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**Mining in the Western Balkans**

# **THE RISE OF DANGEROUS TRANSACTIONALISM**

*Policy Brief*  
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# 1. Introduction

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Mining has a long history in Southeastern Europe, spanning centuries. Some mining towns, like Srebrenica, named after the silver that was found there, have attracted German and other miners since the Middle Ages. However, the Western Balkans have only recently started featuring prominently in European and global mining and critical raw material debates. With the massive increase in global demand for critical raw materials and rare earths, which are indispensable for achieving the goals of the green energy transition, the debates around critical raw materials, their extraction, and the effect of such exploitation have become major topics in the EU and in the countries affected. The Western Balkans could potentially provide the EU with critical raw materials, including lithium, copper, and gold, to contribute to its green transition and secure the independence from other global competitors.

Against this background, we observe a shift in the EU's perspective on the region. The EU increasingly sees its neighbours as potential sites for exploiting critical raw materials, and international mining companies and corporations have increasingly recognized the Western Balkans region as an extensive reservoir of vital raw materials. They have started rather large mining and exploitation projects, along with ongoing explorations and plans for large-scale projects in the future.

Some of these projects and prospecting have gained substantial public attention, transforming them into major political and societal issues in the countries of the Western Balkans. The recent and most prominent example is the multinational mining company Rio Tinto's plan to exploit lithium in the Jadar valley in Western Serbia. During a visit to Belgrade in July 2024, German Chancellor Olaf Scholz and the Vice-President of the EU Commission, Maroš Šefčovič signed an agreement between the EU and Serbia concerning a strategic partnership. The collaboration on sustainable raw materials, battery value chains and electric vehicles sparked intensive and critical discussions in national and international media on the EU's course towards Serbia and the region. By recently reviving the mining plans that had been halted in 2021 due to public opposition, the Serbian government provoked major protests and resistance against the project nationwide.

The lithium mine by Rio Tinto and other examples from the region show that mining has become one of the major societal issues, with significant deliberations and conflicts around plans and existing mining projects. In a region with widespread and well-documented state capture, corruption and weak state institutions,<sup>1</sup> mining plans raise fears among the population, with regard to negative externalities such as climate change, deforestation/habitat

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<sup>1</sup> Biepag. (2021). *Beyond stabilitocracy: Unveiling the rise of autocracy in the Western Balkans*. Retrieved from <https://www.biepag.eu/publication/beyond-stabilitocracy-unveiling-the-rise-of-autocracy-in-the-western-balkans> and Bieber F. (2019). *The rise of authoritarianism in the Western Balkans*, Palgrave MacMillan, 2019. Compare also Democratization Policy Council. (2021). *Sell out, tune out, get out, or freak out?* Retrieved from <http://www.democratizationpolicy.org/sell-out-tune-out-get-out-or-freak-out/>

destruction, water pollution, soil erosion, and the loss of biodiversity. In addition, there is a serious concern that large-scale mining projects might lead to even more corruption and clientelism, and a further centralization of political and economic decision-making, ultimately entrenching the already existing state capture and increasing authoritarian tendencies.<sup>2</sup>

Among the concerns raised by experts and seen by citizens is how mining projects could shape the course of EU enlargement and (de-)democratization in the region. So far, relations between the Western Balkans and the European Union have been chiefly viewed within the policy framework of enlargement. Ever since the beginning of the EU integration processes in 2000, EU membership has been seen as a guarantee for stability, democracy and peace, even though, in recent years, the process has been slow, at times cumbersome, and met by minimal genuine transformation among candidate countries. A substantial share of citizens across the Western Balkans, particularly in Serbia and the entity of Republika Srpska within Bosnia and Herzegovina, no longer believe in their countries' EU membership in the foreseeable future.<sup>3</sup> Critics argue that the new quest for critical raw materials by the EU in the Western Balkans and interest-oriented partnerships forged with national governments and authorities in the region could further compromise and ultimately damage the region's value- and norm-based EU integration, while at the same time eroding the democratic structures needed for truly comprehensive security in the region.<sup>4</sup>

Against the background of highly dynamic and evolving critical raw materials and mining debates in the Western Balkans, there is a need for more facts, figures, insights and analysis of the issue. This is why the following policy brief maps significant aspects and dilemmas of mining projects in the Western Balkans. It offers insights into the current dynamics and provides context to mining in the Western Balkans today, focusing on major contradictions behind the critical raw materials and mining debates. The paper offers several preliminary conclusions and some food for thought for further studies and critical engagement around the topic of mining in the region.

