WESTERN BALKANS GEOPOLITICAL SIGNIFICANCE: THE UNITED ARAB EMIRATE’S PERSPECTIVE

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Abstract
The subject of the study is the relationship between entities in the Western Balkans and the United Arab Emirates as a process of adaptation to a new international environment and, consequently, the adoption of new roles and positions. The research question adopted is: What are the new role and the Western Balkans position from the perspective of the dynamics of relations between the countries of this region and the United Arab Emirates? To find an answer to the research question, appropriate scientific measures and methods were adopted, based on the theory of adaptation and international roles, using quantitative and qualitative methods. The answer to the posed research question is the statement that the Western Balkans, from their relations with the United Arab Emirates perspective, achieve a stronger role and position as a connector of strategic North-South transport and energy routes. However, the condition for the long-term increase in the importance of the Western Balkans is anchoring in the membership of the European Union and the Three Seas Initiative (3SI). The answers and the results obtained are significant because the problem under consideration concerns the processes of shaping a new international order. In addition, the presented research paper is innovative and based on original data. Thus, the results of the completed research described in this article set future directions of research focusing on the interdependence of processes taking place in the Western Balkans-Middle East-Caucasus triangle.

Keywords: Western Balkans, United Arab Emirates, Albania, Bosnia and Herzegovina, North Macedonia, Montenegro, Kosovo, Serbia
1. Introduction

All previous enlargements of the European Union have led to the growing importance of the EU as a global actor. In the face of growing challenges, the European Union cannot leave the Western Balkans surrounded by EU Member States and the Three Seas Initiative (3SI) in a vacuum. In addition, the dynamic activity of Turkey and the United Arab Emirates’ in the region shows that the Balkans and the Middle East are interrelated geopolitical areas. There is an interaction between these two regions. The study aims to find an answer to the research question: What is the new role and position of the Western Balkans from the perspective of the dynamics of the development of relations between the countries of this region and the United Arab Emirates? This article focuses on the activity of the United Arab Emirates (UAE) in the Western Balkans, which is again gaining enormous importance in terms of geopolitical significance in the face of the war in Ukraine and the increasing competition of global players in Central and Eastern Europe. The importance of the analyzed problem is significant due to its impact on shaping the new international order. The presented article is an original study. Therefore, the presented research should be of interest not only to researchers but also to practitioners of international relations.

2. Literature Review, Theoretical Framework, and Research Methodology

Presenting the most important earlier research in the area covered by this article, one should mention Orzelska’s doctoral thesis, which explains the changing Balkans’ role and position after the collapse of the bloc system. On the other hand, Lamb, Arkin, and Scudder help to understand the reasons why the UAE changed its support for Bosnia and Herzegovina in favor of Serbia. This issue is detailed in the publication of Lebl, and the analysis by Stojanovski, Marolov, and Ananiev explains the challenges related to North Macedonia. Rustemi, de Wijk, Dunlop, Perovska, Palushi, Oosterveld, Phillips, Roos, Schneider, van Manen, Schermers, Rademaker, and Browne-Wilkinson investigated the activity of external actors in the Western Balkans. Habova draws attention to China’s interests in Central and Eastern Europe. Bartlett, Ker-Lindsay, Alexander, and Prelec highlight UAE’s strategic investment decisions in Serbia. Sydoruk, Yakymchuk, and Avhustiuk analyzed the level of support of Western Balkan societies for the idea of European integration. Wójtowicz presented various strategic cultures of 3SI countries. Serwer linked challenges and wars in the Balkans, the Middle East, and Ukraine. The issue of the role and importance of Kyiv for the United Arab Emirates was raised by the author of the presented study and analyzed in several articles by the countries of the region in the context of their relations with the UAE. The presented paper is an original study that adds to this research, exploring the perspective of the United Arab Emirates in terms of the latest processes taking place in the region.
Contextualizing the study, a literature review helped to identify different views and formulate counterarguments. In this context, one must agree with Rrustemi, et al. (2021) that the United Arab Emirates identifies a long-term commitment to the region due to the diversification of the economy and the need to prepare for a post-oil future. However, it should be added that it also has political goals. Serbia has achieved particular importance for the UAE. However, it is difficult to find justification for the thesis of these researchers that in the long run, it will “cause political conflicts.” One should agree with Bieber and Tzifakis (2019) that the United Arab Emirates primarily plays an influential role in the Western Balkans in the economic dimension. However, one could argue with the argument about the lack of matching political ties. An example contradicting this is the close political and personal relations between the leaders of the UAE and Serbia. To some extent, one can agree with Bartlett, Ker-Lindsay, Alexander, and Prelec (2017, p. 107) that Serbia’s political and investment partnership with the UAE has the dimension of strengthening its negotiating position with the European Union. However, this does not preclude the continuation of strategic relations between Abu Dhabi and Belgrade after it accedes to the EU.

As noted by Orzelska-Stączek (2019, p. 150), the theory of realism emphasizes that small states, thanks to international cooperation and participation in institutional structures, have a significant impact on international decisions and processes. In this way, they have the means to limit the power of strong states. The theory of realism was an important determinant in conducting this research, also considering the theory of political adaptation and the theory of international roles. Political adaptation theory is a mid-range model that encompasses many paradigms of theory in international relations. The state can adopt three adaptive attitudes, passive, yielding, and creative. The United Arab Emirates conducts foreign policy as part of a creative adaptation, actively influencing the Western Balkans. The appropriate role assumed by the UAE, depending on the state of the region, enables the shaping of international relations by the national interest (Conway & Feigert, 1987, pp. 136-139). As Keohane (2012, p. 19) emphasizes, the UAE’s place and role in international relations is the result of interaction and mutual influence. The theory of international roles was also used, which allows the use of various methods, supporting the descriptive, explanatory, and predictive dimensions (Walker, 1987, p. 43).

