

Institut Europey Środkowej  
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IEŚ

6/2022

POLICY  
PAPERS

Bartosz Kowalski, Igor Novaković,  
Konrad Pawłowski, Magdalena Rekść,  
Strahinja Subotić

## The Many Faces of Chinese Engagement in Serbia





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PAPERS

**Publishing series** IEŚ Policy Papers

**Number** 6/2022

**Series editors** Beata Surmacz and Tomasz Stępniewski



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## **The Many Faces of Chinese Engagement in Serbia**

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**ISBN** 978-83-66413-91-7

**Published and edited**

Instytut Europy Środkowej | Institute of Central Europe

ul. Niecała 5

20-080 Lublin | Poland

[www.ies.lublin.pl](http://www.ies.lublin.pl)

**Cover design and typesetting** [www.targonski.pl](http://www.targonski.pl)

**Cover photo** © Sergey Nivens | [shutterstock.com](https://www.shutterstock.com)

**Print** [www.drukarniaakapit.pl](http://www.drukarniaakapit.pl)



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## Introduction

The Balkans are a region where the interests and influences of many great powers meet and overlap. It is a place which traditionally encompasses many geopolitical and geo-economic visions and concepts. As seen many times in the past, the Balkans constitute an area of ‘accelerating’ geopolitical rivalry between great powers, both European and non-European.

China is interested in strengthening its global position and economic presence and perceives the Balkans as one of the stepping stones towards the European markets. This tendency is exemplified by the Belt and Road Initiative and the China-led ‘16+1’ format of the broadly defined region of Central and Eastern Europe.

It is certainly a fact that economic cooperation between the Western Balkan states and China has resulted in Chinese investments, which may contribute to the economic development of the WB6 countries in the future. At the same time, however, this cooperation in the mid-to-long term creates serious challenges not only for the Western Balkans but



also for the entire EU. Moreover, there are many arguments to claim that the impact of China's economic presence in the Western Balkans goes way beyond the economy itself.

Since the fall of President Slobodan Milošević in 2000, Serbia's foreign policy has been characterised by a multi-vector approach, political pragmatism, the economisation of foreign policy and a consistent improvement of the country's investment environment. This multi-vector policy leads to the conclusion that, *inter alia*, Serbia is striving for EU membership while expanding friendly relations with the EU countries and the United States but at the same time is implementing a strategic partnership with Russia and China and developing good political and economic relations with Turkey, the Gulf states and a few others.

From Serbia's perspective, good relations with China represents an important element of the abovementioned multi-vector foreign policy. This policy has intensified with the Serbian Progressive Party's (*Srpska napredna stranka*, SNS) rise to power. Serbian authorities, led by President Aleksandar Vučić, continuously emphasise the importance of economic cooperation between Serbia and China as well as the exceptionally friendly political relations between the two states – the allegedly 'small' Serbia and the rising 'superpower' China. There are arguments to claim that Belgrade sees the development of the Serbia-China partnership as an instrument for the diversification of Serbia's strategic international partners and the strengthening of the state's position and 'independence' on the international arena.

Serbia's authorities and pro-government media are therefore promoting the development of friendly political relations between Belgrade and Beijing, emphasizing the highly

positive economic outcome. However, some domestic and foreign experts and representatives of Serbian civil society often question this picture. They point out that although economic cooperation with China brings some benefits, it also creates serious – both domestic and international – challenges for Serbia and its citizens, ranging from growing foreign debt, environmental pollution and technical dependency to shadowy political influence. This policy paper points to the many faces of Chinese engagement in Serbia, discussing the achievements and challenges of Sino-Serbian cooperation.





## Résumé

- Serbia is China's key political and economic partner in the Western Balkans and a prominent 'steel-like friend' on the European continent. From the Serbian perspective, bonds with China represent an important element of its multi-vector foreign policy. The multilayered cooperation has been rapidly developing since the 2016 visit of President Xi Jinping to Serbia and the signing of the Comprehensive Strategic Partnership between the two countries.
- The Sino-Serbian political closeness is not rooted in history or culture, as has been the case with Russia. It is steered by the current ruling elite in Serbia, who perceive friendly relations with superpower China as an instrument for the substantial development of Serbia's economy. It is also the case that the improvement of relations between Belgrade and Beijing suits particular – both domestic and international – political interests of the present Serbian elites.

- There are arguments to claim that Belgrade sees the development of the Serbia-China partnership as an instrument for the diversification of Serbia's strategic international partners and thus the strengthening of the state's position and 'independence' on the international arena. It seems justifiable to argue that Belgrade sees its relationship with China as an attractive alternative to incentives and expectations ('sticks and carrots') which come from the EU and Russia.
- The authorities in Belgrade and pro-government media consistently emphasise the importance of building a partnership with China for Serbia's present and future economic development. They also stress the friendly political relations between the allegedly 'small' Serbia and the rising 'superpower' China.
- In the context of increasing global rivalry between the USA, the EU and China, Belgrade's willingness to develop its relations with Beijing raises doubts about the credibility of Serbia's European aspirations and its actual geopolitical orientation. It also raises concerns about China's increasing influence in Serbia.
- The growing dynamics of the relations between Belgrade and Beijing in 2021 shows that China is seemingly changing its approach from a soft, economic partnership-oriented one to a more political one. It suggests that Chinese involvement in the Western Balkans is going to be more and more geopolitically motivated, while China is willing to be involved in the political development of the WB6 region, particularly the Kosovo problem.
- The political aspect of Serbia-China cooperation is also an excellent example of the potential pitfalls a small state

can face when conducting a multi-vector policy. Serbia has already found itself in between the West and Russia without much manoeuvring space with the outbreak of Russian aggression in Ukraine in February 2022. If the geopolitical rivalry between China and the West grows, Serbia could find itself in an even more difficult situation.

- The 'political umbrella' of the highest centres of power in Serbia over Chinese investments has resulted in the privileged treatment of Chinese investors (e.g., the free transfer of construction land to a Chinese investor, customs and tax exemptions), bending, bypassing, or ignoring national standards and regulations (especially when it comes to the environment).
- Serbia's authorities and pro-government media consequently promote the development of friendly political relations between Belgrade and Beijing, emphasizing its highly positive economic outcome. However, some domestic and foreign experts and representatives of Serbian civil society often question this picture. They point out that although economic cooperation with China brings some benefits, it also creates serious – both domestic and international – challenges for Serbia and its citizens, ranging from growing foreign debt, environmental pollution and technical dependency to shadowy political influence.
- China has notable potential to increase its soft power, particularly by focusing on boosting societal relations with different countries. By treating social ties as a form of investment, China is able to keep the door open for it to increase its political and economic footprint as well. Serbia is in that regard a textbook example of how Chinese

investments go beyond economics and, in fact, encompass an attempt to capture the ‘hearts and minds’ of the local population.

- Soft power is a relevant concept which needs to be kept in mind when analysing China’s relationship with Serbia. Although it was long thought that the Chinese approach to Serbia is simply limited to economics and politics, it actually had a tangible impact on the ‘hearts and minds’ of the local population. In recent years China has increased its soft power in Serbia, and it is important to look at this phenomenon as an important element of Chinese overall strategy. The COVID-19 pandemic showed China’s ability to act swiftly and effectively in support of its international partners. With relatively low-effort, China has indeed managed to position itself as a relevant power in Serbia with its ‘mask diplomacy’ and ‘vaccine diplomacy’.
- Serbia, as a post-communist state in a protracted phase of transition, has problems with an outdated industry that does not meet so-called European standards. It can therefore be said that Chinese investments are not generating completely new problems, rather they overlap existing ones. Decisions regarding new Chinese investments are made within the highest political circles in Serbia (top-down model) and are not consulted upon with experts, ecologists or with society in general. What is more, some of these capital investments violate the applicable regulations on environmental protection and result in excessive pollution of air, soil and water, directly threatening the health of the residents. This situation leads to recurring social protests.

- With help from China in the IT sector, Serbia wants to perform the role of technological leader in the Western Balkans. In the growing catalogue of Chinese investments in Serbia, internal security-related IT projects have an increasingly prominent position (i.e., collaboration in 'law enforcement' and surveillance technology). When it comes to Huawei, the ongoing partnership relates to surveillance systems (Smart/Safe City projects) and strategic sectors (energy and transport), the safety of which became the main argument for excluding Huawei from contracts in many EU countries. Despite the fact that Huawei's facial recognition cameras in Serbia's Safe Cities network face legal challenges, the implementation of the surveillance system itself is moving ahead, along with the Chinese telecom giant's other operations in Serbia. The introduction of Huawei's Safe City project in Belgrade is yet another sign of the growing importance of domestic security in China-Serbia cooperation.
- China has begun to engage in the modernisation of Serbia's defence industry, e.g. the production of military drones. Serbia has also purchased technologically advanced Chinese anti-aircraft systems. The development of a defence partnership with China seems to be a reaction to the changes in Serbia's strategic environment (NATO enlargement to Montenegro and North Macedonia) and reflects China's growing interest in finding a shortcut to the EU military market.







Igor Novaković, Konrad Pawłowski

## **I. Serbia-China relations: the political dimension**

### **The origin of the current Sino-Serbian relationship**

The roots of the current enhanced relationship between China and Serbia go back to 2008 when Serbia launched an offensive to limit the scope of international recognitions for Kosovo. On 17 February 2008, following the failed 2007 Vienna negotiations and the proposal to resolve the issue of Kosovo's status by UN Special Representative Martti Ahtisaari, Kosovo's parliament proclaimed independence. Thus Serbia has been searching to establish links with powerful non-Western countries, particularly Russia and China, which are permanent members of the UN Security Council (UNSC). Then and there, Serbia has, in practice, established the foundations for its multi-vector policy. The policy was officially formulated a year later, in August 2009, by then Serbian President Boris Tadić. He outlined that Serbia's official foreign policy doctrine is based on four pillars – the EU,

Russia, China, and the US.<sup>1</sup> While narrow in its formulation, it allowed Serbia to search more actively for partnerships worldwide, beyond the scope that is usual for aspiring EU members. At that moment, the primary interest of Serbia was to prevent the further recognition of Kosovo and its accession to different international organizations. In addition, as Western funds were withdrawing from Serbia and the rest of Eastern Europe due to the effects of the 2008-2009 economic and financial crisis, Serbia was desperate to find new sources of fresh funding and investment. In that period Serbia started to forge new strategic partnerships with France, Italy, and Russia as well as unlikely partners such as the United Arab Emirates and China. Despite its challenges, this foreign policy approach has not been changed to date.

The 2012 presidential and parliamentary elections in Serbia and the change of government in Serbia have not substantially changed its foreign policy. The new ruling elite, whose core is the Serbian Progressive Party (*Srpska napredna stranka*, SNS), has refined it even further. Despite engaging in dialogue with Kosovo in Brussels, culminating with the 2013 Brussels agreement, and the official start of EU accession negotiations in 2014, Serbia has remained committed to maintaining and further developing ties with several international players. Therefore, Serbia's current policy in the international arena is characterised by political and economic multi-vectorism, political pragmatism, progressive economisation of foreign policy, and a consist-

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<sup>1</sup> *Četiri stuba srpske spoljne politike*, Radio Television of Serbia, 30.08.2009, <https://www.rts.rs/page/stories/sr/story/9/politika/123751/cetiri-stuba-srpske-spoljne-politike.html> [16.07.2022].

ent improvement of the country's investment climate. This multi-vector approach leads to the conclusion that, *inter alia*, Serbia is striving for EU membership while expanding friendly relations with the EU countries and the United States but at the same time is implementing strategic partnerships with Russia and China and developing good political and economic relations with Turkey, the Gulf states and several other states, such as Azerbaijan and Belarus. In the face of increasing geopolitical rivalry between European and non-European powers, it is becoming increasingly difficult for the authorities in Belgrade to pursue the current policy of balancing between the West and the broadly understood East.<sup>2</sup>

The fundamental problem with Serbia's multi-vector policy is its inconsistency, imposed by complicated internal and international conditions. Thus, it often comes down to actual, tactical manoeuvring in the international arena. It also increases Serbia's susceptibility to potential economic and political pressure from Russia and China while weakening the pro-European direction of Serbia's foreign policy. The best example of this is Serbia's foreign policy alignment with the EU Common Foreign and Security Policy, where Serbia has been constantly avoiding alignment with EU foreign policy declarations and measures that have targeted China and Russia.<sup>3</sup> This has caused distrust among EU member

<sup>2</sup> See A. Jagiełło-Szostak, *The Foreign Policy of Serbia under Aleksandar Vučić presidency (2017-2020). Hauling the rope between powers*, [in:] *Serbia Twenty Years After the Fall of Slobodan Milošević: Success, Evolution, or Continuation?*, A. Domachowska et al., "IEŚ Policy Papers", 2021, no. 3, pp. 73-98.