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2 Compare here existing literature: Prelec T. (2020). *The vicious circle of corrosive capital, authoritarian tendencies and state capture in the Western Balkans*, *Journal of Regional Security*, vol. 15/2, P. 167-198 and PSSl. (n.d.). *Eco-monsters, eco-fighters: China's investments in Serbia's heavy manufacturing industry as seen through an environmental lens*. Retrieved from <https://www.pssi.cz/publications/39-eco-monsters-eco-fighters-china-s-investments-in-serbia-s-heavy-manufacturing-industry-as-seen-through-an-environmental-lens>

3 Friedrich-Ebert-Stiftung. (2024). *Youth studies 2024-2025*. Friedrich-Ebert-Stiftung. <https://soe.fes.de/features/youth-studies-2024-2025.html> and RCC (2024). *Balkan Barometer* (<https://www.rcc.int/balkanbarometer/home>)

4 See for further contextualization: Just Security (2021). *Western Balkans: Minerals, mining, and governance*. <https://www.justsecurity.org/97101/western-balkans-minerals-mining-governance/>

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## 2. Mapping of existing and planned projects

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As of 2024, numerous mining sites have operated for decades, mostly stemming from the period of the socialist Yugoslavia. Some of them were taken over and are operated by foreign companies – such as Ljubija and Omarska iron mines in Bosnia and Herzegovina run by ArcelorMittal, Vareš/Rupice mines, also in Bosnia and Herzegovina, operated by Adriatic Metals or the copper mines in Bor, Serbia, which were taken over by the Chinese company Zijin Mining Group. In addition, several new explorations have been planned, with investment plans for mining in the coming years. The most prominent and controversial projects relate to lithium mining in Serbia (Jadar valley) and Bosnia and Herzegovina (Majevisa/Ozren/Jezero).

### List of significant mining projects:

#### Bosnia and Herzegovina:

- > Prijedor/Ljubija/Omarska – Iron (ArcelorMittal)(*operational*)
- > Vareš and Rupice – silver, zinc, lead, and barite (Adriatic Metals)(*operational*)
- > Lopare/Majevisa – lithium, boric acid and other minerals (Arcore)(*planned*)
- > Ozren – lead, zinc, nickel, copper, and other metals, possibly including gold (Lykos Balkan Metals)(*planned*)
- > Kupres – magnesium (MFE Magnesium for Europe) (*planned and partly operational*)
- > Jezero (Jajce) – lithium (Lykos Balkan Metals)(*planned*)
- > Several state owned-mines: Vareš, Vlasenica, Olovo, Fojnica and Srebrenica – chrome, bauxite, lead, zinc, silver, gold. (*operational*)

#### Serbia:

- > Bor – copper (Zijin Mining Group)(*operational*)
- > Loznica/Jadar valley – lithium (Rio Tinto)(*planned*)
- > Veliki Majdan – lead, zinc (Mineco Group)(*operational*)
- > Rogozna/Novi Pazar – gold, copper, zinc (Strickland Metals Limited)(*planned*)

#### Montenegro:

- > Mojkovac/Brskovo – zinc (Tara Resources)(*anceled*)
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## 3. Contextualising mining in the Western Balkans

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The beginning of the political and economic transition from the early 2000s onwards brought along a new phase of economic growth and international investments, with average growth rates between 2001 and 2008 amounting to 5.8%. The somewhat optimistic growth plans, projections and hopes by the regional governments and the EU were stalled by the global economic and financial crisis in 2007/2008. Yet, most of the states in the region resumed growth since 2010 with smaller but steady growth rates between 2 and 3%.<sup>5</sup> Most recently and today, in 2024 and as an outlook for 2025, the economic growth is projected to be around 3.2% and 3.5%.<sup>6</sup> These rates are too low to achieve convergence with the economies of the EU in the foreseeable future.

While the mining industry has not played a major role in the economic growth of the region, plans and planned investments are more ambitious. The new relevance of mining in the region coincides with an increased need – both globally and by the EU – for strategic and critical raw materials for new technologies and the green energy transition. In the context of the worldwide rush to secure these materials, with countries and companies exploring the potential of critical raw materials globally, the relatively small Western Balkans region has become one of high strategic interest for mining, particularly for the EU and its member states. The European Green Deal aims to reduce fossil fuel consumption within the EU by identifying and developing alternative forms of energy, its storage and transmission. This, along with the EU's Critical Raw Materials Act adopted in March 2023, has sparked new interest in Western Balkans raw materials, aiming to ensure EU access to a secure and sustainable supply of critical raw materials.

