

Nenad Stekić*

Institute of International Politics and Economics, Belgrade

Jovana Nikolić*

Institute of International Politics and Economics, Belgrade

CONFLICTING VISIONS OF CONNECTIVITY: EU'S AND CHINA'S INFRASTRUCTURAL AGENDAS FOR THE WESTERN BALKANS

Resume

This article examines the strategic engagement of the European Union and China in the Western Balkans, analyzing their respective approaches through the EU Connectivity Agenda and China's Belt and Road Initiative from 2015 to 2020. While both initiatives sought to enhance regional Connectivity and infrastructure, they were shaped by differing agendas rooted in national interest. The EU's approach focused on fostering economic integration and regulatory alignment with Europe, prioritizing shared standards and sustainable development. Conversely, China's approach emphasized rapid infrastructure development to expand its geopolitical influence, often leveraging state-driven investments to further its strategic interests. This study underscores how these competing agendas manifest in significant investments and their impacts on regional infrastructure, economic growth, and political dynamics. The intensifying geopolitical competition between the EU and China also brings new challenges for the Western Balkan states, including debt dependency and sovereignty concerns, as they seek to balance foreign

* Email: nenad.stekic@diplomacy.bg.ac.rs.

ORCID: <https://orcid.org/0000-0001-9066-0480>.

** Email: jovana.nikolic@diplomacy.bg.ac.rs.

ORCID: <https://orcid.org/0009-0007-9246-525X>.

*** This research was supported by the Science Fund of the Republic of Serbia through the program PRISMA, Contributing to Modern Partnerships: Assessments of Sino-EU-Serbian Relations – COMPASS Project, Grant No. 7294, www.serbiacompass.com.

influence with national priorities. This analysis offers insight into the region's evolving role within the broader global landscape. It reveals the long-term implications of external powers pursuing Connectivity and national interests to shape its development.

Keywords: BRI, Connectivity, Western Balkans, EU, China.

CONNECTIVITY VERSUS BALKAN NATIONAL PARTICULARISMS: WHAT VISION FOR THE WESTERN BALKANS?

The Western Balkans, a region historically influenced by various geopolitical forces, is at the center of a modern strategic contest between the European Union (EU) and China (Bastian 2017; Zweers et al. 2020). Over the years from 2015 to 2020, two dominant initiatives—the EU Connectivity Agenda and China's Belt and Road Initiative (BRI) – have shaped the region's physical infrastructure development. While both aimed at enhancing regional Connectivity and sharing similar goals, these initiatives differ markedly in their instruments and long-term impacts (NDRC 2015; European Commission 2020). This article provides a comparative analysis of the EU and China's engagement in the Western Balkans, focusing on the implications for regional infrastructure, economic development, and geopolitical influence.

The Western Balkans – Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, and Serbia – have long been viewed as a gateway to Europe, with its strategic location bridging East and West (Bastian 2017). Following the dissolution of Yugoslavia, the region became a focal point of post-conflict reconstruction and economic modernization. However, it has remained plagued by underdeveloped infrastructure, political instability, and varying levels of economic integration with Europe (Tonchev 2022). In this context, the EU and China launched major connectivity initiatives to shape the region's future.

The EU Connectivity Agenda, initiated as part of the Berlin Process in 2015, sought to align the region's infrastructure with EU standards to pave the way for eventual membership. Its central goal was to foster integration through investments in transport, energy, and digital infrastructure (Zweers et al. 2020). On the other hand, China's BRI aimed to create a comprehensive global infrastructure network linking Asia with

Europe, with the Western Balkans playing a pivotal role in its European segment. The BRI sought to facilitate trade and expand China's economic and political influence through massive infrastructure investments in strategic sectors (Pavličević 2014). The Chinese and European visions of interconnectedness encompass projects designed to facilitate trade and investment among countries, reduce trade barriers across regions, and promote cultural and people-to-people exchanges. The alignment of their strategies and initiatives is particularly noticeable in the sectors where they direct their investments, including transportation, energy, and digital infrastructure (Ju 2022; Song and Cai 2024).