In this study, both quantitative and qualitative methods were applied. For the former, the numerical parameters related to the relations between the six entities of the Western Balkans and the United Arab Emirates since 2010, before the start of the so-called Arab Spring, the number of visits by heads of state, government, and ministers responsible for foreign and economic affairs, was considered. These data were compared with data on trade dynamics and
subjected to statistical analysis. Qualitative research methods from the empirical case study presented in the fourth part enabled a deeper explanation of the studied phenomena presented in the next part. In addition, the author applied participatory observation based on personal involvement in the research processes, including as ambassador to the United Arab Emirates and then senior adviser to the UAE’s minister of state for international cooperation for Dubai Expo 2020, as well as responsibility for the dynamization of relations between the United Arab Emirates Arab and Western Balkans.

3. Western Balkan Countries, UAE, and its Perceived Power

Western Balkans is a term adopted in the European Union for six countries of South-Eastern Europe covered by the EU’s enlargement policy, i.e., Albania, Bosnia and Herzegovina, Montenegro, Kosovo, North Macedonia, and Serbia. These countries are based on ethnically, linguistically, and religiously diverse societies. There are similarities between many of the nations of the Balkans and the Middle East due to being part of the history of the Ottoman Empire, which encompassed a multi-sectarian and multi-ethnic territory (Serwer, 2019, p. 117). The Western Balkans region currently covers almost 19 million people with different population sizes (Figure 1), territories (Figure 2), GDP (Figure 3), and the size of the armed forces of individual countries (Figure 4) defined as perceived state power, which can be expressed by the formula $P_p= C+E+M$, where $C$ is a critical mass (population and territory), $E$ shows GDP as economic capacity, and $M$ stands for the number of soldiers in active service.

Figure 1. Population

![Population Chart]

Source: Author’s study based on data from government institutions.
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Figure 2. Territory Area

![Territory Area Diagram]

Source: Author’s study based on data from government institutions.

Figure 3. GDP

![GDP Diagram]

Source: Author’s study based on data from government institutions.
By contrast, when comparing the UAE with the Western Balkan states, the United Arab Emirates is slightly smaller than Serbia, with a population like that of Serbia and Albania combined. However, the number of soldiers in active service is more in the UAE than in all Western Balkan countries by about 25%. When analyzing GDP, there is an enormous difference between the United Arab Emirates and the Western Balkan countries (Figure 5).

Figure 4. Military Capability

![Military Capability Chart]

Source: Author’s study based on data from government institutions.

Figure 5. GDP: Western Balkan Countries and UAE

![GDP Chart]

Source: Author’s study based on data from government institutions.
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4. Western Balkans Countries’ Bilateral Relations with the United Arab Emirates

The increased activity of the UAE in the Western Balkans was evident in June 2009, when the foreign minister of the United Arab Emirates visited Albania, Bosnia and Herzegovina, Montenegro, and FYROM (North Macedonia), where cooperation was discussed in areas of the economy, tourism, cultural, agricultural, and educational issues, energy, and IT. In October 2010, the UAE opened an embassy in the capital of Montenegro, the first in the Western Balkans (Table 1).

Table 1. Relations between Western Balkans Countries and UAE

<table>
<thead>
<tr>
<th>Country</th>
<th>Diplomatic relations established</th>
<th>Embassy opened in UAE</th>
<th>UAE Embassy opened</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>1992</td>
<td>2010</td>
<td>Greece</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>1993</td>
<td>1994</td>
<td>Italy</td>
</tr>
<tr>
<td>Montenegro</td>
<td>2008</td>
<td>2010</td>
<td>2010</td>
</tr>
<tr>
<td>North Macedonia</td>
<td>1996</td>
<td>2014</td>
<td>Italy</td>
</tr>
<tr>
<td>Kosovo</td>
<td>2008</td>
<td>2018</td>
<td>Montenegro</td>
</tr>
<tr>
<td>Serbia</td>
<td>2007</td>
<td>2013</td>
<td>2014</td>
</tr>
</tbody>
</table>

Source: Author’s study based on data from government institutions.

On the other side of the balance, Albania has been a member of NATO since 2009, Montenegro since 2017, and North Macedonia since 2020. This is of geostrategic importance in the Mediterranean basin.

4.1. UAE and NATO Member States

4.1.1. Albania

Between 2009 and 2013, the United Arab Emirates provided relief grants and loans to the Western Balkan countries for about USD 61 million, with Albania and North Macedonia receiving most of the money. These funds have supported a variety of projects, such as the construction of Sheikh Zayed Airport in Kukës, Albania. Another example is the Tirana-Elbasan Road project, for which the Abu Dhabi Fund for Development (ADFD) provided Albania with a € 36.7 million concession loan. The UAE was also the second non-EU donor (Rrustemi et al., 2019, p. 41). In June 2010, the foreign minister of the UAE, while in Albania, opened the Kukës Shaikh Zayed bin Sultan Al Nahyan Airport. In January 2012, deputy prime minister and Minister of foreign affairs Edmond Haxhinasto paid an official visit to the United Arab Emirates, where investments in Albania were discussed, including renewable energy, water, mineral resources, and tourism. The Emirati side reaffirmed its continued commitment to recognition of Kosovo’s independence. In July 2013,
during the visit of the deputy prime minister, minister of foreign affairs Edmond Haxhinasto in the UAE, an agreement on economic cooperation was signed, establishing a Joint Economic Committee.

