progress was made in governmental oversight through improved cooperation with civil society organisations.⁶⁸ The continuation of adequate political dialogue between parliament and government was apparent in 2020.⁶⁹ Although this was a step in the desired direction, the report of 2020 showed that the Covid-19 pandemic revealed a persistent lack of parliamentary oversight over the government. Furthermore, in regard to transparency and the capacity to reform, a lack of progress weakened the EU's confidence in Montenegrin progress.⁷⁰ The parliament failed to implement successful scrutiny of the executive and democratic system.⁷¹ Additionally, the Montenegrin public administration remained moderately prepared throughout the accession process. There was some progress in tackling politicisation, although these results were unevenly distributed and required continued progress.⁷²

2.2.2. Rule of law

Similar to the democratic assessment, the EC highlighted the need for better implementation of the reforms in the Montenegrin rule of law. The Montenegrin fight against corruption made moderate progress throughout the accession process. The EC mentioned the need for an improved track record in effective investigation and prosecution of corruption cases, especially regarding high-level corruption.⁷³ The code of ethics and anti-corruption framework needed to be improved in 2015, and despite moderate progress remained an issue of concern in 2020.⁷⁴ The Anti-Corruption Agency's capacity had chronologically expanded but still required more transparency as the independence and integrity of the agency remained

⁶⁷ European Commission, 'Montenegro 2020 Report' *Commission Staff Working Document* (November 6, 2020), https://ec.europa.eu/neighbourhood-enlargement/system/files/2020-10/montenegro_report_2020.pdf, accessed on March 13, 2022, 20.

⁶⁸ European Commission, *Montenegro 2015 Report* (2015), 4.

⁶⁹ European Commission, *Montenegro 2020 Report* (2020), 11.

⁷⁰ *Ibid.*, 5.

⁷¹ European Commission, *Montenegro 2015 Report* (2015), 11.

⁷² European Commission, *Montenegro 2020 Report* (2020), 16.

⁷³ European Commission, *Montenegro 2015 Report* (2015), 4.

⁷⁴ European Commission, *Montenegro 2020 Report* (2020), 19.

questioned.⁷⁵ Thus, the prosecutorial capacity of Montenegro to fight corruption remained doubted.

Moreover, the fight against organised crime also made moderate chronological progress. The increased level of preparation was evident through the strengthened legal and institutional framework and operational capacity.⁷⁶ The effectiveness of the executive branch in fighting organised crime increased throughout the accession process. Nonetheless, judicial deficiencies remained apparent as the EC questioned the way organised crime cases were handled in court.⁷⁷ The Montenegrin rule of law thus required more transparency not only in combating corruption but also in the judicial procedures against organised crime. The lack of administrative resources and staff exacerbated these judicial deficiencies.⁷⁸

2.2.3. Human Rights

The issue of human rights remains a large concern throughout the accession process. The legal framework for the protection of human rights is broadly in line with European standards, but the implementation remains problematic.⁷⁹ The area of freedom of expression is particularly precarious as violence against the media remained prevalent throughout the entire accession process.⁸⁰ The EC expressed the need for Montenegro to align with the European Court of Human Rights as the insufficient resolve of serious cases of violence against the media indicated a need for a stronger approach to tackling human rights issues.⁸¹

On top of that, the implementation of national legislation for the protection of minorities remained a challenge. There was a gradual shift towards EU standards in the Montenegrin legal framework for Human Rights, as Montenegro issued legislative reforms.⁸² However, discrimination against minorities remains prevalent.⁸³ Disadvantaged groups such as the Roma and Egyptian people experienced continuous discrimination and a lack of administrative and judicial rights.⁸⁴ Moreover, gender inequality and violence remained of

⁷⁵ *Ibid.*, 5.

⁷⁶ European Commission, *Montenegro 2015 Report* (2015), 16.

⁷⁷ European Commission, *Montenegro 2020 Report* (2020), 43.

⁷⁸ T. Börzel, *When Europeanisation Hits Limited Statehood* (2011), 10.

⁷⁹ European Commission, *Montenegro 2015 Report* (2015), 5.

⁸⁰ European Commission, *Montenegro 2015 Report* (2015), 19-20.

⁸¹ European Commission, *Montenegro 2020 Report* (2020), 6.

⁸² European Commission, *Montenegro 2015 Report* (2015), 19.

⁸³ European Commission, *Montenegro 2020 Report* (2020), 30.

⁸⁴ *Ibid.*, 6.

large concern to the EC, as the reports requested drastic improvement in the protection of human rights throughout the Montenegrin system. It is evident that in this regard Montenegro remained far from compliance with EU conditionality.

2.2.4. International Cooperation

The EC remained positive regarding Montenegro's efforts for regional cooperation. Montenegro played a role in the intensified cooperation among Western Balkan states and the EU, especially regarding the connectivity agenda.⁸⁵ The extension of the regional core transport network was deemed more than satisfactory in 2015.⁸⁶ Montenegro was also part of regional cooperation on economy and trade, as was evident from their active participation in the Western Balkans summit in 2019.⁸⁷ Moreover, the EC praised Montenegro for their bilateral relations with its neighbouring countries.⁸⁸ The bilateral agreements struck by Montenegro were all according to SAA standards.⁸⁹ As no further cooperation from Montenegro was required in the Criminal Tribunal for former Yugoslavia,⁹⁰ the institution was dissolved in 2017. The only remaining concern for the EC, regarding Montenegro's international relations, was their bilateral agreement with the United States granting immunity for US citizens from the jurisdiction of the International Criminal Court.⁹¹ As this does not comply with the EU position on the guiding principles on bilateral immunity agreements, the EC required Montenegro to align with the EU position. In spite of this, Montenegro's international cooperation was deemed satisfactory throughout the entire accession process.

