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Analysing Chinese Investment in the Balkan Region: A Threat to the EU

Abstract

In this article, the author conducts an analysis of China's means of influence in the Western Balkans region, and places special emphasis on the state's economic investment in infrastructure and energy, studying its connection with Beijing's foreign policy and that of the Balkans themselves. The main objective is to study China's influence on the development of the region, and to ask ourselves about the role of the Balkans in the BRI, and to analyse how this investment has materialised as well as the challenges it entails for the EU. This will primarily be done through a review of data obtained both from specialised literature and from open institutions' databases. The author concludes by pointing out that Chinese investment has not played a particularly key role in the development of the region, but that it entails risks for the EU as regards China's cultural and political influence when presenting itself as an alternative model to the West, and that the EU faces the challenge of counteracting this influence with inclusive and attractive policies for the Balkan countries.

Keywords: China, EU, Investment, Development, International Relations

Introduction

Globalisation has not only changed the paradigm at the economic or social level worldwide, but it has also changed the way of conceiving international relations. It is clear that military power continues to be an important asset when it comes to increasing a given state's relative power, but in modern times we are witnessing a new practice of these states to

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increase their sphere of influence as regards the economy, investment, and trade. Seducing other countries by offering them advantageous conditions for their development is a *modus operandi* increasingly used by the world's major powers, especially China.

In a matter of decades, China has implemented a level of economic development seldom seen throughout history, achieving a position that allows the country to directly confront the USA, the other great power of the system. There are many authors who affirm that historical normality is China being the world's main economic (and therefore political) power, which it was 2000 years ago, and that the anomaly is the so-called "period of humiliation" (as the Chinese themselves call it) in which the country was subjugated by the colonial powers.

In the context of this global rise, the Chinese are aware of the need to establish a framework of international relations differentiated from that of its main rival. China is also aware that in the Global South there is a general feeling of disaffection and resentment towards the US-dominated institutional system, which has traditionally demanded certain economic and political conditions for countries to be integrated into the liberal machinery.

In the face of this approach, China offers an alternative to the countries of the Global South in which it offers investment, trade, and diplomatic relations without, apparently, asking for anything in return. Undoubtedly, this approach is much more attractive to countries that do not conform to democratic standards or liberalised economies, and as a result we see the numerous investment projects that China has in Africa, Southeast Asia or the Middle East, especially with the New Silk Road project (also known as the Belt Road Initiative, hereinafter referred to as BRI).

But one would be wrong to think that this is an issue limited to the countries of the Global South. On the European continent itself, there is a Chinese presence which is to be found in numerous countries, especially in those with a greater sense of disaffection towards the European Union and the West, and although Italy, until the end of 2023, was a formal part of the BRI, and ports such as those in Valencia or Barcelona in Spain, among others, are important points of arrival of Chinese goods in Europe, China's presence in Europe is much clearer in the Balkan region, an area where only Croatia is part of the EU, and in which China has deployed investment amounts that have set off alarm bells on the continent.

The author's main objective in this article is to determine the importance of Chinese investment in the development of the Balkan region, for which he is going to set out the following specific objectives:

- to analyse the role of the Balkans in the BRI project;

- to determine what have been China’s main investments in the Balkan region (with special attention to infrastructure and energy projects);
- and to establish what the main implications of China’s role in the Balkans for the EU are.

Theoretical Approaches to Both China’s and the Balkans’ Foreign Policy

Theoretical Approaches to China’s Foreign Policy

China’s foreign policy changed radically with the arrival of Xi Jinping to power, although it had already been doing so with his predecessor, Hu Jintao. The economic crisis of 2008 was of great importance in this change, during which it began to be perceived that the axis of the world was tilting towards the east, and therefore it was necessary to assume a much more active role at the international level (Rodriguez, 2016). This strategy is embodied in the so-called “Chinese Dream” theory, which has an important nationalist character and whose principles include the acquisition of an important sphere of influence through trade and investment, for which it is essential to maintain a stable and peaceful international environment, and which explains the recourse to diplomacy to achieve this end.

On a practical level, this takes the form of China’s “peaceful development”, or “peaceful rise” – as was the official policy slogan under Hu Jintao – which is what China intends for the rest of the countries it brings under its sphere of influence. In that rise, calls are made in the framework of the 20th CCP Congress to defend China from foreign powers that might undermine its revitalisation, and to eradicate “Western values” that might similarly hinder China in its rise (Miura, 2022).