<sup>3</sup> See I. Novaković, *Seven Years of Serbia's Alignment with the Common Foreign and Security Policy of the EU*, ISAC Fund 2020, Belgrade 2020, pp. 11-18.

states, particularly in those which have been somewhat suspicious of Serbia's relationship with Russia. Consequently, Chapter 31 (Common Foreign, Security and Defence Policy) has not been opened to date. Serbia has not even received the screening report, which is the first step towards opening the chapter, despite having the screening process completed in June and September 2014.<sup>4</sup>

As explained above, China has become one of Serbia's main strategic partners at the international level. Three elements are essential regarding the Serbia-China political relationship: Serbia's bid to attract foreign direct investments (FDI), Serbia's attempt to improve its relations with countries that have not recognised Kosovo's independence (in particular the most influential states), and finally, the launch of the Chinese-led '16+1' format in Central and Eastern Europe in 2012<sup>5</sup>, which according to the Chinese pronouncements is complimentary with Chairman Xi Jinping's flagship foreign policy project – the Belt and Road Initiative (BRI) initiated in 2013. Serbia actively participates in both the above-mentioned Chinese initiatives.

Although Serbia looked for support from China in 1999 during the NATO bombing,<sup>6</sup> the actual start of the new relationship came in 2009. In 2006, different state administrations began to attract investments through direct nego-

<sup>4</sup> See A. Radonjanin et al., *Knjiga preporuka nacionalnog konventa o Evropskoj uniji 2020*, Nacionalni konvent o Evropskoj uniji 2021, Beograd 2021, pp. 389-397.

<sup>5</sup> The platform was initially established as 16+1 in 2012, later extended to 17+1 after the inclusion of Greece in 2019, before returning to 16+1 after Lithuania left the China-led grouping in 2021. In August 2022, Estonia and Latvia dropped out of the format, which shrank to 14+1.

<sup>6</sup> L. Hartwell, S. Vladislavjev, *Serbia's Delicate Dance with the EU and China*, Just Security, 22.12.2020, <https://www.justsecurity.org/73885/serbias-delicate-dance-with-the-eu-and-china/> [16.07.2022].

tiations with foreign companies and governments, offering financial and other incentives to potential investors. This model overlapped with Chinese interests and approaches applied in different parts of the developing world. It soared after 2012, when the new ruling majority, led by SNS and the Socialist Party Serbia (*Socijalistička partija Srbije*, SPS), took power. Secondly, Serbia aimed to establish a new kind of relationship with China. In 2009, the two states signed the first Joint Statement on Establishing a Strategic Partnership during the visit of President Boris Tadić to China. In addition, they signed the Agreement on Economic and Technical Cooperation in the Area of Infrastructure, opening the way for several infrastructural projects through a loan obligation to hire Chinese companies as a contractor – the typical method by which China operates in the Western Balkans and the Global South.<sup>7</sup> In 2012, the first infrastructure projects backed by Chinese loans were implemented in Serbia, but they did not appear to be overly political. An improvement came with the new ruling elite, with the SNS as a critical advocate of an improved relationship with China. The rise to power of the SNS overlapped with the launch of the two Chinese geopolitical initiatives, which act as a framework for the inflow of Chinese investments into the region. Thus the stage has been set for new developments.

<sup>7</sup> On China's engagement in the CEE through the prism of 'South-South cooperation' see B. Kowalski, *China's foreign policy towards Central and Eastern Europe: The '16+1' format in the South-South cooperation perspective. Cases of the Czech Republic and Hungary*, "Cambridge Journal of Eurasian Studies", 2017, vol. 1, pp. 1-17.

## New breakthrough

The breakthrough in cooperation with China came precisely after Serbia hosted the 16+1 annual summit in Belgrade in 2014 and together with many other CEE countries joined the BRI in 2015. The consequent development of political and economic relations between Serbia and China was exemplified by the rise of their strategic partnership to the level of a comprehensive strategic partnership in 2016. It gave a new impetus to bilateral relations, paved the way for growing Chinese investments and the purchase of Chinese IT technology and military equipment by Serbia.<sup>8</sup> As a consequence Serbia became China's main economic partner in the Western Balkans.

Since 2016 there have been frequent contacts and exchange visits of high officials between Serbia and China. This partnership has been publicly defined as 'made of steel'. The main ruling party in Serbia, SNS, has established a seemingly cordial relationship with the Communist Party of China (CCP). The good political relations between the two countries exemplified the fact that the SNS delegation was hosted during the CCP XIX Party Congress in 2017. The growing importance of the party-to-party relationship was confirmed at the 2018 SNS party congress, where, unlike in previous congresses when prominent foreign guests from

<sup>8</sup> Serbia is the first country in Europe who deployed the Chinese unmanned aerial vehicles. See D. Stojanović, *Serbia considers buying Chinese missiles despite US warning*, Defense News, 11.08.2020, <https://www.defensenews.com/global/europe/2020/08/11/serbia-considers-buying-chinese-missiles-despite-us-warning/> [17.07.2022].

the West were present, the only foreign guest was the Chinese ambassador to Serbia.<sup>9</sup>

Thanks to statements from Serbia's highest officials and the unequivocal support for the Sino-Serbian partnership by the major pro-governmental media, particularly tabloids and several TV stations with the national broadcast frequency,<sup>10</sup> widespread support for partnership with China is constantly rising.<sup>11</sup> It is also worth mentioning that, according to media watchdog organizations in Serbia, there is almost no adverse reporting about Russia and China, which also fosters a positive image among the wider population.

The relationship has also facilitated people-to-people contact. Serbia is the first country in the Western Balkans that has obtained a visa-free regime with China. This has resulted in growing numbers of Chinese tourists and growing numbers of Serbian citizens going to China to work, often as English teachers or sports trainers.<sup>12</sup> Serbia and China have also negotiated joint police patrols in towns with significant numbers of Chinese tourists or professionals, such as Belgrade, Novi Sad, and Smederevo.<sup>13</sup> Chinese soft power has also been

<sup>9</sup> *Vulin: Pokret socijalista najverniji partner SNS-u*, Radio Television of Serbia, 14.07.2018, <https://www.rts.rs/page/stories/sr/story/9/politika/3200978/vulin-pokret-socijalista-najverniji-partner-sns-u.html> [17.07.2022].

<sup>10</sup> S. Vladislavljev, „Veliki brat“: mediji od Srbije stvaraju naciju koja voli Kinu, *BFPE*, 29.03.2021, <https://bfpe.org/analyze-i-publikacije/veliki-brat-mediji-u-srbiji-stvaraju-naciju-koja-voli-kinu/> [17.07.2022].

<sup>11</sup> Institut za evropske poslove, *Stavovi građana Srbije prema Kini*, 13.04.2021, <https://iea.rs/blog/2021/04/13/stavovi-gradjana-srbije-prema-kini/> [19.09.2022].

<sup>12</sup> See *NEKAD SU KINEZI MASOVNO DOLAZILI U SRBIJU, A SAD NAŠI HRLE TAMO: Kineske škole otimaju se za profesore engleskog iz Srbije!*, *Kurir*, 12.08.2017, <https://www.kurir.rs/vesti/drustvo/2894557/nekad-su-kinezi-masovno-dolazili-u-srbiju-a-sad-nasi-hrle-tamo-kineske-skole-otimaju-se-za-profesore-engleskog-iz-srbije> [19.09.2022].

<sup>13</sup> This is not an extraordinary situation. There is a similar agreement with Italy. See S. Poggioni, *Chinese Cops In Italy? Joint Patrols Aim To Ease Chinese Tourists' Jitters*, *NPR*, 11.05.2016,



growing due to the engagement of the ruling Serbian elite. For example, since 2018, Serbia has marked the Chinese New Year by organizing festivals of light in major cities in Serbia. Recently, the city of Belgrade organized a concert in support of Chinese people in fighting the coronavirus disease, which was the first manifestation of this kind in the world.

### **Multi-vector policy vs. West-East cleavage**

While for years it seemed that ties with China were not in conflict with Serbia's EU ambitions, this perspective abruptly ended at the beginning of the COVID-19 pandemic in Serbia. Disappointed with the EU response towards the Western Balkans due to imposed restrictions on exports of medical equipment from the EU, Serbia's President Vučić called the EU solidarity and international solidarity a 'fairy tale on paper'.<sup>14</sup> At the same press conference he also said that China represented the only side from where the help could come (he actually referred to Beijing as 'Chinese brothers'). While this statement has caused worries and criticism in the West,<sup>15</sup> China actually seized its chance for promotion and organized the delivery of medical equipment to Serbia.<sup>16</sup> In addition to that, Vučić's messages on social media

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<https://www.npr.org/sections/parallels/2016/05/11/477630160/chinese-cops-in-italy-joint-patrols-aim-to-ease-chinese-tourists-jitters> [19.09.2022].

<sup>14</sup> O. Zorić, *Kina i Srbija: 'Čelično prijateljstvo' u doba korone*, Radio Free Europe, 18.03.2020, <https://www.slobodnaevropa.org/a/srbija-kina-eu/30495105.html> [19.09.2022].

<sup>15</sup> See N. Bogdanović, A. Heil, *Ex-Envoy Bildt Questions Serbia, Hungary's Use Of 'China Card' Amid COVID-19 Crisis*, Radio Free Europe, 02.04.2020, <https://www.rferl.org/a/ex-envoy-bildt-questions-serbia-and-hungary-use-of-china-card-amid-covid-19-crisis/30525795.html> [19.09.2022].

<sup>16</sup> See *A train carrying medical equipment from China arrives in Serbia*, Telegraf, 26.05.2020, <https://www.telegraf.rs/english/3194252-a-train-carrying-medical-equipment-from-china-arrives-in-serbia> [19.09.2022].

got tremendous attraction in the Chinese public, inflicting massive emotional responses.<sup>17</sup>

Throughout 2020, Vučić continued to align more with Chinese approaches, even if they were the subject of open criticism by the EU. At the end of May 2020, the Chinese Parliament adopted its new National Security Law for the Special Administrative Region of Hong Kong, which has been openly criticised by the West and by the EU for severely breaching Hong Kong's legal autonomy. This time Serbia not only did not align with the EU standpoints but actually openly supported the Chinese position. President Vučić also sent an open letter to his Chinese counterpart, claiming that 'Serbia supports the integrity and security of China,' 'Serbia and China are committed to respecting international law at the global level' and 'Serbia condemns attempts to disrupt the reunification of that country.' The President's letter also drew a parallel between the Kosovo issue<sup>18</sup> and Chinese attempts to reunify with Taiwan. This position naturally collided with the EU stance, which is critical of China for its violations of human rights and its obstruction of democratic processes in Hong Kong. In other words, Vučić openly confronted one of the fundamental European values, opting to

<sup>17</sup> *Braća Kinezi šalju podršku! Vučić ostavio jednu poruku na Instagramu, a onda je krenula lavina komentara*, Republika, 17.03.2020, <https://www.republika.rs/vesti/srbija/193739/braca-kinezi-salju-podrsku-vucic-ostavio-jednu-poruku-na-instagramu-a-onda-je-krenula-lavina-komentara> [19.09.2022].

<sup>18</sup> This was not the first time as Vučić had sent a similar letter in 2017. See *Aleksandar Vučić u pismu Si Đinpingu: Za Srbiju Tajvan i Hongkong sastavni deo Narodne Republike Kine*, NSPM, 02.07.2017, <http://www.nspm.rs/hronika/aleksandar-vucic-u-pismu-si-djinpingu-za-srbiju-tajvan-i-hongkong-sastavni-deo-narodne-republike-kine.html?alphabet=> [19.09.2022].

support a power which HR Joseph Borell a few months later called a strategic adversary.<sup>19</sup>

Another example came a month later, on 1 July 2020, when Serbia supported the Joint Statement delivered by Permanent Mission of Belarus at the 44th session of the Human Rights Council, which defined the massive violation of human and minority rights in China's Xinjiang province as 'the fight against terrorism and extremism'.<sup>20</sup> Besides Belarus and Russia, Serbia was the only European country that joined the declaration. This caused some friction within the EU once again, whose representatives have repeatedly criticised Chinese repression of the Uighurs in Xinjiang province.

Serbia's policy towards China has put Serbia in the midst of growing Chinese-US rivalry. While Serbia did not join the Clean Network program, its apparent intention to improve relations with the US pushed Serbia into accepting the initiative of the US Special Representative for Serbia-Kosovo dialogue, Richard Grenell, who was striving for the normalisation of relations between Serbia and Kosovo. As a consequence, Serbia has signed several memorandums of understanding with Pristina, culminating in the so-called September 2020 Washington Agreement, which Vučić and Kosovo's PM Avdullah Hoti signed in the presence of US President Donald Trump. The agreement can be considered as unilateral obligations of both Serbia and Kosovo

<sup>19</sup> N. Birkin, *Watching China in Europe – July 2020*, July 2020, <https://www.gmfus.org/news/watching-china-europe-july-2020> [19.09.2022].