2.2.5. Economic Conditionality

As regards the economic criteria, Montenegro made moderate progress in developing a functioning market economy, with some concerns remaining prevalent. The economy recovered from the recessions of 2009 and 2012 and continued growing after 2014.⁹² However, the emergence of the Covid-19 pandemic deteriorated the governmental outlook on

⁸⁵ European Commission, *Montenegro 2015 Report* (2015), 21.

⁸⁶ *Ibid.*, 22.

⁸⁷ European Commission, *Montenegro 2020 Report* (2020), 68-69.

⁸⁸ *Ibid.*, 7.

⁸⁹ *Ibid.*, 69.

⁹⁰ European Commission, *Montenegro 2015 Report* (2015), 21.

⁹¹ European Commission, *Montenegro 2020 Report* (2020), 118.

⁹² European Commission, *Montenegro 2015 Report* (2015), 5.

economic growth.⁹³ The stability of the financial sector had been hit by the bankruptcy of two important banks but was reinforced through the strengthening of the banking supervision framework.⁹⁴ The labour market saw an improvement in labour conditions, but the number of unemployed people remained high, especially among minorities.⁹⁵ Another remaining concern was Montenegro's inability to shift towards EU market economy standards as a result of a weak capacity for competition and anti-corruption measures⁹⁶

In addition, the construction of the Bar-Boljare highway was intended to support economic growth as the expectations were an improvement of the energy, transport and tourism sectors.⁹⁷ The report of 2015 already mentioned the risks of fiscal sustainability as a result of the enormous construction costs and the need for Montenegro to sustain a low public debt.⁹⁸ Despite these warnings, Montenegro did not comply with EU conditions as their acceptance of Chinese financial aid was the cause of the derailing of fiscal consolidation targets and the 'ballooning' of public debt.⁹⁹ The concerns with Montenegro's fiscal responsibility, as well as remaining economic deficiencies such as a weak industrial base and low technological know-how, were the reason for the EC to consider Montenegro's compliance with economic conditionality to be limited.¹⁰⁰

2.2.6. Implications

The chronological analysis of Montenegro's accession reports shows that despite the shift towards a framework that aligns with EU standards derived from the *acquis communautaire*, Montenegro struggled to comply with the conditionality as listed in the opinion of 2010. Whereas the EC mentioned moderate progress in Montenegro's preparation for adopting the important EU political norms of democracy, rule of law and human rights, the implementation of the initiated reforms was lacking. Most importantly, an insufficient degree of transparency caused deficiencies in the judiciary and required anti-corruption measures. The continued prevalence of discrimination throughout the Montenegrin society made the EC's valuation of Montenegro's human rights progress critical. Although the EC praised Montenegro's

⁹³ European Commission, *Montenegro 2020 Report* (2020), 7.

⁹⁴ *Ibid.*, 6.

⁹⁵ *Ibid.*

⁹⁶ *Ibid.*, 7.

⁹⁷ European Commission, *Montenegro 2015 Report* (2015), 5.

⁹⁸ *Ibid.*, 23-24.

⁹⁹ European Commission, *Montenegro 2020 Report* (2020), 61.

¹⁰⁰ *Ibid.*, 7.

participation in regional cooperation, it was these continuous internal deficiencies that inhibited compliance with EU political conditionality. Lastly, despite economic growth, there were still major doubts about Montenegro's economic capacity as unemployment and unsustainable fiscal expenditures were troublesome matters that hindered compliance with economic conditionality.

2.3. Credibility

2.3.1. Non-compliance

The credibility of membership as a result of the accession process is closely linked to the determinacy behind the conditions and the resulting capacity to comply. As such, conditionality will not yield the intended result of Europeanisation when candidate states are too far from joining the EU. The increased relevance of the transfer of the aforementioned political norms meant that the failure to adhere to EU standards could drastically inhibit the prospect of membership and thus the credibility of conditionality. The EU introduced accession process reform through a heightened emphasis on Chapters 23 and 24 of the annual reports, highlighting the need to adopt EU standards on judiciary and fundamental rights, as well as justice, freedom and security.¹⁰¹ Every delay in the fulfilment of the obligations in these chapters could affect the pace of negotiations throughout the other chapters,¹⁰² meaning that Montenegro's compliance issues decreased the credibility of their membership prospect. Although conditionality works best with states which are neither too far from EU membership nor too close,¹⁰³ the enlargement promise was too far away for Montenegro.¹⁰⁴

2.3.2. Public Opinion

The public opinion within member states on the potential enlargement of the EU also plays an important role in the accession process of candidate states. A lack of public support for enlargement means that both national and supranational policymakers are pressured to criticize the potential expansion through the creation of stricter conditionality.¹⁰⁵ The impact

¹⁰¹ M. Vladeva, *Europeanization of the Western Balkans: What Drives Montenegro on This Path*. (2015): 1, 21.

¹⁰² Ibid.

¹⁰³ A. Dimitrova, *Europeanisation and civil service reform in Central and Eastern Europe* (2005), 73.

¹⁰⁴ A. Zhelyazkova, *European Union conditionality in the Western Balkans* (2019), 27.

¹⁰⁵ Ibid., 26.

of public opinion is growing, especially concerning enlargement as some member states have announced to put further accession treaties to a referendum.¹⁰⁶ Negative public sentiment thus reduces the credibility of the EU's accession promise. The results in *Table 1* show that the EU public opinion towards future enlargement has remained predominantly against enlargement throughout the period of Montenegro's accession process.¹⁰⁷ Whereas the percentage of EU citizens against enlargement was the same in 2020 and 2010, there was a sway towards even more enlargement scepticism in the earlier years of Montenegro's accession process, meaning that the credibility of Montenegro's accession prospect took a dive as well.

Eurobarometer	In favour	Against	Refusal/don't know
EB93 Summer 2020	44	45	11
EB84 Autumn 2015	38	51	11
EB74 Autumn 2010	43	45	12

Table 1: EU public opinion on further enlargement of the EU to include other countries in future years (%).