The principles of Chinese foreign policy (at least in its official discourse) are reflected in a document on cooperation presented to the United Nations in October 2021 (Ministry of Foreign Affairs of the People’s Republic of China, 2021). These principles are rhetorically identified in the document, which states that China supports the United Nations system and international law, takes a stand against unilateralism, protectionism, and pseudo-multilateralism, speaks of non-interference in internal affairs (something that China has been advocating in foreign affairs since Xi Jinping came to power), and the promotion of rights, among others. These principles are only rhetorically (and even strategically) stated, since, in practice, China’s hypocrisy and contradictions in matters such as the promotion of human rights, or the issue of trust in the United Nations system are evident (Fisas, 2022, p. 32).

One of the principles that China establishes in this document and which is most relevant to this object of study is precisely peaceful development, developed within the framework of friendship and cooperation on the basis of the Principles of Peaceful Coexistence. These principles, according to China's own diplomacy, are: mutual respect for sovereignty and territorial integrity; mutual non-aggression; non-interference in the internal affairs of other countries; equality and mutual benefit; and peaceful coexistence.

This is the official standpoint of China's foreign policy principles, based fundamentally on cooperation as the main asset for the development of the world and other countries, rejecting spheres of influence and hegemonies. However, from the point of view of Western theories, it can be given another type of approach, specifically from realist views, and specifically the structural realism of Kenneth Waltz that focuses especially on the great powers, such as China, since they are those that have the capacity to modify the international system. In this sense, structural realism is further developed in two new theoretical proposals that explain the behaviour of the powers at the international level, such as Mearsheimer's offensive realism (Mearsheimer, 2014) and its defensive counterpart by Shiping Tang (2010).

The main commonality of both theories lies in the fact that, as both are based on Waltz's structural realism, they agree that the main objective of the great powers is to ensure their survival. The main difference is the attitude of both towards the distribution of relative power (Jordán, 2022). Offensive realism, on the one hand, believes that the best way to ensure a state entity's survival is by increasing the relative power of that state since the system is anarchic and states can never be sure of the intentions of other actors (Mearsheimer, 2014, pp. 30–31). Therefore, they argue that the best way to be sure is to have as much relative power as possible.

Defensive realism, on the other hand, suggests that the powers are content with an adequate level of relative power share. It considers that approximate judgements can be made about the intentions of the other actors, and assumes that security is not so much about maximising the power of each state but rather that they can sometimes benefit from commonalities to carry out an exercise of cooperation in order to guarantee their security.

Having explained the different viewpoints offered by structural realism, the author is now in a position to analyse Chinese foreign policy from this approach. What he actually finds is that, at the discursive level, Chinese foreign action responds more to defensive principles, as it is committed to cooperation at the international level and against spheres of influence. However, as regards a concrete analysis, it is observable

that China's ultimate goal is to maximise its power at the global level through the creation of a series of loyalties generated through cooperation that makes member countries highly dependent on China. This aspect of Chinese foreign policy is greatly interesting due to this divergence between rhetoric and facts at the international level.

This is important in order to understand the motivations behind Chinese foreign policy, but it is even more important to bear in mind the concept of "soft" power, which is an important aspect of its foreign action, as well. It was defined by Joseph Nye (2004) as a kind of "second face of the power", which rests on the ability to shape the preferences of others, and stems from non-material elements. There are myriad books and research about the importance of soft power in the rise of China, since China's foreign relations are not based in coercion, but in negotiation, diplomacy, and in economic reliability, which is one of the points upon which this article is based. In the case of China, Hongyi Lai (2012) points out that rapid economic growth has allowed the country to develop resources to build its soft power capabilities. Besides the economic aspect, the promotion of the Chinese language through the Confucius Institutes has also been important along with the state's public diplomacy, which are elements the author will be covering, but not in the same way as the importance of China's attraction-building through investments, loans, and commerce.

