

Serbia – China's Preferred Partner in the Western Balkans

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Introductory words

For China's geo-economic interests within the framework of the "Belt and Road Initiative", the "17+1" initiative launched in 2012 plays an important role with regard to Europe. The idea behind the initiative is that by using this political platform, China can intensify its economic and trade relations with the Central, East and Southeast European states and, in particular, better implement its economic interests vis-à-vis the richer Western European states as well by investing in regional transport infrastructure. All Western

Balkan states¹ – with the exception of Kosovo – participate in the “17+1” initiative and have a considerable interest in Chinese investments.

However, the most populous Western Balkan state, Serbia, clearly stands out in this region in terms of its relations with China. Of all Western Balkan and probably (with the exception of Russia) of all European states Serbia has the most intensive political relations with China. Shared anti-Western narratives, which originate from the NATO operation during the Kosovo War, as well as China’s successful “Corona diplomacy”, are highly conducive to this. Furthermore, Serbia, whose capital was the venue of a “17+1” summit in 2014, has become the main focus of China’s investments and loans in the Western Balkans, as well as a hub for Chinese economic ambitions towards Serbia’s neighbouring countries.

The purpose of this paper is to elaborate how Serbia’s special status as China’s most important partner in Southeast Europe is reflected in its economic, political, security and cultural relations. In this context, however, Sino-Serbian relations are also critically assessed in terms of how they should be evaluated with regard to Serbia’s EU accession ambitions and how they could affect the democratic consolidation of this key state in the Western Balkans.

Intensified economic relations

In the context of China’s growing geoeconomic ambitions in Europe and the thus upgraded geopolitical position of the Western Balkans, economic exchanges with Serbia have increased sharply in the period 2010 – 2020. According to calculations by Serbian economists, imports from China doubled in 2019 compared to 2010, while exports to China were 45 times the 2010 level. Overall, however, exports from Serbia to China remain at a very low level.² This is mainly due to the – from a Chinese perspective – still poorly developed manufacturing sector in Serbia. In 2020, China already

¹ The Western Balkans includes the following six states: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia.

² Elena Jovičić, Slavica Stevanović, and Isidora Beraha, “Serbia-China Bilateral Trade Relations: Major Challenges and Opportunities,” *Economic Analysis: Applied Research in Emerging Markets* 53, no. 2 (December 2020): 133-144 (here 133), <https://doi.org/10.28934/ea.20.53.2.pp133-144>.

ranked second behind Germany in terms of imports. In terms of Serbian exports, however, China continues to rank at the bottom of the list of industrialised nations. Serbia also has the largest deficit in its trade balance with the ambitious Asian economic power.³

In addition to agricultural products, China imports copper from Serbia. Copper already accounted for more than 80% of Serbia's total exports to China in 2019.⁴ A year earlier, in 2018, the Chinese firm Zijin Mining acquired a majority stake in Serbia's RTB Bor copper production facility for USD 1.26 billion, making it one of the key Chinese investments in Serbia and the region as a whole to date.⁵ Serbia, on the other hand, imports mainly high-tech devices and appliances for household use from China and has increased imports of medical items due to the Corona pandemic since 2020.⁶ Despite the noticeable intensification of trade relations between China and Serbia, the European Union (EU) as an economic community remains the most important trading partner of Serbia and the entire Western Balkans. About 60% of imports to Serbia come from the EU. The share of Serbian exports to the EU is almost 70%.⁷

When it comes to infrastructure investments in Serbia and the entire Western Balkans, the EU competes even more fiercely with China. According to the calculations of the "Vienna Institute for International Economic Studies" (WIIW), the EU supported investments in infrastructure projects worth approximately €18 billion across the region in the period 2009 – 2018 through more than €1 billion in cash donations and more than €5 billion in loans.⁸ In comparison, Chinese banks provided a total of almost €9 billion in construction loans to the Western Balkan countries in 2010 – 2019, according to WIIW calculations. Unlike with the EU, however, there are no

³ Ibid., 136-137.

⁴ Ibid., 138.

⁵ Jens Bastian, "Southeast Europe in Current Chinese Foreign Economic Policy," *Südosteuropa Mitteilungen* 60, no. 3 (2020): 13-28 (here: 20).

⁶ Jović, Stevanović, and Beraha, "Serbia-China," 137-138.