Mineral mining opportunities have been scouted for years in the Western Balkans without much public attention. Western companies have started explorations, often under dubious circumstances due to weak governance and lack of transparency in the region, usually with the blessing of local stakeholders hoping for new business opportunities. The first Western companies to enter the new mining playing field was the UK-based Adriatic Metals, which in 2020 received a significant concession to explore and exploit land around Vareš in

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5 compare statistics from *The Vienna Institute for International Economic Studies – wiiw* <https://wiiw.ac.at>

6 World Bank. (2024). *Western Balkans economic growth to quicken this year and next, but reforms crucial to bolster long-term prospects*. <https://www.worldbank.org/en/news/press-release/2024/04/11/western-balkans-economic-growth-to-quicken-this-year-and-next-but-reforms-crucial-to-bolster-long-term-prospects>

Bosnia and Herzegovina, a site known for significant silver, zinc, lead and barite resources.<sup>7</sup> Similarly, a German company, MFE Magnesium for Europe, started its operations in 2021, to exploit magnesium in Kupres, Bosnia and Herzegovina.

With the global increase of the need for lithium, used for the production of batteries for electric vehicles, the large reserves of lithium in Serbia and parts of Bosnia and Herzegovina became the subject of major interest of Western companies, including among some of the EU member states.<sup>8</sup> As mentioned above, the most controversial planned project is the lithium mine in the Jadar valley by Rio Tinto, a leading global mining group. Following major street protests in 2021, the Serbian government withdrew the license for Rio Tinto, only to reverse the decision (without meaningfully addressing the citizens' demands or concerns) in 2024 in a twist in which the EU and particularly Germany became key supporters of the project.

In Bosnia and Herzegovina, similar plans were developed for the exploration of lithium in Lopare (in Republika Srpska, along the Inter-Entity Boundary Line) by the Swiss Arcore company. It ran explorations in Central and Eastern Bosnia and, based on preliminary prospecting results, announced that the Lopare project has the potential to become one of the largest mines of its kind in Europe. The plans for the exploitation of nickel, zinc and lead have been developed on the Bosnian mountain Ozren by the Australian company Lykos Balkan Metals. In both cases, the local population and activists organised resistance against the project, criticising the expected severe environmental effects and the non-transparent and non-inclusive manner in which local authorities have continued to forge mining partnerships with companies, including plans to operationalise them.<sup>9</sup>

These cases have intensified local, national and international debates on mining. Some organisations have been following the debates and continue to provide facts and figures and raise awareness of the topic, primarily focusing on promoting and improving rights to a healthy and preserved environment. One particular perspective presented in the literature explores the mining topic from a legal perspective and offers insights into a series of legal dilemmas and problems behind the mining projects.<sup>10</sup> Other organisations and institutions put an emphasis on critical aspects of the European Raw Material Acts in the EU's

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7 CIN (2023). *The Zenica government treat for the world's ore traders*. Retrieved October 2023, from <https://cin.ba/en/the-zenica-government-treat-for-the-worlds-ore-traders/>

8 Compare for example to Newsweek. (2023). *Enormous reserve of hidden treasure found under Arkansas*, 10.4.2023 <https://www.newsweek.com/enormous-reserve-hidden-treasure-found-under-arkansas-1972840>

9 Lefteast (2023). *Bosnia: International companies wreak havoc on the environment*, 10.4.2023. <https://lefteast.org/bosnia-international-companies-wreak-havoc-on-the-environment/>

10 See for example RERI <https://reri.org.rs/en/> for all relevant publications and public statements related to mining projects in Serbia: <https://reri.org.rs/en/ministry-of-mining-and-energy-without-justification-continues-to-extend-the-deadline-for-rio-tinto-to-obtain-license-for-lithium-exploitation-in-serbia/>



neighborhood and environmental aspects,<sup>11</sup> while others focus mainly on the EU's role in mining in the region and its effects on local governance. Another perspective has aimed to demonstrate that effects of mining in the absence of good governance and informed public consent will move the countries in the region backwards, with deleterious impact on reform and security prospects.<sup>12</sup> Finally, with an increase in various forms of protest against mining projects in Serbia and Bosnia and Herzegovina, we see more and more critical accounts of protest movements and various grassroots local initiatives, which elaborate on the fight of activists against the negative effects of mining projects on the environment and health.<sup>13</sup>

There are several lines of criticism of the mining plans in the Western Balkans. The most prominent focus is on the severe effects of mining projects on the environment. Companies, governments, the EU, and some of its member states, promise that all projects will be conducted under the most elaborated and advanced environmental standards. Yet the track record of governments in the region in this regard exposes these promises – at least for now and under current circumstances – as delusions.<sup>14</sup>

Another criticism points out that regional governments usually conduct large projects without meaningful consultation with and informed consent by the affected population. Instead, they keep the plans and, primarily, their financial aspects secret. Citizens in the local communities continue to demand full participation and consultation in the processes. There is a public trust deficit that, along with a lack of transparency in these current deals, leads people to conclude that their interests are of little concern to either their own leadership or foreign companies.

