

Assessment of the external institutional influence in the economy and politics of Serbia

Evaluación de la influencia institucional externa en la economía y la política de Serbia

PRUDNIKOVA, Anna A.¹
 SERGEEVA, Natalya V.²
 HMYZ, Olga V.³
 REVENKO, Nikolay S.⁴
 TOROPOVA Natalya V.⁵

Abstract

The article assesses the external influence on Serbia, in the economy (especially in energy markets), policy and culture. The key centers of influence are the United States, Russia and the EU and a new actor – China; their influences are assessed both empirically and statistically. The article aims to find out which of the countries possesses the most effective instruments for promoting its power in Serbia, and whether its institutions suit the Serbian economy and contribute to its development.

key words: serbia, economy, strategy, geopolitics

Resumen

El artículo evalúa la influencia externa en Serbia, en su economía (especialmente en los mercados energéticos), política y cultura. Los centros de influencia clave son Estados Unidos, Rusia y la UE y un nuevo actor: China; sus influencias se evalúan tanto empírica como estadísticamente. El artículo tiene como objetivo descubrir cuál de los países posee los instrumentos más efectivos para promover su poder en Serbia, y si sus instituciones se adaptan a la economía serbia y contribuyen a su desarrollo.

Palabras Claves: serbia, economía, estrategia, geopolítica

¹Associate Professor. Cand. Sci. (Econ.). Department of World Economy and World Finance. Financial University under the Government of the Russian Federation, Moscow, Russia. Contact e-mail: AAPrudnikova@fa.ru

²Associate Professor. Cand. Sci. (Econ.). Department of World Economy and World Finance. Financial University under the Government of the Russian Federation, Moscow, Russia. Contact e-mail: NVSergeeva@fa.ru

³Associate Professor. Cand. Sci. (Econ.). Department of World Economy and World Finance. Financial University under the Government of the Russian Federation, Moscow, Russia. Contact e-mail: OVKHmyz@fa.ru

⁴Lead research fellow. Institute for research of international economic relations. Financial University under the Government of the Russian Federation, Moscow, Russia. Contact e-mail: renikser@yandex.ru

⁵Associate Professor. Cand. Sci. (Econ.). Leading researcher. Center for Analysis, Risk Management and Internal Control in Digital Space. Financial University under the Government of the Russian Federation. Moscow, Russia. Contact e-mail: ntoropova@fa.ru

1. Introduction

The Balkan Peninsula is one of the most problematic regions of the world and is an extremely painful and dangerous problem for the European Union. This characteristic is assigned to the region due to the high degree of tensions in:

- the political sphere, where Serbia seeks to become a regional leader and to regain its role as the center for the Balkan integration (as it was during the Yugoslavian era);
- the economic sphere, where the conflicts arise around the reconstruction of national economies after the Balkan wars in the end of the 20th century. In addition, huge controversies arise around transport and logistics in the peninsula, especially in the field of oil and gas transportation;
- sociocultural sphere, where some countries tend to participate in the European community or join the European Union and adopt the German model of economy (Croatia, Slovenia, partially Serbia), and others closer to Turkey (Bosnia and Herzegovina, Kosovo, Macedonia);
- religious conflicts underlying the sociocultural conflict in the region.

The mentioned aspects contribute to a highly explosive situation in the Balkan Peninsula, especially in countries that include several ethnic groups, which are equally or closely represented in parliament and local authorities.

The conflict is aggravated by the forces striving to get control of the peninsula. These are traditionally the United States (US) through its political and military forces, such as NATO, and Russia through energy dialogue and close historical and cultural ties. The competition between the two global forces in the region obviously destabilizes it. In addition, the US interests in the region correlate with the destabilization of the regional economy, since this, in turn, will increase the risks for the EU and, therefore, weaken its currency – the euro, one of the main competitors of the US dollar.

At the same time, two new players appeared who seek to gain control over financial and economic aspects of regional cooperation. These are the European Union and China. The former appeared in the region in the early 2010s, while the latter came to the Balkan peninsula recently. Both rely on economic methods of pressure and cooperation and for now they have become the second pair of rivals destabilizing the region.

The article is aimed to assess the economic and energetic influence of the described parties in the region using the example of Serbia, which remains one of the most influential countries in the Balkan peninsula.

1.1. Literature review

The literature on the Serbian economy and policy issues is vast, especially because of the constant tension in the Balkan peninsula. However, it is difficult to find an objective assessment of the situation due to the fact that most of authors tend to support one of the main forces. To avoid political influence on the article, we have analyzed the literature on all the key actors.