⁷ Mario Holzner, "Economic Development, Infrastructure Projects, Foreign Trade and Investment in the Western Balkans," in *Competing External Influences in South East Europe – Implications for Regional Consolidation*, ed. Predrag Jureković (Vienna: Study Group Information, 2019): 119-129 (here 125-126).

⁸ Ibid., 120.

cash donations in Chinese investments.⁹ According to official Serbian data from the end of 2019, Chinese loans and investments amounted to USD 7 billion by then, with loans and investments each accounting for about half. The share of Serbia's gross domestic product was 15%.¹⁰ Some Serbian experts even estimated Beijing's investments in Serbia at 9 – 10 billion euros at the end of 2019.¹¹

The majority of Chinese investments are in transport and energy projects, with Serbia in the Western Balkans being the main target country. Even before the takeover of the copper mine in Bor, the Chinese company "Hebei Iron and Steel Group" (HBIS) bought the then loss-making ironworks in Smederevo in 2016.¹² For economist Jens Bastian, who has been analysing Chinese investments in Southeast Europe for some time, investments in ore mining sites in the Western Balkans are intended to strengthen supply chains for Chinese industrial production, especially in car manufacturing.¹³

Among Chinese investments in heavy industry, ecologically damaging energy projects have provoked criticism at both regional and European levels. For example, in 2014 the Serbian government received a loan of USD 608 million from a Chinese state bank for the expansion of the lignite-fired thermal power plant in Kostolac. The power plant does not meet modern environmental standards.¹⁴ In the western Serbian town of Zrenjanin, a Chinese car tyre factory has drawn criticism from environmentalists for deteriorating air and water quality.¹⁵ Because of that and similar instances,

⁹ Ibid., 122-124.

¹⁰ Aleksandra Nenadović, "Kineski krediti pod senkom korupcije (Chinese loans in the shadow of corruption)," *glasamerike.net*, November 6, 2019, <https://www.glasamerike.net/a/kineski-krediti-pod-senkom-korupcije-/5155036.html>.

¹¹ Alexander Strelkov, "Sources, Tools and Impact of External Non-EU-Engagement in Southeastern Europe – Part III: CHINA (conference report)," *Südosteuropa Mitteilungen* 60, no. 3 (2020): 63-74 (here 67).

¹² Nenadović, "Kineski krediti".

¹³ Bastian, "Southeast Europe," 21.

¹⁴ Danas online, "Kineski kredit za TE Kostolac, pa i kineski zakoni (Chinese loans for the Kostolac thermal power plant, but also Chinese laws)," *Danas*, July 21, 2016, <https://www.danas.rs/drustvo/kineski-kredit-za-te-kostolac-pa-i-kineski-zakoni/>.

¹⁵ Slobodna Vojvodina online, "Zrenjanin je ekološka bomba koja otkucava (Zrenjanin is a ticking ecological bomb)," *Slobodna Vojvodina*, August 26, 2020, <https://www.slobodnavojvodina.rs/slobodna-vojvodina/zrenjanin-je-ekoloska-bomba-koja-otkucava/>.

EU parliamentarians have accused the Serbian government and Chinese investors of violating both Serbian and EU laws with heavy industry projects.¹⁶ Criticism is levelled at the lack of public transparency in the contents of contracts, the violation of Serbian laws relating to tenders and the lack of impulses for the Serbian economy, as Chinese construction companies mainly use Chinese workers and construction materials from China.¹⁷ In a nutshell, the criticism is that the Serbian government takes out loans from Chinese state banks at partly unfavourable and non-transparent conditions in order to finance prestigious infrastructure projects that mainly support China's "Belt and Road Initiative".

These accusations make no impression on the Serbian government and President Aleksandar Vučić, whom the political opposition accuses of an increasingly authoritarian course. Through the media, which are controlled by the ruling "Serbian Progressive Party" (SNP) and Vučić, the motorway sections, bridges and repaired railway lines financed with Chinese loans and built by Chinese construction companies are successfully staged for propaganda purposes.¹⁸ In this context, the Chinese financing of the planned modernisation of the Belgrade-Budapest railway line functions as a central propaganda theme. The relevant agreement between China and Serbia was concluded in July 2019. The 107-kilometre section of the line in Serbia will

¹⁶ Marijana Avakumović, "Evroposlanici zabrinuti zbog kineskih investicija (Europarlamentarians concerned about Chinese investments)," *Politika*, January 1, 2021, <http://www.politika.rs/sr/clanak/471643/Evroposlanici-zabrinuti-zbog-kineskih-investicija>.