Source: Standard Eurobarometer 93,84 and 74.

2.3.3. Enlargement Fatigue

The enlargement fatigue within the EU was not only the result of considerations that the rule of law needed to be in order in future member states before their accession rather than after. The emergence of several concerning issues such as the Euro crisis, the Brexit negotiations, the refugee crisis and the Covid-19 pandemic overshadowed the topic of membership expansion.¹⁰⁸ As such, the attention of both the member states and the EU institutions was drawn towards stabilizing the EU economy amidst these more pressing challenges, making Montenegro's membership prospect less credible than the previous enlargement rounds.¹⁰⁹

Furthermore, intergovernmental conflict as a result of diverging opinions between member states led to an even lower credibility. The effectiveness of the accession process rests on a positive consensus towards enlargement among member-states. However, member

¹⁰⁶ Ibid.

¹⁰⁷ European Commission, 'Standard Eurobarometer 93 – Summer 2022' Eurobarometer (October, 2022), <https://europa.eu/eurobarometer/surveys/detail/2262>, accessed on April 3, 2022.

European Commission, 'Standard Eurobarometer 84 – Autumn 2015' Eurobarometer (December, 2015), <https://europa.eu/eurobarometer/surveys/detail/2098>, accessed on April 3, 2022.

European Commission, 'Standard Eurobarometer 74 – Autumn 2010' Eurobarometer (January, 2011), <https://europa.eu/eurobarometer/surveys/detail/918>, accessed on April 3, 2022.

¹⁰⁸ A. Zhelyazkova, *European Union conditionality in the Western Balkans* (2019), 27.

¹⁰⁹ G. Cotella, & E. Berisha, 'The impact of China's Belt and Road Initiative on the Western Balkan Region: An erosion of EU conditionality?' *European Spatial Research and Policy* 28 (2021): 2, 181.

states are able to promote their own interests from their relationship with the candidate state, as the resolution of their bilateral disputes can be imposed as a determinant condition for the advancement in the accession process.¹¹⁰

In the case of Montenegro, the bilateral relationship with Croatia hindered the accession process. The inability of both sides to reach a permanent settlement in their dispute about the land border at the strategically important Prevlaka peninsula has affected their relation, with both countries disregarding each other's oil tenders in a claim for territory.¹¹¹ The EC's strategy document on enlargement in 2018 stated that "a candidate state must resolve outstanding bilateral dispute issues before its accession to the EU", which gives Croatia the opportunity to use Montenegro's accession process as a tool to hinder Montenegro's progress if they choose not to satisfy Croatia's needs.¹¹² Moreover, the desired resolve of bilateral conflict might seem like a method of Europeanisation through the stimulation of peace and solidarity, yet member states are not as incentivized as candidate states because of the absence of rewards similar to progress in the accession process.¹¹³

2.3.4. Implications

The Montenegrin accession process lacked credibility as a result of their partial inability to comply with conditionality and the EU's lack of motivation to expand due to unfavoured public opinion, enlargement fatigue and no consensus among member states. The distance Montenegro experienced from the prospect of membership was thus partly due to their own lack of capacity and partly due to the EU's new enlargement strategy.¹¹⁴ However, the effects of credibility absence on Europeanisation in Montenegro cannot be measured without taking into account the domestic costs paired with the accession process and Montenegro's willingness to accept these costs.

¹¹⁰ A. Zhelyazkova, *European Union conditionality in the Western Balkans* (2019), 26.

¹¹¹ M. Petrovic, & G. Wilson, 'Bilateral relations in the Western Balkans as a challenge for EU accession.' *Journal of Contemporary European Studies* 29 (2021): 2, 208.

¹¹² *Ibid.*, 208-209.

¹¹³ *Ibid.*, 213.

¹¹⁴ T. Börzel, & T. Risse, 'When Europeanisation meets diffusion: Exploring new territory.' *West European Politics* 35 (2012): 1, 195.

2.4. Domestic costs

2.4.1. Domestic Governmental Costs

The Europeanisation impact of conditionality depends on the domestic costs paired with the transfer of EU rules onto the candidate state. The term ‘domestic costs’ refers to any consideration the Montenegrin system has to make in terms of opposition and resistance to compliance with EU conditions.¹¹⁵ Therefore, the “genuine, partial or non-alignment of the ruling elite’s domestic incentives with the EU incentives is a key determinant of rule-of-law trends in the Western Balkans and Turkey”.¹¹⁶ As listed in the opinion of 2010, the main priorities of the Montenegrin government were European integration and economic reform right from the start of the accession process.¹¹⁷ Considering that the government’s intentions were aligned with those of the EU right off the bat, the most important limiting factor could be the opposition. At the start of the accession process there was a positive political consensus towards EU membership and the related state-building.¹¹⁸ It is notable that this absence of veto players remained throughout the accession process, raising the impact of conditionality.¹¹⁹ However, domestic costs were not only determined by the alignment of the government but also through the impact of the attempted Europeanisation of the Montenegrin public.

2.4.2. Domestic Societal Costs

As the accession process entailed a shift towards European norms and values and thus towards a more European identity, the willingness of the Montenegrin society to adopt these standards was of utmost importance. The continuous prevalence of national and ethnic identity issues in Montenegro made compliance with EU conditionality a sensitive issue.¹²⁰ As a new country in the early stages of state building and part of the Western Balkans, with a turbulent history of ethnic violence, the willingness of national parties in Montenegro to alter their identity was not high enough.¹²¹

¹¹⁵ A. Zhelyazkova, *European Union conditionality in the Western Balkans* (2019), 29.

¹¹⁶ G. Noutcheva, *Lost in Europeanisation* (2012), 59.

¹¹⁷ European Commission, *European Commission Opinion on Montenegro’s application for membership of the European Union* (2010), 7.

