

Belt and Road Initiative: the New Chessboard of International Politics?

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[EURICS fellow, Autumn 2021]

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A VIEW FROM THE BALKANS

Once upon a time, in the pre-COVID world, I attended a workshop on Europe-China relations in Budapest, where I met a leading Western European expert on China. I vividly remember our exchange. Flabbergasted by their interactions with researchers from Central, East, and Southeast Europe (who at the time were on average much more optimistic about relations with China than them), the expert noted that China looks much different when seen from Paris or Brussels, compared to what it looks like as seen from Budapest. To that, I added that they could experience an even more significant difference in perceptions (and perhaps a greater disturbance) if they went to the Balkans. In this region, the European Union (EU) is the main game in town. China is seen as a particularly important and promising partner by the countries in the area, but the volume of economic cooperation is lower than with the neighbor, and Beijing's potential agenda raises concerns. By looking at the dynamics surrounding China in the European periphery, one could discover something about the impact of China that is not that easily visible from "the core."

The Balkans remain the poorest region in Europe. Dependent on capital inflows, it is not in a position to be too picky when selecting its economic partners. In the area, expertise regarding China is modest at best (although local perceptions do exhibit a certain level of granularity). China has acknowledged these key features and addressed them in crafting its approach to the region. As a result, economic relations between the two areas have increased over the past decade.

The net assessment of Sino-Balkan relations cannot be made in simple terms: they have yielded noteworthy successes but also demonstrated serious shortcomings—with two opposite outcomes often happenings simultaneously. It has been the case with the Smederevo steel mill in Serbia. Formerly a loss-making company, it became Serbia's leading exporter right after being acquired by Hebei Steel in 2016. Grave environmental controversies have accompanied its growth. Another example is the formerly struggling Piraeus Port in Greece. After the investment by COSCO (who started gradually purchasing parts of the port in 2009, reaching 67% ownership in 2021), the port grew spectacularly in terms



of performance and significance. It saw as well deteriorating labor standards. Despite these problems, Balkan governments and the mass public have been friendlier, less critical, and more optimistic about China than their counterparts in the West (Kosovo remains a significant exception because it is unrecognized by China and therefore has no relations with that country).

While it is easy to hype Sino-Balkan relations, we also need to be aware of its firm limits. China has by no means “bought” the region, nor has the area changed its strategic orientation because of China. Despite the disappointments, the Balkan countries that are yet to join the EU still pursue the dream of EU membership as their utmost strategic priority (i.e., Serbia, Bosnia and Herzegovina [BiH], Montenegro, North Macedonia, Albania, and Kosovo). Those that are EU members remain significantly committed to Europe and depend on it (the borders of the wider Balkans are always debatable—nonetheless, one can refer to Greece, Bulgaria, Croatia, Romania, and Slovenia as Balkan countries). Furthermore, aside from Serbia, BiH, and Kosovo, all Balkan are also NATO members and all of them have close strategic relations with the United States (US), which is the key to understanding their strategic outlook. Overall, the region remains pro-Western oriented. Moreover, China is largely overshadowed by the EU in economic cooperation. Likewise, the Balkans’ interdependence with Beijing remains far below Western Europe’s with China.

Yet, external observers perceive China as a massive difference-maker in the region. From the vantage point of the EU and the US, it is impossible to talk about the Balkans today without considering China: traditional stakeholders in the region have been particularly concerned about its footprint and have responded to it in various ways. From the Balkan perspective, China is less essential and less dangerous than assessed by the West. Still, the fact that the latter devotes so much attention to it makes the topic of China appear more critical for Balkan actors. As shown throughout this paper, this transformation of the debate over China’s presence depends not so much on the loyalties between actors but rather on their visions for development and policy agendas.

Context-Shaping and Agenda-Setting

The intricacies and contradictions related to the understanding of the role of China in the Balkans are telling of more complex phenomena at play. Due to its size, its newfound pro-activity after 2008, and the narrative power of its post-1978 economic miracle, China demonstrates its ability to challenge and potentially change the way people think, talk, and act on questions about economic policy governance

and international cooperation. However, the consequences therein are not merely to be sought in technical policy amendments—but rather in the domain of paradigms, positionalities, and long-term agendas. This touches upon the key debates on China and the world, particularly the somewhat understudied ideational aspect of China’s rise and its global impact. While there is no shortage of attempts to understand China’s footprint in the global political economy, one particular aspect remains on the margins: the effects of Global China in the domain of ideas, that range from the interpretations and representations of the world to the prescriptions on how to act in it. Those are illustrated not only by the words and discourses of various actors but also imbued in the normative fabric of various practices of cooperation. In the domain of ideas, China provides in various ways an external stimulus, pushing other actors to adopt a different understanding of the world which (re) shapes the context in which they operate. Such conceptualization makes China’s ideational impact much more spontaneous, non-deterministic, and open-ended than one can hypothesize.