Regarding objectives, the EU Connectivity Agenda was primarily shaped by the broader goal of European integration. By improving infrastructure and aligning development with EU standards, the Initiative aimed to make the Western Balkans more attractive as future EU member states (Grieger 2018). Projects funded under this agenda focused on regulatory alignment, good governance, and sustainable development. The EU allocated substantial financial resources – €1 billion in grants and €3.7 billion in leveraged investments – to support projects that would help integrate the region into the European single market (Zweers et al. 2020).

China's Belt and Road Initiative had a more expansive and commercially driven agenda. The BRI sought to enhance China's trade routes while strengthening its geopolitical influence through direct investments. While the EU focused on grants and financial assistance linked to rigorous compliance with standards, China relied on state-backed loans and direct investments. This approach allowed China to expedite project implementation but raised concerns about the transparency of deals and the long-term debt sustainability for the recipient countries (Pavličević 2014; Tonchev 2022). Western Balkan governments, mainly Serbia, were drawn to China's no-strings-attached approach, contrasting with the EU's more regulated model.

When comparing the outcomes of these initiatives, both have significantly transformed the infrastructure landscape of the Western Balkans. The EU's investments supported projects to improve road safety, modernize railways, and enhance energy supply systems (Zweers et al. 2020). These projects, while slower to implement due to bureaucratic requirements, adhered to long-term sustainability goals. China's BRI, on the other hand, led to rapid infrastructure development, including high-profile projects like the Belgrade-Budapest railway and various energy infrastructure investments. However, this fast pace came at the cost of

increased debt dependency and potential over-reliance on Chinese loans (Pavličević 2014; Bastian 2017).

The geopolitical implications of these initiatives are profound. While the EU and China aim to enhance regional Connectivity, their approaches fundamentally differ. The EU's strategy is based on integration, stability, and regulatory alignment, while China's approach is rooted in expanding its influence through economic leverage (Grieger 2018). This has led to a complex geopolitical environment where Western Balkan countries must balance their relationships with both actors. For some, China's investments offer a much-needed alternative to EU conditionality, but they also bring the risk of increased debt dependency and long-term vulnerability to external influence (Tonchev 2022).

One of the most telling examples of this geopolitical tug-of-war is the Belgrade-Budapest railway, a key project under the BRI. While it promises to enhance trade links between China and Europe, the project has faced scrutiny over its financing model, lack of transparency in bidding processes, and potential environmental impact (Pavličević 2014). In contrast, the Pelješac Bridge in Croatia, funded primarily by the EU, stands as an example of the EU's commitment to regulatory oversight, public procurement standards, and long-term sustainability (Zweers et al. 2020).¹

The competition between these two initiatives has created opportunities and challenges for the region. On the one hand, multiple external actors offer Western Balkan countries options for funding critical infrastructure projects. On the other hand, this competition can lead to inefficiencies, overlapping projects, and conflicting interests (Bastian 2017; Grieger 2018). The region's governments must carefully navigate these relationships to maximize benefits while mitigating risks, particularly concerning debt dependency and sovereignty (Tonchev 2022).

Beyond 2020, the future of EU-China engagement in the Western Balkans will likely be shaped by broader geopolitical shifts. The EU remains the region's largest trade partner and political ally, but China's growing influence cannot be ignored. The BRI has positioned China

¹ The EU primarily funded the Pelješac Bridge project through its Cohesion Policy funds, and the constructor was China Road and Bridge Corporation (CRBC). This project represented a significant infrastructure accomplishment for Croatia; however, it also initiated various discussions and highlighted the intricate dynamics of conflict and cooperation between the EU and China within Europe (Carragher 2022).

as a key player in shaping the infrastructure landscape of the Western Balkans. Still, the region's long-term integration with Europe will likely depend on the continued success of the EU Connectivity Agenda (Zweers et al. 2020).