¹¹⁸ European Commission, *European Commission Opinion on Montenegro’s application for membership of the European Union* (2010), 5.

¹¹⁹ M. Vladeva, *Europeanization of the Western Balkans* (2015), 1.

¹²⁰ G. Cotella, *The impact of China’s Belt and Road Initiative on the Western Balkan Region* (2021), 181.

¹²¹ A. Zhelyazkova, *European Union conditionality in the Western Balkans* (2019), 29.

Whereas Montenegro was not reluctant to cooperate with the International Criminal Tribunal for former Yugoslavia, which was an issue in other Western Balkan candidate states, the matter of statehood was reason for concern.¹²² Statehood refers to the uncontested claim to the legitimate monopoly of force over a territory recognized by the international community, which was sometimes limited in the case of Montenegro, as was, for example, evident from the bilateral dispute with Croatia.¹²³ The issue of limited statehood can affect Europeanisation as the EU will not be able to produce social learning due to contested claims over territory.¹²⁴ Additionally, limited statehood affects the EU's intentions to modify domestic behaviours because it can inhibit the domestic willingness to adopt the *acquis communautaire*.¹²⁵ On top of that, the EU being ill-equipped as state builder due to their insufficient ability to produce anything more than formal and superficial change makes the issue of limited statehood a great dilemma in Montenegro's enlargement policy.¹²⁶

2.4.3. Implications

Whereas Montenegro's government remained aligned with EU incentives on domestic change, the societal domestic costs could play a considerable role in the Europeanisation of Montenegro. The issue of a clash between national and EU identities, paired with limited statehood, was not enough to compromise the accession process on its own. However, this issue significantly increased the costs associated with conditionality compliance. In combination with a lack of membership credibility and a lack of capacity to implement reforms, the Montenegrin government could consider the costs of compliance too high and deter from attempts to integrate into the EU.

¹²² Ibid., 30.

¹²³ T. Börzel, *When Europeanisation Hits Limited Statehood* (2011), 8.

¹²⁴ D. Denti, *The Europeanisation of candidate countries* (2014), 19.

¹²⁵ T. Börzel, *When Europeanisation Hits Limited Statehood* (2011), 11.

¹²⁶ D. Denti, *The Europeanisation of candidate countries* (2014): 1, 20.

2.5. Conclusion

Montenegro's accession process has not had the intended result of Europeanisation. The determinacy behind the EU's conditionality caused an emphasis on the adoption of EU political norms of democracy, rule of law, human rights and international cooperation, as well as the economic conditions. Montenegro did not have the capacity to comply with the conditionality due to a lack of transparency and proper implementation of reforms. Moreover, the membership prospect was discredited through EU enlargement fatigue and moderate domestic costs. The result of this failure of conditionality was a very slow-paced Europeanisation of Montenegro. This development was quintessential to Montenegro's future policy as the lack of progress as EU candidate state made them susceptible to influence from other international actors in the Western Balkans.

III – The link with China

3.1. Effectiveness of EU Financial Aid

Montenegro, as an EU candidate state, received financial aid from the EU. The financial aid was part of the Instrument for Pre-accession Assistance (IPA), which was a package meant to fund candidate countries with the intention of integration within the EU. Montenegro was continuously financed by IPA I, covering the period of 2007-2013 and IPA II, covering 2014-2020, whilst IPA III has commenced in 2021 and will last until 2027. The IPA packages were intended to develop Montenegro according to EU standards. As such, the EU intended to become involved in infrastructural projects such as the Bar-Boljare highway. However, Montenegro strikingly funded this project through Chinese investments rather than funding received by the EU. An assessment of the effectiveness of EU financial aid is crucial in understanding this choice by the Montenegrin government.

The construction of the Bar-Boljare highway was part of the plans of the Montenegrin government to drastically improve the infrastructure of the country. The project was not only intended to modernise the Montenegrin infrastructure to generate economic growth in the near future, but could also be considered to contain sentimental value.¹²⁷ The connection between the poorer north of Montenegro with the more prosperous south would make for a larger sense of national unity, according to President of the Parliament, Ranko Krivokapić, in 2016.¹²⁸ As such, the highway was presented as the ‘fulfilment of the country’s sovereignty in achieving a century-old dream which has been passed from fathers to sons’.¹²⁹ This idealized image behind the highway project makes the Montenegrin seek for financing more than understandable.

As an EU candidate state amidst the accession process, Montenegro was part of the EU Transport Community Treaty aimed to improve connectivity throughout the Western Balkans and with the EU itself. However, despite the ambitious highway plans, there had been little

¹²⁷ M. Grgić, ‘Chinese infrastructural investments in the Balkans: political implications of the highway project in Montenegro.’ *Territory, Politics, Governance* 7 (2019): 1, 50.

¹²⁸ Ibid.

¹²⁹ Ibid.

infrastructural progress throughout the accession process.¹³⁰ These problems were acknowledged by the EC, as they continuously noted limited progress on trans-European networks in chapter 21 of the *acquis communautaire* from 2015 onwards.¹³¹ The development of a proper Montenegrin infrastructure was not only of importance to Montenegro itself but would also be required for integration within the EU. Therefore, the EU offered Montenegro financial aid to improve their infrastructure, paired with a myriad of strings that were attached to ensure the implementation of reforms that were according to the wishes of the EU.