Discussing ideational impact prompts us to first look at what China does intentionally. Through its pro-active approach, China has socialized other actors into its global economic visions and its way of conducting economic cooperation. By actively engaging other actors, China spreads its setting of parameters for discussion and determines which discourses and practices can be accepted as normal (this has been the subject of my previous research). In the Balkans, China promotes its global vision through the regional-level mechanism of the Belt and Road Initiative known as 16(17)+1. Overall, throughout the region, it has managed to successfully present itself as a viable partner that offers legitimate cooperation opportunities. Its state-led approach to development - the idea that states have the right and the responsibility to drive economic growth - has been warmly met. Its ground plan consisting of belts, roads, high-speed trains, container ships, and investment into production capacities has also appealed to Balkan countries, who have brainstormed with Chinese stakeholders about multi-modal transport corridors, new canals, or industrial parks. They signed numerous agreements. When some of the megaproject ideas (e.g., highways) were to be translated into practice, Chinese actors demonstrated versatility: they promoted a way of cooperation that circumvents competitive procedures in the countries that are not members of the EU yet, while also fairly competing and even winning EU funding in the member states, i.e., Croatia. This shows how China undertakes nominally pragmatic actions against the backdrop of an elaborate vision and agenda.

China implements and narrates its actions relatively successfully. However, this success has come with a firm limit: while generating sympathies in the region, China has been primarily seen as a contingency, Plan B, or rather Plan Z partner. Welcoming China, Balkan leaders never ventured into contemplating a radically different world order, and for the most part, conveniently steered away from controversies.

Furthermore, Sino-Balkan cooperation's image has been tainted by several problems, which have shaped the thinking of Balkan actors about dealing with Beijing: sub-par due diligence (such as in the case of the Kičevo-Ohrid highway), lack of financial sustainability (such as in the case of the Bar-Boljare highway), detrimental environmental impact (such as in the case of coal-based thermal power projects in the region), to name a few. Perhaps the most significant source of this has been the politicization-by-association, as China's preferred cooperation model revolves around a strong, centralized government of the partner country that can fully own the developmental agenda. Chinese actors are operationally much more comfortable in situations with a clear view of who is in charge: while accounting for many actors and stakeholders, their idea of cooperation is not geared for dealing with complex political situations (e.g., shared power, cohabitation, or substantial self-governance). In the Balkans, centralized governments that fit better in China's agenda, such as Serbia under Vučić, usually polarize their own societies and irk the West - who consider them to be transgressing from the liberal democratic ideal. By relying on such governments and leaders, China is often associated with degenerative political processes in the region, a central condemnation argument used by those critical of China.

In sum, the responses to China's actions do not necessarily conform with Beijing's intentions and often actually contradict them. But it is indisputable that China's efforts have changed how local and external actors in the region think, speak and act, regardless of whether this has been in line with China's intentions or contradicted it.

Are the EU and the US adding to China's importance?

Crucial for facilitating new ideas related to China in the Balkans, however, have been other critical players in the region, in the first place the EU and the US. They have had a significant impact on how the inputs from China and the realities from the ground are translated into specific ideas that, later on, are taken up by local actors. Western actors have been increasingly framing China's advent as a development that is not value-neutral. While there are still plenty of unknowns regarding the nature of the changes brought about by Global China and their consequences, in the developed countries in the West, the assessment seems to be that China's influence (itself an epistemologically problematic concept) is increasing. Given the different set of norms and values that underpin China's system, it is seen at best as a worrisome development and, at worst, as an existential threat to liberalism and democracy. Such thinking is now increasingly shaping China's policy beyond the US and the "core" West. It is shaking up the global political economy status quo and transforming political and economic relations at the regional and national level in various parts of the world.