The period from 2015 to 2020 marked a significant era of infrastructure development in the Western Balkans, driven by both the EU and China. While their initiatives have improved regional Connectivity and economic prospects, they have also introduced new challenges related to debt sustainability and geopolitical competition. For Western Balkan countries, the key challenge will be to balance engaging with both powers while preserving their sovereignty and ensuring long-term development goals are met. The interplay between the EU's regulatory-driven approach and China's commercially oriented strategy will continue to shape the region's future, with both opportunities and risks on the horizon.

The paper commences by defining and understanding Connectivity within the context of European-Chinese relations. It is followed by an analysis of the approaches towards Connectivity taken by China and the EU, as articulated through their key strategies and initiatives. This part highlights the tensions between connectivity objectives and national particularisms within the Western Balkans, examining how these dynamics influence the region's integration into broader geopolitical frameworks. It also addresses the established areas of cooperation and mechanisms created to enhance international Connectivity, as well as the challenges that hinder further collaboration in identified areas. Insights from these parts provide the necessary context for understanding the objectives of the EU's Connectivity Agenda and China's Belt and Road Initiative in the Western Balkans. The analysis encompasses the evaluation of the achieved results and facilitates a comparison of the two initiatives, which is the article's focus. The conclusion summarizes the most important findings and highlights issues requiring further research to enhance our understanding of the EU's and China's engagement in the Western Balkans, specifically concerning strengthening regional Connectivity.

UNDERSTANDING CONNECTIVITY: A EUROPEAN-ASIAN PERSPECTIVE

The most used definition of Connectivity is the one formulated at the Asia-Europe Meeting (ASEM), which refers to bringing countries, people, and societies closer together, covering both challenging (infrastructure

projects) and soft (people-to-people exchange) aspects of Connectivity. The definition developed by the ASEM Pathfinder Group on Connectivity and approved by all ASEM members in 2017 is as follows: “Connectivity is about bringing countries, people and societies closer together. It facilitates access and is a means to foster deeper economic and people-to-people ties. It encompasses the hard and soft aspects, including the physical and institutional social-cultural linkages that are the fundamental supportive means to enhance the economic, political-security, and socio-cultural ties between Asia and Europe, which also contribute to the narrowing of the varying levels of development and capacities” (European Commission n.d.). The adherence to and implementation of international norms and standards agreed upon by ASEM members, along with the strengthening of Connectivity in support of the targets and principles of the Agenda 2030, were particularly emphasized (United Nations 2015; European Commission n.d.).

Gaens and associates (Gaens et al. 2023) have offered an analytical framework that dissects Connectivity into six logics and spheres to better understand and use this concept in scientific research. Connectivity spheres—encompassing infrastructural, economic, and financial exchange; institutional, knowledge exchange; societal action; and security—represent material and human domains in which the following Connectivity logics are realized: cooperation, copying, cushioning, contestation, containment, and coercion (210). Starting from the point of view that the dynamics of international relations in the 21st century should be analyzed through the lens of regions and accompanying regional orders, the authors expand upon the previously outlined two-dimensional framework and apply it to examine the policies of key actors in the Indo-Pacific region as a case study. Since the world is densely networked, Connectivity is a key element of the modern global system in which interactions form its “infrastructure.” At the same time, values and rules constitute its “architecture” (212). This perspective is critical in studying the EU connectivity approach, considering that the EU is the leading promoter of regionalism and inter-regionalism in international relations (European Commission n.d.a.).

Gaens and associates (2023) also indicate that the ongoing process of creation and diversification of regional orders and connective logic is further reinforced by China’s engagement and the expansion of its influence across Asia, Africa, and Europe. As an example of the response to Chinese investments within the BRI and an illustration of the logic of

containment (in diplomatic and economic terms), the Japanese Initiative Quality Infrastructure Investment was singled out (Yoshimatsu 2023). In the context of the response to China's BRI, it is essential to highlight the connectivity initiatives and strategies put forth by the EU and the US, namely the Global Gateway, Build Back Better World (B3W), and the Partnership for Global Infrastructure and Investment (PGII) (Scull and Healy 2022). According to another group of scholars, the intersection between Connectivity and geopolitics has evolved through multiple phases, gradually transforming Connectivity into a geopolitical tool. Nadine Godehardt and Karoline Postel-Vinay (2020) argue that the initial step involves promoting regionalization via connectivity initiatives. The launch of the BRI, which they describe as "a new realm of politics," represents a significant stage in this transformation. Two factors make the BRI a pivotal element in this shift from Connectivity to geopolitics: China's multidimensional approach (encompassing energy, economy, and transport) and its strategic focus on key regions (5). The recognition of connectivity initiatives as geopolitical means is also reflected in EU research, particularly with the prominence of the Global Gateway strategy (Karjalainen 2023).

