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China's Belt and Road Initiative in the WB6: Economic or Geopolitical Project?

SUMMARY

Since the fall of the communist regime, the Western Balkan countries have faced significant changes and challenges, and they have been at the forefront of important debates on issues such as transatlantic relations (joining NATO and the EU). The Balkan region has recently come under the influence of great powers such as the United States, Russia, China, Turkey, and the Gulf States. However, China, as a Great Power, is looking for opportunities to expand its influence in this region by leveraging the Belt and Road Initiative (BRI) and employing "soft power" as a diplomatic tool. It is worth noting that Beijing's presence and investments are not at the same level or standard throughout the region. The purpose of this article is to analyse and comprehend Chinese investments in the Western Balkans.

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BACKGROUND ON THE BELT AND ROAD INITIATIVE (BRI)

A significant amount of research has recently been conducted to analyse the significance of the Belt and Road Initiative and how it will affect China's relations with Europe, particularly with European nations. Also, there is an ongoing debate on the main objectives of the BRI, especially as to whether it seeks economic benefits or pursues geopolitical and military goals (Ishnazarov 2020).

However, the route of the BRI begins in the South China Sea, passing through the Malacca Strait, the Indian Ocean, and the Red Sea before extending into the Mediterranean Sea (Chris Alden, Elizaveth Sidiropoulos 2015), and it's one of the most ambitious projects in terms of investment in various sectors. The Chinese investments through BRI focus on rail and road connectivity projects, energy connectivity projects, and people-to-people projects. These high-potential investments affect more than 150 countries worldwide (BRI n.d.). This project thus connects approximately 65 countries and a population of 4.4. Billion (or 63% of the global population) and 21,000 billion dollars of the global economic product (Thomas S. Eder, Jacob Mardell n.d.).

For years, Beijing has aimed to, through the Belt and Road Initiative (BRI), build connections and cooperation in the main economic corridors that include not only the countries of Asia as its geographical part but also more widely. Thus, through investments in various fields, China is managing to expand its range of activities in the coastal world. In the case of the Balkans – the Adriatic Sea in the west, the Mediterranean Sea, including the Ionian and Aegean Seas, the Sea of Marmara in the south, and the Sea of Black in the east. In light of this, President Xi Jinping presented the vision for the Belt and Road Initiative (BRI) in a speech at Kazakhstan's Nazarbayev University in 2013, stating that "a nearby neighbour is better than a distant relative."

THE ECONOMIC AND CULTURAL INFLUENCE TRENDS

In addition to the BRI, the Chinese government is trying to promote business and investment relations between China through a new initiative, 17+1 (today, 14+1), among the 16 countries of Central and Eastern Europe, where five of the six countries are in the Western Balkans and are part of this initiative. Cooperation between China and Central and Eastern European Countries (China-CEEC Cooperation) was launched in 2012 as a cross-regional cooperation platform based on traditional friendship and the shared desire of all the

participants for cooperation and common development. This project is focused on economy and trade, culture, education, youth exchange, agriculture, tourism, science and technology, health, think-tank exchange, and sub-national cooperation (China-CEEC Cooperation n.d.).

However, this format, apart from the summits held since 2012, has no concrete projects and is not seen as active in the region compared to the BRI initiative. Also, the exit of the Baltic states in 2022 has made the format seen as "suspicious" and not successful. When Baltic states (Estonia, Latvia, and Lithuania) withdrew, the Foreign Minister of Lithuania, Gabrielius Landsbergis, called it divisive and redundant (Lithuania Quits 'Divisive' China 17+1 Group n.d.) since Beijing addresses European countries with an individual approach, which means with different investment offers. This approach is also practised in the Western Balkan region and is well-known in the BRI strategic policies.

Against this backdrop, unlike other countries in the world, as mentioned above, China prefers a different approach to the countries of the Western Balkans. This means that China's relationship with the six countries in the region changes, and Chinese engagement is individual for each state.

According to the data of the Balkan Network of Investigative Journalism (BIRN) (China in Balkan n.d.), a large number of Chinese projects are found mainly in Serbia, with 61 projects amounting to €19 billion, Bosnia-Herzegovina with 29 projects amounting to €5 billion, and North Macedonia with 15 projects amounting to €654 million. While in other countries of the region, there are fewer Chinese investments; Montenegro has only 9 projects amounting to €2.5 billion; and Albania has 8 projects amounting to €650 million.