European authors pay more attention to internal conflicts in the Balkan Peninsula than to specific countries (Hänsel and Feyerabend, 2018), and more to conflicts rather than to sustainable development (Matias, 2018). This is explained by the EU's key concerns over political and military tensions in the neighborhood. Foreign direct investment (FDI) and interaction of Serbia with the other countries in the region are discussed in (Hartwell and Sidlo, 2017). It allows to conduct a deeper statistical analysis of the situation with FDI and provides

recommendations for the EU in order to strengthen ties with Serbia based on promoting European values (export of European institutions to Serbia).

American papers on the issue are mainly devoted to the US strategy in the region (Woehrel, 2009), in addition, they are America-focused (Rhodes, 2017), therefore, the data from them demonstrate only one view on the problem.

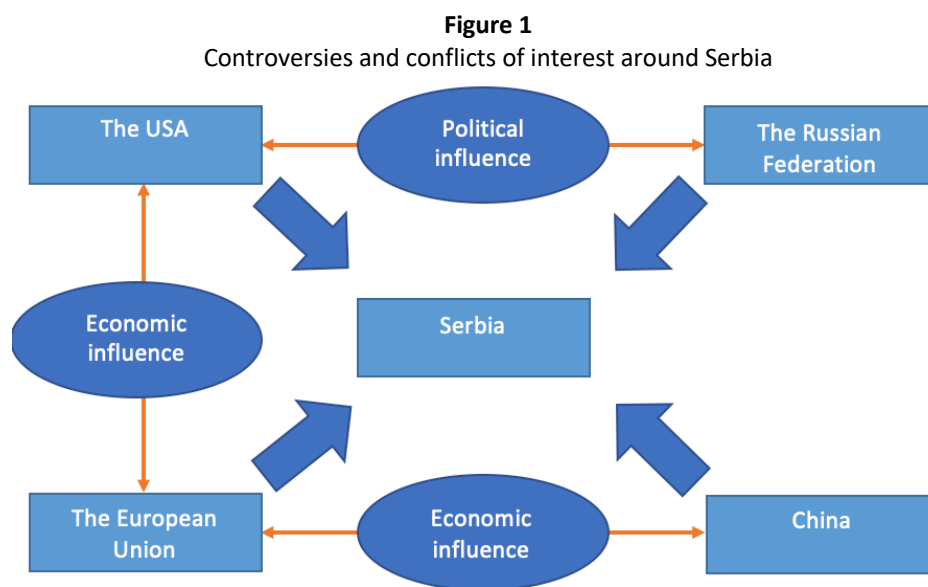
Russian authors concentrate on political and geopolitical issues, putting forward the historical side of Russian-Serbian cooperation (Nelaeva and Semenov, 2016; Aghayev, 2017); however, these papers analyze the economic aspect of the issue, and their key point is that the democratic model proposed to Serbia is not fair.

The Chinese influence on the Balkans is almost not covered; most of the articles on this topic are recent (Hake and Radzyner, 2019) and express the EU's concerns about the growing influence of China and other powers in the region.

Balkan authors surprisingly concentrate on the energy aspects of cooperation (Medojević and Perić, 2013) and on green energy and energy efficiency issues in Serbia and in the Balkan peninsula in general. They point out the barriers connected with legal, innovation and social issues (Medojević and Perić, 2013; Karakosta, Doukas, Flouri, Dimopoulou, Papadopoulou and Psarras, 2011; Minić, 2015), but miss financial barriers.

2. Methodology

The key findings of the article may be divided into two logical groups: 1) the consequences of the economic and political dialogue, and 2) the results of the energy dialogue. The model of the institutional influence is presented in Figure 1.



Source: developed by the authors

To assess the complexity and strength of the ties shown in Figure 1, it is necessary to analyze the structural factors that determine the development of this kind of relations. In order to assess the economic aspect of the described problem, we analyze the FDI inflow in Serbia from the chosen countries. To assess the effectiveness of the main sectors where FDI is attracted, it is sufficient to conduct a correlation analysis: if the correlation is positive, the sectors selected for investment produce a positive economic effect, if the contrary is true, the

investments are politicized and should be considered as the second component of the index. In the other case, the economic component of the index should be counted as follows (1):

$$\left\{ \begin{array}{l} EComp = \frac{FDI(\% \text{ of total to Serbia})}{GDP(\% \text{ of global GDP of the investing country})} * 5 \\ \text{if } Ecomp > 5, \text{ it's counted as } 5 \\ \text{if } Ecomp = 0, \text{ the hypothesis of the significance of the component} \\ \text{is rejected} \end{array} \right. \quad (1)$$

In this index component, multiplication by 5 is required in order to form a base figure for the index in general, so that the average index value is adequate.