The most important condition for the IPA packages was the continued alignment with the *acquis communautaire*, similar to the conditionality of the accession process. As such, the road network section of IPA II states that further alignment of Montenegrin legislation with EU legislation in the transport sector is required.¹³² The establishment of administrative structures was required by the *acquis communautaire*, which entailed reforms of the Montenegrin transport sector according to EU standards. This involved among other things the improvement of safety measures such as the harmonisation of technical requirements for vehicles.¹³³ The implementation of these reforms would require a significant willingness to adapt, as the reforms would cost not only valuable resources such as money but would also test Montenegro's administrative capacity to properly conduct these changes. Moreover, the fulfilment of all the conditions paired with EU funding could take several years: the applicants had an entire cycle of project management to realize, with long administrative periods between the feasibility, bankability and final project phases.¹³⁴ The highway project, if financed by EU funding, would thus only be visible in the mid- or long-term, considering Montenegro's administrative capacity at the time.

Therefore, another condition of the IPA packages was the building of capacity, which was introduced by the EU to ensure that their money would be spent in a way that would actually improve Montenegrin connectivity rather than be wasted on reforms that could not be

¹³⁰ European Commission, 'Action Document EU for Connectivity and Green Agenda' *ANNEX III to the Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of Montenegro for 2021* (December 15, 2021), https://ec.europa.eu/neighbourhood-enlargement/enlargement-policy/overview-instrument-pre-accession-assistance/montenegro-financial-assistance-under-ipa-ii_en, accessed on April 20, 2022, 4.

¹³¹ European Commission, *Montenegro 2015 Report* (2015), 47.

¹³² European Commission, 'Montenegro Development of a Road Network Database and Road Safety Assessment' *Instrument for Pre-Accession Assistance (IPA II) 2014-2020*, https://ec.europa.eu/neighbourhood-enlargement/enlargement-policy/overview-instrument-pre-accession-assistance/montenegro-financial-assistance-under-ipa-ii_en, accessed on May 8, 2022, 4-5.

¹³³ *Ibid.*

¹³⁴ M. Stumvoll, & T. Flessenkemper, 'China's Balkans Silk Road: Does it pave or block the way of the Western Balkans to the European Union?.' *CIFE Policy Paper* 66 (2020): 1, 127.

implemented. It is evident that the public administration was not prepared because the administrative capacity to absorb adaptations to EU standards was lacking: the absence of precise procedures and clearly defined responsibilities between the transport institutions were significant constraints which inhibited the proper implementation of reforms.¹³⁵ Montenegro's participation in the SAA played an essential role as well, as the agreement on stabilisation required an equal stabilisation of the Montenegrin transport system. The compliance with demands would ensure a proper bilateral and transit transport system through Montenegro in the future, which would be a valuable asset as a potential member state.¹³⁶

Additionally, the infrastructural reforms were required to have a beneficial spill over effect on Montenegrin society. The economic growth that would resonate from effective and secure transportation reforms was expected to influence the mobility of citizens and goods and thus have a significant impact on education, social development and the environment.¹³⁷ However, this meant that bad implementation of infrastructural reforms would possibly have a detrimental impact on these crucial societal aspects, as it could worsen the environment and public health. The creation of a sustainable transport system was defined as a key factor for Montenegrin development.¹³⁸ As these issues stood high on the EU's agenda, the strings attached to Montenegro's financial aid were, from an EU perspective, both strict and deemed necessary.

Hence, the Montenegrin compliance with the conditions for financial aid was closely monitored. The establishment of a steering committee would make for an assessment of the 'effectiveness, efficiency, quality, coherence, coordination and compliance' of the reforms requested by the EU.¹³⁹ The Montenegrin government was expected to identify non-compliance measures and set up enforcement procedures in order to adhere to this assessment.¹⁴⁰ Furthermore, visibility of the funding as part of the IPA packages was required to guarantee transparency of where the budget was spent.¹⁴¹ This involved a specific Communication and Visibility Plan through which the EC were to be fully informed of the Montenegrin actions which were funded through the IPA packages.¹⁴²

¹³⁵ European Commission, *Action Document EU for Connectivity and Green Agenda* (2021), 7.

¹³⁶ *Ibid.*, 6.

¹³⁷ *Ibid.*

¹³⁸ *Ibid.*, 5.

¹³⁹ *Ibid.*, 20.

¹⁴⁰ *Ibid.*, 7.

¹⁴¹ *Ibid.*, 21.

¹⁴² *Ibid.*

Despite the intention to use the financial aid as a means to continue Montenegrin development, aimed at an eventual integration within the EU, the strings attached to IPA packages did not find the desired results. As was argued by Montenegrin researcher Marko Sošić, the EU had a carrot but missed a stick; there were mere attempts at incentivizing reform rather than actual repercussions if Montenegro did not follow through.¹⁴³ This made the choice for the EU to invest in Montenegro worrisome, as the high degree of corruption meant that there was no transparency of where the funds were allocated, and the EU did not have the capability of detecting and punishing culprits. Moreover, when Montenegro received financial aid in 2015, they implemented a lengthy public finance management reform for the following five years, as the EU obliged them to.¹⁴⁴ The Montenegrin government subsequently ‘all but forgot’ about the reform plan, as they sought to reap the benefits of EU support without having the intention to take difficult steps towards reform.¹⁴⁵ In turn, the EU became hesitant and did not provide Montenegro with the financing it required.¹⁴⁶

The lack of Montenegrin willingness thus explains the reluctance of the EU to engage in large-scale infrastructural investments in Montenegro with no prospect of change.¹⁴⁷ The Bar-Boljare highway is exemplary: feasibility studies conducted by EU institutions prior to the construction did not deem the project viable, hence their financial caution.¹⁴⁸ The EU’s monetary aid was then again criticised by Montenegrin President Đukanović who necessitated a larger and more consistent economic package.¹⁴⁹ Thus, there appears to have been a vicious circle: Montenegro lacked the willingness to implement actual reforms; which caused reluctance to take financial risks by the EU; inducing the attachment of more strings to the financial aid, which in turn made the Montenegrin government less willing to implement reform, starting the entire circle all over again. Ironically, an International Monetary Fund official recommended Montenegro to delay the highway project until their EU membership, which would allow more cohesive funding from Brussels.¹⁵⁰ This, however, seemed ill-advised because the lack of Europeanisation during the Montenegrin accession process made

¹⁴³ M. Sošić, *Montenegro’s Road Ahead: Infrastructure between EU and China* (April 14, 2021).