A third debate revolves around the mining projects' possible "collateral damage" as newly forged partnerships between the EU and its member states and national governments jeopardize the democratization and integration processes of the countries in the region. The EU and its member states are determined to implement the Critical Raw Materials Act in countries of the European semi-periphery like the Balkans. However, this might utterly change both the perceptions of the EU on the ground and its ability to change societies based on values and norms enshrined in EU treaties.

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11 See for example Heinrich Böll Foundation (2024). *The Raw Materials Situation in Neighboring European Countries Bosnia and Herzegovina, Serbia, Georgia, and Armenia*, July 2024, <https://www.boell.de/de/2024/07/22/raw-materials-situation-neighboring-european-coun-tries>

12 Just Security (2021). *Western Balkans: Minerals, mining, and governance*, 29.9.2021 <https://www.justsecurity.org/97101/western-balkans-minerals-mining-governance/>

13 Osservatorio Balcani e Caucaso: *Western Balkans: Europe's future mining colony?* 28.6.2024, <https://www.balcanicaucaso.org/eng/Areas/Balkans/Western-Balkans-Europe-s-future-mining-colony-232179>

14 See studies by RERI, available at the RERI webpage <https://reri.org.rs/en/incl>

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## 4. Dilemmas and controversies around mining

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### 4.1. *Dilemma No. 1: Reality check needed - Promise of bright future vs. reality*

International mining companies promise substantial investments in the regional economies and a bright future full of chances for prosperity and welfare for the region. According to the UN Environmental Programme, mining and quarrying account for about 1.2% of the total GDP in the Western Balkans today. This, according to UNEP, implies a vast untapped potential for economic growth and developments: “Capitalizing on such mineral assets will be a priority for South Eastern Europe to boost local economies and attract foreign investment,” argues UNEP in its study.<sup>15</sup> This coincides with arguments presented by national authorities in the region.

The Serbian government praises the chances for the future development of the country’s economy, labour market, and foreign direct investments as a result of lithium mining in the Jadar valley. During German Chancellor Scholz’s visit to Serbia in July 2024, Serbian president Aleksandar Vučić spoke about the lithium mining project as a “turning point” towards a better and more prosperous Serbia.<sup>16</sup> Vučić has long promoted a narrative of Serbian economic success, even using the phrase “golden age”. European officials are increasingly echoing these optimistic narratives. During his visit to Serbia, Chancellor Scholz praised the planned lithium mining project in Serbia as “an important European project” that is also good for Serbia and underlined the importance of lithium mining for Europe “to remain sovereign in a changing world and not be dependent on others.”

Similar praise for mining projects comes from local authorities and representatives of EU member states in Bosnia and Herzegovina. When the

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<sup>15</sup> See United Nations Environment Programme. (2009). *Mining and environment in the Western Balkans*. United Nations Environment Programme. <https://www.unep.org/resources/report/mining-and-environment-western-balkans> as well as further aspects of the impact of mining on environment UNEP (2018). *Protecting and restoring the environment of the Western Balkans*, [https://zoinet.org/wp-content/uploads/2018/01/UNEP-GEF-Western-Balkans\\_EN.pdf](https://zoinet.org/wp-content/uploads/2018/01/UNEP-GEF-Western-Balkans_EN.pdf)

<sup>16</sup> Jozwiak, R. (2024, July 19). *Germany’s Scholz praises lithium-mining deal with Serbia, says environment will be protected*. Radio Free Europe/Radio Liberty, 19.7.2024 <https://www.rferl.org/a/serbia-germany-lithium-mining-environment/33043393.html>

Adriatic Metal company opened a polymetallic mine in Vareš in March 2024, the Prime Minister of the Federation of Bosnia and Herzegovina, Nermin Nikšić, described the event as proof to the world that Bosnia is a great place to invest. The UK ambassador, who also attended the opening ceremony, warmly welcomed the investments and described it as a massive opportunity for the region.<sup>17</sup>

Private companies like Adriatic Metal in Vareš, Rio Tinto in Serbia, and Lykos Balkan Metals, which predominantly focuses on BiH, promise to meet the highest standards and environmental norms while outlining bright prospects for the economic development and prosperity of local communities and countries through mining. Prominent international media outlets such as The Economist echoed the positive reporting, underlining the mine's importance in "reviving a dying Bosnian town," while ignoring or downplaying the broader citizen concerns.<sup>18</sup>

Local populations and environmental activists, however, provide a reality check. In the case of an existing mine in Vareš, water pollution became apparent to the population by May of 2023. The cadmium levels in downstream water exceeded all standards for polluted water, rendering it no longer safe as drinking water, forcing the population to start buying bottled water to protect their health<sup>19</sup>. In the case of Rio Tinto, experts and activists warn that the Serbian government, with its dismal track record in terms of environmental standards, neither can nor wants to guarantee what they and Rio Tinto are promising – the highest standards of environmental protection to be integrated into the project. Regarding the Rio Tinto mining plans, hydrogeology experts<sup>20</sup> warn of severe adverse effects of the mining project in the Jadar valley on the waterways and underground water, with the potential of severely endangering the best underground water deposits in Western Serbia.