The political aspect is assessed using the correlation analysis of indicators of democracy and economic crises in the world. Correlation demonstrates the fact of external influence on political processes in the country. If the correlation is positive, the country's national policy depends on financial resources acquired from other countries (in case of financial crises, the democracy index will fall due to the lack of financial lobbying for profitable decisions from other countries). In the article, the time horizon of the correlation analysis is eight years, so the political component of the influence index is as follows (2):

$$PComp \sim Correl(\{Serbia \text{ Democracy index}\}; \{EU \text{ GDPGrowth}\}; \{USA \text{ GDPGrowth}\}; \{Russia \text{ GDPGrowth}\}.), \quad (2)$$

where *PComp* is the index value calculated according to Table 1, the other variables are the data rows for the statistics described in (2).

Table 1
Political component value

Correlation	0–0.2	0.21–0.4	0.41–0.6	0.61–0.8	0.81–1
Index value	1	2	3	4	5

Source: developed by the authors

The sociocultural ties are assessed empirically and are reflected at the level of positive or negative cultural correlation and acceptance or rejection by the citizens of Serbia of the cultural and social aspects of cooperation with the described parties.

These 3 aspects are then included in one index that demonstrates the strength of the researched country's influence on Serbian politics and economy and the possibility of adopting the institutions of these countries in Serbia (3).

$$InfInd = (EComp + PComp + SComp)/3 \quad (3)$$

where *SComp* is the result of the empirical assessment of the sociocultural institutions transition.

3. Results and discussion

3.1. Economic and energy aspects of cooperation

The aim of this section is to answer the question, whether the Serbian economy can transfer economic institutions from the countries researched, and if the answer is positive, will this transfer benefit the national economy. In order to do this, we have analyzed the main trends in the economic and energy sectors of the Serbian economy, so that the main trends are identified and then proved true or false by statistical data.

First of all, energy cooperation with Serbia lies mostly in the field of gas transportation through its territory. Another aspect is the spread of the influence of multinational companies, which is more related to FDI, hence to economic cooperation. For instance, the largest FDI in Serbia include energy deals with Gazprom (Radenković, 2016), which should be mentioned mainly with regard to economic cooperation.

The data in Table 2 allow to give general trends in FDI inflows to Serbia.

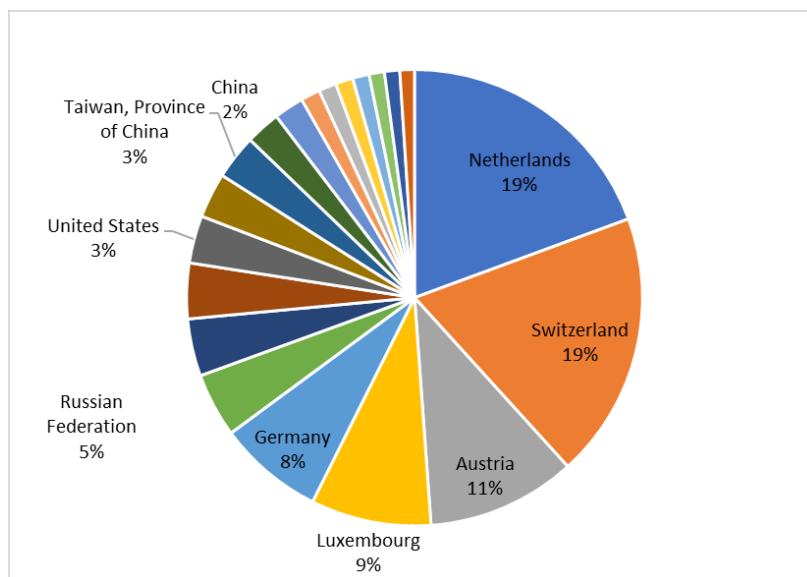
Table 2
FDI inflow in Serbia by country (in \$100 mln)

	2010	2011	2012	2013	2014	2015	2016
The EU	67	78	62	74	74	72	66
The US	4	1	3	2	1	2	1
Russia	16	13	22	11	4	4	2
China	0	0	0	0	6	2	4

Source: (Hartwell and Sidlo, 2017)

The gradual decline in FDI from Russia indicates a loss of interest in the country from Russian companies, which were the largest donors of FDI from Russia to Serbia from 2000 to 2010. This aspect is directly connected with the energy field of the cooperation, since the key Russian investors are multinational oil and gas companies. However, the situation tends to change between 2016 to 2019 (Figure 2).

Figure 2
FDI inflow in 2019



Source: developed by the authors, based on (National Bank of Serbia, 2019)

FDI inflows in 2019 demonstrate a high share of Russian investments, along with a higher share of total Chinese investments (both from Taiwan and from China). The correlation between the Serbian GDP and the aggregate FDI is positive (Parežanin, Jednak, and Kragulj, 2016), so the FDI inflow directly influences the Serbian GDP and the national economy of Serbia.