<sup>20</sup> *Joint Statement delivered by Permanent Mission of Belarus at the 44th session of Human Rights Council*, Permanent Mission of PRC to the UN Office in Geneva, <https://www.mfa.gov.cn/ce/cegv/eng/hom/t1794034.htm> [19.09.2022].

addressed to the US, and its probable intention was to open a new phase of negotiations under the mediation of Grenell and score a foreign policy victory for Trump before the US presidential elections.<sup>21</sup>

The 2020 Washington Agreement contained other elements unrelated to the Kosovo dispute, including the one point that requires both Kosovo and Serbia 'to prohibit 5G equipment supplied by untrusted vendors'. Many read that this point addressed China and its ambition to become a key 5G technology provider in the Balkan region.<sup>22</sup> This commitment has also been challenging for China-Serbia cooperation, as Chinese Huawei has been seen as the critical partner in developing 5G technology in Serbia for years.<sup>23</sup> The last straw in this conundrum came in December 2020, when in an apparent effort to calm the probable friction with China and to buy time, Serbian Prime Minister Ana Brnabić claimed that Serbia would halt plans for 5G development at least for 2021, claiming that 'citizens do not need it' and most European countries 'do not have it'.<sup>24</sup>

<sup>21</sup> S. Maksimović, *What did Serbia and Kosovo sign in Washington?*, European Western Balkans, 17.09.2020, <https://europeanwesternbalkans.com/2020/09/17/what-did-serbia-and-kosovo-sign-in-washington/> [21.09.2022].

<sup>22</sup> R. Muharremi, *The "Washington Agreement" Between Kosovo and Serbia*, ASIL Insights, 2021, vol. 25, no. 4, <https://www.asil.org/insights/volume/25/issue/4/washington-agreement-between-kosovo-and-serbia> [19.09.2022].

<sup>23</sup> S. Vladislavljev, *Kako su saradivale država Srbija i kompanija Huawei: hronologija*, BFPE, 29.07.2019, <https://bfpe.org/u-fokusu/region-u-fokusu-fokus/kako-su-saradjivale-drzava-srbija-i-kompanija-huawei-hronologija/> [19.09.2022].

<sup>24</sup> P. Gajić, *"Stop" za 5G: Brnabić kaže da građanima ne treba, stručnjaci – država nema para*, N1, 21.12.2020, <https://rs.n1info.com/scitech/a686087-stop-za-5g-brnabic-kaze-da-gradjanima-ne-treba-strucnjaci-drzava-nema-para/> [19.09.2022].

## Conclusions

The growing dynamics of the relations between Belgrade and Beijing in 2021 shows, that China is seemingly changing its approach from a soft, economic cooperation-oriented one to a more political one. For the first time in many years, China and Russia were openly side-lined at the UNSC over the new High Representative for Bosnia and Herzegovina. Namely, both Russia and the Bosnian Serb Republic (RS) opposed the candidature of the new HR under the pretext that the time has come for Bosnia to stop being an international protectorate. Russia opposed the election of the new HR in the UNSC while China openly supported Moscow's position.<sup>25</sup> This move could suggest that Chinese involvement in the Western Balkan region could become more geopolitically motivated and that China is also willing to be involved over other open political issues in the WB6 region, particularly the Kosovo problem.

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<sup>25</sup> Z. Trkanjec, *UN Security Council postpones discussion on BiH because of Russia and China*, Euractiv, 03.11.2021, [https://www.euractiv.com/section/politics/short\\_news/un-security-council-postpones-discussion-on-bih-because-of-russia-and-china/](https://www.euractiv.com/section/politics/short_news/un-security-council-postpones-discussion-on-bih-because-of-russia-and-china/) [19.09.2022].



Igor Novaković, Konrad Pawłowski

## **II. Serbia-China relations: the economic dimension**

### **The growing economic relationship between Serbia and China**

Sino-Serbian economic cooperation has resulted from Serbian desire to find new funding and investment opportunities during the 2008-2009 economic and monetary crisis. Contacts with China have been accelerated and eventually took the form of the Joint Statement on Establishing Strategic Partnership and the Agreement on Economic and Technical Cooperation in the Area of Infrastructure, both signed in 2009. As the agreement was approved in the National Assembly, it became a part of the domestic legal system, superseding the domestic laws and the Serbian Constitution, opening a legal path for favourable treatment of Chinese-backed projects in the future. In its first years the relationship was limited to Chinese loans, primarily channelled into infrastructure.

With the rise of SNS to power in 2012, which came in parallel with the launch of 16+1 and BRI, China quickly climbed to the number one spot as the most preferred partner for the Serbian ruling elite. The leading advocate of this cooperation and the opening of the Serbian economy to Chinese investments is Serbian President and SNS leader Aleksandar Vučić, who emphasises his personal – and his party’s – determination and commitment to the state’s economic development, building large and modern infrastructure projects, attracting foreign investments, creating new jobs, and more. The ruling elite led by President Vučić and supported by the pro-governmental tabloids constantly emphasise the importance of Serbian-Chinese business relations for the economic development of Serbia.

As a result of pro-Chinese mainstream media broadcasts (and almost no negative coverage),<sup>26</sup> a large part of Serbian society remains convinced about the strategic importance of economic cooperation with China while ignoring the fact that the EU constitutes Serbia’s main trade partner and an important source of direct foreign investment. However, this picture is sometimes questioned by domestic and foreign experts and representatives of civil society in Serbia. They point out, on the one hand, that the economic cooperation between Serbia and China brings a certain economic profit, but on the other hand, it creates serious challenges for Serbia’s economy and development in the mid-to-long term.<sup>27</sup>

<sup>26</sup> *BIRODI: Deset meseci u Srbiji bez sekunde negativnog izveštavanja o Rusiji i Kini*, 021, 13.02.2022, <https://www.021.rs/story/Info/Srbija/297734/BIRODI-Deset-meseci-u-Srbiji-bez-sekunde-negativnog-izvestavanja-o-Rusiji-i-Kini.html> [19.09.2022].

<sup>27</sup> T. Marković, *Dužnička diplomatija: Srbija u čeličnom zagrljaju Kine*, Al Jazeera, 07.11.2019, <https://balkans.aljazeera.net/opinions/2019/11/7/duznicka-diplomatija-sr>

## The challenges for Serbia's economy

The 'political umbrella' of the highest centres of power in Serbia over Chinese loans and investments has resulted in privileged treatment being bestowed on Chinese investors (e.g., the free transfer of construction land to a Chinese investor, customs and tax exemptions), bending, bypassing, or ignoring national standards and regulations (especially when it comes to the environment), and thus probably higher priced investments. These investments are usually implemented in the form of bilateral inter-state agreements, which release Chinese companies from the obligation to submit public offers and participate in tenders. This is because, in the view of the authorities in Belgrade, these are vital investments which contribute to the state's economic development.<sup>28</sup> Infrastructure and energy projects supported by Chinese loans are significant in this aspect, as they are subject to special rules stemming from the Agreement on Economic and Technical Cooperation in the Area of Infrastructure (amended three times in 2012, 2013, and 2017), which bypasses the national regulations related to transparency and competition. However, this practice is not limited to Chinese investments as there are similar bilateral arrangements with other states, including Russia and Azerbaijan.

bija-u-celicnom-zagrljaju-kine [08.11.2021]; N. Todorović Štiplija, *Srbija i Kina – bratstvo uticaja i zaduzivanja*, Talas, 22.06.2021, <https://talas.rs/2021/06/22/srbija-i-kina-bratstvo-uticaja-i-zaduzivanja/> [08.11.2021]; N. Nešić, *Mnogi hvale „brata Sija“ i donacije, a kineske investicije su, zapravo – zajmovi*, N1, 25.08.2021, <https://rs.n1info.com/biznis/mnogi-hvale-brata-sija-i-donacije-a-kineske-investicije-su-zapravo-zajmovi/> [08.11.2021].

<sup>28</sup> M. Rilak, *Kineski krediti: Srbija srlja u dužničko ropstvo (1)*, Nova.rs, 16.08.2020, <https://nova.rs/vesti/biznis/kineski-krediti-srbija-srlja-u-duznicko-ropstvo-1/> [08.11.2021]; *Javne nabavke i međudržavni sporazumi: Kako se troši novac građana Srbije?*, Danas, 07.10.2021, <https://www.danas.rs/vesti/ekonomija/javne-nabavke-i-medjudrzavni-sporazumi-kako-se-trosi-novac-gradjana-srbije/> [08.11.2021].



It remains to be seen whether and when the infrastructural investments financed by Chinese credit (i.e. building and modernisation of roads, highways, bridges and railways) will bring the intended economic benefits for Serbia and its citizens. There is a risk that these capital investments will not generate quickly desired profits for the state's budget and the Serbian economy.<sup>29</sup> However, it must be admitted that some of these investments are compatible with plans for the development of Europe-wide transportation networks (e.g. the highway to Montenegro, which constitutes a part of the TEN-T extension to the Western Balkans).<sup>30</sup>

Economic estimates have justified the claim that infrastructural projects financed by Chinese banks and built by Chinese companies are more expensive than those implemented with the participation of international financial institutions (IFIs). This is because Chinese investments are often overpriced, especially when compared to those financed from the European funds. Moreover, the interest rates on loans granted by Chinese banks for implementing these capital investments are usually higher than the interest rates demanded by the IFIs.<sup>31</sup> On the other hand, Chinese

<sup>29</sup> S. Janković, *Kineski krediti vode u političku zavisnost Zapadnog Balkana?*, Radio Slobodna Evropa, 15.08.2018, <https://www.slobodnaevropa.org/a/kineski-krediti-uvd-u-politicku-zavisnost/29435503.html> [08.11.2021]; A. Jung-Grimm, *Opasni kineski krediti?*, DW, 07.05.2021, <https://www.dw.com/bs/opasni-kineski-krediti/a-57460652> [08.11.2021].

<sup>30</sup> *Development of Indicative TEN-T Extensions of the Comprehensive and Core Network in Western Balkans, Report 2020 – Final version*, Transport Community Treaty Permanent Secretariat, June 2021, <https://www.transport-community.org/wp-content/uploads/2021/08/TEN-T-report-2020.pdf> [19.09.2022].

<sup>31</sup> J. Petrović, *Mišić: Kineske investicije uglavnom krediti s većim kamatama*, N1, 07.07.2018, <https://rs.n1info.com/biznis/a402082-misic-kineske-investicije-su-krediti-s-velikima-kamatama/> [08.11.2021]; *Lakićević: Trostruka opasnost ekonomske saradnje Srbije sa Kinom*, Danas, 20.09.2021, <https://www.danas.rs/vesti/ekonomija/lakicevic-trostruka-opasnost-ekonomske-saradnje-srbije-sa-kinom/> [08.11.2021].

loans are actually easier to obtain than those granted by IFIs such as the European Investment Bank or the International Monetary Fund. Obtaining financing support from these institutions is more complex in procedural terms. And they impose, *inter alia*, the necessity to fulfill certain formal, legal and economic conditions (e.g. the profitability criterion) as well as compliance with standards regarding the social and environmental impact of a particular investment.<sup>32</sup>

Another problem is how Chinese funding is presented to the general public. Although Chinese funds are usually described as ‘investments,’ they are strictly speaking loans granted by Chinese banks to finance large and expensive infrastructure projects. These projects are implemented mainly by Chinese companies (the obligation to employ Chinese contractors is usually an integral part of the contract), while construction materials are often imported from China.<sup>33</sup> It is estimated that these loans represent around three quarters of total Chinese ‘investments’.<sup>34</sup> This means that most of the profits generated by Chinese credit facilities in Serbia’s economy actually support Chinese business-

<sup>32</sup> S. Janković, op.cit.; *Evropska investiciona banka: Takozvani ‘jeftini’ krediti teški za otplatu*, Danas, 14.09.2021, <https://www.danas.rs/vesti/ekonomija/evropska-investiciona-banka-takozvani-jeftini-krediti-teski-za-otplatu/> [08.11.2021].

<sup>33</sup> *Srbija „štrči” u saradnji sa Kinom, krediti se predstavljaju kao investicije*, N1, 18.11.2021, <https://rs.n1info.com/biznis/srbija-strci-u-saradnji-sa-kinom-krediti-se-predstavljaju-kao-investicije/> [19.09.2022].

<sup>34</sup> The total amount of Chinese investments in Serbia was estimated in 2021 at 3.2 billion EUR. As a result of further investments (mostly loans) announced by the Serbian authorities, the value of these investments – and Serbia’s foreign debt towards Chinese creditors – will probably increase to around 7–10 billion EUR. See D. Hadži Nikolić, *Dug Kini trii milijarde evra: Ugovori se sklapaju po istom modelu*, Ministarstvo: Novac ide na infrastrukturne projekte, Euronews Serbia, 03.10.2021, <https://www.euronews.rs/biznis/privreda/18534/dug-kini-tri-milijarde-evra-ugovori-se-sklapaju-po-istom-modelu-ministarstvo-novac-ide-na-infrastrukturne-projekte/vest> [19.09.2022].

es. In other words, the impact of these investments is not as significant as expected. It also creates a diverted image of China as a benevolent investor, which is questioned by some Serbian experts. They also argue that these credit facilities generate public debt, which should be paid for by future generations.<sup>35</sup>

Apart from the abovementioned loans, there are also notable Chinese direct investments in Serbia, both brownfield and greenfield. They are among the biggest in the country. Among them and particularly important is the takeover of the copper mining and smelting conglomerate RTB Bor (now Zijin Bor Copper) by Chinese Zijin, estimated to be 1.46 billion USD in value (it includes the payment of some of RTB Bor's debts, the purchase price, and intended investments).<sup>36</sup> Another is the Linglong tyre factory in Zrenjanin, a greenfield project which is estimated to be worth 800 million EUR.<sup>37</sup> But, as with the case of the infrastructure projects, these investments also led to several controversies, particularly those related to observing environmental and employment provisions, discussed later in the text.<sup>38</sup>

<sup>35</sup> *Javne nabavke i međudržavni sporazumi...*; A. Telesković, *Preći li Srbiji kineska dužnička klopka?*, Novi Standard, 10.05.2021, <https://standard.rs/2021/05/10/preti-li-srbiji-kineska-duznicka-klopka/> [08.11.2021].