A particularly negative example of pollution and severe environmental degradation is the copper mine in Bor, operated by the Chinese Zijin Mining Group.<sup>21</sup> The air pollution in the city caused by high levels of arsenic, cadmium, and other heavy metals has been a significant concern of citizens for years. Bor belongs to the list of 50 most polluted cities worldwide, with every fourth inhabitant suffering from cancer. While the company and the government claim

17 Lismore-Scott, S. (2024). Adriatic opens doors to Vareš and underlines importance in Bosnia and Herzegovina. Mining Magazine. 7.3.2024 <https://www.miningmagazine.com/operations/news-analysis/4183142/adriatic-doors-vares-underlines-importance-bosnia-herzegovina>

18 The Economist (2023). A mining project revives a dying Bosnian town, 12.7.2023, <https://www.economist.com/europe/2023/12/07/a-mining-project-revives-a-dying-bosnian-town>

19 Lippman, P. (2024). International companies wreak havoc on the environment: Is Bosnia-Herzegovina becoming one big European mine? Lefteast. 4.4.2024 <https://lefteast.org/bosnia-international-companies-wreak-havoc-on-the-environment/>

20 Presentation by Zoran Stevanovic at the Workshop in Belgrade, November 2024

21 Pesic, B. (2024). "We can barely open a window": Residents grapple with pollution from Chinese copper mine in Serbia. Radio Free Europe/Radio Liberty. 28.7.2024 <https://www.rferl.org/a/china-bor-serbia-zijin-mining-pollution-copper/33052214.html>

to have introduced the newest environmental protection measures, citizens and environmental activists accuse Serbian authorities of turning a blind eye to pollution and health concerns.<sup>22</sup>

The massive gap between the promises made by the authorities and private companies, which paint the future of the region in the most favourable colours, and the reality in the countries, be it in terms of the rule of law, legal and financial regulations, or environmental standards, looms large over the current and future mining projects.

## **4.2. Dilemma No. 2: Transactionalism and “deal-oriented” EU politics regarding mining damaging norm-based Enlargement and democracy?**

The recent debate around Rio Tinto reached a climax when the Serbian government revived plans for lithium mining in the Jadar valley, despite having cancelled them in 2021 following wide-spread civic protests. This coincided with German chancellor Scholz’s visit to Serbia when the EU and Serbia signed the so-called “lithium deal” in the summer of 2024. This debate best illustrates the dilemma that the EU and member states find themselves in when it comes to the Western Balkans.

During the general elections in December 2023, which were neither fair nor free, and subject to substantial criticisms by several international organisations and EU member states including Germany, the Serbian government revived the plans for lithium extraction in the Jadar valley, which had been prepared behind the scenes. In July 2024, Serbia’s Constitutional Court, unquestionably controlled by the regime, ruled that the previous decision to stop the lithium plans in the Jadar valley had been unconstitutional.<sup>23</sup> This cleared the way for the lithium project to be put on the fast track in Serbia. At the same time, for the EU and particularly for Germany, it meant a significant strategic shift in their policy towards Serbia. The rhetoric suddenly switched to one of close partnership with Serbia as opposed to rather critical tones towards the Serbian government which were dominant in the few weeks after the general elections in Serbia in December 2023. Chancellor Scholz’s visit to Belgrade on July 19, 2024, was the

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<sup>22</sup> Mrkela, B. (2022). *Local residents at risk after China’s Zijin triples production at Serbian copper complex*. *Just Finance International*. 9.5.2022, <https://justfinanceinternational.org/2022/05/09/local-residents-at-risk-after-chinese-zijin-triples-production-at-serbian-copper-complex/>

<sup>23</sup> Jeremić, V. (2024). *Povreda koja ne boli: Projekat Jadar nakon odluke Ustavnog suda*. *NIN*. 16.7.2024 <https://www.nin.rs/politika/vesti/53058/povreda-koja-ne-boli-projekat-jadar-nakon-odluke-ustavnog-suda>

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high point of this new policy. The headline in the German TAZ daily (July 22, 2024), read “Prime Minister on Lithium Hunt”. In a single stroke, Serbia became a strategic partner and the guarantor for the future of the European Green Deal. The electoral fraud, the increasingly authoritarian trends, the armed incursion into northern Kosovo by Serbian paramilitary forces in September 2023, Serbia’s close cooperation with EU’s geopolitical adversaries China and Russia, and its refusal to join in on the European sanctions against the Putin regime – these issues were all seemingly forgotten.