In March 2014, the minister of foreign affairs of the United Arab Emirates, HH Sheikh Abdullah bin Zayed Al Nahyan met with the country’s leaders in Albania to discuss the prospects for joint activities and partnership opportunities in various sectors, mainly in the field of investments in infrastructure, tourism, agriculture, and energy (MOFAIC, 2014a). In April 2015, Albanian prime minister Edi Rama, during his visit to the UAE, called for direct investment in his country, noting the ongoing consultations with DP World in this respect. Consequently, in October, an Emirati economic delegation headed by energy minister Suhail bin Mohammed Faraj Faris Al Mazroui visited Albania (MOFAIC, 2015a). In October 2017, Albanian prime minister Edi Rama visited the UAE again, where deepening relations in the tourism, commercial, industrial, and infrastructure sectors were discussed (MOFAIC, 2017a). In November 2018, HH Sheikh Abdullah bin Zayed Al Nahyan, minister of foreign affairs and international cooperation, met Ditmir Bushati, minister of foreign affairs of Albania, where a Memorandum of Understanding on political consultations was signed (MOFAIC, 2018a). In February 2020 (MOFAIC, 2020) and again in November of the same year, the prime minister of Albania, Edin Rama, visited the United Arab Emirates (Mohamed, 2020). In March and October 2022, the prime minister of Albania visited the UAE again (Nashar & Mohamed, 2022). A few months later, in February 2023, the prime minister once again came to the United Arab Emirates, participating in the World Governance Summit in Dubai (Nashar, 2023). The following month, the Albanian foreign minister visited the UAE.

4.1.2. Montenegro

Montenegro, regaining independence in 2006, established diplomatic relations with the United Arab Emirates on April 4, 2008. Subsequently, in June 2009, the UAE foreign minister Sheikh Abdullah bin Zayed Al Nahyan paid his first official visit to Montenegro. In 2010, several important events took place; in April in Tallinn, on the sidelines of an informal meeting of foreign ministers of NATO member states and other countries participating in the ISAF mission, foreign ministers met, and in September, during the 65th session of the UN General Assembly in New York. In the same year, both countries established Embassies and appointed Ambassadors. The following year, in April, the minister of foreign affairs and European integration, Milan Roćen, paid an official visit to the United Arab Emirates. In October, the UAE’s minister of economy Sultan bin Saeed Al Mansouri came to Montenegro, where agreements on air transport, and economic cooperation were signed. In January 2013, the prime minister of Montenegro, Milo Đukanović, visited the United
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Arab Emirates, in June, the UAE’s minister of economy, and in December, HH Sheikh Mohamed Bin Zayed Al Nahyan visited Montenegro. In March 2014, the UAE’s minister of foreign affairs visited Podgorica, where an agreement was signed on the mutual exemption from visa requirements for holders of diplomatic and special passports, and a Memorandum of Understanding (MoU) on political consultations (MOFAIC, 2014b), and in May prime minister and minister of foreign affairs and European integration Igor Lukšić visited the UAE.

2017 was a year of enormous dynamics of high-level visits. In January the president of Montenegro visited the UAE, where, in addition to bilateral meetings, he participated in the energy summit as part of the Sustainable Development Week (MOFAIC, 2017b). In July, the minister of foreign affairs and international cooperation, Sheikh Abdullah bin Zayed Al Nahyan met with the leaders of Montenegro in Podgorica (MOFAIC, 2017c), and in October Srdan Darmanović visited the UAE. In November, the Flydubai inaugural flight from Dubai to Podgorica (TGD) took place. On September 1, 2018, HH Sheikh Hamdan bin Zayed Al Nahyan, the representative of the ruler in the Al Dhafra region, paid a visit to the UAE (MOFAIC, 2018b). In January 2019, Montenegrin President Milo Đukanović visited the United Arab Emirates and took part in Sustainable Development Week in Abu Dhabi (MOFAIC, 2019a). In November of the same year, President Milo Đukanović again came to the UAE to discuss the growth of investment in Montenegro in tourism, real estate, and energy. During the visit, agreements in the field of tourism and culture were signed (MOFAIC, 2019b). In March 2020, the second meeting of the Joint Economic Committee, chaired by the ministers of the economy of both countries, took place in Dubai. The parties agreed to strengthen cooperation in trade, investment, agriculture, food security, renewable energy, transport, entrepreneurship, start-ups, and innovative industries. The UAE minister stressed that the United Arab Emirates’ economic plans are aimed at making Montenegro a key trading partner in the Balkan region and that the UAE will be the country’s main gateway to Arab markets (Alfaham, 2020). The minister of economic development of Montenegro, Jakov Milatović, returned to the UAE in July 2021, where the parties agreed to strengthen cooperation in the areas of trade, investment, agriculture, renewable energy, transport, entrepreneurship, small and medium-sized enterprises (SMEs), innovation, science, creative industries, and tourism. They also decided to establish a joint business council. In addition, ministers underlined that they would encourage public and private actors in their countries to seek investment opportunities, especially in land and sea transport and logistics (Saleh & Bashir, 2021). A few months later, in February 2022, Montenegrin Minister of economic development Jakov Milatović arrived in Dubai, where he called on Emirati business leaders, investors, and companies to invest in Montenegro, especially
in the areas of infrastructure, ports, energy, tourism, and agriculture (Alfaham & Bashir 2022).

In Montenegro, the UAE is considered the most significant investor from the Gulf states. According to 2017 data from the Central Bank of Montenegro, the United Arab Emirates invested €92.8 million, mainly in businesses and banks, real estate and construction, and the tobacco industry. Moreover, in 2016, the UAE contributed €21.3 million in foreign direct investment to the Montenegrin economy and was preceded only by Russia among non-Western external influences in the region. Their projects include the €140 million Capital Plaza Centre in Podgorica, Porto Montenegro, the home port of luxury yachts, and a marina village in Tivat (Alfaham & Bashir 2022). In addition, the Emirates-based consortium Nirvana has expressed great interest in investing in the coastal city of Ulcinj in Montenegro (Rrustemi et al., 2019, p. 42).

4.1.3. North Macedonia

Macedonia gained independence in 1991. However, the opposition of the Greeks to the name of the state due to the northern Greek province of the same name hampered the process of Euro-Atlantic integration. Macedonia’s membership in NATO was initially blocked by Greece at the NATO Summit in Bucharest in 2008 (Stojanovski, Marolov & Ananiev, 2014, pp. 308-309). In April 2008, the minister of foreign investment of Macedonia, Gligor Tashkovich, paid a visit to the United Arab Emirates. In May 2009, UAE foreign trade minister Shaikha Lubna bint Khalid Al-Qasimi arrived in North Macedonia, and in June, the minister of foreign affairs, Sheikh Abdallah Bin Zayed Al Nahyan came. A notable investment by an Emirati company in North Macedonia was that of Flydubai, which entered the North Macedonian market in 2012, using government subsidies to airlines to provide cheap flights from Skopje to Dubai. Moreover, the UAE is also interested in investing in North Macedonia’s agricultural sector. Consequently, in June 2013, the UAE’s minister of economy, Sultan bin Saeed Al Mansouri, arrived in North Macedonia, and in May 2014, the minister of foreign affairs, Nikola Poposki, visited the United Arab Emirates. In October 2015, during the visit of Macedonian prime minister Nikola Gruevski to the UAE, a double tax avoidance agreement was signed.