This situation reflects the globalization trends and changes in the economy and position of Serbia in Europe. This shift reflects Serbia’s interesting geographical location at the intersection of transport infrastructure from the Black Sea basin to Western Europe and from the Persian Gulf countries to Western and Eastern Europe. The first aspect contributes to the importance of Serbia in the Turkstream project, as it hosts the part of the route

connecting the Bulgarian and Hungarian parts of the pipeline (Reuters, 2019). The second part of this statement is directly connected to the Chinese Belt and Road initiative (BRI), which is recently being actively promoted in Europe (Chatzky and McBride, 2019; Bressan, 2019). The Balkan market allows Chinese goods transported along the corridors of the Maritime Silk Road to enter the European market from the Mediterranean Sea via the Suez Channel, significantly reducing the length of the transport route (as well as the cost of importing goods).

The benefits that Serbia can get from this situation include a higher attractiveness for investors, which will pursue higher profits from facilities servicing the flow of goods. In turn, a higher flow of goods will contribute to the development of the financial sector of the Serbian economy. At the same time, all four key players described in the article compete for the dominance in the Serbian FDI market and, therefore, for a higher influence on the country's political life. These players should make the best offers to Serbian companies, if they want to assume their presence in the region. In the case of Serbia, there is a positive correlation between economic influence and FDI – it was proven earlier, and a positive correlation between economic and political influence (Phaup, 1979). At the same time, the opposite is also true: the competition of powers around Serbia allows it to take part in high-stakes geopolitics, which widens Serbia's economic opportunities, but only until one of these powers becomes dominant in the Serbian economy.

The energy sector of Serbia is relatively weak and the market narrow – with the average consumption of 4358 kW per capita (with the same index for the world equal to 6107 kW per capita) (Republic of Serbia Ministry of Mining and Energy, 2016). The latest updates to Turkstream's construction lead to much more reliable supply of energy resources, so it is no longer a weakness. At the same time, it is necessary to develop the refinery industry in Serbia, as the environmental standards in the country provide more opportunities to the industry, especially taking into account the fact that Serbia does not have exit to the sea (which makes its territory more attractive for refinery facilities).

The alternative energy sector in Serbia is also very interesting for investors. It can be very effective given the lower demand for electric energy than in the world in general. In this case, the main strategy for Serbia is to attract FDI both from European investors and from Asian development banks, such as the Asian Infrastructure Investment Bank (AIIB), the Asian Development Bank or the New Development Bank of BRICS (NDB). These financial institutions actively participate in the development of the green energy in Asia and in the world, in addition, AIIB introduces Chinese capital in its projects, and NDB helps to attract both Chinese and Russian capital. In this way, the development of Serbia's alternative energy strategy helps the country to diversify its investor's portfolio and help China and Russia to gain a higher role in developing the Serbian economy, providing higher competition to European countries and the US.

The hypothesis for the economic aspect of the dialogue with Serbia is as follows: if FDI is effective, the correlation will be positive; in case FDI is aimed at promoting the political interests of investors, or they are ineffective (the economic institutions' transition will lead to structural problems in the Serbian economy), the correlation is negative. The correlation of the Serbian GDP growth and the FDI share from other countries is represented in Table 3.

Table 3
Assessment of the FDI's economic problems resolution capacity

Country	Correlation	Hypothesis truth
The EU	-0.19	Negative
The US	-0.04	Negative
Russia	-0.39	Negative
China	0.07	Positive

Source: developed by the authors

Table 3 demonstrates that China is the most effective investor with the smallest political component in Serbia. The other countries, especially Russia, pursue their political goals by investing in Serbia and should not be regarded as long-term partners in investments. China is the only country that receives a non-zero point in the economic aspect of cooperation.

$$EComp = \frac{5}{18.69} * 5 = 1.34 \tag{4}$$

For GDP share, see (Statista, 2019).