In the summer of 2024, a new chapter in relations between the EU and the West with Serbia presumably began—the chapter of pragmatic, opportunistic, values-free transactionalism. The latest thinking in the EU and the US (which will probably only increase now that Donald Trump has been elected president again) argues for pragmatic relations with Serbia for the stability of the region and the apparent interests of the EU and some member states in terms of critical raw materials and their Green Deal plans.

Against the background of the erosion of the rule of law and democracy in Serbia over the last decade, and in parallel with the increasingly centralized authoritarian tendencies of the regime, the new “strategic partnership” with the EU and the German government’s new policy of pragmatic-opportunistic transactionalism will just encourage the regime to stay on the authoritarian track. Aleksandar Vučić’s regime is geared exclusively towards the retention of power. It is well-practised in opportunism, open to transactionalism, and adept at a zigzag approach in foreign policy and geopolitical arenas. Thus, the lithium mining plans can be seen as a grim disservice to democracy and the aspiration of EU membership by a future democratic and free Serbia governed by the rule of law. Given the government’s track record over the past years, there is little hope that binding standards and detailed agreements and regulations will make Serbia fully commit to adherence to environmental and rule-of-law standards. What remains is severe collateral damage for pro-democratic and pro-European policies in 2024. For the present, those suffering the most from this are the people in the Jadar valley and the progressive and democratic forces in Serbia that find themselves increasingly under pressure domestically, and without allies externally.

The bottom line is that with the newest lithium deal, the EU is set to undermine the region’s democratic future and replace value- and norm-based enlargement and democratisation with pragmatic transactionalism and “deal-oriented” politics.

### **4.3. Dilemma No. 3: David vs. Goliath – How citizens and activists (can) fight major mining projects – The case of Montenegro**

The Brskovo/Mojkovac mine in northeastern Montenegro has a long history, with mining operations that lasted until 1991. The site contains significant deposits of zinc, lead, copper and silver. In 2010, a new exploration and mining concession was issued, followed by drilling, explorations and plans by the Swiss company Tara Resources to open new mines. Due to serious health and environmental concerns, the plans were put on hold, and finally, concession plans – at least for now – have been terminated by the Montenegrin government. What happened behind the scenes, and which role did citizens play in the fight against Tara Resources' mining plans?

In the case of Mojkovac, there was no massive mobilisation on the streets; instead, it was public advocacy focused on some basic principles. The generational trauma that Mojkovac experienced from the operation of the old mine, which was closed in 1992 along with the tailings pond (jalovište) in the city centre, is what mobilised the people to express dissent. The turnout at the first public debate organised by citizens surprised everyone.

Activists' and citizens' arguments against the project arose from a series of inaccurate data that the plan's developer (the Ministry of Ecology from the government led by Prime Minister Abazović) included in the plan at the concessionaire's request. A series of false and fabricated data, an attempt to suppress the opinion of the Public Health Institute which clearly stated that the mine should not be re-opened due to existing high concentrations of heavy metals in the air, water, and soil, and the attempt to falsify data to show that there were no dangerous amounts of mercury at the Brskovo mine, were all key points.

The protest strategy evolved; citizens reacted instinctively rather than following a set strategy. The core of the strategy was based on local ownership and authenticity—only the people of Mojkovac should lead the fight, as they know best, without the influence of political parties. Many experts from complementary fields were consulted, and a thorough analysis of all stages of the project was conducted by the citizens, shining light on the dubious procedures.

Apart from the fight against the mining company, the struggle against individuals driven by personal or party interests who tried to exploit the struggle was the hardest. The initiative "Healthy Mojkovac" distanced itself from attempts of instrumentalisation by actors close to party structures (DPS – Democratic Party of Socialists of Montenegro).

The new Government of Montenegro, led by Milojko Spajić, including the Minister of Energy and Mining Saša Mujović, contacted the organised citizens in Mojkovac just 15 days after

taking office in October 2023 and scheduled a meeting with all relevant local and national stakeholders, which turned out to be rather constructive. The mining company presented some fanciful stories and provided data that sounded appealing. However, since the meeting was a debate, everything the company offered was countered with arguments they could not refute. This initial confrontation exposed the company's deception to the decision-makers and led to the launch of necessary procedures. As the next step, an interdepartmental commission was formed by the minister. This commission analysed the contract and the clauses that the company had failed to fulfil. After a month of intensive work, it was concluded that the agreement could and should be terminated. Finally, as a result, the contract was indeed terminated, and the state withdrew the bank guarantees.