The realist perspective focuses more on "hard" power, understood as the material capabilities to impose one's will through violence. This phenomenon has been studied in depth by other approaches such as constructivism, but it is important to understand its importance in the realist behaviour of China in its foreign policy. It is through its generating of confidence with economic strength that China tries to attract countries into its sphere of influence, and, at the same time, to obtain economic profit. From the Chinese perspective, the concept of soft power covers foreign and domestic policy (Zheng, Zhang, 2012) and it focuses on traditional culture and its economic development model.

In this article, it is important to think of China's cross-border investment activities as a form of soft power which also engages with China's realist approach of international relations. The author will examine how this investment is made, and what effects it has had on the development of the region as well as in achieving China's objectives in foreign policy.

The Crossroads of the Balkans

The Balkan region has been one of the most coveted throughout history by numerous states and empires. Controlling the region has been one of Russia's main ambitions since time immemorial in order to be able to

have access to the sea, the region itself having been controlled for a long time by the Ottoman Empire and also as Yugoslavia within the orbit of the USSR. This importance lies mainly in the geopolitical value of the region, being the meeting point between Europe and Asia, and having access to the Mediterranean Sea (with the consequent commercial opportunities provided by this strategic enclave). These geostrategic circumstances continue to play an important role at the time of writing.

The EU, as a result of the Russian/Ukrainian conflict and the impulse as regards the concept of the need for strategic autonomy that it has triggered, has tried to implement the concept of the European Geopolitical Community. This proposal is the brainchild of the president of the European Council, Charles Michel, on the basis of the European political community that Macron has been outlining since the beginning of the conflict, and even for some time before. This community started as a solution to the malfunctioning of the process of accession as regards the countries of the European environment to the EU (partly due to internal problems of the Union and also due to the candidates' non-fulfilment of the requirements), which have caused the Union to be perceived with a certain suspicion (Milosevich-Juaristi, 2022). This is one factor to consider within the geopolitical situation in which the Balkans find themselves. The misgivings towards the EU, due to the lack of progress in the EU accession process of most of the countries in the region (of which, since 2013, only Croatia has been part of the Union). This phenomenon, as Milosevich-Juaristi (2021) points out, is known as "Balkan fatigue", although the countries of the region themselves are mainly held responsible for their lack of compliance with the requirements for accession to the European club, as well as for the political conflicts in the region itself (the lack of recognition of Kosovo by several EU countries, as well as the mutual non-recognition between Serbs and Kosovars also serve as hindering factors).

Another factor of which the author speaks is the democratic regression that the region is experiencing, with leaders who attack the institutions and democracy itself, with former partners of Slobodan Milosevic in the coalition that governs Serbia, and being characterised as only "partially free" by the democracy index Freedom House. According to EU rules, this is a hurdle to overcome to secure membership, although in recent years it has been observed that the EU is willing to accept illiberal governments in exchange for regional stability.

Recently, we have been witnessing a new trend with the EU, especially since the year 2022, trying to close ties with the Western Balkans countries. This has been clear in statements from the president of the European

Commission, Ursula Von der Leyen, and from some presidents of the EU such as Emmanuel Macron. According to authors such as Roán (2023) this paralysis in EU's enlargement has been present since 2014, with Jean Claude Juncker as head, due to the so-called "European fatigue" caused by growing Euroscepticism and the lack of preparation of the Member States to assume the arrival of new countries to the European project. The author points out that this change of position regarding enlargement is founded upon today's war-affected Europe along with geostrategic urgency, and also by the Balkan fatigue previously mentioned which is related to the general dissatisfaction in those countries due to stagnation, false promises, and vetoes from EU members. This has had a two-fold consequence, the first of which is the lack of incentive of the candidate countries to implement measures to achieve the minimal conditionality requirements, and the growing presence of external powers such as Russia and China in those countries.

This change of position from the main leaders of the EU was reflected in the Granada Summit in October 2023, in which several of those leaders made clarion calls with regard to the collective security of the Union, to deepen its interconnection, and to power European sovereignty, all in an attempt to enhance the candidate members of the Western Balkans to prepare for enlargement.