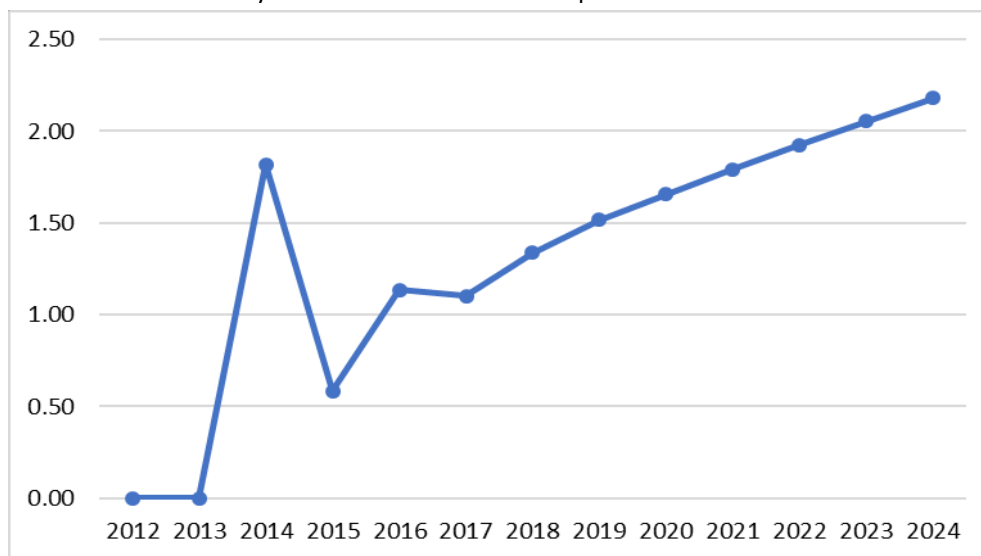
Despite the low value of the component, the forecast for this figure is provided in Figure 3. The forecast for the share of Chinese FDI in Serbia is made using a linear model in Excel, the forecast for the GDP is taken from (Statista, 2019)

The forecast model is as follows:

$$y = 0,7x - 1,1667 \tag{5}$$

R² for this model is equal to 0.62, so the forecast does not present a high accuracy model, but it still allows us to give a general trend for Chinese investments in Serbia, which will grow. This conclusion is supported by the Chinese concept of BRI development (Bieliński, Markiewicz and Oziewicz, 2019).

Figure 3
Dynamics of the economic component for China



Source: calculated by the authors

Russia’s participation in investments in Serbia may change, along with the position of Russia regarding its role in the BRI and plans for future energy cooperation with Europe; this requires the change in the situation in the Russian economy, which is unlikely in the near future (Russell, 2018; Aris, 2019).

3.2. Political institutions and dialogue

The political dialogue between the leading global powers and Serbia is based on the strategy of pressure, as the political power of Serbia is rather weak. The Serbian political life is centered around several important questions:

- a) joining the European Union;
- b) the national minorities cooperation strategy;
- c) Kosovo issue;
- d) reviving the national economy.

All the mentioned questions are closely interrelated; therefore, Serbia seeks to address them comprehensively. The EU seems to provide it, but the key problem is that the EU does not support the Serbian position on Kosovo, which threatens the unity of Serbia in the future (as we have already mentioned, Serbia is a multinational country, so the separatist tendencies form a negative precedent). Moreover, the European authorities require extensive reforms of the Serbian economy, which will provide benefits for EU companies. The goal of reviving the national economy of Serbia does not comply with the interests of the EU.

The US goals in Serbia are tightly connected with the creation of instability in the Balkan peninsula (Joseph, 2018) – better to say, doing nothing to stabilize the regional tensions. Evidence from the last conflict in the Balkans proves that, without external help, the situation in the Balkan peninsula will stay unstable and explosive. Previous US and NATO actions proved to destabilize the region, despite the fact that they were carried out for liberal and peaceful purposes (Dakovic and Miseljic, 2001). The US geopolitical aims have not changed, as the US strive to ensure that Europe is the main consumer of its goods and to proliferate American institutions in Europe. As a result, the US does not need a strong EU, it prefers strong centers of power in the EU, such as Germany, France or Austria, but the Union itself, especially euro as a single currency, does not fall under the strategic vision of the US–EU cooperation. In this regard, the creation of a risk zone on the borders of the EU, involving some EU countries (Croatia and Slovenia) in the conflict, fully meets the US goals.

The Russian vision of the Serbian future is the opposite of the American one; Russia tends to use the softer measures than the United States. In general, Serbia, despite its historical closeness to Russia, is today an instrument of political influence in the Balkans (for instance, RFE/RL (2019)). That is why Russia pursues its interests first, paying less attention to the national interests of Serbia. All the actions undertaken by Russia in the Serbian political sphere involve geopolitical actions (in relation to Kosovo and the EU), or are undertaken by Russian energy companies: this does not contribute to the revival of the Serbian economy and the resolution of national conflicts.

The results of the political component of the index for the period from 2010 to 2018 are presented in Table 4.

Table 4
The political component evaluation

Country	Correlation	Index value
The EU	0.47	3
The US	0.38	2
Russia	0.04	1
China	-0.6	0

Source: calculated by the authors.

From Table 4, we conclude that China's political influence in Serbia is very low, therefore, the hypothesis of transfer of its political institutions is rejected. The EU proves to be the most influential and most attractive option for Serbia in the political sphere.