<sup>36</sup> *Zidin ulaze novac u RTB Bor, u budžet Srbije ne ide ni dolar*, N1, 04.09.2018, <https://rs.nininfo.com/biznis/a417248-novac-za-rtb-bor-ne-ide-u-budzet/> [19.09.2022].

<sup>37</sup> *„Linglong“ najveća i najznačajnija investicija u Vojvodini*, Politika, 30.03.2019, <https://www.politika.rs/sr/clanak/426214/Ekonomija/Linglong-najveca-i-najznacajnija-investicija-u-Vojvodini> [19.09.2022].

<sup>38</sup> *Ibid.*; A. Matković, *„Linglong“ u Zrenjaninu: zagađenje po feng-šuiju*, Mašina, 02.12.2020, <https://www.masina.rs/zagadenje-po-feng-suiju-linglong-u-zrenjaninu/> [19.09.2022]; D. Đorđević, *Za zagađenje vazduha u Boru kompanija Zidin kažnjena sa milion dinara*, CINS, 16.11.2021, <https://www.cins.rs/za-zagadjenje-vazduha-u-boru-kompanija-zidjin-kaznjena-sa-milion-dinara/> [19.09.2022].

Serbia remains additionally exposed to threats arising from the potential protective measures taken by the EU against the expansionist Chinese economy. If the European Commission were to introduce trade policy measures that would limit imports or increase the price of the steel produced in the Smederevo smelter or the copper mine in Bor (both plants have access to the European market), the benefits for Serbia's economy resulting from these Chinese investments would be called into question.<sup>39</sup> However, regarding copper, it seems that the end destination for this product is China itself. Serbia's exports to China have grown immensely since 2019, and copper constitutes the central part.<sup>40</sup> Also, many experts believe that the steel produced in the Smederevo steel mill is intended to be mainly used for Chinese-backed projects and beyond. This has led to the conclusion that cooperation with China represents both economic opportunities and challenges for Serbia's economy.<sup>41</sup>

Finally, there is a risk that the development of Serbia's political and economic relations with China would complicate the adjustment of the Serbian economy to the European single market and environmental protection requirements.<sup>42</sup> It may become even more complicated if plans for the Free

<sup>39</sup> M. Brkić, *Otrovan vazduh i klimava treća stolica – šta je donela prodaja RTB Bora?*, Talas, 09.06.2021, <https://talas.rs/2021/07/09/otrovan-vazduh-i-klimava-treca-stolica-sta-je-donela-prodaja-rtv-bora/> [08.11.2021]; N. K. Krstić, *Kineski čelični zagrljaj – život u okolini Železare u Smederevu*, Talas, 16.06.2021, <https://talas.rs/2021/07/16/kineski-celicni-zagrljaj-zivot-u-okolini-zelezare-u-smederevu/> [10.11.2021].

<sup>40</sup> M. Obradović, *Eksperti skeptični: Slobodna trgovina s Kinom ugušila bi domaću privredu*, Danas, 08.02.2022, <https://www.danas.rs/vesti/ekonomija/eksperti-skeptichni-slobodna-trgovina-s-kinom-ugusila-bi-domacu-privredu/> [19.09.2022].

<sup>41</sup> Author interviews, 2019.

<sup>42</sup> *Evropska investiciona banka: Takozvani 'jeftini' krediti...*; A. Telesković, op.cit.; *Debata: Peking se u Beogradu prihvata kao pouzdan partner*, 18.10.2021, <https://rs.n1info.com/biznis/debata-pekings-e-u-beogradu-prihvata-kao-pouzdan-partner/> [08.11.2021]; M. Jovano-

Trade Agreement between Serbia and China announced in February 2022 turn into reality. It remains unclear what the benefits would be, considering the disparity of size between the two economies and the fact that Serbia is still not a member of the WTO.<sup>43</sup>

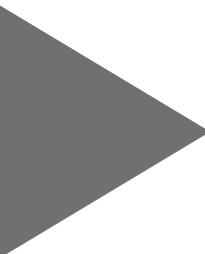
## Conclusions

From the Serbian authorities' point of view, the inflow of Chinese capital is a way to ensure rapid economic development. This dominant, positive picture of Serbia-China relations is questioned by some experts and representatives of Serbian civil society. They point out that on the one hand, the economic cooperation between Serbia and China brings a certain economic profit, but on the other hand, it creates serious – both domestic and international – challenges for Serbia and its citizens ranging from growing foreign debt, environmental pollution and technical dependency to shadowy political influence. This leads to the conclusion that in the mid-to-long term, the economic cooperation with China represents both multiple opportunities and serious challenges for Serbia.

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vić, *Srbija na stranputici razvoja? – o uticaju kineskih investicija*, Talas, 18.06.2021, <https://talas.rs/2021/06/18/srbija-na-stranputici-razvoja-o-uticaju-kineskih-investicija/> [08.11.2021].

<sup>43</sup> L. Cvetković, *Trgovinski sporazum Srbije i Kine sa oročenim trajanjem*, Radio Free Europe, 08.02.2022, <https://www.slobodnaevropa.org/a/srbija-kina-trgovinski-sporazum/31693485.html> [19.09.2022].



Strahinja Subotić

### **III. Serbia-China relations: the societal dimension**

#### **A growing phenomenon: China's soft power in Serbia**

When it comes to China, all are aware that it is a huge economic power and a power with significant political ambitions. What is, however, often omitted is the fact that China has notable potential to increase its soft power, particularly by focusing on boosting societal relations with different countries. By treating social ties as a form of investment, China is able to keep the door open for it to increase its political and economic footprint as well. Serbia is in that regard a textbook example of how Chinese investments go beyond economics and, in fact, encompass an attempt to capture the 'hearts and minds' of the local population. Therefore, this section of the policy paper will analyse how China has increased its soft power in Serbia and why it is important to look at this phenomenon as an important element of China's overall strategy.

## **Setting the stage for China's increased role**

Despite China's geographical distance from Serbia, the partnership between the two nations – established in 2008 – has gained favour with the Serbian population. As a result of Serbia's four-pillar policy, China was prioritised as a key partner who can assist in safeguarding Serbia's territorial integrity once Kosovo declared independence. That is why a Strategic Partnership was signed as early as 2009. At that time, it was a clear message that Serbia can politically count on China, while China would gain a strong supporter of its One-China policy in the heart of Europe. Considering that the status of Kosovo is a highly important topic to the Serbian population as it has historically played an important role in developing the sense of national identity, the fact that China alongside Russia stepped in to back up Serbia's claims over Kosovo's status has opened the door for China to 'enter the stage'.

In the years after the Strategic Partnership was signed, however, China's focus on social trials has remained largely dormant. China at that time was still a power in development, and its Belt and Road Initiative (BRI) was actually initiated later. Nevertheless, with BRI kicking in from 2013 onwards, China has quickly grown its political and economic ambitions. The turning point took place in 2016 when the Comprehensive Strategic Partnership was signed during China's President Xi Jinping's visit to Serbia. At that time, China acquired the Smederevo steel mill, and two years later it acquired the copper mine in Bor. This cemented China's role and presence in the Serbian economy. These investments came at a time when both the steel mill and the copper mine were facing structural and financial crisis, with

a high risk of significant employment cuts. It is therefore not surprising that these Chinese investments were portrayed by the Serbian political elites as ‘life saving’ to the Serbian economy and employment market. Hence why the local population continued to see China in a more positive light as it increased its economic footprint and coupled it with a political partnership.

### **The COVID-19 pandemic steps up the game**

If the pre-pandemic era was focused on political and economic cooperation, the pandemic supplemented Serbia-China relations with a renewed and more explicit focus on social ties. Although soft power has been relevant to China vis-à-vis Serbia even prior to the pandemic – with the opening of the Confucius Institutes, agreeing to open the Cultural Centre, the twinning of cities, and the introduction of Chinese language courses in some schools – the outbreak of the COVID-19 pandemic gave China the opportunity to substantially grow its soft power.

Namely, once it became clear that the pandemic was a serious affair, Serbia’s President Aleksandar Vučić sent a strong message to the public during a televised emergency address to the nation, proclaiming that ‘European solidarity does not exist. That was a fairy tale.’<sup>44</sup> Referring to the Chinese President as a true friend and to Chinese citizens as brothers, President Vučić added that in such a difficult situation, China was the only country that Serbia could rely on.

<sup>44</sup> J. Simić, *Serbia turns to China due to ‘lack of EU solidarity’ on coronavirus*, Euractiv, 18.03.2020, <https://www.euractiv.com/section/china/news/serbia-turns-to-china-due-to-lack-of-eu-solidarity-on-coronavirus/> [19.09.2022].



The president's statements appeared to have had a profound impact on the public as the press conference has continued to circulate on television and in social media. This message was apparently so impactful that, a month later, China's President Xi even accepted President Vučić's invitation to visit Serbia in the future.<sup>45</sup> For these reasons it is unsurprising that 80% of local citizens see the President Vučić as the one promoting the relationship with China the most.<sup>46</sup>

What reaffirmed Belgrade's efforts to portray Beijing as a key partner, and the Chinese as a brotherly nation, was the fact that China was indeed the first external actor to send medical assistance to Serbia.<sup>47</sup> On top of that, it sent a group of experts to share their experience in combating the pandemic. Although in the meantime the EU provided a significant level of medical and financial support to Serbia, it could not compensate for its slow start in the eyes of the public and political elites in the country. For that reason, it is quite clear that the onset of the pandemic eventually served to consolidate Sino-Serbian relations while simultaneously severely damaging the EU's image.<sup>48</sup>

<sup>45</sup> Chinese President Xi Jinping announced his visit to Serbia in talks with Vucic, B92, 14.04.2020, [https://www.b92.net/eng/news/world.php?yyyy=2020&mm=04&dd=14&nav\\_id=108326](https://www.b92.net/eng/news/world.php?yyyy=2020&mm=04&dd=14&nav_id=108326) [19.09.2022].

<sup>46</sup> Institut za evropske poslove, *Stavovi građana Srbije prema Kini – istraživanje javnog mnjenja*, April 2021, <https://iea.rs/wp-content/uploads/2021/04/Stav-gradjana-Srbije-prema-KINI-2021-1.pdf> [19.09.2022].

<sup>47</sup> S. Subotić, A. Omeragić, *Timeline of foreign assistance for fighting COVID-19*, European Policy Centre (CEP), 03.07.2020, <https://cep.org.rs/en/publications/timeline-of-foreign-assistance-for-fighting-covid-19/#> [19.09.2022].

<sup>48</sup> S. Subotić, M. Janjić, *What have we learned from the COVID-19 crisis in terms of Sino-Serbian relations?*, European Policy Centre (CEP), 25.04.2020, <https://cep.org.rs/en/publications/what-have-we-learned-from-the-covid-19-crisis-in-terms-of-sino-serbian-relations/> [19.09.2022].

On the one hand, Serbia did indeed manage to acquire valuable medical equipment from China at a time of need, which further legitimised its foreign policy of balancing between the East and the West. On the other hand, China managed to use Serbia as a steppingstone in promoting its ‘mask diplomacy,’ and later ‘vaccine diplomacy,’ in the rest of Europe while concurrently strengthening its ability to project power and influence far beyond its borders – something that each global power aspires to do. Therefore, the emergence of the COVID-19 pandemic has shown that Serbia and China are willing and able to work proactively with one another at a time of crisis. The cooperation in the health sector, which was intertwined with politics and soft power, was only a continuation of a rational and intentional progression of relations which have been closely nurtured over the past decade.<sup>49</sup>

### **The role of the media in boosting China’s image**

When it comes to China’s indigenous efforts to conduct disinformation campaigns, one needs to acknowledge that these efforts have been quite limited. Unlike Russia, which actively engages in disinformation, China has long had a hands-off approach as it has been the Serbian government which has been acting as its biggest promoter. Pro-Chinese messages were issued live on Serbian media on a daily basis by the most senior members of the Serbian establishment. In that regard, portraying the Chinese nation as a ‘brotherly

<sup>49</sup> S. Subotić, *From Mask Diplomacy to Vaccine Diplomacy: Relations During the COVID-19 Pandemic*, [in:] *China’s Engagement in Central and Eastern European Countries*, AIES, 17.06.2021, p. 79, <https://www.aies.at/publikationen/2021/china-engagement-europe.php> [19.09.2022].

nation' and the Chinese President Xi Jinping as a 'true friend' represented a new level of manipulative messaging.<sup>50</sup> One pro-government tabloid even went so far as to set up public billboards expressing gratitude to President Xi for China's assistance. For China it was a costless strategy.