In the Balkans, this has been visible through several developments. Of particular significance for understanding the ideational impact of China here is the current European and American "response to China" in the Balkans, which is in

many ways similar to their "response to China" beyond the region. Understanding the regionally-focused adaptation, in turn, helps identify several facets of ideational change beyond peripheral Europe. Fearing that China would fill the "attention deficit," the US and the EU have stepped up their rhetoric and commitments to a region receiving less attention than it should have had (according to local actors and some foreign observers). The EU has launched a myriad of initiatives to reinvigorate its involvement in the Balkans and re-energize the enlargement process (albeit with minimal success).

These responses, mainly motivated by the perceived threat of rising Chinese presence, have been accompanied by a significant change in approach to the region. Trying to fend off Chinese endeavors centered around the economy, the EU and the US have put economic cooperation and development much higher on the priority list—mainly centered around investment in strategic projects—coupling them with a firmly established value-centered framework (rooted in principles of liberal democracy).

Over time, the somewhat "defensive" measures had been transformed to "offensive," as both the EU and the US, but also Japan as a shy and distant external actor have offered their visions for global connectivity and development in response to China's Belt and Road: the EU has its Global Gateway (which has had precedents in the EU-Asia Connectivity Strategy, but also in the Berlin Process and a myriad of other

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instruments in the Balkans); the US has launched the Build Back Better initiative, in which the Balkans figures prominently (i.e., through the operation of the revamped US International Development Finance Corporation); Japan has explored potential opportunities and proposed a Japan-Balkans Network, coordinating in the first place with the EU as a like-minded partner operating on shared values. Connectivity has become the policy buzzword in the region. Brick-and-mortar economic development, economic interdependencies, and potentialities, which were not part of the debate before, are becoming an increasingly important part of it. The discourse on the Balkans, traditionally dominated by the themes of state-building, ethnicity, identity politics, and endless transitions and reform processes that have overshadowed the domain of economics, has now expanded with discussions on new perspectives on development, which are gradually coming to the fore. It is important to note that this change has not altered the fundamental representations of the Balkans,

which are ones of exotic backwardness. However, while this backwardness has historically been taken as a perennial characteristic of the region, this new developmental discourse creates some space for envisioning ways to overcome it.

Thus, the “responses to China” have then had a much more profound effect in the region than the actions of China itself—or rather, Chinese actions, and the reactions to them, have cumulatively created a new reality in the Balkans. Adapting to this process of competing geoeconomic visions for renewal and development, some Balkan actors have openly embraced a zero-sum outlook, advocating for choosing a side (predominantly, the side of the West and sometimes forcefully anti-China); others have attempted to craftily attract the attention of the global audience by trying to play the “China vs. West” card. Most significantly, regional actors that have remained interested in cooperating with China have nonetheless toned down their enthusiasm (i.e., even when optimistic about China, they have done it with much more diligence, calculation, and caution). This had to do with a “global chessboard” competition style logic as much as fears and assumptions about Balkans-China relations and their actual outcomes.

This “silk-roadization” of the debate on the Balkans has not been an automatic consequence of the intensifying economic cooperation between China and the Balkans. It has rather been coproduced through complex ideational dynamics outlined above. The actual relations with China and the material cooperation have contributed to it. However, the mitigating discourse and policy endeavors of the EU and the US, which have (re) securitized economic issues, have also had a decisive role. They have been a function of diverse normative interpretations of the rise of Global China and the world in which China plays an ever more significant role, and of the imagination of potential future outcomes (in addition

to focusing on the already existing material ones)—potentially both positive and negative. While deeply intertwined with actual developments on the ground, this process ultimately takes place in the domain of ideas; its lasting effect concerns China’s role in the region and the outlook of the area itself.

The Balkans is just one region where such dynamics unfold: with China having extended its worldwide presence, different regions can offer additional insights. In some sense, such developments help reinforce the perception of China as the most serious systemic rival to the EU and as an ideological competitor to the US. On the other hand, it is inevitable to notice that some of the response to Global China—in the Balkans and beyond—has also been based on taking some pages off China’s playbook, i.e., a diffusion process through competition.

The rise of China is expected to change the world through outcomes that are predominantly studied in terms of their actual or expected material consequences (e.g., financial sustainability or dependency, strategic maneuvering, or procedural-normative impact on regulations). However, my research argues that the rise of China is also changing the world through its impact on how others think and talk about economic development, be it a result of cooperation or competition with China. Even if China scales back or withdraws its involvement in regions such as the Balkans, the ideational consequences will remain. Therefore, its ideational impact is not an overstatement—but rather a starting point for any discussion on how Global China is already changing the world.

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