This enlargement commitment of the EU has been present not only since the beginning of the Russian invasion of Ukraine, but dates back to a few years before. Thusly, one can read the Council of the EU's Thessaloniki Conclusions of 2019, in which the subject of enlargement and association with the countries of the Western Balkans is discussed. In that document, the Council insists on its commitment to enlargement along with its association with those countries, and examines how they have improved regarding their efforts to achieve the minimum conditions to become a member, and how they are expected to fully achieve those conditions as regards the matters of human rights, the rule of law, economic development, competitiveness, the strengthening of their institutions, and public administration reform. This was followed by an EU/Western Balkans summit in 2021, in which both parts reaffirmed the compromise to work towards integration, with the EU supporting connectivity initiatives, digital transition, and cooperation in security policies. Additionally, Balkan leaders committed to achieving European values and principles, and to implement reforms to secure them, expressing again the idea of conditionality.

It is at this juncture of paralysis that China comes into play. It is important to add that while the focus is on the presence of the Asian giant

in the region, other countries such as Russia or Turkey are also wielding notorious influence in the area for more or less similar reasons. The lack of attention from the Western bloc, and especially from the EU, towards the Balkans has been noticed and is being made up for by the alternative powers, and it is in this sense that one can find the point of connection between the foreign policy of the Balkan countries and that of China itself. China's policy of peaceful development with cooperation and friendship within the framework of the principles of peaceful coexistence is truly attractive to the Balkans in view of their feeling of abandonment and suspicion of the Western bloc. This makes it so that the Asian giant is not perceived as a disruptive power in the region, but as a reliable partner that responds to the interests of the countries in the area mainly because of the BRI initiative giving the Balkans the strategic role of that of a meeting point between Eurasia, which is welcomed by the countries involved.

This issue undoubtedly poses a strategic challenge for the EU and the Western bloc. In the framework of a multipolar system, allowing the rapprochement of a region so close geographically and historically in favour of an *a priori* enemy power is a serious threat to European interests, taking into account the already-tense relations with revisionist Russia in the framework of the Ukrainian conflict. It is, therefore, important to elucidate how significant the Chinese presence is in the Balkans and what the implications are for the European Union and the Western bloc in general.

Chinese Investment in the Balkans

The Balkans in the BRI

The Balkan region has become a geostrategic enclave for China in the framework of the BRI, mainly because it is Beijing's gateway of influence and investment in Europe (Samper, Jimenez, 2022). Since the strategic shift in Beijing's foreign policy, the number of trade exchanges with Europe has grown enormously, especially with the Balkans. In 2012, ties were intensified thanks to the Cooperation Initiative between China and the Central and Eastern European States (founded as the 16 + 1 initiative, now known as the 14 + 1 initiative since Greece joined in 2019, but Lithuania, Estonia, and Latvia withdrew from it in 2021 and 2022 respectively). This has been vital to complement the implementation of the BRI in the region and for it to consequently connect with the EU (Tsonev, 2021). But this initiative, trying to engage China with Central-European countries, is now surrounded by criticism and dissatisfaction, as China promised that the initiative would give the region a degree of economic revitalisation, and yet, after few years, growth has been slow.

One can observe an imbalance in the project, as the Chinese foreign direct investment to Eastern European countries such as Austria, Bulgaria, Czechia, Hungary, Poland, Romania, and Slovakia was only 2% of the total investments in the region, whereas the Western European countries received a larger share (Gupta, 2020).

In this context, it is important to know Serbia's role, not only because it is the main economy in the area, but also because of the component that this fact may have in that it is China's greatest opportunity to invest in Europe without complying with European rules and standards, so Serbia has become the main focus of Asian investment in the region.

Montenegro is another key piece in the geopolitical chessboard of the Balkan region. Its importance lies in allowing access to the Mediterranean Sea with the aim of becoming its main access point together with Greece, where it also operates in ports in a notorious way. The possibility of investing in the country and of turning it into a key element of Chinese influence arises due to the delicate economic situation Montenegro is going through as a result of the high indebtedness it is dealing with.

With the rest of the Western Balkan countries, investments are less evident, but still incipient. Indeed, there are infrastructure construction projects in Bosnia and Croatia, and the difficulty with this is that Croatia has been part of the EU for a decade, but this has not prevented trade exchanges from continuing, as well as Chinese foreign direct investment and investment in infrastructure.