¹⁴⁴ Public Finance Management Reform Programme 2016-2020.

¹⁴⁵ M. Sošić, *Montenegro’s Road Ahead: Infrastructure between EU and China* (April 14, 2021).

¹⁴⁶ V. Đorđević, R. Turcsanyi, & V. Vučković, ‘Beyond the EU as the ‘Only Game in Town’: the Europeanisation of the Western Balkans and the role of China’ *Eastern Journal of European Studies* 12 (2021): 2, 38.

¹⁴⁷ M. Grgić, *Chinese infrastructural investments in the Balkans* (2019), 58.

¹⁴⁸ L. Deron, *Montenegro, China, and the Media* (2021), 5.

¹⁴⁹ V. Đorđević, *Beyond the EU as the ‘Only Game in Town’* (2021), 38.

¹⁵⁰ Barkin, N., & Vasovic, A. ‘Chinese ‘highway to nowhere’ haunts Montenegro’ *Reuters U.S. Markets Article* (July 16, 2018), <https://www.reuters.com/article/us-china-silkroad-europe-montenegro-insi-idUSKBN1K60QX>, accessed on June 16, 2022.

a potential membership distant, and the weak infrastructural state of Montenegro paradoxically did not advance their progress. The EU lost credibility as the main actor for stabilisation in Montenegro and the Western Balkans in general.¹⁵¹ The result was that the Montenegrin government went looking for alternative options to finance their ambitious infrastructural project.

3.2. A Shift towards China

The struggle between Montenegro and the EU came at an opportune time for China, which was looking to invest in large projects in the Western Balkans. China was already present in the region as they had launched several projects as part of the One Belt One Road initiative, which involved them seeking out additional new investments.¹⁵² The relationship between China and the Western Balkan region had historically been more than stable. The connection between former Yugoslavia and China had always been prosperous because of their shared communist past and the Chinese appreciation for Yugoslav non-alignment.¹⁵³ As a result, in their bilateral relationship with China, Montenegro could voice its opinion. They were allowed a ‘‘seat at the table’’, which they were not granted as a candidate state participating in the EU accession process.¹⁵⁴

Moreover, whereas the EU feasibility studies foresaw many problems with the Bar-Boljare highway, such as high construction costs, financial risks and environmental damage, Chinese studies did not.¹⁵⁵ The studies, which were commissioned by the CHEXIM bank and conducted by a Montenegrin economist, were never publicly displayed, making their reliability questionable.¹⁵⁶ Regardless of whether the project was in fact economically sustainable or not, it brought China various benefits. The construction would not only generate income through the loan’s interest but would also create employment opportunities for Chinese workers. Moreover, Chinese influence in the Western Balkans grew through the increased dependency on Chinese funding. If that were not enough to convince Chinese

¹⁵¹ C. Milan, ‘The Importance of Social Movements in Western Balkans’ *The Balkans: Old, New Instabilities* 1 (2020): 1, 133.

¹⁵² M. Grgić, *Chinese infrastructural investments in the Balkans* (2019), 58.

¹⁵³ D. Bechev, ‘Making Inroads: Competing Powers in the Balkans’ *The Balkans: old, new instabilities. A European region looking for its place in the world* 1 (2020): 1, 64.

¹⁵⁴ Ibid.

¹⁵⁵ L. Deron, *Montenegro, China, and the Media* (2021), 5.

¹⁵⁶ Ibid.

investors, Montenegro respected the legitimacy of the Chinese Communist Party and their internationally controversial 'One-China Policy'.¹⁵⁷

In return for the respect for Chinese legitimacy, China did not question the legitimacy of Montenegro's elite.¹⁵⁸ This was a stark contrast with the strings attached to EU financial aid: the political interference through the demand for reform was not something China advocated. The Montenegrin ruling party, the Democratic Party of Socialists (DPS), had reigned with corruptive practices for more than three decades and had its legitimacy questioned by not only the EC's accession reports but also domestically.¹⁵⁹ The DPS could use Chinese investments to bolster its political dominance, hide the fact that its rule of law had been riddled with corruption for decades and conceal its nepotism.¹⁶⁰ Beijing offered an alternative which did not demand a similar standard of governance and labour rights based on long-developed fundamental European values, making large investments less burdensome.¹⁶¹ Chinese non-interference was hence an attractive alternative to the continued scrutiny by the EU.

Additionally, the DPS could use the Chinese investments to present itself as the benefactor of prosperity.¹⁶² The DPS was aware of the sentimental value of the highway project to the Montenegrin society and the lack of progress in the allocation of EU funds did not strengthen their position in domestic politics. The presentation of a partnership with the Chinese displayed a direct and pragmatic approach as it portrayed their intentions to quickly commence the giant project. The loans were swiftly provided through a top-down procedure: the CHEXIM bank is a state-owned institution which made the allocation of large amounts of funds a smooth process.¹⁶³ Another benefit was the interconnection between the financial provider (CHEXIM bank) and the constructor (Chinese infrastructural company CRBC), which allowed for structured coordination of the project and could thus be seen as a valid solution to the public financing problems of Montenegro's infrastructure.¹⁶⁴

Because of Đukanović's approach to China, the 'friendship' between Montenegro and China was emphasised through welcoming overtones.¹⁶⁵ The elite highlighted the positive

¹⁵⁷ V. Đorđević, *Beyond the EU as the 'Only Game in Town* (2021), 37.

¹⁵⁸ Ibid.

¹⁵⁹ Ibid.

¹⁶⁰ Ibid.

¹⁶¹ M. Okano-Heijmans, & D. Lanting, 'Europe's response to China's activism, balancing hope and fear in the new age of global economic governance' *Clingendael Report October 2015* 1 (2015): 1, 44.