While this battle in Montenegro has been won, the question is how long the victory will last, given the ongoing quest for resources by multinational companies. Even more far-reaching questions are related to the efforts by citizens and activists in Serbia and Bosnia and Herzegovina in their struggles against major mining projects like the Rio Tinto project, the Majevisa/Ozren projects or the Vareš mine. While there is a massive mobilization, particularly in Serbia, and a persistent network of activists and engaged citizens in Bosnia, there are no guarantees that governments and companies involved in mining plans will back down. In BiH there is no indication that any politician is even interested in listening to the people, and the multi-layered government makes it possible for local interests to be trumped by higher level coalitions. It is notable that this dismissal of public concerns is not limited to traditional nationalist parties – center/center left/liberal parties have been equally silent. Moreover, the pressure on activists is rising, including new forms of direct repression against civic forces in general. The recent wave of police brutality in Serbia against peaceful protesters and citizens following the deadly roof collapse at the Novi Sad railway station in November 2024 is the most dramatic reminder of shifting horizons, with the government and authorities in Serbia openly showing their authoritarian face.<sup>24</sup> In the meantime, the student protests in Serbia have reached a critical mass and intensity, resulting in a resignation of the Serbian Prime Minister and his government in late January 2025.<sup>25</sup> It remains to be seen how the newest development in Serbia might impact the mining plans.

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24 *The Guardian* (2024). *Roof collapse kills at least 14 people at Serbian train station*, 1.11.2024, <https://www.theguardian.com/world/2024/nov/01/roof-collapse-serbia-train-station-novi-sad> and Baletic, K. (2024). *Serbia Arrests Nine for Violence at Protest Over Railway Station Collapse*. 6.11.2024, <https://balkaninsight.com/2024/11/06/serbia-arrests-nine-for-violence-at-protest-over-railway-station-collapse/>

25 See for more Gercama, I. (2025). *'We are done with corruption': how the students of Serbia rose up against the system*, 30.1.2025. <https://www.theguardian.com/world/2025/jan/30/we-are-done-with-corruption-how-the-students-of-serbia-rose-up-against-the-system>, Chastand, J.-B. (2025). *Tens of thousands of students march against Serbian president: 'We're no longer alone'*. *Le Monde*. 2.2.2025 [https://www.lemonde.fr/en/international/article/2025/02/02/in-serbia-tens-of-thousands-of-students-march-against-president-vucic-in-novi-sad-we-re-no-longer-alone\\_6737694\\_4.html](https://www.lemonde.fr/en/international/article/2025/02/02/in-serbia-tens-of-thousands-of-students-march-against-president-vucic-in-novi-sad-we-re-no-longer-alone_6737694_4.html), Ernst, A. (2025). *Ihre Forderungen sind nicht revolutionär, aber hochbrisant: Serbiens Studentenproteste sind eine Schule der Demokratie*, 11.2.2025. <https://www.nzz.ch/meinung/serbien-die-studentenproteste-sind-fuer-die-demokratie-ein-segen-ld.1870357>

However, the David vs. Goliath struggle remains one of the most controversial developments to be followed in the months and years to come. The course and outcome of this fight will influence how we judge the governance in each of the Western Balkan countries in the end – whether as democratic and rule-of-law-based or as an illiberal governance, in its most worrying form leaning toward authoritarianism. The litmus test will be if the governments will respect the human rights and freedom of assembly; whether they will allow for full and free participation of citizens in decision-making processes; and how they will respect the personal rights and security of activists and engaged citizens. Equally importantly, this will reveal the EU's own values, and show whether EU member states and companies align themselves with the people or with deal-making oligarchs. Right now, the course of action of authorities in some parts of the region – most intensively in Serbia and Republika Srpska – points to increased pressure and even repression of activists, already revealing concerning long-term trends.

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## 5. Towards an uncertain future – Major takeaways

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- o1** There are no guarantees that mining, under the current circumstances, will be a viable economic and developmental model for the future prosperity of the Western Balkans states. The institutions and economies in the Western Balkan countries are largely captured with significant deficiencies when it comes to the rule of law and transparent procedures. Therefore, even if substantial financial benefits might be reasonably expected, all evidence shows that this money would support the mechanisms of state capture, including the possibility of being shipped offshore.
- o2** Environmental and health issues should be addressed in all mining projects in the Western Balkans, both those being implemented and those which are planned. While companies and local governments – recently also the EU – claim that the highest environmental standards will be kept and the most advanced environmental processes implemented, evidence from ongoing projects or similar ones globally suggests the risk of massive environmental degradation and neglect of



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health issues of local populations. In recent years, the dismal environmental track record of Serbia, Bosnia and Herzegovina and Montenegro is everything but a guarantee for adequate implementation of environmental measures and standards.