In February 2021, during a two-day visit to the United Arab Emirates, foreign minister Bujar Osmani encouraged the intensification of economic cooperation through greater collaboration between chambers of commerce and the private sector, as well as North Macedonia’s participation in EXPO 2020 Dubai. In addition, the parties signed the Agreement on Mutual Protection of Investments and the Memorandum on Political Consultations between ministries of foreign affairs (North Macedonia MFA, 2021a). In April, the first
founding meeting of the Working Group of North Macedonia and the United Arab Emirates was held using online platforms. The purpose of this expert bilateral working group is to strengthen economic relations, establish and implement all investment opportunities in both countries, and then increase the volume of bilateral trade and encourage the development of tourism, agriculture, and food production that could be exported to the UAE. Interest in real estate investments was also expressed. The United Arab Emirates has expressed interest in investing in the renewable energy sector, primarily wind turbines, solar energy, and hydroelectric power plants. North Macedonia considers the UAE a strategic economic partner in the region (North Macedonia MFA, 2021b). In October 2022, the prime minister of North Macedonia, Dimitar Kovačevski, visited the UAE (Nashar & Hazem, 2022). In March 2023, a working visit was made to the UAE by the president of North Macedonia, Stevo Pendarovski (Saleh & Aamir, 2023).

4.2. UAE and Non-NATO Member States

4.2.1. Bosnia and Herzegovina

On February 15, 2016, Bosnia and Herzegovina (BiH) applied for membership in the European Union. This was the result of a new political strategy that the European Union introduced in 2014, aimed at unblocking the BiH integration process and encouraging local elites to accelerate the reform process. Despite the formal application to the EU, Bosnia and Herzegovina’s main internal problems remain. The country’s system of presidency, a three-person body (a Bosnian, a Croat elected from the Federation, and one Serb from Republican Srpska), who jointly act as the head of state, does not support effective state governance. In the first years of independence of the 1990s, there were many visits by Bosnia and Herzegovina’s leaders to the UAE. In 1992, both the president of the Presidency of BiH, Alija Izetbegović, and the prime minister of Bosnia and Herzegovina paid visits to the UAE (Embassy of Bosnia and Herzegovina, 2021). The following year, foreign minister Irfan Lubijankić visited the UAE. In 1995 prime minister Haris Silajdžić paid a visit to the UAE. Dr. Alija Izetbegovic, former president of Bosnia and Herzegovina Republic, was named Islamic Personality of the Year by the Dubai International Holy Quran Award at a ceremony held on December 5, 2001 (Al Ras, 2001). The UAE demonstrated significant support to Bosnia and Herzegovina at the end of the 20th century (Lamb, Arkin, & Scudder, 2014, p. 26).

The 21st century has lowered interest in Bosnia and Herzegovina by the UAE. However, in May 2002, foreign minister Zlatko Lagumdžija arrived in the United Arab Emirates. In 2006, two high-level visits to the UAE took place: in January Chairmen of Bosnia and Herzegovina Council of Ministers Adnan Terzic, and in February, Minister of Justice Slobodan Kovač. In March
2013, Zlatko Lagumdžija, deputy chairman of the council of ministers and minister of foreign affairs, visited the United Arab Emirates. In January 2015, foreign minister Zlatko Lagumdžija visited the UAE. Deputy prime minister and Minister of foreign affairs of Bosnia and Herzegovina Bisera Turković paid an official visit to the United Arab Emirates in March 2021 to discuss fighting the effects of the pandemic and strengthening economic cooperation.

UAE investments in Bosnia and Herzegovina include the construction of the tourist town of Buroj Ozone, near Sarajevo. The project is particularly noteworthy as it cost USD 2.5 billion, equivalent to 15% of Bosnia’s GDP. It makes the United Arab Emirates the third major investor. However, the project was considered controversial due to long construction delays and high real estate prices (Rrustemi, et al., 2019, p. 41).

4.2.2. Kosovo

In 1999, the United Arab Emirates was one of the first non-NATO countries to express support for NATO operations. The UAE maintained nearly 1,500 peacekeepers and special operations troops in Kosovo. The United Arab Emirates was the only Muslim country to offer participation in the Kosovo Forces, and their involvement was the first deployment of UAE forces outside the Middle East region. In the years 1998-2008, the aid provided to Kosovo by the authorities of the Red Crescent of the United Arab Emirates alone provided USD 34 million. At the time, it was the largest international humanitarian mission in the history of the UAE.