Certainly, the role of the Balkans in the BRI has not been analysed in depth, but what can be identified is the importance of the geographical position of the region, i.e., a geographical position not only with the objective of consolidating a commercial position in the continent, but also to exert a power of influence or soft power in a region that is sought after by Europe and even Russia. It is a question of spheres of influence, which China intends to gain through diplomacy and economic investment, with the aim of gradually increasing its influence. There are voices that point out that it is part of China's strategy to turn the international system towards one of a more sinocentric nature, and turning the countries which it establishes relations with into satellite states of sorts which become beholden to China either by soft influence or by the obligation of the debt they may potentially incur with the Asian country.

Chinese Investment in the Region

If one digs into the data on Chinese investment in the world, and specifically in Europe, a phenomenon becomes quickly apparent that consists in the fact that the Balkans have become the largest focus of

investment on the part of Beijing in the European continent. According to data provided by AidData, an American transparency organisation, the Balkan countries have received a greater amount of investment, both in terms of monetary amount and number of projects, than all their neighbouring countries, which are considerably larger in size – Serbia has received a total of \$5.9 billion, Bosnia \$2.2 billion, Montenegro \$1.2 billion, and North Macedonia \$1.4 billion. This is striking, since a country much larger than the latter and with which it shares a border, Bulgaria, has received the same amount in investment from China, whereas Romania's received monies do not even reach 900 million (AidData, 2024). In terms of the number of projects, there is also a concentration in the region under study.

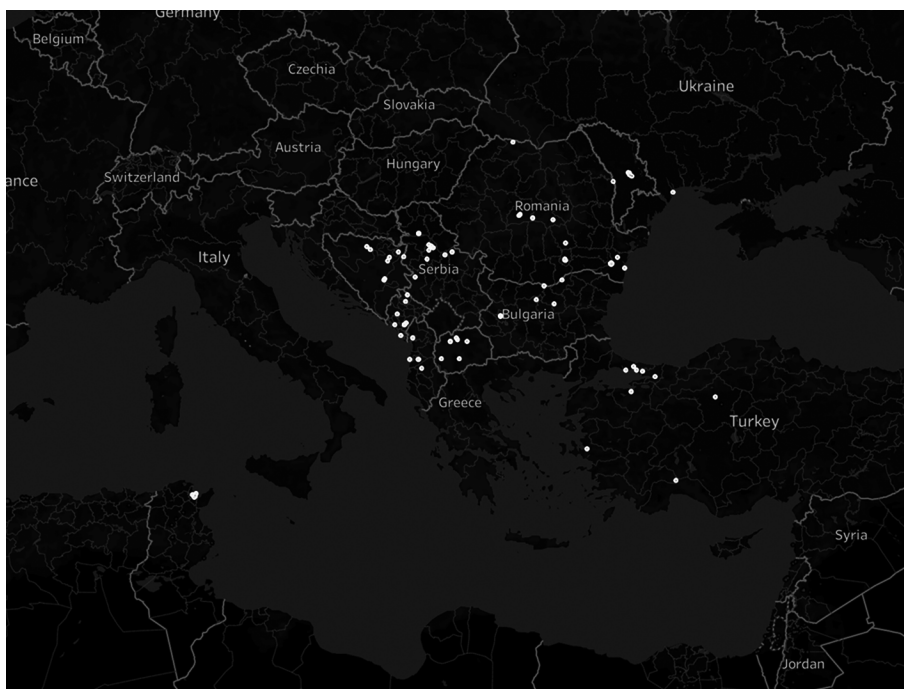


Figure 1. Chinese Investment Projects in Eastern Europe

Source: AidData's Global Chinese Financial Development Dataset.

It is interesting to break down these data in order to get a deeper understanding of what type of investments these projects comprise.

Before analysing how Chinese investment has been made in the region, it is important to identify some preliminary aspects. The first is that one cannot consider the Western Balkans as an homogeneous region regarding the object of study. It is important to highlight the special

relations and cooperation existing between China and Serbia which is mainly due to historical and economic reasons. China's commitment with the other countries in the region is also important to analyse, but the country with a larger Chinese presence is Serbia, and so it has to be considered. The second aspect is to determine what we refer to when speaking of "investment", since it can comprise loans, foreign direct investment (FDI) through Chinese companies, and those companies' presence in the countries under analysis. What the author is going to examine is mainly FDI and loans from China, which, while being the most important forms of investment in the region, can also entail some economic problems for a given country if it lacks the capabilities to afford their return and payment, especially with regard to the loans. Besides, it is important to bear in mind the importance of these investments as part of China's foreign strategy to amplify its influence worldwide as part of the country's enhancing of its soft power as a way of attracting countries disenchanted with the world order into its sphere of influence.