¹⁷ Heather A. Conley, Jonathan E. Hillman, Maesea McCalpin, and Donatienne Ruy, "Becoming a Chinese Client State, The Case of Serbia," *CSIS Report*, (Sept. 2020): 8-9, <https://www.csis.org/analysis/becoming-chinese-client-state-case-serbia>; *Telegraf.rs*, "Kineski radnici rade na najvećim projektima u Srbiji - kako dalje zbog koronavirusa? (Chinese workers are working on the biggest projects in Serbia - what will happen in view of the Corona virus?)," *Telegraf*, February 20, 2020, <https://biznis.telegraf.rs/info-biz/3156490-kineski-radnici-rade-na-najvecim-projektima-u-srbiji-kako-dalje-zbog-koronavirusa>.

¹⁸ Danas online, "Vučić: Srbija najbolji prijatelj Kine u Evropi (Vučić: Serbia China's best friend in Europe)," *Danas*, November 7, 2020, <https://www.danas.rs/politika/vucic-srbija-najbolji-prijatelj-kine-u-evropi/>.

be financed with a Chinese loan in the amount of USD 943 million.¹⁹ Unlike EU investments, which must be made in accordance with the law and in a transparent manner, the Chinese investments are suspected of being more in line with corrupt and patronage interests of political interest groups in Serbia.²⁰

The EU is not categorically opposed to Chinese investments in the candidate country Serbia but demands that these must comply with EU guidelines and be compatible with EU projects in the Western Balkans.²¹ The latter refers, among other things, to the EU's connectivity agenda for the Western Balkans. The EU has allocated about 1 billion euros for this purpose in the period 2015-20. With this financial support, several dozen infrastructure projects worth 4 billion euros are to be realised, which are of interest to both the Western Balkan states and the EU.²² The main aim is to connect the Western Balkans to the trans-European networks and to strengthen the cooperation of the Western Balkan states within the framework of the "European Energy Community". In particular, China's energy projects are viewed very critically by Brussels, especially for ecological reasons.²³

However, the Serbian government sees China as an important partner for the digitalisation of its country. For example, plans were launched by the two states in 2019 to build a regional platform for artificial intelligence in the central Serbian city of Kragujevac by 2025. The leading Chinese provider of information and communication technology, HUAWEI, is to play a key role in this context. This global corporation has its regional headquarters in Belgrade and could use Serbia as a hub to spread its technology throughout

¹⁹ Iva Martinović, "Svi rokovi brze pruge Beograd – Budimpešta (All deadlines of the fast track Belgrade-Budapest)," *Radio Slobodna Evropa (online)*, January 23, 2020, <https://www.slobodnaevropa.org/a/rekonstrukcija-pruga-beograd-budimpesta/30392693.html>.

²⁰ Conley, Hillman, McCalpin, and Ruy, "Becoming a Chinese Client," 7.

²¹ Ana Krstinovska, "The 17+1 Cooperation Platform: Between Wishes and Reality," *Südosteuropa Mitteilungen* 60, no. 3 (2020): 29-34 (here 33).

²² European Commission, "EU - Western Balkans. Boosting Connectivity," July, 2019. <https://wbc-rti.info/object/document/19891>.

²³ SEE Energy News, "Energy sector in the Western Balkans and its connection to China," *SEE Energy News*, November 4, 2020, <https://serbia-energy.eu/energy-sector-in-the-western-balkans-and-its-connection-to-china/>.

the Western Balkans.²⁴ The latter is viewed very critically, especially in the USA and in parts of the EU, for political and security reasons (see the chapter “Security cooperation”).

Less controversial in the context of China’s soft power policy in the Western Balkans is the expansion of tourist activities by Chinese citizens. Serbia is one of the Chinese government’s particularly “recommended travel destinations”.²⁵ Chinese tourists do not need an entry visa to Serbia, a fact that has certainly increased the attractiveness of the Western Balkan state as a travel destination. In 2017-18, for example, the number of Chinese tourists doubled, reaching over 100,000²⁶, and in 2019, the Chinese were the largest tourist group in Serbia with around 145,000 tourists. In terms of overnight stays, Chinese tourists were second only to Bosnian Herzegovinians with 268,572 overnight stays in the same year.²⁷ The growing popularity of Serbia as a destination for Chinese travel-hungry tourists was also shown in 2020 by an explicit recommendation of the Chinese National Tourism Organisation, which ranked Serbia among the ten best winter destinations in the world.²⁸