Although local politicians did most of the work in terms of promoting China, the Chinese did not sit idle either. The Chinese Embassy to Serbia played its part by promoting viral videos of citizens from China showing support for Serbia,<sup>51</sup> while the Chinese ambassador to Serbia opened an official Twitter account on 19 March 2020 – just four days after the aforementioned speech of the Serbian President – to promote China's aid to Serbia during the pandemic.<sup>52</sup> Although this cannot be considered to be a part of China's disinformation campaign, it can be seen as China's willingness to amplify the twisted messages coming from the Serbian political establishment. In addition, actors who as interlocutors have amplified the official narrative in various mainstream media include the Chinese Writers' Association, China Daily, vice president of the Academy of Xi Jinping's Thought, sports clubs in China, Serbian athletes, Chinese entrepreneurs in Serbia, and others.<sup>53</sup> Therefore, it is clear that China certainly had a stake here.

<sup>50</sup> Ibid., p. 83.

<sup>51</sup> *Chinese students sing for Serbia and cheer for Serbia*, Chinese Embassy to Serbia, YouTube, 23.03.2020, <https://www.youtube.com/watch?v=Bje-YOkibRg&feature=youtu.be> [19.09.2022].

<sup>52</sup> Chen Bo (@AmbChenBo), 'I am proud to represent my country among friends.' – Twitter, 19.03.2020, <https://twitter.com/AmbChenBo/status/1240723270254637057> [19.09.2022].

<sup>53</sup> L. Šterić, M. Bjeloš, *Paper Fairy Tales vs Steel Brotherhood: Media Portrayals of Serbia's Alliances in the Age of Pandemic*, Belgrade Centre for Security Policy (BCSP), Belgrade 2021, pp. 6-7, <https://bezbednost.org/wp-content/uploads/2021/12/Fairy-Tales.pdf> [19.09.2022].

The portrayal of China in the media was dominantly positive. Namely, one study shows that during the period between March and August 2020, there were more articles about the aid coming from China than articles mentioning aid coming from Russia and the EU combined. Also two-thirds of all news reporting on the medical aid that had a supportive tone focused on the Chinese help to Serbia, with one-quarter of the positively framed articles being about Russian involvement, and only one-tenth dealing with the European help to Serbia.<sup>54</sup> Such carefully developed messaging reached its audience mainly via television and print media. These traditional media represent the key way for citizens to get informed about China. In fact, one research study shows that 50% of people get info on China via these traditional media. The number rises to 75% if online portals are included.<sup>55</sup> It showcases that the media broadcasts about China's help to Serbia during pandemic were actually quite effective.

Such activities represented a novelty, particularly as China has traditionally been less prevalent than Russia and the EU in the Serbian media. In fact, when it did make media appearances, even prior to the pandemic, it has been, according to research from 2019, typically presented in a positive or neutral manner.<sup>56</sup> China's media appearances thus proportionally work better for it than the EU's, as the latter was, according to the same research, mostly presented in a neu-

<sup>54</sup> Ibid., p. 5.

<sup>55</sup> Institut za evropske poslove, *Stavovi građana Srbije prema Kini...*, April 2021, p. 4.

<sup>56</sup> *Coronavirus Has Changed the Course of Foreign Policy*, Istinomer, 09.04.2020, <https://english.istinomer.rs/analyses/coronavirus-has-changed-the-course-of-foreign-policy/> [19.09.2022].

tral light, with some elements of both positive and negative reporting on it. The fact that the media has portrayed China in such a manner prior to and during the pandemic has certainly contributed to the way the public perceives it today.

Meanwhile, China's visibility has become noticeable in the sphere of online social networks as well, particularly Twitter. In fact, one research project found that during the height of the pandemic, from March 9 to April 9, there were 30,000 tweets coming from pro-government network accounts in Serbia (so-called 'bots') with the keywords 'China and Serbia' in their content (Digital Forensic Centre, 2020). The common message of these tweets consisted of praise for China's assistance (and, in general, Sino-Serbian friendship), the Serbian President, and the steps the government took during the pandemic, while attacking the EU for its supposed failure to help in Serbia's time of need. It is important to stress that as much as 11% of the Serbian population gets info on China from social networks.<sup>57</sup> These activities, therefore, represent yet another example of how Serbia's pro-China discourse has been anything but spontaneous and random.

## Impacting public opinion

Even prior to the pandemic, China has had a positive opinion among the Serbian population. However, the Chinese 'mask and vaccine diplomacy' has improved its public perception even further. The most notable example of this, which comes from a public opinion poll conducted during the pandemic, shows that 39.9% of Serbian citizens believed

<sup>57</sup> Institut za evropske poslove, *Stavovi građana Srbije prema Kini...*, April 2021, p. 4.

that China was the largest donor to Serbia.<sup>58</sup> This measures the overall support and not just COVID-related assistance. This was a big blow to the EU, which took second place with 17.6% of respondents, and Russia third with 14.6%. This data was especially important considering that the percentage of those having this opinion regarding China doubled in just a year (increasing by 21 percentage points), while Russia and the EU used to outrank it, with 25.5% and 25.3% of respondents accordingly.<sup>59</sup> These findings represented a major breakthrough for China, as it was typically unable to compete with Russia and the EU on this front. One year later, when specifically asked about the COVID-related assistance, China maintained its top position.<sup>60</sup>

It is also warranted to take a look at how the public sees China from a wider perspective. Namely, when it comes to how the local population sees the quality of Sino-Serbian relations, according to a public opinion survey from 2021, citizens of Serbia rated it as 'very close' (+63 points on a scale from -100 to +100).<sup>61</sup> The same overwhelmingly positive attitude also ranks Serbia high with regard to citizens' expectations for future cooperation with China, as they believe that the impact of the BRI on Serbia in the next five years will be 'very fruitful' (+47 points). As this poll was conducted

<sup>58</sup> Institut za evropske poslove, *Stavovi građana prema Rusiji – istraživanje javnog mnjenja*, March 2020, p. 4, <http://iea.rs/wp-content/uploads/2020/05/Stav-gra%C4%91ana-Srbije-prema-Rusiji-mart-2020.pdf> [20.09.2022].

<sup>59</sup> Institut za evropske poslove, *Stavovi građana prema Rusiji – istraživanje javnog mnjenja*, September 2019, p. 10, <http://iea.rs/wp-content/uploads/2019/09/2019-Stav-gra%C4%91ana-Srbije-prema-Rusiji-mart-2019-final.pdf> [20.09.2022].

<sup>60</sup> Institut za evropske poslove, *Stavovi građana Srbije prema Kini...*, April 2021, p. 4.

<sup>61</sup> China-CEE Institute, *How the CEE Citizens View China's Developments*, Budapest 2021, pp. 125-131, <https://china-cee.eu/wp-content/uploads/2021/12/Survey-Report-2021-HOW-THE-CEE-CITIZENS-VIEW-CHINA%E2%80%99S-DEVELOPMENT-IN-2021.pdf> [20.09.2022].

at the time when 17 countries participated in the '17+1' format, Serbia not only topped the Western Balkan countries, but also every other CEE country participating in this bloc. Also, a time comparison (from 2017 until 2021 of the same poll) shows that the number of people in Serbia who perceive China and the BRI in a positive light keeps increasing. These geographical and time-comparative analyses reaffirm that China has a valuable level of soft power in Serbia.

However, it should be noted that the level of China's soft power faces some relevant limitations. In fact, despite the strong belief that Serbia should continue its good relations with China, a poll from 2017 shows that China is not even listed among the top 15 countries in which citizens from Serbia would like to live or where they would like their children to live.<sup>62</sup> An opinion poll published in December 2019 by the Serbian Ministry of European Integration showed that only 5% of the local population saw the Chinese model of state development as appropriate for Serbia.<sup>63</sup>

Another opinion poll from 2020 also shows that China is definitely not in the list of top places to live for those intending to depart from Serbia.<sup>64</sup> When it comes to where the youth would prefer to move to and live, a youth-centred 2020 survey shows that the EU remains their number one choice, whereas the number of those preferring China was

<sup>62</sup> S. Mihailović, *Which empire to lean on... Serbia between the East and the West*, Demostat, 14.09.2017, <http://demostat.rs/en/vesti/istrazivanja/which-empire-to-lean-on-serbia-between-the-east-and-the-west/214> [20.09.2022].

<sup>63</sup> Министарство за европске интеграције, *Европска оријентација грађана Србије*, December 2019, p. 27, [https://www.mei.gov.rs/upload/documents/nacionalna\\_dokumenta/istrazivanja\\_javnog\\_mnjenja/ijm\\_dec\\_19.pdf](https://www.mei.gov.rs/upload/documents/nacionalna_dokumenta/istrazivanja_javnog_mnjenja/ijm_dec_19.pdf) [20.09.2022].

<sup>64</sup> Institut za evropske poslove, *Stavovi građana prema Rusiji...*, March 2020, p. 16.

too small to classify in its own category.<sup>65</sup> China therefore is a notable power, yet with limited power of attraction. This is where the EU has the potential to work more in the future if its aim is to squeeze out China, a country which it sees as a systemic rival at the global level.

## Conclusions

Soft power is a relevant concept which needs to be kept in mind when analysing China's relationship with Serbia. Although it was long thought that the Chinese approach as part of the BRI was simply related to economics and politics, this analysis showcases that it has tangible impact on the hearts and minds of the local population. With the pandemic as a notable example, it showcases that the emergence of crisis has successfully tested the ability of China to act swiftly and effectively. With relatively low-effort, China has indeed managed to put itself as a relevant power in Serbia with its mask and vaccine diplomacy.

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<sup>65</sup> Krovna organizacija mladih Srbije (KOMS), *Alternativni izveštaj o položaju i potrebama mladih u Republici Srbiji*, Beograd 2022, p. 202.







Magdalena Rekić

## **IV. Serbia-China relations: the environmental dimension**

### **Environmental challenges for Serbia<sup>66</sup>**

Chinese investments in Serbia became especially controversial due to environmental pollution (mainly by heavy industry) and dangerous interference with the ecosystem (connected with infrastructure development). There are arguments to claim that subsequent Chinese investments – contrary to the current global tendencies – ignore standards of nature protection or sustainable development. The lack of respect for the principles of environmental protection is part of the general nature of Chinese investments, which are implemented in non-transparent circumstances, without being consulted upon by professional experts or the public. Their real goal is not to improve the quality of life, but

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<sup>66</sup> The research for this chapter was supported by the University of Łódź's research grant: "The COVID-19 pandemic and the perception of China in Ukraine, Belarus and Serbia" (IDUB, no B2212001000110.07).

to implement economic (and at the same time political) interests. Of course, these are not new practices brought from Beijing – the specificity of Chinese decision-making happens to fit into the Serbian reality of making decisions at the top (top-down model), and such decisions are dictated by interest groups, very often with corruption in the background.

In 2006, i.e. a few years after ‘the October 5 Revolution,’ Jadranka Jelinčić emphasised that the then democratic, pro-European authorities in Serbia were passing laws in a hurry, without proper preparation, often full of errors and contrary to EU standards and even to Serbia’s legal order.<sup>67</sup> Since the SNS came to power, this legislative chaos has been constantly deepened. This messy legal environment susceptible to pressure from higher authorities suits Chinese investors. This is because the inseparable element of Chinese investments has become a ruthless breach of the rule of law. The Public Procurement Act of 2019<sup>68</sup> favours government-pushed investments, weakens competition, and does not require investors to meet specific standards, including those relating to the environment.<sup>69</sup> Local activists operating in places where the largest Chinese projects are concentrated (Semederevo, Bor, Zrenjanin, Kostolac) constantly raise the alarm about serious air pollution, but their voices do not reach a wider audience, mainly due to

<sup>67</sup> *Evropeizacija Srbije. Monitoring procesa evropeizacije društvenog, ekonomskog, političkog i pravnog prostora Srbije*, J. Jelinčić (ed.), Beograd 2006, pp. 24-25, [https://kupdf.net/download/evropeizacija-srbije\\_5a37f8cfe2b6f5ba40957b54\\_pdf](https://kupdf.net/download/evropeizacija-srbije_5a37f8cfe2b6f5ba40957b54_pdf) [19.09.2022].

<sup>68</sup> *Zakon o javnim nabavkama*, “Sl. glasnik RS”, br. 91/2019, <https://www.paragraf.rs/propisi/zakon-o-javnim-nabavkama.html> [11.02.2022].

<sup>69</sup> *Kineske investicije u Srbiji narušavaju vladavinu prava*, RERI, April 2021, <https://www.reri.org.rs/kineske-investicije-u-srbiji-narusavaju-vladavinu-prava/> [11.02.2022].

the media market control by the ruling regime of Aleksandar Vučić.