With a quick glance, one can see that Serbia is the main focus of Chinese investments, as the author has already pointed out. The rapport between the two countries has historically been good, with relations between the former Yugoslavia and the PRC continuing during the NATO bombings in the 1990s and beyond. The cooperation dynamic is quite asymmetrical, since the importance of China for the Serbians is much more important than it is the other way around. Serbia has perceived China in recent decades as the growing economic power and a reliable ally, but China is also interested in the allying itself with Serbia for its geopolitical and geo-economic position, as it is considered the "door of Europe" (Ladjevac, 2024b). The main method the Asian country has opted for is investment in infrastructure, which is considered vital for the development of the country and the improvement of communications and transport. The projects in the country that have received the most Chinese investment are those related to highway construction (\$234 million for the Surcin-Obrenovac highway project, \$342 million for the Belgrade-Stara Pazova highway project, also in connection to the Serbian-Hungarian railroad project, and \$302 million for the state's Zemun-Borča bridge). Leaving aside the investment in communication and transport infrastructure, China's investment in the energy sector stands out in the form of loans for power plant construction (Loznica and Kostolac), as does China's presence in the mining sector, with an investment which has taken various forms including brownfield acquisitions and greenfield projects. As an example of the importance that soft power and influence have for China in its foreign policy, investment in different universities in the country is

growing, including the creation of the well-known Confucius Institutes (also known as the Universities of Novi Sad and Belgrade). On the diplomatic side, this cooperation has been sustained thanks to a strategic cooperation agreement in 2009 (the highest rank of diplomatic agreements that China can have with another state), as well as the various sectoral cooperation agreements for technology, economy, and infrastructure. Regarding the political aspect, both countries support each other in their territorial claims, as Serbia with Kosovo (China supports a solution based in international law considering it must be resolved in accordance with the Charter of the United Nations), and China with Taiwan (Ladjevac, 2024b).

This cooperation and partnership was most recently evidenced by the visit of China's president, Xi Jinping, to Serbia in May 2024, reinforcing the state's cooperation by signing a new Free Trade Agreement which came into force in July after internal approval in both countries, and after around thirty memorandums (SwissInfo, 2024). That FTA now functions alongside the Strategic Partnership Agreement they previously had, the Belt and Road Initiative, and the mechanism of cooperation between China and Central and Eastern Europe as the platforms of cooperation between both of them. With that FTA, China's presence in Serbia is expected to continue growing, and China has now become the largest source of investment in Serbia, its largest importer and the second largest trading partner. Xi Jinping himself spoke about "a new common future and a community" between China and Serbia, while Marko Vucic is considered by many experts as a master in balancing politics, as he is carrying out an approach to China and Russia and, at the same time, with the European Union which, for geographical reasons, continues to be its largest partner (Ladjevac, 2024a).

Bosnia is also a growing focus of investment. This case is different from Serbia's, since the main focus of Chinese investment in the country has been the energy sector where most of the 2.2 billion dollars invested by Beijing has been focused, and which has been mostly canalised through the presence and participation of Chinese companies. Investments in the thermal plants at Stanari, Banovici, and Ugljevik stand out, with amounts ranging from 200 to 900 million dollars, as does the Iovik wind farm in northern Herzegovina, which is the largest investment by a Chinese company in the energy system of the country (Boric, 2024). But China has also opted to investment in infrastructure, with the Chinese company Shandong having been awarded the construction rights for the Prijedor/Banja Luka highway (one of the most important highways in the country), the construction of the Počitelj bridge, and a subdivision near the town of

Čapljina in Herzegovina. Relations between both countries have especially improved in the last five years, with many diplomatic meetings with high representatives having been held. The last meeting was in February 2024, during which a reception was held where the Chinese ambassador to Bosnia gave a speech in which he spoke about having strengthened economic and trade cooperation and people-to-people and cultural exchange, all based on the principles of equality, mutual benefit, mutual respect, and non-interference in the internal affairs of other countries, and how progress had been made in cooperation in various fields (Boric, 2024). This cooperation is also marked by a territorial matter, as Bosnia supports the “One China” principle due to the presence of the Republic of Srpska inside the territory of the country. In spite of this, Bosnia is aligned with the United States and Western countries.