In their analysis of Connectivity between China and the EU within the context of geopolitical competition, Anthony and authors underline that no universally accepted definition of Connectivity applies to all policy areas and is not an "exclusive domain" of any single actor in international relations. Consequently, it is essential to explore the evolving nature of this concept and its interpretations in both the EU and China (Anthony et al. 2023). Understanding Connectivity in EU policies involves establishing physical and non-physical links that facilitate the flow of goods, services, people, information, and ideas while strongly emphasizing the importance of sustainable, comprehensive, and rules-based Connectivity (European Commission 2021a). The strengthening of transport, energy, and digital Connectivity within the EU is exemplified through the advancement of the Trans-European Transport Network (TEN-T), Trans-European Networks for Energy (TEN-E), and the acceleration of digital transformation facilitated by the implementation of the EU Digital Strategy (European Commission 2021a). The Belt and Road Initiative, China's key foreign policy and economic Initiative in the last decade, likewise focuses on enhancing global Connectivity through developing critical infrastructure in transport, energy, and digital areas.

The infrastructural sphere of Connectivity embodied in expanding transport and energy networks and improving digital infrastructure is fundamental to implementing the EU Connectivity Agenda and the Belt and Road Initiative in the Western Balkans. This article explores the “hard” dimension of Connectivity regarding the objectives and results of the two initiatives mentioned. By the categorization and definitions of the connectivity logics provided by Gaens, Sinkkonen, and Vogt, two logics emerge within the context of our paper: the logic of cooperation in the Western Balkans understood as a “creation of inclusive mutually beneficial connective networks,” and the logic of cushioning which implies “broadening the range of options through connectivity to mitigate risks.” Furthermore, regarding the actions of the EU and its connectivity strategies – specifically the Connectivity Agenda—the logic of coercion, defined as compelling others to connect in a certain way, stands out (Gaens, Sinkkonen and Vogt 2023, 217).

CONNECTIVITY STRATEGIES OF THE EUROPEAN UNION AND THE PEOPLE’S REPUBLIC OF CHINA

The EU’s approach towards enhancing global Connectivity in a sustainable, comprehensive, and rules-based manner is primarily articulated through the EU-Asia Connectivity Strategy (2018) and the Global Gateway initiative (2021). Following the ASEM’s definition of Connectivity, the EU-Asia Connectivity Strategy aims to facilitate trade, investment, and people-to-people exchanges by enhancing transport links and digital networks between Europe and Asia. The four pillars of the Europe-Asia connectivity – transport, energy, digital, people-to-people—imply the connection of the TEN-T with Asian infrastructure networks, the implementation of clean energy projects following the Green Deal goals, the upgrade of digital infrastructure (with a focus on cyber security), as well as the mutual recognition of diplomas and strengthening the academic mobility and exchanges between partners (Wildmann 2021). Through the Neighbourhood, Development and International Cooperation Instrument (€79.5 billion), the EU funds sustainable infrastructure projects as part of this strategy. Public-private partnerships are another significant financial instrument the EU uses to foster collaboration with international financial institutions and private sector organizations, facilitating investment in large-scale

projects (European Commission and High Representative of the Union for Foreign Affairs and Security Policy 2018).