The most environmentally controversial investments include the steel plant in Smederevo owned by the Chinese Hesteel, the largest employer in the city, which some experts list among the most polluted cities in the world. Hesteel was not required to install filters to absorb dust emissions, and the concentration of pollutants exceeds by up to 20 times the generally accepted standards.<sup>70</sup> The number of cases of malignant neoplasms has increased by 400% in the last nine years.<sup>71</sup> It is worth mentioning that the blame for the ecological disaster in the former capital of Serbia is not only on the side of the steelworks as there are other polluters in the air: obsolete combined heat and power plants and individual heating furnaces. The fact remains, however, that the Chinese investment additionally worsened the already disastrous air quality in the city.

With the passive attitude of the Serbian authorities, the campaign against the devastation of the environment is carried out mainly on the internet by a group of activists from the Pokret tvrđava organization. Their information shows the scale of the ecological disaster. However, it is difficult to reach a greater audience given that the media market in Serbia is virtually controlled by the ruling elites. The coordinator of Pokret tvrđava, Nikola Krstić, who appears in

<sup>70</sup> I. Nikolić, *Smederevo i kvaliteta vazduha: U vrtlogu zagađenja i manjka informacija*, BBC, 20.12.2019, <https://www.bbc.com/serbian/lat/svet-50820609> [11.02.2022].

<sup>71</sup> S. Lisac, *Pokret Tvrđava: Broj maligniteta u Smederevu uvećan četiri puta*, 23.10.2021, <https://boom93.rs/info/drustvo/pokret-tvrđava-broj-maligniteta-u-smederevu-uvećan-četiri-puta/> [11.02.2022].

videos on this topic, admits that he has many times received signals 'from above' to be smart and to quit his activity.<sup>72</sup>

When it comes to the copper mine in Bor, one has to note that there has been a problem of polluted air in the mining town for years, but the situation has deteriorated after the mine was taken over by the Chinese company Zijin Copper. It is said that Bor is the most contaminated place in the Balkans, and, that there are more cases of cancer than in other Serbian cities.<sup>73</sup> The reason behind this was a two-fold increase in production without adapting the mine to the new operating mode or modernising it.<sup>74</sup> The authorities cover up evident neglect in a typically populist way, arguing that the level of pollution is decreasing and the city is growing thanks to Chinese investment.<sup>75</sup> Local activists from the Eko East and Izbor postoji associations are trying to publicise the fact that the reality looks different than as presented by Serbian pro-government media. The protests organized by members of the associations are attended by the inhabitants

<sup>72</sup> One of seven episodes of the documentaries *De wereld van de Chinezen* (World of the Chinese) produced by the Dutch VPRO television was devoted to Chinese investments in Smederevo and Bor. See *De wereld van de Chinezen*, NPO Start, 31.01.2021, [https://www.npostart.nl/de.../31-01-2021/VPWON\\_1296261](https://www.npostart.nl/de.../31-01-2021/VPWON_1296261) [11.02.2022].

<sup>73</sup> *Bor crna tačka Balkana zbog zagađenja, gradonačelnik najavljuje čistiji vazduh od 2022.*, Danas, 08.07.2021, <https://www.danas.rs/vesti/drustvo/bor-crna-tacka-balkana-zbog-zagadjenja-gradonacelnik-najavljuje-cistiji-vazduh-od-2022/> [11.02.2022].

<sup>74</sup> S. Božić Krainčanić, *Koje odgovoran za pojačano zagađenje vazduha u Boru?*, Radio Slobodna Evropa, 18.11.2019, <https://www.slobodnaevropa.org/a/zagadjenje-vazduh-bor/3021781.html> [11.02.2022]; I. Novaković, N. Todorović Štiplija, *Favoured Friend: What is the Benefit for Serbia in the Sale of RTB Bor to Chinese Zijin?*, Belgrade 2020, <https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKewjz9ozfuZn3AhVBEncKHU-wWBdoQFnoECAyQAQ&url=https%3A%2F%2Fcentarsavremenopolitike.files.wordpress.com%2F2020%2F12%2F11-favoured-friend-what-is-the-benefit-for-serbia-in-the-sale-of-rtb-bor-or-chinese-zijin.pdf&usq=AOvVaw1MXjs1R2Dp2uLzQ5JWvV2i> [11.02.2022].

<sup>75</sup> *Gradonačelnik Bora Aleksandar Milekić - Kakva je situacija u Boru kada je (ne)zagadjeno u pitanju?*, Jutarnji Program TV Happy, 15.02.2022, <https://www.youtube.com/watch?v=e9rZxkUrsrU> [11.02.2022].

of Bor and neighbouring villages. They are dissatisfied not only with the contamination of the air, land and water, but also with illegal evictions, without statutory compensation, or disastrous working conditions in the mine.<sup>76</sup>

As far as the ecological problems are concerned, the Linglong tyre factory in Zrenjanin is also an example of environmental practices surrounding Chinese projects in Serbia. Moreover, even before the construction of a tyre factory was heralded, Zrenjanin was struggling with the problem of access to drinking water and air pollution.<sup>77</sup> In this respect, Zrenjanin ranks second only to Bor.<sup>78</sup> Activists, such as the non-governmental organization RERI from Belgrade (Renewables and Environmental Regulatory Institute), are raising the alarm that the investment is being carried out without appropriate permits and with disregard to the existing environmental legislation.<sup>79</sup> Given that rubber production is one of the most poisonous industries, an already bad situation can be expected to worsen dramatically.<sup>80</sup> Protests against the factory under construction are doomed to failure, since the project has the status of a project of national

<sup>76</sup> D. Stojadinović, *Protest u Boru – tražimo da kompanija Zidjin poštuje zakone Srbije*, Bor 030, 27.09.2021, <https://www.bor030.net/protest-u-boru-tražimo-da-kompanija-zidjin-postuje-zakone-srbije> [11.02.2022].

<sup>77</sup> N. Bogdanović, *Zrenjanin: 16 godina bez vode za piće*, Radio Slobodna Evropa, 27.05.2020, <https://www.slobodnaevropa.org/a/zrenjanin-voda-vodovod/30637314.html> [11.02.2022].

<sup>78</sup> I. Gordić, *Zrenjanin pored Bora godinama najzagađeniji sumpor-dioksidom i čađi*, VOICE, 07.03.2021, <https://voice.org.rs/zrenjanin-pored-bora-godinama-najzagađeniji-sumpor-dioksidom-i-cadi> [11.02.2022].

<sup>79</sup> Z. Glavonjić, *Aktivisti traže ekološke garancije za fabriku Linglong u Zrenjaninu*, Radio Slobodna Evropa, 16.02.2021, <https://www.slobodnaevropa.org/a/kako-se-gradi-fabrika-linglong-u-zrenjaninu/31105559.html> [11.02.2022].

<sup>80</sup> A. Matković, *„Linglong“ u Zrenjaninu: zagađenje po feng-šuiju*, Mašina, 02.12.2020, <https://www.masina.rs/zagadenje-po-feng-suiju-linglong-u-zrenjaninu/> [11.02.2022].

importance, and Linglong has become the official sponsor of the football league (Linglong Tire Super liga Srbije).

When it comes to the modernisation and expansion of the Kostolac power plant financed by the Chinese Eximbank, polemics are raised, not only in Serbia, but also throughout the Balkans, and in the European Union. Officially opened in 2017, the desulphurisation installation rarely works. According to Bankwatch's 2019 report, Kostolac's electricity plant produces more sulphur dioxide than is allowed for the region as a whole, although it is additionally equipped (in theory) with a desulphurisation installation.<sup>81</sup> Residents complain about the ubiquitous black dust (the effect of burning coal), and doctors warn about the unusually high incidence of lung diseases.<sup>82</sup> But the most controversial is the construction of a new unit (Kostolac B3), the contractor of which is a Chinese company. The investment (contrary to Serbian law) was not preceded by an environmental impact assessment.<sup>83</sup> Moreover, it was not consulted upon with Romania, whose border runs several kilometres from Kostolac.<sup>84</sup> It is worth mentioning that Serbia, as a candidate country to the European Union, in the event of accession would have to give up coal-fired energy production by

<sup>81</sup> M. Radenković, *Izveštaj Benkvoča pokazuje ogromno zagađenje iz Kostolca*, *Danas*, 16.12.2019, <https://www.danas.rs/vesti/drustvo/izvestaj-benkvoča-pokazuje-ogromno-zagadjenje-iz-kostolca/> [11.02.2022].

<sup>82</sup> *Termoelektrana u Kostolcu najveći zagađivač zraka u regiji*, *Al Jazeera Balkans*, 19.02.2019, <https://www.youtube.com/watch?v=nRvJs7T1uFQ> [11.02.2022].

<sup>83</sup> *The debacle of Chinese financed Kostolac B3 coal-fired power station in Serbia*, *Just Finance International*, 12.02.2021, <https://justfinanceinternational.org/2021/02/25/the-debacle-of-chinese-financed-kostolac-b3-coal-fired-power-station-in-serbia/> [11.02.2022].

<sup>84</sup> M. Šarić, *Kostolac: Kineski kredit, srpsko kršenje pravila*, *CINS*, 21.07.2016, <https://www.cins.rs/kostolac-kineski-kredit-srpsko-kršenje-pravila/> [11.02.2022].

2050,<sup>85</sup> which is unlikely to happen, taking into account the money invested in Kostolac. There is a lack of alternative energy sources in Serbia, and the state is doing nothing to create them. Activists from the organization CEKOR (Centre for Ecology and Sustainable Development), which belongs to the Bankwatch group, are campaigning that existing standards should be adhered to. They also publicise the need to invest in more environmentally friendly energy sources.

In terms of environmental impact, the modernisation of the Budapest-Belgrade railway line – a key project aimed at modernising the outdated Serbian infrastructure – is controversial mainly due to the construction of a new section of the route around Sremski Karlovci on the Danube.<sup>86</sup> Local activists highlight that the investment will be detrimental to the unique flora and fauna ecosystem, recognised as a special nature reserve (*Specijalni rezervat prirode 'Koviljsko-petrovaradinski rit'*).

The ongoing degradation of nature and the disrespectful attitude of Chinese investors (and Serbian political elites) has begun to arouse frustration in society, and the view that 'colonial practices' are being used in Serbia is becoming more and more popular. In 2021, there was a wave of environmental protests, the first on April 10, the second on September 11, and a series of protests against the investment by British-Australian company Rio Tinto began in November.<sup>87</sup>

<sup>85</sup> CEKOR: *Srbija treba da ukine termoelektrane i odustane od izgradnje nuklearne elektrane*, Danas, 29.12.2021, <https://www.danas.rs/vesti/drustvo/cekor-srbija-treba-da-ukine-termoelektrane-i-odustane-od-izgradnje-nuklearne-elektrane/> [11.02.2022].

<sup>86</sup> *Ovako će izgledati nova železnička stanica u Sremskim Karlovcima*, Gradnja, 13.05.2021, <https://www.gradnja.rs/sremski-karlovcima-zeleznicka-stanica/> [11.02.2022].

<sup>87</sup> *Serbia revokes Rio Tinto lithium mine permits following protests*, BBC, 21.01.2022, <https://www.bbc.com/news/world-europe-60081853> [11.02.2022].



It is worth emphasising that thousands of people took part in the demonstrations, which took place not only in Belgrade, but also in other Serbian cities, including those declaring apolitical views, claiming that they had never taken part in protests so far.

The degradation of the natural environment in Serbia has drawn the attention of European politicians who are aware of the fact that environmental problems are global, not local, because water or air cannot be closed by national borders, especially if controversial investments take place in the immediate vicinity of the EU. On 25 March 2021, the European Parliament adopted a resolution in which it expressed concern, *inter alia*, about the ‘... lack of transparency and environmental and social impact assessment of Chinese investments and loans; calls on Serbia to strengthen its legal compliance standards for Chinese business activities.’<sup>88</sup>

## Conclusions

Considering all mentioned above it is to underline once again that Chinese investments are being introduced without regard to the law in force in Serbia.

Serbia, as a post-communist state, in a protracted phase of transition, has problems with an outdated industry that does not meet the so-called European standards. It can therefore be said that Chinese investments do not generate completely new problems, but overlap with existing ones. Decisions regarding new investments are made ‘at the

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<sup>88</sup> European Parliament resolution of 25 March 2021 on the 2019-2020 Commission reports on Serbia, 25.05.2021, [https://www.europarl.europa.eu/doceo/document/TA-9-2021-0115\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-9-2021-0115_EN.html) [11.02.2022].

top' (top-down model) and are not consulted with experts, ecologists or with the society. A corrupt regime benefits from them without thinking about the health and future of its citizens. On the wave of successive controversial investments, the awareness of the society is growing, especially among young people who are influenced by Western trends in environmental protection.