United Nations Security Council Resolution 1244 (1999) placed Kosovo under an interim administration, the United Nations Interim Administration Mission in Kosovo (UNMIK), pending the determination of Kosovo’s future status. The UN-led process began in late 2005 to determine the final status of Kosovo. On February 17, 2008, the Assembly of Kosovo declared the country’s independence. The increased dynamics of high-level visits have been visible for ten years. In January 2013, the first deputy prime minister of Kosovo Behgjet Pacolli paid a visit to the UAE. In June of the same year, UAE Minister of Economy Sultan Al Mansouri visited Kosovo. In March 2014, in Kosovo, foreign ministers signed a cooperation agreement on air transport services, and the two sides agreed on the joint opening of embassies and plan to hold a forum for businessmen in Abu Dhabi to explore investment opportunities in Kosovo (MOFAIC, 2014c). In April of the same year, the president of Kosovo Atifete Jahjaga visited the UAE. In January 2016, the president of Kosovo paid another visit to the United Arab Emirates, taking part in Abu Dhabi Sustainability Week. In bilateral talks, the two sides discussed international efforts to launch clean and renewable energy initiatives and projects (MOFAIC, 2016a). In September of the same year in the UAE, foreign ministers signed a memorandum on political consultations (MOFAIC, 2016b).
In April of the following year, minister of foreign affairs, and international cooperation HH Sheikh Abdullah bin Zayed Al Nahyan visited Kosovo (MOFAIC, 2017d). Subsequently, in January 2018, the first deputy prime minister and minister of foreign affairs of Kosovo Behgjet Pacolli paid a return visit to the UAE, where he also took part in the international conference entitled “The New Nexus: Diplomacy, Security, and the Digital State” (MOFAIC, 2018c). In May, Kosovo’s president Hashim Thaçi inaugurated his country’s embassy in UAE (MOFAIC, 2018d). In the same year, Kosovo’s minister of economic development Valdrin Lluka met with senior political officials in the United Arab Emirates to discuss investments in energy, mining, and water. In March 2019, Kosovo’s first deputy prime minister Bexhet Pacolli visited the UAE again. In April 2023, UAE Minister of foreign affairs and international cooperation Sheikh Abdullah bin Zayed Al Nahyan visited Kosovo, where they exchanged views with the country’s leaders on the situation in the Balkans and important regional and global events (Mohamed & Saleh, 2023).

4.2.3. Serbia

The dynamic development of relations between the UAE and Serbia was initiated in 2012 by mutual visits at the highest level led by the crown prince of Abu Dhabi, HH Sheikh Mohammed bin Zayed Al Nahyan, and prime minister Aleksandar Vučić, resulting in concrete agreements. In 2012, Al Dahra Agricultural Company, owned by the United Arab Emirates, formed a joint venture with the Serbian government to develop 9,000 hectares of farmland in the northern province of Vojvodina. The Abu Dhabi Fund for Development granted a USD 400 million loan to the Serbian government for the development of agriculture and signed an agreement on long-term joint investments in state farms. In return, the Serbian government guaranteed food exports to the United Arab Emirates. The same year in October, the first deputy prime minister A. Vucic visited the UAE. During a visit to Serbia in January 2013, the crown prince of Abu Dhabi, HH Sheikh Mohammed Bin Zayed Al Nahyan, signed an agreement to avoid double taxation on income. At that time, Arabtec Holding, a construction company partly owned by the Aabar investment fund from Abu Dhabi, announced that it would open a regional headquarters in Belgrade to begin its expansion into the Balkans. Aabar belongs to the International Petroleum Investment Company, owned by the United Arab Emirates government. In February, the first deputy prime minister Vučić visited the UAE again. Subsequently, in August of the same year, the government of Serbia and the airline Etihad from the United Arab Emirates signed a strategic partnership in Belgrade, which provides for the liquidation of Jat Airways and the subsequent creation of a new airline, Air Serbia. In October, first deputy prime minister Aleksandar Vučić returned to the UAE, where Abu Dhabi’s strategic state-owned investment company, Mubadala Development, signed an
agreement with the Serbian government to identify investment areas in aerospace, telecommunications, renewable energy, and semiconductors. In March 2014, the minister of foreign affairs of the United Arab Emirates arrived in Serbia. The parties signed agreements on air service, the reciprocal exemption from pre-entry visas for holders of diplomatic passports, and the establishment of a joint committee (MOFAIC, 2014d). In addition, in 2014, both countries agreed to intensify cooperation between security and defense agencies and signed a defense cooperation agreement, and the Emirates acquired Serbian military technology. One such example is the jointly developed Advanced Light Attack System (ALAS), a land-based anti-ship missile that was successfully tested by the UAE Navy in 2015 (Bartlett et al., 2017).

In April 2015, Mohamed Alabbar, president, and board member of Emaar Eagle Hills, signed a contract with the Serbian government to redevelop the 1.8 million square meter site. The project includes a 140,000-square-meter shopping center that will be the largest in the Balkans, 5,700 homes for 14,000 people, eight hotels, and a 200-meter tower. Construction has been planned for 30 years. Eagle Hills owns 68% of the project, and the Serbian government owns the remaining 32%. The Serbian government granted Eagle Hills a 99-year lease on the land, in return for which the investor agreed to provide €150 million in cash investment and €150 million in loans, and a further €130 million for land purchase and landscaping. The construction inauguration took place on September 29, 2015 (Bartlett et al., 2017, pp. 13-15). In September, Serbian prime minister Aleksandar Vučić visited the UAE (MOFAIC, 2015b). A few months later, in January 2016 (MOFAIC, 2016c) and again in May 2017, Serbian President Tomislav Nikolić arrived in the United Arab Emirates (MOFAIC, 2017e). In June, the Crown Prince of Abu Dhabi, HH Sheikh Mohamed bin Zayed Al Nahyan, visited Serbia (MOFAIC, 2017f). During the visit, the new UAE Embassy in Belgrade was opened, and two agreements were signed, on cooperation in security and combating terrorism, and on the recognition of driving licenses (MOFAIC, 2017g). In November 2017, Serbian foreign minister Ivica Dačić visited the UAE, where the two sides signed an agreement on the establishment of a joint committee for consular affairs (MOFAIC, 2017h). At the end of the month, Serbian President Aleksandar Vučić paid a visit to the UAE (MOFAIC, 2017i).