Nevertheless, because of the political stance between the two states—Beijing does not recognise Kosovo as an independent state—there is no project in Kosovo. Thus, between 2009 and 2021, 122 projects involving Chinese investments in energy, technology, and transportation infrastructure were completed in the Western Balkans. Hence another huge investment where China is planning a major expansion of copper mining, as demand for the metal in Serbia amounts to 3.8 billion dollars (Misha n.d.). Regardless, such investments allow Beijing to enter European markets and the region's main ports, allowing for the reorganization and shortening of trade routes (particularly through the BRI).

In addition to the economic and industrial sectors, China has established cooperation with political, media, educational, and cultural entities, including the network of the Confucius Institute. The establishment of the Confucius Institute in 2004 to promote understanding of the Chinese language and culture is a striking example of how the government promotes soft power through cultural means (Zhou Ying, Sabrina Luk 2016). Thus, the Confucius Institute was opened for the first time in the region in Belgrade in 2006 (China's strategic interests in the Western Balkans n.d.). As in other areas, Serbia is the Western Balkans state with the greatest cultural influence from China. Chinese lan-

guage schools and two Confucius Institutes have recently opened in Belgrade and Novi Sad University. In addition to Serbia, China maintains Confucius Institutes in Albania, North Macedonia, and two locations in Croatia. China actively seeks students from countries along its Belt and Road Initiative, including the Balkans (China's Educational Outreach Still a One-Way Street n.d.). However, young people's perceptions of China have not changed significantly despite these developments and the BRI's increased presence of Chinese nationals in the region. They still regard China as a "remote" country with little cultural appeal and still favour mass immigration to Western Europe (Vuk Vuksanovic, Philippe Le Corre n.d.). Because of this, the social and cultural ties between the Balkan countries and the European Union are incomparably stronger than those with China.

China understands the importance of soft power, which is why it has made a concerted effort to strengthen its cultural ties with the Western Balkans. Cultural diplomacy is facilitated by the organization of various cultural events and study tours, both of which are integral to the BRI initiative's strategy and agenda. By leveraging its economic might and soft power, China can solidify its motto strategy—"A nearby neighbour is better than a distant relative"—and establish a political stance for its concerns in the global arena.

CONCLUSIONS

China's BRI project has strengthened its regional cooperation across the world, and China has become an economic powerhouse through governance and the implementation of infrastructure works (Liu 2021). In light of this, the Chinese Project (BRI) acts as an instrument of international governance and regional engagement.

Beijing is building and strengthening its influence in the Western Balkans through projects focused on almost everything, from energy and infrastructure to culture and education. Thus, the BRI has proven its potential in various fields, such as political, cultural, and environmental. The multi-billion-dollar BRI initiative has created several opportunities for developing countries, including the Western Balkan region.

However, it should be noted that when it comes to Chinese investments in the region, there is a lack of critical voices from the region, indicating that the countries of the Western Balkans put their interests first when dealing with China and thus remain wary of criticising it on human rights or other important issues that are considered sensitive by the Chinese government.

It must be understood as a critical point when discussing investments in general. The data presented above is appealing in terms of the number of projects; however, it should be highlighted that the majority of Chinese investments in the Western Balkans are loans and no foreign direct investments.

This indicates that the bulk of Chinese economic engagement in the area takes the form of state-owned banks and financial institutions like the Silk Road Fund, China Development Bank, and Asian Investment Infrastructure Bank providing concessional loans for infrastructure, mostly in the transportation and energy sectors. Serbia possesses the greatest investment projects and loans concurrently.

Therefore, the real question is not whether China has strategic goals in the Western Balkans, but rather what these goals are and how they might affect China's geopolitics more broadly. Seeing and analysing the objectives of the Belt and Road Initiative, it can be said that this huge Chinese project might bring economic development to Western Balkan countries and might become a lifeline for the people by helping the economic progress of the countries since this region needs investments in what China offers. Even though the investments are not equal depending on which country has a Chinese approach, it is important to understand that the Chinese path to the region is not only economic; there is also a political side to investments for China. In the political aspect, Beijing, through investments in Serbia, gains its political presence by making Beograd the most important partner in the Western Balkans or as China's hub, further strengthening its presence and position in the region.

In summary, China is becoming more and more influential in the Western Balkans because no Western Balkan leader is opposing Beijing's investments, and all of Beijing's ambitious investment projects are appealing to the Balkan states given their needs and the need for additional funding in the region.

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