The Global Gateway Strategy, adopted in 2021, has often been seen as the EU's strategic response to China's Belt and Road Initiative, as it similarly emphasizes investment in infrastructure projects globally. In July 2021, the Council adopted conclusions on Globally Connected Europe, building on the core principles of global Connectivity outlined in the 2018 strategy (Council of the European Union 2021). The Council's conclusions highlighted the significance of investing in physical infrastructure and regulatory frameworks and establishing Connectivity Partnerships with like-minded countries and regions. One example is the Partnership on Sustainable Connectivity and Quality Infrastructure, which the EU and Japan signed in 2019. In addition to this global strategy, Connectivity has also been identified as a key component in several EU regional strategies (2). The key challenge facing the EU is financing large-scale infrastructure projects. The Global Gateway initiative addressed this issue by developing a specific financing scheme, setting it apart from the previous EU connectivity strategies (Karjalainen 2023, 301). Financing includes mobilizing up to €300 billion through Team Europe (comprising the EU, EU member states, EIB, EBRD) to support the implementation of sustainable projects globally. Projects related to regional Connectivity that are currently being funded through this Initiative in the Western Balkans include the bypass in Tirana, which is part of the so-called Blue Highway (connecting Italy with Greece, with branches in Slovenia, Croatia, Montenegro, and Albania), the Corridor VIII Rail Interconnection North Macedonia - Bulgarian border, and construction of a double circuit transmission line from Bajina Bašta (Serbia) to the Bosnia and Herzegovina and Montenegro borders (European Commission n.d.a.).

In considering the EU's approach to Connectivity, one should also examine the EU's promotion of Connectivity. This aspect is significant for at least two reasons. First, the EU is regarded as a global actor that aims to promote its values – a notion supported by academic literature through various concepts, most notably Manners' "Normative Power Europe." The second reason pertains to China's global engagement through the Belt and Road Initiative, which is sometimes analyzed in the context of expanding China's soft power. To understand the EU's approach to this issue comprehensively, it is essential to know how the EU extends its soft power through connectivity strategies.

Regarding this topic, Karjalainen's study (2023) offers valuable insights into the coercive aspects of the EU's Global Gateway strategy. Using the analytical framework developed by Gaens, Sinkkonen, and Vogt (2023), Karjalainen explores whether and to what extent the EU's approach to Connectivity, embodied primarily through the Global Gateway initiative, can be characterized as coercive, with coercion defined as "forcing others to connect a certain way" (295). Observing connectivity initiatives as geopolitical instruments on the so-called market of connectivity initiatives, the author analyses the relevant EU policies to determine whether the Union promotes a particular way of Connectivity in its policies and thus undermines the idea of "equal partnerships" that it advocates (293–316). The study's findings indicate that the receiving partners have limited control over the norms. Furthermore, the decision to accept or reject these norms does not rest entirely on the partners, suggesting that there may be an element of coercion in the European Union's actions. This situation is particularly problematic in the case of low-income countries that lack resources and that, due to limited opportunities, may not refuse connectivity cooperation despite different perspectives regarding methods and norms of Connectivity (309).

China's approach to Connectivity is primarily articulated through the Belt and Road Initiative, aiming to enhance economic cooperation and infrastructure links between China and partner countries across the globe. The vision guiding the establishment of the BRI is to improve Connectivity among Asian, European, and African nations. It underscores the significance of regional economic integration. It promotes cooperation among countries involved in the Belt and Road Initiative, designed to foster "open, inclusive, and balanced regional economic cooperation architecture" (NDRC 2015). Regional and sub-regional Connectivity under this Initiative is fostered through collaboration in key areas, including policy coordination, facilities connectivity, unimpeded trade, financial integration, and strengthening people-to-people relationships (NDRC 2015).