¹⁶² Ibid.

¹⁶³ M. Stumvoll, *China's Balkans Silk Road* (2020), 127.

¹⁶⁴ M. Grgić, *Chinese infrastructural investments in the Balkans* (2019), 58.

¹⁶⁵ V. Đorđević, *Beyond the EU as the 'Only Game in Town* (2021), 38-39.

consequences of the cooperation, such as the improvement of infrastructure and technological enhancements.¹⁶⁶ Moreover, the Montenegrin government made sure to publicly display that a Chinese alliance was the best option for a choice of a foreign partner. They did so through the plain recognition of China's role in Montenegrin economic growth, linking the Chinese investments to growth in GDP, public revenue, increased unemployment and fiscal consolidation of public finances.¹⁶⁷ The latter is especially noteworthy, as the giant expenditure of public finances in the shape of the Bar-Boljare highway project ended up skyrocketing Montenegrin public debt. On top of that, the appraisals of the Montenegrin-Chinese partnership overshadowed the local problems that were the product of the alliance: the looming environmental destruction in rural regions was significant and did not receive a similar amount of attention.¹⁶⁸ The drawbacks of the project were covered by a smokescreen of positivity concerning the hailed partnership, allowing the Montenegrin elite to remain in power by retaining a degree of non-transparency on the administration of public funding, especially on a local governmental level. The ability to hold on to a lack of transparency in the rule of law allowed the Montenegrin elite to deter from EU conditionality. Now that they had found the Chinese alternative to EU funding, they made the choice to continue their own legitimisation by concealing the harmful consequences of Chinese investments with the smokescreen that was the Bar-Boljare highway project.

3.3. Implications of the Montenegro-China Partnership

The partnership between Montenegro and China had consequences for not only the Montenegrin economy but also for international relations within the entire Western Balkan region and their EU accession process. The accessibility of two different sources of funding could have proven beneficial by a temporary increase in the reach of Montenegro's public financing, allowing them to fund more ambitious projects and reforms.¹⁶⁹ However, Montenegro was the playing field of the geopolitical game between the EU and China. As the centre of the dispute over influence, whether through political interference by the EU or economic investments by China, Montenegro risked harming their own economic

¹⁶⁶ Ibid.

¹⁶⁷ Ibid.

¹⁶⁸ Ibid.

¹⁶⁹ G. Cotella, *The impact of China's Belt and Road Initiative on the Western Balkan Region* (2021), 180.

performance.¹⁷⁰ Chinese influence took visibly shape through the construction of the Bar-Boljare highway: which could be considered as a literal connection of dots on the imaginary New Silk Road.¹⁷¹ As such, China was merely interested in economic investments and was ignorant of the political implications of the giant projects they started in the Western Balkan region. Montenegro risked becoming a transit region for goods and resources as a result, without actually benefiting enough economically to cover the gigantic fiscal costs.

Not only did the massive loan come at the cost of skyrocketing public debt, but there were additional risks involved. Potential fluctuations in exchange rates could mean that the repayment would turn out more costly than anticipated.¹⁷² The long-term viability of the highway project was another doubt, as the eventual economic yield could potentially not be satisfactory.¹⁷³ Lastly, environmental devastation as the result of overexploitation of natural resources could lead to problems in the future.¹⁷⁴ The Chinese were merely focussed on economic benefits and disregarded the effects on the environment. Although Montenegro valued the economic benefits of the highway project significantly higher than the environmental interests in 2015, the condemnation of environmental sustainability could play a large role in delaying their integration within the EU.

The disregard for the environment was one of the multiple reasons why the Montenegro-China partnership delayed Montenegro's progress as an EU candidate state. The overall character of the partnership conflicted with EU rules and norms, which were so essential to the accession process. The choice by the Montenegrin elite to side with China intensified their reluctance to comply with EU conditions. Subsequently, they used their partnership with the Chinese as a "bargaining chip" in their relationship with the EU, demanding more effective funding and essentially widening the gap to integration within the EU.¹⁷⁵ In turn, the slowing down of the accession process due to Chinese economic influence could spark more instances of de-Europeanisation in the long run.¹⁷⁶

Not only was the Montenegrin refusal to comply with EU conditions enough to delay their progress in the accession process, but the consideration of granting a permanent EU

¹⁷⁰ Cotella, G., & Berisha, E. 'From space in transition to space of transit. Risks and opportunities of EU and China investments in the Western Balkan Region', *Annual Review of Territorial Governance in the Western Balkans* 1 (2019): 1, 21.

¹⁷¹ M. Stumvoll, *China's Balkans Silk Road* (2020), 127.

¹⁷² Ibid.

¹⁷³ Ibid.

¹⁷⁴ G. Cotella, *The impact of China's Belt and Road Initiative on the Western Balkan Region* (2021), 180.

¹⁷⁵ V. Đorđević, *Beyond the EU as the 'Only Game in Town* (2021), 40.

¹⁷⁶ G. Cotella, *From space in transition to space of transit* (2019), 25.

membership to a state with such a strong connection to a potential large geopolitical opponent in the future was worth additional hesitation on the EU's part.¹⁷⁷ Hence, geopolitical interests played a large role in the eventual implications of the highway project in Montenegro.

Whereas China had not publicly displayed any interest in moving its economic investments in Montenegro into the political realm, the partnership inevitably provided China with the tools to interfere in Western Balkan politics if they desired to. On top of that, if Montenegro were to join the EU in the future, China could potentially attain political influence within EU territory. Chinese economic investments in Montenegro also had the ability to overshadow the stakes of Western institutions in the Montenegrin economy.¹⁷⁸

Besides the impact on the three parties of this trilateral relationship, the Montenegro-China partnership also affected the rest of the Western Balkan region. One of the aims of the conditionality of the EU accession process was to increase regional cooperation within the Western Balkans. The Western Balkans is part of the EU hinterland and the improvement of regional coherence was a method of integrating the region within the broad plans for the future of the EU.¹⁷⁹ Therefore, Montenegro's decision to sway towards China has negatively affected their involvement in accomplishing better coherence within the region, and in turn, negatively affected the Europeanisation of the region.

