

THE SILK ROAD IN THE BALKANS: CONTEXT AND PROSPECTS

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In 2012 China launched a platform for pragmatic cooperation with the sixteen countries of Central, East and Southeast Europe (called “16+1” cooperation): Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Montenegro, Poland, Serbia, Slovenia, Slovakia and Romania. In 2013, after the unveiling of the Belt and Road Initiative (BRI), “16+1” was repurposed as one of the mechanisms for implementation of the Silk Road vision. The visits by President Xi Jinping to Prague, Belgrade and Warsaw in 2016 reinforced the impression that China considers these countries to play an important role in the implementation of the BRI.

In Europe, the main questions on the “16+1” cooperation revolve around its potential effects on the relationship between the European Union (EU) and China (eleven of the sixteen are EU member states). Yet, China’s cooperation with the other five countries - Albania, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia – also raises important

questions on issues pertaining to Sino-EU ties. To understand the prospects for a Sino-Balkan relationship and the Silk Road in the Balkans, it is therefore necessary to first grasp the context in which this relationship is developing.

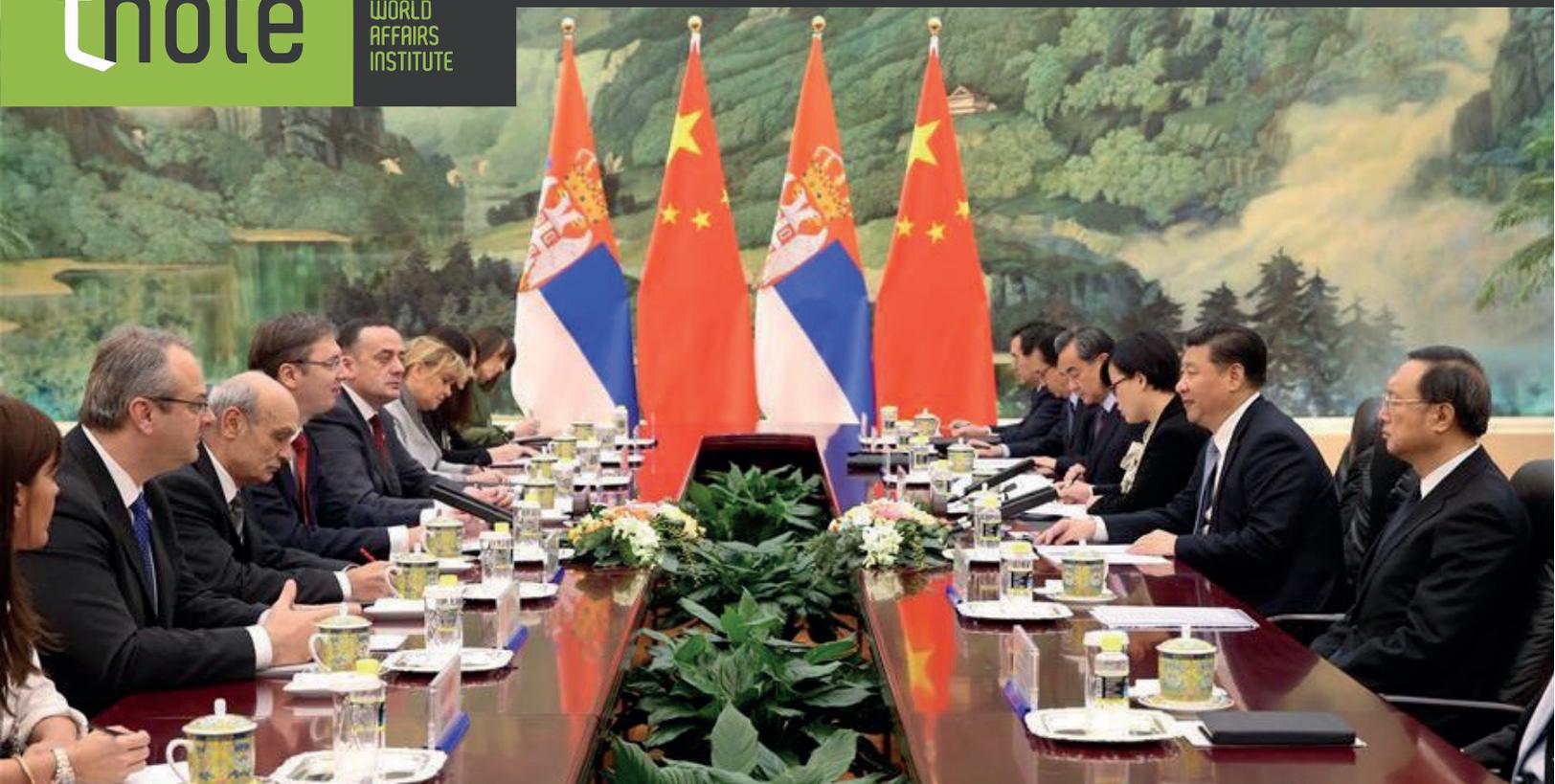
The violent conflicts from the 1990s and the subsequent political and economic decline of the region have led to the Balkan countries losing much of their agency on the international stage. The agenda for the Balkans over the past 25 years has been set by the “international community” – the EU and the United States *in primis*. They have prioritized peacebuilding, statebuilding and democratization, accompanied by economic neoliberalization, which were to be implemented through a closely supervised process of comprehensive reforms of the countries’ political and economic systems.