Colin Flint and Cuiping Zhu contextualize the BRI and China's connectivity agenda within the broader geopolitical framework. According to their analysis, the BRI exemplifies China's strategic integration of Connectivity as an economic and geopolitical instrument. Connectivity within the BRI is viewed as a fusion of financial networks and territorial arrangements, bolsters China's regional influence, and challenges US hegemony. Furthermore, these authors emphasize that the BRI

promotes regional integration, reshaping local economies and generating new territorial dynamics that reflect ongoing geopolitical competition between global powers (Flint and Zhu 2019). A similar perspective is offered by Đorđević and Stekić, who contend that China's approach to Connectivity is shaped by a combination of complex enabling conditions and challenging variables, which collectively define the key factors likely to influence China's global trajectory. The authors situate China's connectivity agenda in developing the latest "Fifth China's Grand Strategy" (2022). They identify critical focal points for China's Global Strategy, distinguishing these analytically according to their significance for the strategic framework spanning 2021 to 2035. These authors believe that the facilitating conditions for China's Grand Strategy and connectivity agenda include material disparities within the system, political and economic aspects of the system, a comprehensive security agenda, and commitment to systemic integration. They also propose a set of challenging variables divided into structural and intrinsic factors. Structural variables relate to the international system and encompass issues such as the *Black Swan* events, the persistence of the Westphalian order, and the emergence of new systemic challengers. Intrinsic variables, focused on China itself, include the expansion of overseas military presence, systemic indifference in leadership, and domestic processes affecting internal stability and cohesion (Đorđević and Stekić 2022).

Considering that we are discussing the world's second and third-largest economies and their perspectives on Connectivity, it is essential to highlight the potential areas for cooperation between the two sides and the challenges that may hinder the collaboration. Regarding cooperation in the global economic system, similar positions in China and the EU have been noticed concerning the WTO reform, especially after the Appellate Body crisis caused by the actions of the US (EEAS 2019). The commitment of both sides to maintain a multilateral, rule-based world trade system exemplifies the converging interests of two global economies that collectively account for 33.46% of world GDP based on PPP (IMF 2024). Cooperation between the EU and China would have to be strengthened to achieve the outlined objective, necessitating efforts beyond key international organizations. A notable example of bilateral cooperation is the EU-China Connectivity Platform (EUCCP), established in 2015. While there is a shared perspective and common objectives concerning enhancing Connectivity, the differences often seem to be brought to the forefront. Establishing the EU-China Connectivity

Platform demonstrated the willingness to join forces and undertake joint initiatives in developing international transport infrastructure. Among the projects presented at the Expert Group's meeting under the auspices of this platform were significant transport projects in the Western Balkans, such as the Adriatic Ionian Motorway, Corridor Vc Highway Project in Bosnia and Herzegovina, and Serbia railway network (European Commission 2019). From today's perspective, considering the available information, the joint implementation of the agreed projects appears to be uncertain. However, it is essential to acknowledge that the COVID-19 pandemic emerged in 2020, prompting each economy to focus first on the welfare of its citizens and overcoming the health crisis, which resulted in bilateral cooperation within the EUCCP being put aside.

The analysis of the EU and China's connectivity approaches, initiatives, and strategies thus far reveals significant similarities in the focus areas and the objectives both sides aim to achieve. The willingness of the EU and China to cooperate in enhancing regional Connectivity could be of utmost importance for the Western Balkans. However, considering the limited results of the bilateral platform (EUCCP) established to improve interregional infrastructure through project implementation and the broader geopolitical context, the presence of mutual trust and the expressed will for cooperation in this particular area may be in doubt.

CONNECTIVITY AGENDA AND THE BRI IN THE WESTERN BALKANS

The lack of funds for the construction and modernization of infrastructure, stemming from political challenges (1990s wars) and economic factors (transition to a market economy, global economic crisis, budget deficits), dictates the interest of the Western Balkans economies in attracting foreign investments for infrastructure development and seeking funding opportunities from various international financial institutions (Stanojević and Zakić 2023, 365). The IMF estimated in 2020 that within the transport sector in Central, Eastern, and Southeastern European countries, the quality of roads and railways is, on average, 60% and 40% lower, respectively, compared to the levels of more developed EU countries (Ari et al. 2020). Loans from international financial institutions and funds from the EU have been the primary sources of financing infrastructure development in this region for a long time. The EU Connectivity Agenda is one of the instruments designed precisely to

enhance the Western Balkans' Connectivity by funding key infrastructure projects. However, in the last decade, the economies of this region have increasingly sought Chinese loans for projects implemented as part of the Belt and Road Initiative and China-CEEC cooperation mechanism.