In September 2018, the first deputy prime minister and minister of foreign affairs of Serbia, Ivica Dačić, paid a visit to the United Arab Emirates, where he opened a new building of the Serbian Embassy in Abu Dhabi (Embassy of the Republic of Serbia, 2021). At the end of the month, on the 73rd session of the United Nations General Assembly, the foreign ministers of both countries met and announced work on a Strategic Partnership Agreement (MOFAIC, 2018e). In December, the president of Serbia Aleksandar Vučić
visited the UAE (MOFAIC, 2018f). In April of the following year, the first ministerial meeting of the UAE-Serbia Joint Committee took place in Belgrade, where the two sides discussed several promising investment models for the Emirati business sector in Serbia, including Al Dahra’s investment in the agri-food sector, as well as the Eagle Hills investment in the Belgrade Waterfront Project and Masdar’s investment in Tesla Wind Power Generation. They also discussed the role of the Khalifa bin Zayed Al Nahyan Foundation in providing development assistance to leading projects in Serbia. Emirati investments in Serbia amounted to around USD 4 billion through direct investment and strategic partnerships in several sectors (MOFAIC, 2018g). In April 2019, the first meeting of the Joint Cooperation Committee was held. In March 2021, the president of Serbia, Aleksandar Vučić, visited the UAE once again to strengthen ties with, among others, in the areas of investment, economy, trade, science and technology, food security, agriculture, renewable energy (MOFAIC, 2021). In September 2022, the Serbian president visited the United Arab Emirates again. In October, the president of the UAE, HH Sheikh Mohamed bin Zayed Al Nahyan, came to Serbia, and in January 2023, the minister of foreign affairs, and international cooperation of the UAE, HH Sheikh Abdulla bin Zayed Al Nahyan, paid a visit to Belgrade. The next month, Serbian President Aleksandar Vučić arrived in the United Arab Emirates. In April, the UAE’s minister of foreign affairs and international cooperation paid a working visit to Belgrade to discuss cooperation under the Comprehensive Strategic Partnership (Saleh, 2023).

5. The Discussion of Research Results
The analyzed case studies based on statistical data show that since 2010 the greatest dynamics of top-level visits have been observed between the UAE and Serbia, and the smallest with North Macedonia. Montenegro also showed a high dynamic of relations (Figure 6). However, trade does not reflect the same dynamics. The research results show that North Macedonia, despite the lowest dynamics of top-level political visits, has achieved the highest dynamics and
Figure 6. Top Level Visits

Source: Author’s study based on data from government institutions.

level of trade with the United Arab Emirates since 2018 (Figure 7). Thus, often decisions on deepening relations with a given country, the UAE are primarily of a geopolitical nature.

Figure 7. Trade Exchange with the UAE in USD millions

Source: Author’s study based on data retrieved February 15, 2023, from https://www.moec.gov.ae/en/uae-trade-relation-dashboard

5.1. Changing the perception of the United Arab Emirates

Perception is essential for making a choice and influences adaptation processes. In turn, it shapes the role and position of the state. During the 1992-1995 war in Bosnia and Herzegovina, the UAE provided financial support to Bosnian Muslims in their fight against Bosnian Serbs supported by neighboring
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Serbia. In addition, the United Arab Emirates supported the NATO campaign and sent troops to Kosovo as part of the KFOR peacekeeping mission. Ten years later, when Kosovo declared independence in 2008, the UAE became the first Arab country to recognize Kosovo, leading to Serbia severing newly established diplomatic ties. However, in 2013, after the visit of the Crown Prince of Abu Dhabi, HH Sheikh Muhammad bin Zayed Al Nahyan, relations underwent a complete change (Karcic, 2020). At that time, the UAE’s perception of the Western Balkans changed.

The United Arab Emirates has been involved in the Western Balkans for 25 years, starting with the wars in Yugoslavia. Based on oil, the UAE seeks economic diversification by becoming a major investor in the Western Balkans region while maintaining significant political and military relations. Thus, the role and position of the United Arab Emirates are changing to a more comprehensive one from the economic, security, military, social, and political spheres. This changing dynamic raises questions about the role that the country can play in the Western Balkans region after its integration with the European Union and becoming part of the Three Seas Initiative and the ongoing NATO enlargement process. The current influence of the United Arab Emirates in the Western Balkans region is exerted mainly through investments in prestigious real estate projects, such as Belgrade Waterfront in Serbia, as well as through investments in local air carriers (Rrustemi et al., 2019, p. 37).

The UAE’s current economic involvement in the region is significant, being highest in Serbia, followed by Montenegro, Bosnia and Herzegovina, Albania, North Macedonia, and Kosovo. The change in the perception of the UAE largely resulted from the pragmatic view of the new Serbian government in 2012 on the issue of Kosovo and potential investment partners from the Persian (Arab) Gulf. This was due to Serbia’s very difficult economic situation and its renewed commitment to join the European Union (Bartlett et al., 2017, pp. 19-21). UAE investments are significant because they are an alternative to EU funds, and numerous ambitious construction projects clearly accelerate the modernization of cities and economies in the region. These investments serve as the basis for the UAE’s activities in other spheres of influence. The United Arab Emirates plays a significant role in political contexts mainly in Serbia and to a lesser extent in Albania, Montenegro, and Kosovo. This is partly due to their economic influence and partly to close relations with the leaders of individual countries in the region.

The UAE’s approach to the Western Balkans has changed drastically since the 1990s. Currently, Serbia is the United Arab Emirates’ most important ally in the region. Recognizing Kosovo as an independent state in 2008, the UAE risked relations with Serbia. However, contrary to expectations, it led to a strategic partnership with Belgrade while strengthening the United Arab Emirates’ relations with Kosovo. In March 2014, the Abu Dhabi Department
of Finance signed a USD 1 billion (€750 million) loan deal with Serbia to support the Serbian economy and create new investment opportunities for both countries. While aid has been a significant feature of the UAE’s involvement in the Western Balkans, there has also been an increase in commercial investment. In some cases, they resulted directly from foreign aid. In Montenegro, for example, Abu Dhabi Financial Group (ADFG) has built Capital Plaza in the center of the capital Podgorica, comprising retail, business, hotel, and residential space. In the meantime, ADFG has amassed a 600,000 square meter land bank in Serbia, Bulgaria, and Montenegro and plans to develop further projects worth €500 million in the coming years in these countries of South-eastern Europe, including housing projects on the coast of Montenegro. At the same time, Buroj Property Development of Dubai announced plans to invest €4.3 billion over the next eight years to build a luxury tourist resort near Sarajevo, Bosnia, and Herzegovina. The development will cover 1.3 million square meters of land and include thousands of apartments, hotels, and the largest shopping center in the country, creating 10,000 jobs and contributing to the development of the Bosnian tourism industry (Bartlett et al., 2017, p. 10).