“China’s most reliable partner in Europe” – the political dimension

In a representative opinion poll published by the “Belgrade Centre for Security Policy” in November 2020, Serbian citizens were asked about their attitudes towards international actors. In the survey, 40% of the respondents named Serbia’s traditional ally Russia as the country’s “biggest friend”,

²⁴ Politika online, “Softverska platforma za veštačku inteligenciju ‘Huaveja’ stiže u Kragujevac (HUAWEI’s artificial intelligence software platform arrives in Kragujevac),” *Politika*, November 5, 2019, <http://www.politika.rs/sr/clanak/441276/Ekonomija/Softverska-platforma-za-vestacku-inteligenciju-Huaveja-stize-u-Kragujevac>.

²⁵ Nevenka Čavlek, “Chinese Outbound Tourism to Central, Eastern and Southeast European Countries,” *Südosteuropa Mitteilungen* 60, no. 3 (2020): 51-60 (here 58).

²⁶ Ibid.

²⁷ Politika online, “Kinezi i Bosanci najbrojniji turisti u Srbiji (Chinese and Bosnians the most frequent tourists in Serbia),” *Politika*, February 11, 2020, <http://www.politika.rs/sr/clanak/447665/Kinezi-i-Bosanci-najbrojniji-turisti-u-Srbiji>.

²⁸ Politika online, “Srbija za Kineze među 10 najboljih zimskih destinacija (Serbia among the top ten winter destinations for China),” *Politika*, March 2, 2020, <http://www.politika.rs/sr/clanak/449029/Ekonomija/Srbija-za-Kineze-medu-10-najboljih-zimskih-destinacija>.

followed by the “new brother” China, which was named as “best friend” by as many as 16%. Neighbouring countries of Serbia and EU member states had much lower approval ratings. Only 46% of Serbs still supported EU accession, 51% explicitly rejected it at the time of the survey. In contrast, 87% of respondents rated China’s role in Serbia as positive (53% in 2017). Despite Serbia’s official EU accession ambitions, as many as 57% thought Serbia should coordinate its foreign policy with Russia and China.²⁹

The facts that more people in Serbia have a negative opinion about the EU and EU accession and that authoritarian partner states such as China are upgraded at the same time, can be attributed to various domestic and foreign policy factors. Firstly, to anti-democratic developments in Serbia itself, which have increased sharply since President Aleksandar Vučić’s “Serbian Progressive Party” (SNP) came to power in 2012. Out of “pragmatic necessity”, EU accession is indeed the declared strategic goal also for the SNP-led governments. At the same time, however, they reject too much interference by Brussels in Serbia’s internal affairs and especially in Belgrade’s foreign policy. Officially, Belgrade strives for a balanced good relationship with all important geopolitical actors. In reality, however, Serbian government politicians and the media they control portray authoritarian states such as Russia and China exclusively positively and as partner countries, while the EU is judged neutrally at best and its far-reaching support for Serbia is hardly communicated to its own population. This ambivalent European integration policy of the current Serbian leadership (EU accession negotiations with simultaneous undermining of the EU image by the media) leads to distortions of reality in public opinion about international actors.³⁰

For example, a representative survey published by the Serbian Ministry for European Integration in December 2019 showed that the EU and China are erroneously perceived as similar by the Serbian population when it comes to non-repayable financial donations to Serbia. Accordingly, 20% of

²⁹ Belgrade Centre for Security Policy, “Mnoga lica srpske spoljne politike. Javno mnjenje I geopolitičko balansiranje (The many faces of Serbian foreign policy. Public opinion and geopolitical balancing),” November 2020, <https://bezbednost.org/publikacija/mnoga-lica-srpske-spoljne-politike-javno-mnjenje-i-geopoliticko-balansiranje/>.

³⁰ Observations of the author in the course of many years of continuous analysis of Serbian media.

respondents thought that China was the biggest donor state, while 26% thought that the EU was.³¹ However, the figures published by the Ministry for European Integration for the period 2000 – 2016 showed that the EU, with 2.96 billion euros in support funds, provided 59.9% of the total international support funds, while the Chinese share in the said period was only 31.4 million euros or 0.6%.³²

These misperceptions are partly due to the EU's weakening credibility in its integration policy towards the Western Balkans since 2010. The poor public opinion in Serbia highlights weaknesses in the EU's strategic communication. In addition, although anti-democratic tendencies in Serbia and other Western Balkan states are criticised in EU progress reports, Brussels does not exert any significant political pressure on the governments to reinforce democratic standards in the Western Balkans.³³ In the context of this grey zone in terms of democracy and integration policy, in which Serbia and the other Western Balkan states still find themselves, it is not surprising that China is able to pursue a very successful soft power policy in this part of Southeast Europe with only a small investment of funds. In particular, the Corona crisis in 2020/21 gave an additional boost to China's foreign policy towards the Western Balkans and Serbia in particular.