Montenegro is perhaps the country that attracts the most attention with respect to China’s presence, and which can serve as a warning to the rest of the countries. The Chinese bank Eximbank has provided loans for the renovation of Montenegrin cargo ships, which reflects the importance of the country in the eyes of China by granting the country access to the sea, and also highlights the investment of 1 billion dollars in the Bar-Boljare highway. Critics of the Chinese presence point out that it is one of the most expensive highways in the world, and that a project of such magnitude is difficult to afford. The opportunity for the Chinese to invest arose after the IMF and the World Bank refused to participate in the project. The concern regarding such a large amount is centered around whether the Montenegrin government, already straddled with a high level of debt, will be able to afford the loan repayment, thus potentially falling into what is known as the so-called “Chinese debt trap” (EuroNews, 2021).

The Croatian case is curious, as it is part of the European Union and the Chinese presence has increased over the last few years. In 2018, the China Road and Bridge Corporation received permission to build the Peljesac Bridge, which it conflates with funding from European authorities. The bridge opened in July 2022, and is important when it comes to connecting the peninsula after which the bridge is named with mainland Croatia, providing a passage to the Neum corridor which gives Bosnia an outlet to the sea. Chinese investment is also gaining prominence thanks to the numerous agreements for the improvement of the country’s railway network, such as the Zagreb-Rijeka line, as well as the improvement of the city’s port.

In the rest of the Balkan countries, China’s presence is minor. Albania is interesting to study, especially because of the historical ties that have traditionally existed since the time of Hoxha, which have not been

undermined by the country's entry into NATO or its candidacy for EU membership and which prove the inclination of its foreign policy towards the USA. The Albanian government is willing to follow whatever the Western allies dictate, with no consideration given to finding a delicate balance (Musabelliu, 2024). Indeed, there are few projects with significant Chinese investment, and only some investments in the energy, cultural, influence, and commercial sectors because of the fact that China is already the second largest trading partner of the country. This cooperation should be framed in the prospects of a small country inside a growing process which should try to diversify its alliances in the economic field. On the other hand, North Macedonia was the first country to implement the 17 + 1 initiative, but today it is the country that has received the least investment from China, nor is there any collaboration at the political or economic level.

Implications for the EU

Some see the countries of the region as acting as the metaphorical Trojan Horses for China in Europe. It is indeed clear that the growing presence in the region is a response to the EU's inaction, as well as being a response to the lack of compliance with the requirements of the countries in the region itself. What China intends to achieve is to get closer to one of its main markets, such as the EU, and to gain influence in the Council of Europe (although not in the Union).

One must consider that, although this paper is dealing with economic investment issues, China's economic investment's main consequences are not so much related to that area, but rather the repercussions are that of a political nature. The Chinese presence poses a challenge because it can be presented as an alternative development model to the European one that is nevertheless attractive and reliable. The EU is concerned about China's growing influence precisely because it may cause its own model to suffer. While the EU essentially hinders countries because they lack adequate democratic structures, China offers development aid without asking questions and without demanding internal reforms. This is mainly explained by the fact that Western European countries are China's main trading partners, and is also where foreign investment from China has been increasing in recent years.

Similarly, investments do not represent an amount worthy of concern beyond the consequences that a non-payment of the loans provided by China may entail for those countries at the internal level. On the other hand, the extension of the influence of an authoritarian and revisionist model of the system in the territories aspiring to join the European Union is a matter of concern.

There are authors who treat this matter as a false dilemma between the EU and China (Boric, 2024). They say this because it is sometimes incorrectly inferred that a greater connection or relation with China harms the interests of those countries with regard to relations with Europe or their entrance to the EU. Authors such as Boric affirm that this is a false narrative since it ignores the salient fact that China and the EU are each other's biggest (or among the biggest) trading partners. This dilemma is a matter open to debate, and it is yet to be examined how economic influence can play a role into bringing those countries into the Chinese's sphere of influence, and also whether the fact of being a part of that sphere is an exclusionary factor as regards being close to Europe. It is a widely-shared trend by some small states including Hungary, Saudi Arabia, and even the author's own example of Serbia and how it is characterised not necessarily by being clearly attached to any particular bloc, but rather through its diversifying of alliances in order to maximise objectives and achieve a more favourable position depending on the matter at hand.