Long-term UAE influence trends reveal upward trends for Albania and Serbia and downward trends for Montenegro and Bosnia and Herzegovina. The UAE’s historical ties to Bosnia and Herzegovina are clear due to their support for Bosnian Muslims during the Yugoslav wars. However, since 2004 there has been a significant decrease in impact. In turn, the position of the UAE in Albania has increased significantly since 2010. This impact is largely observed in the economic sphere due to the improvement of trade relations. This is due to Albania’s relatively small economy compared to Bosnia and Herzegovina, and Serbia, which have the most intense economic, political, and security relations with the UAE, largely due to heavy economic investment (Rrustemi et al., 2019, p. 39).

5.2. Geopolitical Counterbalance

After the collapse of the Cold War and the bloc system, Yugoslavia lost its geopolitical role and position as a buffer state, ensuring a balance between NATO and the Warsaw Pact (Orzelski, 2002, p. 8). The Bosnian war gave al-Qaeda an enormous boost, both in terms of organization and recruitment, and helped to radicalize European Muslims. Many of them, were recruited based on depictions of suffering Bosnians. Some went to Bosnia to help or fight and thus met foreign jihadists. Their acquired combat skills were also used against European and American targets. Since the end of the war in 1995, Bosnian veterans from various countries have been involved in terrorist activities in countries around the world. The most well-known initiatives in the fight against terrorism were the IFOR raid in 1996 on the Iranian-run terrorist training camp
in Podgorica (Lebl, 2014, p. 8). However, this operation did not lead to its complete breakdown. Both the Iranian Ministry of Intelligence and national security (VEVAK) and the Islamic Revolutionary Guards Corps (IRGC) remained present in Bosnia. Following the July 2012 terrorist attack on Bulgaria’s Burgas airport, international attention focused on possible Hezbollah threats elsewhere in the Balkans. However, the 2013 Congressional Research Service report on Bosnia makes only a brief mention of terrorism, and reports from the US State Department and the EU suggest that the level of terrorism in Bosnia is no greater than in other parts of Europe. Almir Džuvo, director of the Intelligence and Security Agency of Bosnia and Herzegovina (OSA), estimated that there were 3,000 potential terrorists in Bosnia out of almost four million inhabitants (Lebl, 2014, pp. 10-11). More than 200 Iranian agents infiltrated Bosnian political and social circles as well as the US military program “Train and Equip.” The purpose of these agents was to sow conflicts between Bosnians and Croats and to turn Bosnian leaders against the West. Subsequently, moderate political parties won the national elections, and Munir Alibabić, a high-ranking Bosnian security expert known for opposing al-Qaeda and Iranian influence, became head of the Federation Intelligence and Security Service (Lebl, 2014, p. 25).

In recent years, Turkey has used its relative economic strength to build its influence in the Balkans. Trade with these countries has increased, as has investment in Bosnia. Turkish companies have built the largest university campus in the Balkans in Ilidža, a suburb of Sarajevo. This development is more visible considering the lack of noticeable investments from Europe or the United States in Bosnia. Turkish diplomats also actively sought reconciliation between the Balkan countries (Lebl, 2014, p. 33). In Bosnia and Herzegovina, Bakir Izetbegović, the leader of a major Bosnian Muslim political party and a member of the tripartite presidency for two terms, is widely perceived as having close ties to Turkish President Recep Tayyip Erdogan. Many of the Bosnian Muslim upper echelons have close ties to Turkey as well as members of the Egyptian Muslim Brotherhood in Bosnia, which is considered a terrorist organization by Abu Dhabi. Bosnia’s cordial relations with Qatar are also evident, as exemplified by Al Jazeera’s regional headquarters in Sarajevo. For the UAE, as for Turkey, the presence in the Balkans is interesting because Serbia connects the Balkans with Central Europe, Romania, and Bulgaria connect with the Black Sea, and Bosnia, Montenegro, and Croatia connect with the Adriatic Sea (Karcic, 2020). As of 2019, Serbia is Turkey’s largest trading partner in the Western Balkans. The number of Turkish companies operating in Serbia has increased from 130 in 2015 to 800 in 2020, employing over 8,000 people. Turkish investments in Serbia have increased from USD 1 million in 2011 to USD 200 million today. In 2008, their annual trade turnover amounted to €340 million, and in 2019 it exceeded USD 1 billion. Serbia has never had
better relations with Turkey in its recent history (Karcic, 2020). Between 2010 and 2019, the UAE was the fourth largest source of net foreign direct investment in Serbia behind the EU, Russia, and China. Serbian president Aleksandar Vučić is trying to revive Yugoslav leader Josip Broz Tito’s non-aligned approach to foreign affairs by courting all the world’s major actors. For Serbia, important players from outside the West are the United Arab Emirates, Turkey, China, and Russia, which, however, have fewer and less effective tools to influence the Western Balkans. Beijing treats this region “as a regional base for infrastructural projects to connect China with Western Europe” (Lachert, 2018, p. 6). Especially after the launch of the Belt and Road Initiative (BRI) in 2013, Central and Eastern Europe (CEE) has become a significant geopolitical area for China’s interests. The Western Balkans countries, except for Kosovo, have become part of the CEE cooperation with China under the 16+1 (17+1 since April 2019), in which Beijing has started to invest (Habova, 2021, pp. 186, 191).