Today, in terms of political transformation, the outcomes have been underwhelming – while there may be some stability in the region, political tensions and undemocratic tendencies still loom large. The EU has been seen as promoter of positive change in the past, but nowadays is growingly

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In November 2015, Chinese President Xi Jinping met with Serbian Prime Minister Aleksandar Vucic. Both parties pledged to strengthen their bilateral strategic partnership, and to integrate China’s “Belt and Road Initiative” with Serbia’s “Re-Industrialization Strategy”. (photo cred: news.cn)



seen as part of the problem. In terms of economic transformation, the impression is even worse –neoliberal reforms have resulted in rampant economic devastation. The global financial crisis has cemented the Balkans as a European “super-periphery,” as it was precisely these countries that “suffered the most from the global recession of 2008-09.” Today, labor-intensive trade-processing industries thrive in the region, as manual labor is cheaper than in China itself.

The BRI, therefore, comes to the Balkans at a time when there is a sense of incompleteness and disillusionment with mainstream paradigms from the past 25 years. It is, in fact, based on a very different set of principles compared to those of the West. The Chinese keyword about the Balkans is “untapped economic potential.” The cooperation spans across different policy fields but is dubbed “pragmatic”, meaning that political issues are off the table. The cooperation is focused on conceiving and implementing concrete projects, fostering “industrial capacity cooperation”, alongside boosting trade and investment. Slowly but steadily, China has been delivering: highways, energy plants, steel mills and other projects are in the works or have been already completed - although an even greater number of projects is still at the discussion stage.

What is important to note, however, is that even though Beijing does recognize the different status of EU and non-EU countries (saying the latter have more “flexibility” in cooperating with China), it does not perpetuate the orientalization of the Balkans or the “Western Balkans” as an inherently distinct group based on historic and cultural specifics. Rather, it treats Balkan states as subset of a larger region based on structural similarities and geographical proximity. China’s mental geography, therefore, does not see the Balkans as Europe’s hinterland, but as a bridge between different regions. The BRI thus envisions large-scale projects, such as the China-Europe Land-Sea Express Railway, which spans from Budapest to the Piraeus Port in Greece (now 67% owned by COSCO) through Serbia and Macedonia, getting both EU and non-EU countries involved. This also runs opposite the history of divisions and disputes, and stimulates much-needed intra-regional cooperation, allowing for the Balkans to exercise their agency again, and to have a certain degree of ownership over their own development agenda.

Cooperation under the BRI framework is an open-ended process, there is no conditionality, and the results it delivers (in the form of infrastructure investment or trade flows) are easily measurable.

Yet, the BRI in the Balkans has yet to mature. Assuming this trend continues, then, what would its end result look like? China does not seek to replace EU and the United States as a major external actor in the region, nor does it have the potential to do so. Records from elsewhere have shown that intensification of China’s economic diplomacy can indeed stimulate better economic performance; but the benefits of China’s presence come at certain costs, as Beijing indirectly influences local debates on domestic policy models and principles, often providing inspiration for leaders who fancy the creation of strong-armed states with free economic zones.

How will other global actors, then, adjust to the advancement of the BRI in the Balkans? The European Union started the so-called Berlin Process on the Western Balkans in 2014, coupling it with its Balkan Connectivity Agenda in 2015, putting strong weight on economic development - emphasizing connectivity, infrastructure construction, and economic renewal for the first time. Given the change in tone, some see the BCA as the European “response” to the BRI in the Balkans. Yet, China and the EU are comprehensive strategic partners, after all –they have already explored

ways to bring together the Juncker Plan and the BRI and, with enough political will, they may be able to make both projects align.

The more important challenge would be, however, to make the BRI work for the benefit of, as Chinese scholars say,

“the majority of the people” in the Balkans – a region that has bore the costs of neoliberal globalization. In the official documents, the BRI is framed as a means to contribute to the post-2008 global economic renewal and ameliorate inter-regional inequalities. However, it is also framed as a mechanism to strengthen the very same world economic system that has produced those disparities. The success of the BRI, therefore, is dependent on whether these goals will be attainable in the Balkan Peninsula – a region which, once again, gains renewed centrality as history unfolds.

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