In the first phase of the pandemic, in March 2020, when the European states seemed hopelessly overwhelmed in their Corona crisis management, China supplied medical protective equipment and devices to Serbia, among others. Belgrade returned the favour with huge billboards thanking "Brother Xi" (Chinese President Xi Jinping) for his swift assistance.³⁴ The medical team of

³¹ Republic of Serbia – Ministry of European Integration, "European Orientation of Serbian Citizens. Public Opinion Poll," December 2019, 24, <https://www.mei.gov.rs/eng/information/public-opinion/>.

³² Ibid., 25.

³³ Marko Kmezić and Florian Bieber, eds., *The Crisis of Democracy in the Western Balkans. An Anatomy of Stabilitocracy and the Limits of EU Democracy Promotion* (BiEPAG Policy Study, March 2017), <https://www.balkanfund.org/biepag-publications/the-crisis-of-democracy-in-the-western-balkans-an-anatomy-of-stabilitocracy-and-the-limits-of-eu-democracy-promotion>.

³⁴ Sanja Kljajić, Srbija: "EU pomaže više, ali je Kina bratska (Serbia: EU supports more, but China is brotherly)," *Deutsche Welle* (online), April 4, 2020, <https://www.dw.com/hr/srbija-eu-poma%C5%BEe-vi%C5%A1e-ali-je-kina-bratska/a-53017342>.

six Chinese pandemic experts sent to Serbia received a lot of media attention. This included many appointments with Serbian ministers and President Vučić.³⁵ Serbian politicians went out of their way to express their thanks to the Chinese leadership, while at the same time the Serbian president strongly criticised the EU for its hesitancy in assisting Serbia after the pandemic spread.³⁶

A comprehensive €3.3 billion Corona financial package for the Western Balkans agreed by the EU at the end of April 2020 put an end to the anti-EU rhetoric of Serbian leaders for the time being.³⁷ In public statements, however, they continued the political narrative of China as Serbia's most important partner in the Corona crisis. China's successful Corona diplomacy scored a new success in the first quarter of 2021. Serbia received special shipments of Sinopharm's vaccine from China to speed up its vaccination campaign against the Corona virus. In contrast, the EU suffered further image damage because it was unable to provide vaccine to the Western Balkan countries at this stage due to insufficient vaccine quantities in the EU itself.³⁸

For Serbia, China has undoubtedly become an important foreign policy partner. Serbia in turn also sees itself as an important partner of China. Accordingly, President Vučić emphasised several times that Serbia is "China's best friend in Europe".³⁹ China's ambassador in Belgrade, Chen Bo, is among the diplomats most frequently and exclusively mentioned by

³⁵ Politika online, "Vojne spomen-medalje za drugi tim kineskih lekara (Military commemorative medals for the second team of Chinese doctors)," *Politika*, June 1, 2020, <http://www.politika.rs/sr/clanak/455247/Drustvo/Vojne-spomen-medalje-za-drugi-tim-kineskih-lekara>.

³⁶ Sofija Popović, "'Steel friendship' between Serbia and China criticised by European commentators," *European Western Balkans (EWB)*, March 30, 2020, <https://europeanwesternbalkans.com/2020/03/30/steel-friendship-between-serbia-and-china-criticised-by-european-commentators/>.

³⁷ EWB, "EU announces €3.3 billion in support for the Western Balkans," *EWB*, April 29, 2020, <https://europeanwesternbalkans.com/2020/04/29/eu-announces-e3-3-billion-in-support-for-western-balkans/>.

³⁸ Austrian Broadcasting Cooperation (ORF), "Impfstoffe: Freie Wahl in Serbien (Vaccines: Free choice in Serbia)," ORF (online), February 2, 2021, <https://orf.at/stories/3200177/>.

³⁹ Danas online, "Vučić."