The geopolitical dimension of the Emirates’ involvement in the region is perceived as a counterbalance to Russian, and especially Turkish and Qatari, influence in the region. By cultivating ties with Serbian elites and developing a convergence of geopolitical and economic interests, the UAE wants to strengthen its position in the Western Balkans. For a new player, the UAE has been relatively successful in consolidating its presence in Serbia and Montenegro in such a short time. However, in the long term, Turkey will most likely maintain its advantage in the region as it has many ties to the Balkan nations (Karcic, 2020). In April 2023, UAE Minister of foreign affairs, and international cooperation Sheikh Abdullah bin Zayed Al Nahyan, Albania, Bosnia and Herzegovina explored with his counterparts the possibilities to drive cooperation on all fronts. One of the main reasons for the UAE’s strategic presence in Serbia is the balance of power in the region. The country’s interests are primarily focused on regional competition for influence with Turkey, and the efforts of the United Arab Emirates are supported by Serbia, which opposes Turkey’s greater presence in the Western Balkans. Despite the earlier argument that Serbia opposes the Turkish presence, economic cooperation, and the number of official visits between Turkey and Serbia have flourished in recent years. On the other hand, it has been theorized that Serbia is in search of potential partners to prove to the EU that it is not dependent on Russian investments while allowing Serbia to find alternative sources of support outside the European Union. It is also possible that it is a combination of these factors and that the UAE-Serbia relationship serves many functions in individual countries (Rrustemi et al., 2019, p. 43).
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5.3. European Union and the Three Seas Initiative

Due to the role of the North-South transit corridor, the Western Balkans have an important geopolitical position. In June 2003, the countries of this region have been identified as potential candidates for EU membership (Lachert, 2018, p. 3). Montenegro and Serbia have started accession negotiations with the European Union. The decision to start accession negotiations with Albania and North Macedonia was made by the Council of the EU in March 2020. Although Bosnia and Herzegovina, and especially Kosovo, have a much longer perspective of European integration, a high level of support for this process by the societies of these countries is maintained (Sydoruk, Yakymchuk & Avhustiuk, 2022, pp. 174-176). However, Russia’s war with Ukraine has made the issue of the Western Balkans and their presence in the European Union’s strategy an urgent task. The Euro-Atlantic community invested in the Balkans in the economic, political, and security dimensions. Consequently, Albania in 2009, Montenegro in 2017, and North Macedonia in 2020 became members of NATO. However, now, considering the war in Ukraine, the European Union is taking new steps to revive the European integration process in the Western Balkans. In addition, the leaders of the EU and many Member States have recognized the geopolitical importance of the Western Balkans, which cannot be left to the development of Russian or Chinese influence (Riegert, 2022).

The European Union - Western Balkans Summit in Tirana in December 2022 formally confirmed the importance of a strategic partnership between the Union and a region that aspires to be part of the Union. For this reason, specifics also appeared, for example, the EU’s “new energy support package” for the Balkan states worth EUR 1 billion as subsidies. An additional €500 million is to support investments leading to the energy independence of the Balkans. It is estimated that these initiatives could bring about €2.5 billion in investment in total. In addition, the EU has pledged €500 million to the Western Balkans for immediate support to vulnerable families and small and medium-sized businesses (European Commission, 2022). This time, EU representatives emphasized that this region is important for the European Union not only in terms of trade and the transit route but also in terms of security and stability. The European Union is the main trading partner of the six Western Balkan countries, accounting for more than two-thirds of the region’s total trade. Almost 70% of trade between Albania, Bosnia and Herzegovina, Montenegro, Kosovo, North Macedonia, and Serbia is with the countries of the European Union. The Balkans are of great strategic importance due to the future transport routes from the Black Sea to the Adriatic Sea, Italy. They are to run by road, rail, and pipelines through Bulgaria, North Macedonia, and Albania. This applies to both energy and various commodities. In this way, the European Union wants to bypass the Bosporus Strait and Russian territorial waters in the
Black Sea (Riegert, 2022). This concept is in line with the main goals of the Three Seas Initiative.

The Western Balkans, anchored in the European Union and naturally in the Three Seas Initiative, will have the opportunity to implement investment projects more effectively in transport and energy. The situation in the Western Balkans will determine the effectiveness of 3SI (Wójtowicz, 2020, p. 24). Due to the nature of inter-governmental cooperation, the Three Seas Initiative may be an interesting platform for cooperation, deprived of too much power by EU institutions (Orzelski, 2022, p. 148). From the United Arab Emirates’ perspective, the new situation may bring new advantages that will increase the role and position of this country in the region. In terms of the strategic routes from the Black Sea to the Adriatic, the strategic Black Sea seaport of Constanța in Romania is managed by DP World from the UAE (Krzymowski, 2020a), and the same company holds the rights to manage the Odesa port in Ukraine (Krzymowski, 2020b). The UAE has a strategic partnership with Bulgaria and is developing relations with Croatia and Slovenia (Krzymowski, 2021a). In addition, the strategic partner of the UAE in the Western Balkans, Serbia borders four EU and Three Seas Initiative countries (Krzymowski, 2021b). The UAE has dynamically developed relations with the 3SI countries in recent years. In this way, the United Arab Emirates can become an even more important player in the Western Balkans after their integration with the European Union and becoming part of the Three Seas Initiative.

6. Conclusion

The presented innovative research, based on original data, generated discoveries important not only for the countries and entities of the Middle East and the European Union or other transatlantic actors but also for the Middle East and China. The most important results of the conducted research show that the Western Balkans are gaining greater geopolitical importance due to the growing rivalry of powers in this region as an area connecting the North and South and the war in Ukraine, which affects the shaping of the new world order. The growing dynamics of the presence of the United Arab Emirates in the Western Balkans shows the processes of diversification of alliances and mutual influence in terms of adaptation to the dynamically changing international situation and, consequently, the adoption of new roles and positions. Answering the research question posed, the research results confirm that from the perspective of the United Arab Emirates, the Western Balkans, and the new dynamics of events, the new role and position of the Western Balkans will be strengthened. However, the condition is quick integration with the European Union and the implementation of joint projects under the Three Seas Initiative. The presented results should inspire future generations of researchers in many countries aspiring to contribute to the issue raised in this article. The presented
research paper shows that the directions of future research should, among others, focus on the interdependence of the dynamics of international relations in the Western Balkans-Middle East-Caucasus triangle.

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