However, it must be noted that the potentially harmful implications of the Chinese partnership on the Europeanisation of Montenegro could actually be limited. It is actually possible for Montenegro to follow both paths, due to the fact that the Chinese investments have so far not functioned as an alternative to EU integration.¹⁸⁰ If the nature of the Montenegrin-China partnership remains purely economic, a decision by the Montenegrin elite to shift towards a more politically transparent approach to the rule of law could allow for more progress within their EU accession process. The absence of transparency has thus far harmed Europeanisation in Montenegro and a more open political posture could lead Montenegro back onto the right track without having to compromise the acceptance of Chinese funding for large infrastructural projects.

¹⁷⁷ Ibid.

¹⁷⁸ M. Grgić, *Chinese infrastructural investments in the Balkans* (2019), 58.

¹⁷⁹ G. Cotella, *From space in transition to space of transit* (2019), 24.

¹⁸⁰ G. Cotella, *The impact of China's Belt and Road Initiative on the Western Balkan Region* (2021), 181.

3.4. Conclusion

The construction of the Bar-Boljare highway in 2015 was considered quintessential to both the economic development of Montenegro and the creation of a stronger national identity as a newly formed state in the Western Balkans. As an EU candidate state, Montenegro was eligible for financial aid in the shape of the IPA packages. Due to the attachment of many political strings to the eventual allocation of funds, of which the demands for transparency of the rule of law were the most important, the Montenegrin elite were reluctant to comply with the proposed conditions. The emergence of China in the Western Balkans offered an alternative source of funding which did not entail the same political scrutiny and was therefore preferred by the semi-authoritarian Montenegrin government. Moreover, the Montenegro-China partnership was hailed to strengthen the domestic position of the Montenegrin elite and overshadow their continuously prevalent corruptive practices. The EU was unable to match the attraction of China's offer due to a lack of Europeanisation as a result of failed conditionality and the reluctance to offer a deal with lower political interference such as China's. The implications of the Montenegrin sway towards China were comprised of risks: the highway project could have detrimental effects on the Montenegrin economy and the existing differences between Montenegro and the EU were exacerbated as European integration became far from being realized.

Conclusion

The European Union played a large role in the choice of the Montenegrin government to agree on an economic partnership with China in 2015. The analysis of the accession reports showed that EU conditionality failed to have the desired effect on Montenegro as a candidate state, which resulted in a low degree of Europeanisation. The conditions of the accession process, which were determined by the European Commission in the Opinion of 2010, were quintessential to the accession process. Montenegro lacked the capacity as well as the willingness to accept the domestic costs that went paired with the implementations of reforms according to the *acquis communautaire*. Moreover, the prospect of membership was not credible due to the EU's enlargement fatigue as a result of the remnants of previous expansion rounds. The analysis of Montenegro's chronological progress throughout the accession process adds onto existing academic debate through an indication that the continued prevalence of corruption and non-transparency was the main obstacle in the way of Europeanisation.

Furthermore, the IPA packages failed to accomplish the desired impact in Montenegro in a similar way to the failure of Europeanisation. The semi-authoritarian Montenegrin government opted to fund the costly Bar-Boljare highway project through an agreement on Chinese investments, rather than choosing to comply with the conditions paired with EU funding. The Chinese alternative allowed the Montenegrin elite to continue their reign with a similar degree of non-transparency as before because they were able to conceal corruption by drawing attention to the economic benefits they claimed to attain through their partnership with China. Because Europeanisation had failed thus far, the EU lacked the influence to sway Montenegro towards integration within the EU rather than defecting towards their potential geopolitical opponent China. This paper has thus elaborated on the novel notion that the EU's outspoken intentions to reform the Montenegrin rule of law and solve the historical problem of corruption worked counterintuitively: they caused Montenegro to deter away from EU integration, making the prospect of EU membership a distant dream. Montenegro's steer towards China exacerbated existing domestic problems in the eyes of the EU: the implications of the partnership were an even higher degree of non-transparency and corruption, as well as potentially detrimental effects on the Montenegrin economy in the future. Nevertheless, the Europeanisation of Montenegro might not be doomed due to the possibility of a fruitful coexistence of a Montenegro-China partnership and Montenegrin progress in the EU

accession process. However, this would require the Montenegrin elite to drastically shift towards a much more transparent rule of law. Only if Montenegro were to comply with the highly valued political norms of the EU, could they break the vicious circle in which non-compliance results in de-Europeanisation and vice-versa.

Whereas the findings in this paper have shed light on Europeanisation in Montenegro and hence on the trilateral relationship between Montenegro, China and the European Union, the results have a limited significance because the intentions of China remain unclear. This research was conducted through the assumption that China wanted to invest in large infrastructural projects in Montenegro, as was indeed part of the One Belt One Road initiative, yet a more thorough elaboration on the potential presence of ulterior motives behind China's actions would allow for a more complete comprehension of the strategic triangle.

On top of that, the potential for generalisation of Montenegro's case for the entire Western Balkans is limited due to the discrepancies between various candidate states in the progress that has been made in the EU accession process. The results of this research showed that conditionality and consequently Europeanisation in Montenegro had thus far failed, and that this development has caused a shift towards China. Whether the accession process played a similar role in China's surging influence in other Western Balkan states is an investigation that could allow for a deeper understanding of the geopolitical status quo in the Western Balkans and could hence be an enlightening continuation of this established link between Montenegro's accession process and the acceptance of Chinese investments.

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