Serbian media in a positive context. Only with the help of its loans and related infrastructure projects, a few investments and very skilful “Corona diplomacy” has China managed to massively expand its political influence in Serbia within a few years. At the same time, China – unlike Russia – at least superficially refrains from offensive interference in Serbian domestic and foreign policy. Thus, China does not seem to have any “objections” to Serbia’s EU integration. It would probably even consider Serbia’s EU membership to be geo-economically advantageous for itself, since Serbia would be an advocate of China within the EU.

Politically, Beijing and Belgrade are linked above all by the common historical narrative of the “NATO aggression” during the Kosovo conflict in spring 1999. In the course of NATO air operation “Allied Force”, the Chinese embassy in Belgrade became the target of a NATO attack. The communist leadership in Beijing has to this day not believed the NATO statement, which was accompanied by an apology to China, that it was an “erroneous attack”.⁴⁰ Closely linked to the rejection of the 1999 NATO intervention is another common political interest of China and Serbia, namely that of mutual support for territorial integrity. China continues to regard Kosovo, which declared independence in February 2008, as a part of Serbia and acts as a reliable partner of the Serbian government in the UN Security Council.

Serbia under Vučić and his party “SNS” in turn unreservedly support Beijing’s “One China” policy. Any political support for Hong Kong’s or Taiwan’s political concerns is ruled out by Belgrade.⁴¹ Belgrade’s political loyalty to Beijing goes so far that even in the area of human rights (Uighurs, Chinese dissidents) no criticism, not even in a slight way, has been heard

⁴⁰ Politika online, “Kineski stručnjaci odali počast stradalima u bombardovanju ambasade Kine (The Chinese experts paid tribute to the victims of the bombing of the Chinese embassy),” *Politika*, March 27, 2020, <http://www.politika.rs/sr/clanak/450966/Drustvo/Kineski-strucnjaci-odali-pocast-stradalima-u-bombardovanju-ambasade-Kine-FOTO>.

⁴¹ Politika online, “Vučić: Znam kakvu reakciju moje pismo Siju izaziva na Zapadu (Vučić: I know what reaction my letter to Xi will provoke in the West),” *Politika*, June 6, 2020, <http://www.politika.rs/sr/clanak/455580/Vucic-Znam-kakvu-reakciju-moje-pismo-Siju-izaziva-na-Zapadu>.

from Belgrade of China's official policy during Vučić's term in office so far.⁴² In particular, because of its foreign policy partnerships with Moscow and Beijing, Belgrade finds it increasingly difficult to coordinate its foreign policy with that of the EU, although this should actually be part of the EU integration process. Within the Western Balkans, Serbia regularly brings up the rear of all candidate and potential candidate countries when it comes to the coordination of its foreign policy with that of the EU. In 2019, according to analyses by the Belgrade-based think tank "International and Security Affairs Centre" (ISAC), the Serbian government supported only 57% of joint EU declarations on foreign policy issues.⁴³

In view of Serbia's basically China-friendly policy, it is not difficult for the Chinese news agency "Xinhua", which has an office in Belgrade as well as in other Southeast European capitals, to promote China's diplomatic and economic initiatives.⁴⁴ In addition, security cooperation is also gaining in importance.

Security cooperation

The intensified cooperation between Serbia and China is not only reflected in the economic and political spheres, but also in security issues. Against this background, the USA in particular criticises extensive arms deals with China as counterproductive for Serbia's strategic goal of becoming an EU member. From a Western perspective, the purchase of six Chinese CH-92A drones, which can be used for both reconnaissance and combat purposes and were delivered by China to Serbia in July 2020, is particularly irritating in terms of security policy. Serbia is thus the first European state to have taken these unmanned military aircraft from China into use.⁴⁵ Furthermore, the military

⁴² Conley, Hillman, McCalpin, and Ruy, "Becoming a Chinese Client," 6.

⁴³ Danas online, "Srbija od svih suseda slabije usaglašava spoljnu politiku sa EU (Of all neighbouring countries, Serbia coordinates its foreign policy with the EU to a lesser extent)," *Danas*, March 9, 2020, <https://www.danas.rs/politika/srbija-od-svih-suseda-slabije-usaglasava-spoljnu-politiku-sa-eu/>.

⁴⁴ Kurt Bassuener, "Primed Receptors: Synergies between Western Balkan Political Elites and Chinese Economic Actors and State Media," *Südosteuropa Mitteilungen* 60, no. 3 (2020), 35-49 (here: 38).