3.3. Sociocultural aspect and index values

The sociocultural partnership is of a subjective nature and has a significant importance for an overall assessment of opportunities of transition of institutions. Furthermore, a similar culture and historical ties allow the countries to develop more effective cooperation strategies, in the case of Serbia, more effective pressure measures. For the final assessment of the sociocultural aspect, it is necessary to form a range of non-subjective questions and answer them in order to give points to the countries researched. For the EU, the answers are given on the basis of most countries (for instance, most EU countries were involved in conflicts in which Serbia was a participant in some historical period, but mostly not against Serbia, so the EU gets a point in this question). The questions and answers are presented in Table 5.

Table 5
Key historical and cultural questions used in the assessment

	The EU	Russia	The US	China
Did the country get involved in conflicts against Serbia? (+ for No)	+	+		+
Does the country have a similar language/belong to the Slavic group of countries/the majority of population are orthodox (+ for Yes)		+		
Does the country have a liberal political order or is it in a state of transition (+ for No)		+		+
Does the country belong to the former socialist bloc (+ for Yes)		+		+
Does the country support the independence of Kosovo (+ for No)		+		+
Overall score	1	5	0	4

Source: developed by the authors

The results in Table 5 show that Russian and Chinese cultural and social institutions are closest to the institutions that exist in Serbia. Despite weak cultural ties with Serbia, Chinese institutions are more suitable for Serbia than European ones due to the feeling that the actions of Europe and NATO during the Balkan wars and the recognition of Kosovo are unjust.

The overall index value and the values of its components are presented in Table 6.

Table 6
Institutional adoption index for Serbia

Country	Economic	Political	Sociocultural	Overall
The EU	0	3	1	1.33
Russia	0	1	5	2
The US	0	2	0	0.67
China	1.3	0	4	1.77

Source: calculated by the authors

The results in Table 6 are worrying for the EU. Russia’s influence is traditionally high in Serbia, but the growing influence of China is a significant risk factor. In addition, the US geopolitical strategy in the country proves to be not that effective.

3.4. Discussion

The above results of the research clearly show that all the countries studied pursue their own strategies in Serbia. These strategies are aimed at gaining political and economic advantages in a much larger region, namely in Europe. In this situation, the position of Serbia is both weak and promising. Due to the high interests of significant geopolitical forces in gaining advantages in the Balkans, Serbia has the opportunity to “walk along the razor edge” and gain more than lose in this situation, using the competition of the four main forces described above. At the same time, the transfer of institutions will happen anyway, so the main goal of Serbia is to develop a strategy that will allow it to conduct its own policy and to protect the country from harmful effects of institutions unsuitable for its economy and politics.

We propose the following general plan of actions in the economic sphere for Serbia:

- 1) Avoid economic and political conflicts, especially the conflicts created by the former Yugoslavian countries, and, if they occur, appeal to the EU and UN mechanisms of their easing. At the same time, it is advisable to involve China and Russia in resolving the conflict through trade and investment negotiations, providing preferential conditions for their goods and services.
- 2) Provide special economic conditions for investors, such as fiscal measures of lower taxes and establishment of special economic zones with preferential taxes on imports and exports. This contributes to the development of trade hubs in Serbia.
- 3) With the development of Chinese transit, Serbia should build strong partnership with the Chinese multinational banks, but at the same time maintain its national banks. In this way, Serbia has the opportunity to establish a banking system based on the Chinese approach to banking, crediting and investments (Turner, Tan and Sadeghian, 2012).

Promote a single investors' database, which includes the projects that need financial resources and the main investors interested in these projects. This is a good idea for the Serbian economy in its current state – the FDI multiplier in Serbia described above allows the country's economy to grow. At the same time, the institutional cooperation with the EU and China will lead to the creation of a model of synergy institutions. For instance, the European legislative system is much more developed than the Chinese, however, the Chinese banking experiment turned to be effective (García-Herrero and Santabárbara, 2013). The combination of two approaches to crediting, investment and financial law will allow Serbian banks to compete with Italian and German financial institutions on the territory of the Balkan peninsula and proliferate their influence in Eastern Europe.

The concept of the political actions that should be taken by Serbia is as follows:

- 1) Pursue a policy of non-interference in the regional and global conflicts, not to support neither of parties, except for the situation, when it is necessary to support one of the key players described above. Even in this case, the support should be narrative in nature and should not include any actions in the international organizations or any support by financial resources, territory or people.
- 2) Pursue a policy of national minorities tolerance, still protect the rights of the Serbs, in order to maintain a balance of power in the country and make it more durable.
- 3) Adhere to a strategy to support the interests of the party that gives more benefits for Serbia. Regretfully, the political weight of the country does not allow it to pursue a policy of a loyal ally of one party.

The other important question is whether the import of institutions is that necessary for Serbia. Table 6 clearly demonstrates that none of the foreign institutions suit Serbia perfectly – because of the necessity to find the

balance between the global powers, it is necessary to introduce at least some of their institutions in order to cut the transaction costs for finding a suitable solution for all the parties.