Bartosz Kowalski

## **V. Serbia-China relations: the security dimension**

### **A growing security partnership between Serbia and China**

The developing interactions between the countries' domestic security apparatuses were formally acknowledged as early as in 2009 through a cooperation agreement between the PRC's Ministry of Public Security (MBP) and Serbia's Interior Ministry, signed in Beijing by their respective heads Meng Jianzhu and Ivica Dačić.<sup>89</sup> Another sign of the growing importance of domestic security in the alliance was the visit to Belgrade in September 2017 of Meng Jianzhu in his capacity as a Politburo member and head of the Politics and Legal Affairs Commission of the Central Committee. Meng Jianzhu, who visited Serbia as Xi Jinping's special envoy, met

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<sup>89</sup> The Government of the PRC, *Meng Jianzhu held talks with the First Deputy Prime Minister and Minister of Internal Affairs of Serbia* (孟建柱与塞尔维亚第一副总理兼内务部长举行会谈), 08.12.2009, [http://www.gov.cn/ldhd/2009-12/08/content\\_1482839.htm](http://www.gov.cn/ldhd/2009-12/08/content_1482839.htm) [15.02.2022].

with President Aleksandar Vučić. This visit highlighted the importance of the law enforcement and security component in the China-Serbia comprehensive strategic partnership signed a year earlier. The Safe City project developed in cooperation with Huawei was also discussed during talks between Meng and Serbian Interior Minister and Deputy Prime Minister Nebojša Stefanović, who vowed that there would be more cooperation on security technology.<sup>90</sup>

Another milestone in China and Serbia's closer relations were talks held in May 2019 between President Vučić as well as other Serbian officials and CCP Central Committee Member and the then head of the MBP Zhao Kezhi, who was accompanied by other high-ranking internal security officials, including Meng Yang, Chen Guoping and Nie Furu. During the meeting with the Chinese delegation, President Vučić hinted that Serbia wanted to learn from China's experience in this field and to strengthen cooperation in internal security and law enforcement.<sup>91</sup>

As a consequence, in September 2019, joint Serbian-Chinese police patrols appeared on the streets of Belgrade, Novi Sad and Smederevo, which was officially justified by the presence of Chinese tourists. However, this has also been the case in other parts of Europe, with joint patrols being conducted by Chinese officers in Italy and Croatia. Indeed, the number of Chinese visitors to Serbia have grown over recent years as a result of a free-visa agreement. However,

<sup>90</sup> *China, Serbia vow more cooperation on security*, Xinhua Silk Road Information Service, 12.09.2017, <https://en.imsilkroad.com/p/59895.html> [15.02.2022].

<sup>91</sup> The Government of the PRC, *Serbian President Vucic meets with Zhao Kezhi* (塞尔维亚总统武契奇会见赵克志), 19.05.2019, [http://www.gov.cn/guowuyuan/2019-05/19/content\\_5392979.htm](http://www.gov.cn/guowuyuan/2019-05/19/content_5392979.htm) [15.02.2022].

neither Novi Sad nor Smederevo are tourist destinations. The two cities host Chinese companies and workers, which would suggest that the role of the patrols was also intended to monitor Chinese investments and citizens in the area.<sup>92</sup>

November 2019 saw Smederevo, where China's Hebei Steel (HBIS) steel mill is located, host a joint China-Serbia anti-terror police exercise, with 180 police officers from both countries participating. The political significance of this event was underlined by the presence of President Vučić, Ambassador Chen Bo and the then vice-premier and Internal Minister Stefanović, who said that Serbia wanted to learn from the bigger and the stronger partner. According to information from the PRC Embassy in Belgrade, the joint anti-terrorist exercises were also observed by Wei Zheng, deputy director of the public security administration of the MBP.<sup>93</sup> This MBP unit is responsible for guiding the establishment of special police units, and handling 'major mass security incidents and public security incidents',<sup>94</sup> or in other words public protests, which in the context of the China-Serbia 'steel friendship' may be read as an element that would strengthen President Vučić's drive to consolidate his increasingly autocratic power.

<sup>92</sup> *Chinese-Serbian joint police patrols in key Serbian cities*, GMF Alliance for Securing Democracy, 18.09.2019, <https://securingdemocracy.gmfus.org/incident/chinese-serbian-joint-police-patrols-in-key-serbian-cities/> [15.02.2022].

<sup>93</sup> The PRC Embassy to Serbia, *Forging an iron fist against terrorism and safeguarding security cooperation. China and Serbia special police hold joint counter-terrorism drills* (锻造反恐铁拳·捍卫合作安全——中塞特警举行联合反恐演习), 28.11.2019, <https://www.mfa.gov.cn/ce/cers/chn/sgxx/sghd/t1720396.htm> [15.02.2022].

<sup>94</sup> The Government of the PRC, *Law of the People's Republic of China on Public Security Administration Penalties* (中华人民共和国治安管理处罚法), 25.05.2005, [http://www.gov.cn/flfg/2005-08/29/content\\_27130.htm](http://www.gov.cn/flfg/2005-08/29/content_27130.htm) [15.02.2022].

## Huawei's Safe City project in Serbia

The growing importance of the domestic security partnership between China and Serbia is also reflected in the implementation of a Chinese surveillance system through Huawei Smart Cities in Belgrade, Novi Sad, and Niš.<sup>95</sup> Since the outset in 2019, the system's installation has sparked instant criticism from local watchdogs<sup>96</sup> and has led some European Union legislators to assess that the project effectively outsources Serbia's security to Chinese police and security services.<sup>97</sup>

Huawei's facial recognition technology which is at the disposal of Serbian law enforcement, was bought by the Serbian Interior Ministry in 2019; the undisclosed contract is said to cover over a thousand cameras in 800 locations in Belgrade. Although the Serbian authorities have not revealed the exact location of these cameras in the capital city, an independent investigation from an NGO, the SHARE Foundation, revealed that several hundred of these devices have been already installed in the streets of Belgrade. The introduction of Huawei surveillance technology in 'the development of the "Safe and Smart City" system in Serbia' is part of the Sino-Serbian technological agreement, signed

<sup>95</sup> V. Vuksanović, *Securing the Sino-Serbian Partnership*, China Observers in Central and Eastern Europe (CHOICE), 12.11.2019, <https://chinaobservers.eu/securing-the-sino-serbian-partnership/> [15.02.2022].

<sup>96</sup> *Serbia: Unlawful facial recognition video surveillance in Belgrade*, EDRI, 04.12.2019, <https://edri.org/our-work/serbia-unlawful-facial-recognition-video-surveillance-in-belgrade/> [12.11.2021].

<sup>97</sup> European Parliament, *Subject: Safe City project in Serbia – China penetrating into Europe*, 02.10.2019, [https://www.europarl.europa.eu/doceo/document/E-9-2019-003068\\_EN.html](https://www.europarl.europa.eu/doceo/document/E-9-2019-003068_EN.html) [12.11.2021].

May 2017, which positions the Chinese telecom giant as a 'strategic partner'.<sup>98</sup>

Serbian authorities have justified the construction of the surveillance system on security grounds. The Huawei cameras are intended to bolster public safety: an improvement in investigating and preventing crime. Although usage of facial-recognition technology in Serbia does not have any legal foundation, the installation of Huawei cameras is still going ahead. Given the fact that details of Serbia's contract with Huawei remain undisclosed, as is often the case in Serbia-China agreements, it is difficult to ascertain how many cameras were in fact purchased from the Chinese tech-giant, though the actual number is likely to exceed the official figure. According to an Interior Ministry document, the city surveillance system will incorporate 8100 cameras, including those on CCTV camera poles (2500), mobile cameras (3500 pieces), dashcams (600) and bodycams (1500) units.<sup>99</sup>

Furthermore, as many local experts point out, despite the lack of legal requirements, the police continue to use biometric identification to invigilate Serbian society on a daily basis. In terms of utilising the system as a tool for preventing or suppressing political dissent, it is suspected that facial recognition technology was used to identify anti-government protestors in July 2020.<sup>100</sup> The introduction of related legislation seems to be an attempt to legally support

<sup>98</sup> The Government of the Republic of Serbia, *Agreement on strategic partnership with Huawei*, 14.05.2017, <https://www.srbija.gov.rs/vest/en/122426/agreement-on-strategic-partnership-with-huawei.php> [20.02.2022].

<sup>99</sup> B. Stojkovski, *Facial recognition camera projects raise concerns in Eastern Europe*, ZDNet, 30.03.2021, <https://www.zdnet.com/article/facial-recognition-camera-projects-raise-concerns-in-eastern-europe> [15.02.2022].

<sup>100</sup> Interview with a Serbian journalist, Belgrade, October 2021.



law enforcement in this regard, rather than creating a legal framework to start its implementation. One may thus infer that the introduction of Chinese Smart (Safe) Cities is a valuable asset for the consolidation of an increasingly autocratic political system under President Vučić in Serbia.

### **The public debate on Huawei's surveillance system**

According to Serbian Interior Minister Aleksandar Vulin, the would-be regulations are intended to legalise the usage of facial recognition technology in order to identify faces and bodies of criminals that would help the police to locate murderers and other serious offenders. However, the proposed project's passage through the Serbian National Assembly was halted by a personal request from President Vučić, who hinted that the controversial law should not be implemented before the upcoming election, planned for spring 2022.<sup>101</sup> Minister Vulin went into more detail, declaring that the draft regulations were being pulled because the legislation was being allegedly unfairly maligned by the media, NGOs and political opposition, with protests being inspired and financially backed by Western intelligence services.<sup>102</sup>

Both of these justifications are debatable. First of all, President Vučić enjoys considerable popular support, and the issue of risks associated with state control of the surveillance system, let alone Huawei's involvement in it, are not

<sup>101</sup> Ibid.

<sup>102</sup> Law urgently withdrawn on Vučić's request. "We've been informed about possible riots", B92, 23.09.2021, [https://www.b92.net/eng/news/politics.php?yyyy=2021&mm=09&dd=23&nav\\_id=111798](https://www.b92.net/eng/news/politics.php?yyyy=2021&mm=09&dd=23&nav_id=111798) [15.02.2022].

a cause for concern among the majority of Serbs. Equally hard to defend is the conspiracy theory put forward by the head of the Interior Ministry: concerns raised by human rights activists, NGOs and independent media outlets are shared by a relatively small section of Serbian society. Moreover, Serbia's partnership with Huawei has been developing smoothly in recent years, and there is a widely shared consensus on the local political scene – with a few exceptions – that cooperation with China is an important element for the political capital of the ruling SNS party and others.

Local NGOs have been warning that the proposed regulations would empower the state to violate the privacy of its citizens. However, their voice in the public debate has not really been heard. When it comes to cooperation with the Chinese telecom giants, which is increasingly seen as a security threat in many democratic countries, in Serbia the partnership with Huawei is not seen as a significant hurdle in passing the relevant domestic legislation. Questions remain unanswered, however, as to who has access to sensitive data, to what extent is there a backdoor threat, and how is this data being used and to whom is it being passed on.

### **The future of Serbia's partnership with Huawei**

In September 2020, President Aleksandar Vučić and Premier Minister Avdullah Hoti in the presence of US President Donald Trump signed the so-called Washington agreement, which also contained provisions about the security of 5G networks. Although China was not named explicitly in the document, its provisions excluding 'untrusted providers' of the 5G network, albeit in a non-binding form, were clearly aimed at Huawei. As a result, the 5G auction in Serbia, which

originally was scheduled for autumn 2020, then put back to spring 2021 (officially due to the COVID-19 pandemic) has still not taken place.

Less than a month after meeting President Trump, the leader of Serbia met with China's top diplomat and Politburo member Yang Jiechi in Belgrade. During the talks Vučić tried to downplay the significance of the Washington declaration by suggesting that Huawei's commercial prospects in Serbia had not been affected. President Vučić stated that Serbia would not give in to any pressure exerted by these two powers. He went on to say that being resistant to such pressure was the best litmus test for the excellent Serbia-China partnership.<sup>103</sup>

A similar argument about external pressures is currently being used by Serbia's interior minister with regard to Belgrade's Safe City project co-implemented with Huawei. At the same time, Prime Minister Ana Brnabić, as a pretext to again postponing the 5G auction, suggested that existing 3G and 4G infrastructure may initially need to be upgraded.<sup>104</sup> Moreover, in October 2021 when China's Foreign Minister Wang Yi came to Belgrade, President Vučić praised China for its cooperation in innovation, modern technologies, and AI, thanks to which 'Serbia can keep pace with the most developed countries in the world.'<sup>105</sup> Such a statement can be

<sup>103</sup> Website of the President of the Republic of Serbia, *Meeting with a Politburo member of the CPC Central Committee and the Director of the Central Foreign Affairs Commission Office*, 12.10.2020, <https://www.predsednik.rs/en/press-center/news/meeting-with-a-politburo-member-of-the-cpc-central-committee-and-the-director-of-the-central-foreign-affairs-commission-office> [15.02.2022].

<sup>104</sup> Interview with a Serbian expert, Belgrade, September 2021.

<sup>105</sup> Predsednik Republike Srbije, *Sastanak sa državnim savetnikom i ministrom spoljnih poslova Narodne Republike Kine*, 28.10.2021, <https://www.predsednik.rs/lat/pres-centar/>

read as further proof of Serbia's unceasing cooperation with Huawei in projects such as 5G.

At the same time, there is limited interest in Serbia shown by the current US administration, which may be sensed from the inactivity of the Development Financial Corporation (DFC) branch in Belgrade, a tool envisioned to counter-balance Chinese influence in the developing world.<sup>106</sup> One can therefore infer that works on 5G implementation with Huawei are still in motion, and the subsequent declarations of senior Serbian officials are seen as a delaying tactic. Consequently, the Washington agreement seems to exist only on paper. The lack of action is also illustrated by the delayed relocation of the Serbian embassy in Israel, from Tel Aviv to Jerusalem.