⁴⁵ Dušan Stojanović, "Serbia considers buying Chinese missiles despite US warning," *DefenseNews*, August 11, 2020, <https://www.defensenews.com/global/europe/2020/08/11/serbia-considers-buying-chinese-missiles-despite-us-warning/>.

cooperation between Belgrade and Beijing also foresees the upgrading of Serbian “Pegasus” drones with Chinese military technology. Serbian military experts are undergoing training in China for this purpose.⁴⁶ Conversely, officers from the Chinese Armed Forces are taking courses at the Nuclear, Biological and Chemical Defence Centre in Kruševac, Serbia.⁴⁷

Visits to Belgrade by senior representatives of the Chinese Armed Forces and the Ministry of Defence have become routine in Serbian-Chinese relations. Such occasions, such as the visit of the Vice-Chairman of the Central Military Commission of China, general Zhang Youxia, in September 2019, are readily used by President Vučić to invoke the “steely friendship” between the two states and peoples. Both sides show an interest in further expanding their military relations, especially in the field of special operations forces training and cyber security.⁴⁸

Plans by the Serbian government to rely on Chinese companies, especially HUAWEI, to expand its digital infrastructure – including the protection of sensitive personal data – are setting alarm bells ringing among Western security experts. Officially, Western representatives such as NATO Secretary General Jens Stoltenberg emphasise that the militarily neutral Serbia can of course decide for itself with which support it expands its 5G network.⁴⁹ However, not only Western actors but also Serbian NGOs are concerned that Chinese security standards imported together with Chinese digital infrastructure could lead to a restriction of civil rights in the medium term.⁵⁰

⁴⁶ Milan Galović, “Vojska Srbije dobila kinesku naoružanu bespilotnu letelicu CH-92A (The army of Serbia received the armed Chinese drone CH-92A),” *Politika*, November 28, 2019, <http://www.politika.rs/sr/clanak/442949/Vojska-Srbije-dobija-kinesku-naoruzanu-bespilotnu-letelicu-CH-92A>.

⁴⁷ Milan Galović, “Obuka kineskih oficira u Centru ABHO (Training of Chinese officers at the NBC Defence Centre),” *Politika*, May 31, 2019, <http://www.politika.rs/sr/clanak/430865/Obuka-kineskih-oficira-u-Centru-ABHO>.

⁴⁸ Milan Galović, “Predsednički doček za kineskog generala (Presidential reception for the Chinese general),” *Politika*, September 6, 2019, <http://www.politika.rs/sr/clanak/437337/Predsednicki-docek-za-kineskog-general>.

⁴⁹ Politika online, “Stoltenberg o uticaju Kine: Srbija sama odlučuje o 5G mreži (Stoltenberg on China’s influence: Serbia decides on 5G network itself),” *Politika*, November 15, 2019, <http://www.politika.rs/sr/clanak/441988/Stoltenberg-o-uticaju-Kine-Srbija-sama-odlucuje-o-5G-mrezi>.

⁵⁰ Strelkov, “External Non-EU-Engagement,” 72.

The latter refers above all to the expansion of the Serbian cities of Novi Sad, Belgrade and Niš into so-called “safe cities”, which is being pursued with Chinese surveillance technology.⁵¹

Joint anti-terrorism exercises by special units of the Serbian and Chinese police⁵² as well as joint Serbian-Chinese police patrols in cities heavily frequented by Chinese tourists⁵³ further deepen Serbian-Chinese security cooperation. According to Western analyses, China is pursuing not only economic but also strategic interests with its digitalisation exports. The benefit of Serbia for China as a “regional hub” with a pivotal function vis-à-vis the other Western Balkan states but also its EU neighbours, would be obvious. This is made clear by the fact that more than two thirds of the Western Balkan projects of Chinese companies in the field of information and communication technology in recent times are directed at Serbia.⁵⁴ Only the contract between Serbian Telecom and HUAWEI for the digitalisation of Serbia is said to be worth 150 million euros, according to Serbian media reports.⁵⁵

Cultural contacts

For China, cultural contacts are an important element of its soft power policy to attract European states to its “Belt and Road Initiative”. Confucius Institutes have been present in Serbia since 2006. They are under the direct control of the Chinese Ministry of Education and its foreign policy cultural organisation “Hanban” and represent the most important instrument of Chinese cultural initiatives in Europe.⁵⁶

⁵¹ Svetozar Savić, “Kinesko ‘tiho oružje’ za Srbiju (Chinese silent weapons for Serbia),” *Deutsche Welle*, October 14, 2020, <https://www.dw.com/sr/kinesko-tiho-oru%C5%BEje-za-srbiju/a-55273442>.