Regarding the populations' opinions in those countries, Chinese investment has very little positive impact. Despite the general, growing relations between China and Western Balkan countries, it is only in Serbia where China is seen as one of the most reliable allies of the country, according to data from the Western Balkans Regional Poll February–March 2024 by the International Republican Institute (International Republican Institute, 2024). Generally speaking, the public opinion of all these countries is more favourable to a West-oriented foreign policy than one oriented to Russia and allies, except for Serbia. Kosovo and Albania are the countries whose population align more clearly with the West and the EU, since 89% and 82% respectively think they should have a foreign policy centered only around those entities. In Bosnia and Herzegovina, Montenegro, and North Macedonia, most of the population also follow that line, but a significant part of the population think they should maintain relations with Russia too. Finally, in Serbia, the general opinion is to firmly maintain a foreign policy towards Russia. In the matter of EU integration, the results are similar to the previous ones, because in all the Western Balkan countries (except for Serbia), the results show that the populations would be in favour of it, with more than the 68% of the votes being cast accordingly. In Serbia, the result would be unclear, as 40% are favourable towards the EU, whereas 34% are against it, so the key would be in the undecided vote, but given the trend of the general sense about the state's foreign policy, it is highly unlikely that an integration referendum's outcome would be positive.

These results could mean that, besides the growing presence of China in those countries, as in the rest of Europe, it has not been really effective in attracting them into its sphere of influence, if that really is China's intention. This is also something that the author can explain by seeing the withdrawal of the Baltic countries of the 17 + 1 initiative due to dissatisfaction with the expected results of the Chinese investment. This does not, however, mean that the BRI has failed. Some experts affirm that it would be unfair to judge a project whose plan it is to offer results only after a number of decades for its outcomes after just a few years. But it is true that the EU is worried by China's growing presence, and motivated by the war in Eastern Europe, it is more important now than ever for the EU to continue making efforts to attract these countries into its sphere of influence.

Conclusions

This approach to Chinese investment in the Balkans allows the author to answer the question with which he began this article, i.e., that of its influence on the development of the region. It is undoubtedly of a growing trend, but it is important to bear in mind that development includes more factors than just investment in infrastructure or energy plants. This investment is oriented to promote economic development, but at the same time it runs the risk of becoming an element that will weigh it down.

Likewise, there are many voices critical of these investment projects because not many of them have really been of significant importance, although it is argued from China's side that the BRI is a project with a distant horizon, so it should not be a concern that it has not had any significant impact in the short term. Critical voices point out that the "mutual benefit" as advocated by China has not occurred, and disenchantment among recipients is growing. The Chinese scope is of a long-term nature, while the affected countries want results in the short term.

We may ask ourselves why the kinds of countries such as the Balkans, but also those in South East Asia, Africa, the Middle East, and South America are willing to cooperate with China, and the answer may be found in the opportunity that China offers as regards development in advantageous terms, and is seen as a more reliable partner regarding the economic facet. We can determine that in the case of the Western Balkans, relations with China are perceived as an opportunity to diversify alliances with a low profile in the political aspect, while enhancing the economic aspect of

the relationship. The case of the Balkans may end up being different to those others that have been mentioned, because the shadow of the EU is there and is still an attractive project for them and their citizens, except for Serbia, especially since the Russian threat has become clearer, but it would be necessary to keep up with the determination for the enlargement shown in recent years. Even in the case of the appearance of countries including Bosnia, Montenegro, and Albania in the EU, the presence of Chinese investment shall not be a problem, since the economic relations between China and countries in the EU are stable at the moment, though there are audible voices who speak about the possibility of an incoming commercial war between both sides.

The author concludes by pointing out that, although China's presence in the Balkans is not a disruptive factor at the moment, it is a fact that it is the door through which Beijing has entered Europe. Despite not being cause for concern, it is more present than ever. It would therefore be advisable for EU countries to keep an eye on the Western Balkans and to try to seduce it with more concrete and convincing policies, since China will not hesitate to do so given the geostrategic importance of the region for both its economic and political interests and the opportunity to increase its level of influence, and all within its strategy of changing the international system in its favour.

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