Even though the draft law on Internal Affairs has been delayed by Serbia's leadership in its passage through the National Assembly, the ongoing development of Huawei's surveillance system with facial recognition technology in Serbia's Safe City system continues to proceed. Even if the Chinese telecom giant were to be excluded from the 5G auction, this decision will probably not impede other projects that have recently been carried out by Huawei in Serbia. In March 2020, Huawei launched the City Data Centre in Kragujevac and opened an IT innovation centre in Belgrade in August 2021, while recently, with the active support of Serbia's Ministry of Education, Huawei is developing its relationships with local polytechnics. So against this backdrop,

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vesti/sastanak-sa-drzavnim-savetnikom-i-ministrom-spoljnih-poslova-narodne-republike-kine [20.09.2022].

<sup>106</sup> Interview with a Serbian expert, Belgrade, September 2021.

the Safe City project in Belgrade, which is being implemented without legal concerns, reflects the close cooperation between Belgrade and Beijing, especially where domestic security is concerned.

## **Serbia and China – military cooperation**

When it comes to military cooperation, China is still not a primary partner of Serbia. Nevertheless, its growing importance was reflected in the 2019 Strategy of National Security of the Republic of Serbia, approved by the National Assembly. This document states that ‘for the purpose of the further development of democracy, stability and prosperity of the region, it is important for the Republic of Serbia to improve relations with the United States of America, the Russian Federation, the People’s Republic of China, and other traditional partners and significant factors of the international community.’<sup>107</sup>

Therefore, one can infer that, similar to the idea of the ‘Four Pillars’ of Serbia’s foreign policy, Belgrade has also been trying to keep an equal distance to each of the major powers when it comes to the security dimension. Such assumptions may be found in the 2010 Defense White Paper, which acknowledged that the United States, Russia, China and the EU had priority with regard to cooperation in defence matters. As far as China’s perspective is concerned, a country covered by the US and EU arms embargo, Serbia

<sup>107</sup> Ministry of Defence of the Republic of Serbia, *Strategy of National Security of the Republic of Serbia*, 27.12.2019, [http://www.mod.gov.rs/multimedia/file/staticki\\_sadrzaj/dokumentu/strategije/2019/Strategy%20of%20National%20Security%20od%20the%20Republic%20of%20Serbia.pdf](http://www.mod.gov.rs/multimedia/file/staticki_sadrzaj/dokumentu/strategije/2019/Strategy%20of%20National%20Security%20od%20the%20Republic%20of%20Serbia.pdf) [20.09.2022].

becomes a major foothold for the Chinese arms industry and military cooperation on the European continent.<sup>108</sup>

The first agreement on military cooperation between China and Serbia Defence Ministries was signed in 2008 in Beijing, covering numerous subjects including military, economic and medical sectors, the training of military personnel, anti-terrorism, peace-keeping efforts, prevention of natural disasters and military research and development. Since then, the bilateral cooperation has translated into numerous mutual visits of defence ministers, chiefs of staff, and other high-ranking army officers of both countries. Consequently, it has resulted in the extension of its scope. A special role in this respect was played by the visit of Defence Minister Dragan Šutanovac to China in August 2010, who met with Dai Binguo, chairman of National People's Congress.<sup>109</sup> During the stay, considerable attention was paid to the issue of deepening cooperation between the arms industries of both countries, especially in the aspect of the joint production of military equipment and its sale to third countries that are traditional recipients of Serbian weapons, including Myanmar, Iraq, Libya and other African countries and the Middle East.<sup>110</sup>

<sup>108</sup> *White Paper on Defence of the Republic of Serbia*, B. Forca, S. Stojanović, Z. Putica, K. Terzić (eds.), Belgrade 2010, p. 140, [http://www.mod.gov.rs/multimedia/file/staticki\\_sadržaj/dokumenta/strategije/Bela\\_Knjiga-Engleski.pdf](http://www.mod.gov.rs/multimedia/file/staticki_sadržaj/dokumenta/strategije/Bela_Knjiga-Engleski.pdf) [20.09.2022].

<sup>109</sup> The National People's Congress of the PRC, *Wu Bangguo Meets with Serbian Defence Minister* (吴邦国会见塞尔维亚国防部长), 17.08.2010, [http://www.npc.gov.cn/zgrdw/npc/xinwen/dwjw/2010-08/18/content\\_1588137.htm](http://www.npc.gov.cn/zgrdw/npc/xinwen/dwjw/2010-08/18/content_1588137.htm) [20.09.2022].

<sup>110</sup> D. Pavličević, *The Sino-Serbian Strategic Partnership in a Sino-EU Relationship Context*, The University of Nottingham, China Policy Institute, "Briefing Series", 2011, no. 68, pp. 9, 12, <https://www.nottingham.ac.uk/iaps/documents/cpi/briefings/briefing-68-sino-serbian-partnership.pdf> [20.09.2022].

The political weight of the relationship was further confirmed when, in November 2010, Deputy Chief of Staff of the Chinese People's Liberation Army Ma Xiaotian paid a three-day visit to Serbia. The visit's agenda included talks with Prime Minister Mirko Cvetković and Minister Šutanovac, who thanked China for helping to build the army and contributing to Serbia's national defence.<sup>111</sup> For China, of huge symbolic importance was also that President Tomislav Nikolić and Serbian troops took part in the military parade in Beijing in 2015, commemorating the 70th anniversary of World War II, an event boycotted by most Western leaders.<sup>112</sup> Five years later, upon the 75th anniversary in 2020, speaking to the Chinese national broadcaster, Defence Minister Aleksandar Vulin said that 'the fundamental role of the Chinese Communist Party [in defeating fascism] should be recorded in the annals of history.'<sup>113</sup> Such pronouncements from the side of Serbia, though not entirely in line with historical facts, help create a political umbrella for military cooperation with China, which in turn, uses the Serbian officials' rhetoric for domestic legitimacy.

<sup>111</sup> The Central People's Government of the PRC, *Prime Minister of Serbia meets with General Ma Xiaotian, Deputy Chief of the General Staff of the People's Liberation Army* (塞尔维亚总理会见解放军副总参谋长马晓天上将), 16.06.2010, [http://www.gov.cn/jrzq/2010-06/16/content\\_1628611.htm](http://www.gov.cn/jrzq/2010-06/16/content_1628611.htm) [20.09.2022].

<sup>112</sup> *Nikolic arrives in China, set to attend military parade*, 31.08.2015, B92, [https://www.b92.net/eng/news/politics.php?yyyy=2015&mm=08&dd=31&nav\\_id=95271](https://www.b92.net/eng/news/politics.php?yyyy=2015&mm=08&dd=31&nav_id=95271) [20.09.2022].

<sup>113</sup> This opinion clearly distorts the historical facts. The leader of China during World War II was the head of the Nationalist Party (Kuomintang) Chiang Kai-shek, and it was his army that decisively fought in the war against Japan. See *Minister: China made huge sacrifices for the victory of the World Anti-Fascist War* (塞尔维亚防长:中国为世界反法西斯战争胜利牺牲巨大), CCTV, 04.09.2020, <https://news.cctv.com/2020/09/04/ARTIS1tP2lFxbRA2l-7jwmrcz200904.shtml> [20.09.2022].

When it comes to the modernisation of the army and the development of the Serbian military industry, China is still a secondary partner compared to Russian arms imports and technology. However, its importance has risen considerably in recent years. A milestone in this regard is Serbia's decision to purchase Chinese CH-92A military drones, which, in addition to reconnaissance tasks, could also be used in offensive operations (they can carry missiles and have a range of 9 km). The relevant contract was signed in September 2019, when President Vučić visited China, and the first six drones reached Serbia in July 2020. An important aspect of the transaction with China was technology transfer, which has facilitated the development of Serbia's own system for the production of Pegasus drones.<sup>114</sup> Although the contract was classified, according to the data of the Statistical Office of Serbia, its value is 19.3 million USD.<sup>115</sup> From Beijing's perspective the first sale of military drones from China to a European state creates a potential shortcut to the EU market.

Another important element of China's growing footprint in the process of the modernisation of the Serbian armed forces is the purchase of the Chinese FK-3 medium-range air defence missile system in 2020. The contract was concluded through the state-owned company Yugoimport SPDR during or shortly after President Vučić's visit to Beijing in

<sup>114</sup> Ministry of Defence of the Republic of Serbia, *President of the Republic and Supreme Commander of the Serbian Armed Forces Attended Presentation of New Unmanned Aerial Vehicles of the Serbian Armed Forces CH-92A*, 04.07.2020, <http://www.mod.gov.rs/eng/16196/predsednik-republike-i-vrhovni-komandant-vojske-srbije-prisustvovao-prikazu-novih-bespilotnih-letelica-vojske-srbije-ch-92a-16196> [20.09.2022].

<sup>115</sup> *Military Secret Revealed: Serbia Spent Almost \$20 Million On Chinese Drones*, Radio Free Europe, 26.05.2021, <https://www.rferl.org/a/military-secret-revealed-serbia-spent-almost-20-million-on-chinese-drones/31275027.html> [20.09.2022].



April 2019. One should note that Serbia chose the Chinese anti-missile system over the Russian S-300 system, which was negotiated long before. This demonstrates that China also has the potential to outweigh Russia as a military partner of Serbia.<sup>116</sup>

Although the cooperation of the arms industries of both countries and the joint penetration of the global arms market has not (so far) posed a direct threat to the EU's security, for China it may be an element by which the EU embargo on arms trade may be bypassed as well as the opening of alternative channels for this country to access world markets.<sup>117</sup> The further expansion of Sino-Serbian military cooperation was confirmed by the PRC's Defence Minister Wei Fenghe during a visit to Belgrade 2021. This visit reflected the growing military relationship, supplementing other areas of cooperation between Serbia and China. Both states agree that China would help Serbia to increase the potential of the Serbian defence industry and help to perfect the Pegasus combat drone construction program, deliver donations to the Serbian army (including vaccines against COVID-19) and open a Chinese medicine centre at the Serbian Military Medical Academy.<sup>118</sup> The organization of the first joint manoeuvres of special forces of the armies of both countries was also announced. General Wei, aside from talks with Deputy Prime Minister and Defence Minister Nebojša Stefanović also met with President Vučić. The

<sup>116</sup> Interview with a Serbian scholar, Belgrade, September 2021.

<sup>117</sup> D. Pavličević, *op.cit.*, p. 12.

<sup>118</sup> A. Milenković, *China and Serbia strengthening military ties*, CGTN, 27.03.2021, <https://newseu.cgtn.com/news/2021-03-27/China-and-Serbia-strengthening-military-ties-YYwwasXdCM/index.html> [20.09.2022].

Serbian leader expressed his satisfaction with the results of the military partnership with China and announced that it would be continued in the economic, training and medical aspects.<sup>119</sup>

## Conclusions

Thanks to cooperation with China, Serbia wants to perform the role of technological leader in the Western Balkans. When it comes to Huawei, the cooperation with the Chinese technological giant covers surveillance systems (Smart/Safe City projects) and strategic sectors (energy and transport), the safety of which became the main argument for excluding Huawei from contracts in many EU countries. Despite the fact that Huawei's facial recognition cameras in Serbia's Safe Cities network face legal challenges, the implementation of the surveillance system itself is moving ahead, along with the Chinese telecom giant's other operations in Serbia. The introduction of Huawei's Safe City project to Belgrade is yet another sign of the growing importance of domestic security in China-Serbia cooperation. With the Biden administration showing little interest in countering China's influence in Serbia, the installation of a 5G network in Serbia, in cooperation with Huawei, is now more likely.

China has begun to engage in the modernisation of Serbia's defence industry, e.g. the production of military drones. Serbia has also purchased technologically advanced Chinese

<sup>119</sup> The President of the Republic of Serbia, *Meeting with the Minister of National Defence of the People's Republic of China*, 26.03.2021, <https://www.predsednik.rs/en/press-center/press-releases/meeting-with-the-minister-of-national-defence-of-the-peoples-republic-of-china> [20.09.2022].

anti-aircraft systems. The development of a defence partnership with China seems to be a reaction to the changes in Serbia's strategic environment (NATO enlargement to Montenegro and North Macedonia) and reflects China's growing interest in finding a shortcut to the EU military market.



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Serbia is China's key political and economic partner in the Western Balkans and a prominent "steel-like friend" on the European continent. From the Serbian perspective, bonds with China represent an important element of its multi-vector foreign policy.

Serbia's authorities and pro-government media are therefore promoting the development of friendly political relations between Belgrade and Beijing, emphasizing its highly positive economic outcome. However, some domestic and foreign experts and representatives of Serbian civil society often question this picture. They point out that although economic cooperation with China brings some benefits, it also creates serious – both domestic and international – challenges for Serbia and its citizens, ranging from growing foreign debt, environmental pollution and technical dependency to shadowy political influence. This policy paper points to the many faces of Chinese engagement in Serbia, discussing the achievements and challenges of Sino-Serbian cooperation.

ISBN 978-83-66413-91-7



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