⁵² Milan Galović, “Kineski super policajci u Srbiji (Chinese super policemen in Serbia),” *Politika*, November 30, 2019, <http://www.politika.rs/sr/clanak/443069/Kineski-super-policajci-u-Srbiji-FOTO>.

⁵³ Politika online, “Srpsko-kineske policijske patrole u Beogradu, Novom Sadu i Smederevu (Serbian-Chinese police patrols in Belgrade, Novi Sad and Smederevo),” *Politika*, August 1, 2019, <http://www.politika.rs/sr/clanak/434909/Hronika/Srpsko-kineske-policijske-patrole-u-Beogradu-Novom-Sadu-i-Smederevu>.

⁵⁴ Conley, Hillman, McCalpin, and Ruy, “Becoming a Chinese Client,” 16.

⁵⁵ Savić, “Kinesko tiho oružje.”

⁵⁶ Bastian, “Southeast Europe,” 16.

The Confucius Institutes in Serbia, with locations at universities in Belgrade and Novi Sad, have the main task of spreading the Chinese language Mandarin among Serbian pupils and students. Since 2011, Mandarin has been offered as an elective subject at over sixty public schools. In some Serbian high schools with a language focus, Mandarin is taught as a compulsory first foreign language. There are plans to introduce Mandarin as an optional subject in all high schools. Particularly talented pupils and students from Serbia receive scholarships from the Hanban Centre.⁵⁷ In addition to the education sector, Chinese funding initiatives are also directed at Serbian think tanks, which are geopolitically oriented and perceived as pro-Chinese and as possible academic multipliers.⁵⁸

Conclusion

From China's perspective, its economic, political, security and cultural engagement in Serbia is a very successful European example of the Chinese soft power strategy in the larger framework of the "Belt and Road Initiative". With Chinese loans, infrastructure projects are being built in Serbia by Chinese companies that also serve Chinese economic interests. Supplier industries for end products in China are being outsourced to this part of Southeast Europe, along with the associated environmental problems. Serbia seems to have become an important regional hub for China in the Western Balkans and in all Southeast Europe for the spread of Chinese digital infrastructure, including surveillance systems that are questionable in terms of civil liberties.

In fact, the EU's antennae should be quivering in view of the invocation of the political alliance with Beijing by government politicians of the EU candidate country Serbia. The tendency of Serbian state representatives and the media controlled by them to comment critically or even dismissively on the EU has intensified in light of the very successful Chinese and less successful EU-Corona diplomacy since 2020. In spite of all understanding

⁵⁷ Dragana Jokić-Stamenković, "Podrška odluci da se kineski uči u gimnazijama (Support for the decision to learn Chinese at the high schools)," *Politika*, May 15, 2019, <http://www.politika.rs/sr/clanak/429543/Drustvo/Podrska-odluci-da-se-kineski-uci-u-gimnazijama>.

⁵⁸ Bastian, "Southeast Europe," 17.

for the great need for foreign direct investments (FDI) in the Western Balkans, it should not be overlooked that Chinese FDI is partly non-transparent and add to the already extensive corruption problems in the region. In Serbia in particular, civil society organisations warn that the political weakening of the European idea and the increased influence of undemocratic geopolitical actors will increase authoritarian thinking. Statements by Serbian leaders that China as a whole is a “successful model” and Belgrade’s refusal to support the EU’s common foreign policy towards China and Russia seem to underpin these fears in realpolitik terms.

The fact that there has been a stronger turn towards authoritarian geopolitical actors, especially in Serbia, but also to some extent in other Western Balkan states, certainly also has to do with the loss of credibility of the EU’s integration policy. This has also been accompanied by the erosion of the EU’s conditionality policy over the past ten years, especially in the area of democracy policy, despite various commitments from Brussels to the “accession perspective” for the Western Balkans. “Clean investments” from China that are ecologically sound and also meet the other EU investment criteria as well as being compatible with the infrastructure projects supported by the EU in the Western Balkans – especially in the digital and energy sectors – would be good for Serbia and the entire region. Serbian special relations with China, on the other hand, particularly in the form of Belgrade’s emerging deepening military and police cooperation with Beijing, represent another obstacle in the already very difficult process of consolidating the Western Balkans and its EU integration.