**03**

International companies and EU member states have a clear financial interest in exploiting raw materials in the Western Balkans and appear ready to turn a blind eye to problematic developments in the countries' governance for the sake of initiating and implementing the planned mining projects. The intense quest for raw materials and the EU's apparent values-free "pragmatic" stance in this regard render the EU dependent on local elites and structures. The latter, in turn, will keep utilizing the new partnerships for their purposes – reducing criticism from outside, strengthening power, engaging in clientelistic and corrupt practices, etc. The primary negative outcome might paradoxically bring more economic growth but also more bad and authoritarian governance, with almost negligible positive effects for local populations, and a negative effect on the overall long-term prospects of the region.

**04**

The EU's Enlargement policy in the Western Balkans has been in crisis for years, with no significant progress. The EU's Green Deal and the Critical Raw Material Act frame the region anew. While in the political framing of candidate countries democratization and economic and social convergence still dominate the narrative, the planned mining projects seem to change the equation between the EU and candidate countries in the Western Balkans: judging by the current state of the debate since the signing of the Memorandum of Understanding between Serbia and the EU, and given Germany's strong interest in lithium, the sails seem to be trimmed to the new wind of the EU's more pragmatic and transactional policy in the region. Vučić's increasingly autocratic control of the state and society seems to be rewarded with economic transactionalism. Preliminary insights from Serbia show that the "lithium deal" between Serbia and the EU might contribute to further erosion of the EU's credibility as a promoter and defender of democracy, the rule of law and human rights. Under these circumstances, we might expect that the value- and norm-based aspect of enlargement, which has increasingly weakened in the last few years, will further erode with significant adverse effects on democracy and potentially the stability and security of the region. In addition, it is reasonable to conclude that

enlargement is largely on hold, if not dead as an EU willing to consider accepting such states into the Union would signal an end to the notion of the Union as a values-based entity.

## o5

Citizens' mobilisation around the topic of mining has significantly increased. Engaged citizens and activists can exercise certain pressure on governments and companies, thus creating at least a rudimentary system of checks and balances on ongoing and planned mining projects. However, the pressure from governments is rising, with harsh measures and even repression used in Serbia, as well as various forms of pressure and threats against activists in Bosnia and Herzegovina. There is also an increased risk of "far right ecologism" within the protest movements (particularly in Serbia in the Rio Tinto case), which might compromise the goals and aim of the movements.

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# About us

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**The Balkans in Europe Policy Advisory Group (BiEPAG)** is a group of policy analysts, scholars and researchers, established as a joint initiative of the European Fund for the Balkans and the Centre for Southeast European Studies of the University of Graz with the aim to promote the European integration of the Western Balkans and the consolidation of democratic, open countries in the region. BiEPAG is composed of prominent policy researchers from the Western Balkans and all of Europe who have established themselves for their knowledge and understanding of the Western Balkans and the processes that shape the region.

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**The European Fund for the Balkans (EFB)** is a joint initiative of the Erste Foundation, Robert Bosch Foundation and King Baudouin Foundation that envisions and facilitates initiatives strengthening democracy, fostering European integration and affirming the role of the Western Balkans in addressing Europe's challenges. Its strategy is focused on three overarching areas – fostering democratisation, enhancing regional cooperation and boosting EU Integration. The EFB supports the process of affirming the efficacy of EU enlargement policy across the Western Balkans, improving regional cooperation amongst civil society organisations based on solidarity and demand-driven dialogue. It provides means and platforms for informed and empowered citizens to take action demanding accountable institutions and democracy. The focus is on continuous reforms of the policies and practices of the Western Balkans countries on their way to EU accession.

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**The Centre for Southeast European Studies** was set up in November 2008 following the establishment of Southeast Europe as a strategic priority at the University of Graz in 2000. The Centre is an interdisciplinary and cross-faculty institution for research and education, with the goal to provide space for the rich teaching and research activities at the university on and with Southeast Europe and to promote interdisciplinary collaboration. The Centre also aims to provide information and documentation and to be a point of contact for media and public interested in Southeast Europe, in terms of political, legal, economic and cultural developments. An interdisciplinary team of lawyers, historians, and political scientists has contributed to research on Southeast Europe, through articles, monographs and other publications. The centre regularly organizes international conferences and workshops to promote cutting edge research on Southeast Europe.

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