The research demonstrates an overall low suitability of foreign institutions for Serbia; the only recommendation that can be given based on the data and political and economic situation in Serbia is to avoid adopting American institutions.

4. Conclusions

Serbia is one of the key countries in the Balkan peninsula, which is the key to establishing geopolitical dominance in Europe. The four main players are the EU, the US, Russia and China; they fight for dominance (or at least not allowing the other parties to gain a dominant position) in the region through the economic, political and sociocultural expansion of the regional leaders (in the Balkan peninsula), namely Serbia. Expansion strategies are based on different approaches to the instruments of their implementation. The European Union implies political economic and sociocultural measures, but the main range of its instruments lies in the sphere of politics. China, on the contrary, uses economic instruments, while remaining neutral with respect to sociocultural institutions. Meanwhile, Russia depends more on sociocultural institutions, which promote its political will in the region. The United States relies entirely on political influence, which leads to lesser effects of its policy in Serbia.

At the same time, most of the countries studied try to export their economic institutions to Serbia; ultimately this will allow them to influence the Serbian political life through the economic sector. The least involved in political sphere of Serbia is China, therefore Serbia is recommended to adopt its institutions, especially taking into account the contradictions between China and the US and a cautious approach to cooperation with China in the EU. This step will push European countries to create better conditions for Serbia's entrance to the EU. It is proved that FDI affect directly the Serbian political sphere and lead to the possibility of political pressure through economic measures, hence the strategy for Serbia should be aimed at preventing the dominance of any of the parties in the field of investments. To achieve this goal, Serbia should provide an open access to the database on its investing possibilities and provide more investment projects.

The political and the economic steps to be taken by Serbia are aimed at maintaining the balance of powers and their interest in the Serbian economy and political life. These steps are not aimed at solving the most problematic issues in the country, such as the issue of national minorities or the conflict in Kosovo. Their main goal is to stimulate the development of the national economy of Serbia and reduce the risks of institutions transfer to the country. All in all, the only way for Serbia to regain its positions in Europe is to become the leading economy in the Balkan peninsula, which does not depend on the financial help from international organizations and pursues a reasonable policy in protecting the national economy from foreign multinational companies (not allowing them to become monopolies or harm national manufacturers through WTO instruments).

Bibliographic references

Aghayev, E. (2017). Relations between Russia and Serbia. *European Researcher, Series A, 8(1)*, 4–8. DOI: 10.13187/er.2017.1.4.

- Aris, B. (2019, May 27). The Russian Economy Is Stagnating. GDP growth since the start of the year has been well below forecasts. *The Moscow Times*. Retrieved from: <https://www.themoscowtimes.com/>
- Bieliński, T., Markiewicz, M., & Oziewicz, E. (2019). Do Central and Eastern Europe Countries Play a Role in the Belt and Road Initiative? The Case of Chinese OFDI into the CEE–16 Countries. *Comparative Economic Research. Central and Eastern Europe*, 22(2), 7-22. DOI: 10.2478/cer-2019-0009.
- Bressan, M. (2019). Opportunities and challenges for BRI in Europe. Retrieved from: <https://eng.yidaiyilu.gov.cn/ghsl/wksl/84696.htm>
- Chatzky, A., & McBride, J. (2019). China's Massive Belt and Road Initiative. Retrieved from: <https://www.cfr.org/backgroundunder/chinas-massive-belt-and-road-initiative>
- Dakovic, M., & Miseljic, B. (2001). Destabilizing the Balkans: US & Albanian Defense Cooperation in the 1990s. Retrieved from: <http://www.antivar.com/orig/dakovic2.html>
- García-Herrero, A., & Santabárbara, D. (2013). An assessment of China's banking system reform. In S. Kaji and E. Ogawa (Eds.), *Who Will Provide the Next Financial Model? Asia's Financial Muscle and Europe's Financial Maturity* (pp. 147–175). Tokyo: Springer. DOI: 10.1007/978-4-431-54282-7_15.
- Hake, M., & Radzyner, A. (2019). Western Balkans: Growing economic ties with Turkey, Russia and China. BOFIT Policy Brief 1/2019. Retrieved from: <https://helda.helsinki.fi/bof/bitstream/handle/123456789/16048/bpb0119.pdf?sequence=1>
- Hänsel, L., & Feyerabend, F. C. (2018). The Influence of External Actors in the Western Balkans. Konrad-Adenauer-Stiftung (September 12, 2018). Retrieved from: https://www.kas.de/c/document_library/get_file?uuid=194afc48-b3be-e3bc-d1da-02771a223f73&groupId=252038
- Hartwell, C., & Sidlo, K. (2017). Serbia's cooperation with China, the European Union, Russia and the United States of America. Study for the European Parliament, Directorate-General for External Policies. Retrieved from: <http://www.europarl.europa.eu/cmsdata/133504/Serbia%20cooperation%20with%20China,%20the%20EU,%20Russia%20and%20the%20USA.pdf>
- Joseph, E. P. (2018, September 4). How to Restart War in the Balkans. *Foreign Policy*. Retrieved from: <https://foreignpolicy.com/>
- Karakosta, C., Doukas, H., Flouri, M., Dimopoulou, S., Papadopoulou, A. G., & Psarras, J. (2011). Review and analysis of renewable energy perspectives in Serbia. *International Journal of Energy and Environment*, 2(1), 71–84.
- Matias, B. (2018). Linking the Kosovo-Serbia Dialogue to the EU enlargement strategy – which accession prospects are at stake. Group for Legal and Political Studies, Policy Report 03/2018. Retrieved from: <http://www.legalpoliticalstudies.org/wp-content/uploads/2018/08/GLPS-Linking-the-Kosovo-Serbia-Dialogue-to-the-EU-Enlargement-Strategy.pdf>
- Medojević, M., & Perić, M. (2013, June). The Current State in Serbian Energy Sector with Focus on Barriers to Energy Efficiency. Paper presented at 4th Regional Conference: Industrial Energy and Environmental Protection in South Eastern Europe, Divcibare, Serbia. Retrieved from: https://www.researchgate.net/publication/305724826_THE_CURRENT_STATE_IN_SERBIAN_ENERGY_SECTOR_WITH_FOCUS_ON_BARRIERS_TO_ENERGY_EFFICIENCY

- Minić, J. (Ed.) (2015). *The Challenges of Serbia's Foreign Policy: collection of papers*. Belgrade: Friedrich Ebert Foundation, European Movement in Serbia.
- National Bank of Serbia. (2019). Serbia`s Balance of Payments. Retrieved from: https://www.nbs.rs/internet/english/80/platni_bilans.html
- Nelaeva, G. A., & Semenov, A. V. (2016). EU-Russia rivalry in the Balkans: Linkage, leverage and competition (the case of Serbia). *Romanian Journal of European Affairs*, 16, 56–71.
- Parežanin, M., Jednak, S., & Kragulj, D. (2016). The impact of FDI on the economic growth of Serbia. *Management: Journal of Sustainable Business and Management Solutions in Emerging Economies*, 21(78), 25–32. DOI: 10.7595/management.fon.2016.0003.
- Phaup, M. (1979, January). The relationship between economics and politics: A response to Meiselman and Roberts. In *Carnegie-Rochester Conference Series on Public Policy* (Vol. 10, pp. 349–354). North-Holland. DOI: 10.1016/0167-2231(79)90017-4.
- Radenković, I. (2016). *Foreign direct investments in Serbia*. Belgrade: Rosa Luxemburg Stiftung Southeast Europe.
- Republic of Serbia Ministry of Mining and Energy. (2016). *Energy Sector Development Strategy of the Republic of Serbia for the period by 2025 with projections by 2030*. Belgrade: Republic of Serbia Ministry of Mining and Energy, Department for strategic planning in energy sector.
- Reuters. (2019, February 7). Serbia to start building TurkStream pipeline stretch in March or April. Retrieved from: <https://www.reuters.com/article/serbia-gas/serbia-to-start-building-turkstream-pipeline-stretch-in-march-or-april-idUSL5N2027BQ>
- RFE/RL (Radio Free Europe/Radio Liberty). (2019). Ahead of Serbia Visit, Putin Claims U.S. Is Playing Destabilizing Role in Balkans. Retrieved from: <https://www.rferl.org/a/putin-serbia-interviews-us/29712614.html>
- Rhodes, M. (2017). The Trump Administration and the Balkans. *Security Insights*, 22. Retrieved from: https://www.marshallcenter.org/mcpublishweb/mcdocs/files/College/F_Publications/secInsights/security_insights_22.pdf
- Russell, M. (2018). *Seven economic challenges for Russia. Breaking out of stagnation?* Brussels: Members' Research Service, European Parliamentary Research Service. DOI:10.2861/227260.
- Statista. (2019). China: share of global gross domestic product (GDP) adjusted for purchasing-power-parity (PPP) from 2012 to 2024. Retrieved from: <https://www.statista.com/statistics/270439/chinas-share-of-global-gross-domestic-product-gdp/>
- Turner, G., Tan, N., & Sadeghian, D. (2012). The Chinese banking system. *RBA Bulletin*, September, 53–64.
- Woehrel, S. (2009). Future of the Balkans and US policy concerns. Congressional research service, Report for Congress. Retrieved from: <https://fas.org/sgp/crs/row/RL32136.pdf>