The financing of the BRI projects is primarily derived from Chinese state banks. Additionally, notable funding mechanisms include international development institutions (e.g., AIIB), the Silk Road Fund, and public-private partnerships where applicable (Dinwiddie 2020). According to CGIT data, from 2015 to 2020, China invested \$6.95 billion in the Western Balkans countries, of which \$5.83 billion was invested in Serbia, \$100 million in Montenegro, \$860 million in Bosnia and Herzegovina, and \$160 million in North Macedonia. There is no data available for Albania in the observed period. Observed by sector, \$3.61 billion was invested in transport, \$1.78 billion in metals, \$660 million in the energy sector, and the remaining \$900 million was invested in utilities, real estate, technology, and others (American Enterprise Institute and Heritage Foundation 2024). We will outline several key projects that are integral to the BRI to enhance regional Connectivity in the Western Balkans.

Two significant infrastructure projects in Serbia, undertaken as part of the BRI, are the Belgrade-Budapest high-speed railway and the "Miloš Veliki" motorway sections. The high-speed railway, which is a key component of the Balkan Silk Road and a flagship project within the China-CEEC cooperation framework, links Budapest with the Greek port of Piraeus and serves as a vital transport corridor in Southeast Europe (Stanicek and Tarpova 2022, 4). Meanwhile, the Miloš Veliki motorway, as a segment of the Belgrade-Bar highway, connects Serbia with Montenegro and, more broadly, with Romania and Italy (Stanojević and Zakić 2023, 433). In North Macedonia, Chinese companies are constructing the Miladinovci-Štip and Kičevo-Ohrid highway sections. The first section plays a crucial role in developing the eastern parts of North Macedonia, situated along the Pan-European Corridor VIII (Xiao 2022, 539). In addition to the involvement of Chinese companies on the Banja Luka-Prijedor highway in Bosnia and Herzegovina, three Chinese firms are engaged as contractors on the Corridor V section, which serves as the European transport route connecting Montenegro, Bosnia, and Hungary (JP Autoceste FBiH n.d.). The Bar-Boljare motorway project in Montenegro—financed through a loan from the Export-Import Bank of China amounting to approximately €690 million at the time—has attracted

significant attention regionally and globally due to the debt sustainability issue. Despite the controversies and challenges encountered, the highway was constructed in 2022. However, due to difficulties repaying the loan, Montenegro sought assistance from the EU. It established a hedging arrangement with two American and one European bank to ensure the country's economic stability (Stanojević and Zakić 2023, 378). The involvement of Chinese companies in the energy sector of Montenegro is also noteworthy, with the Pljevlja Power Plant project standing out. The Chinese company Dongfang Electric and its consortium are engaged in the ecological reconstruction project for this facility, following the contract signed with Elektroprivreda Crne Gore in 2020. Successful execution of this project is expected to align the facility's operations with the EU standards (Stanicek and Tarpova 2022, 4).

Regarding the financing mechanisms and the regulatory framework, the Connectivity Agenda allocates resources through the EU grants and loans from IFIs, emphasizing the importance of procedural transparency, the incorporation of technical standards, and reforms aimed at enhancing the quality of infrastructure (WBIF n.d.). From 2015 to 2020, the EU allocated €1 billion from pre-accession funds to finance 45 projects—37 in transport and 8 in the energy sector—in the Western Balkans within the Connectivity Agenda. The invested EU funds, together with loans from various international financial institutions, led to the leveraged investment of €4 billion in the observed period (European Commission 2021).

The expansion and further development of the TEN-T network in the Western Balkans, as part of the Connectivity Agenda implementation, places significant emphasis on projects related to the Orient/East-Med, Mediterranean, and the Rhine-Danube corridors (European Commission 2015). Regarding the energy connectivity of the region, a key element in the implementation of the agenda was the MoU on the regional electricity market, signed by the Western Balkans countries, in alignment with the objectives of the Energy Community Treaty (European Commission 2016). The EU underscored the importance of digital transformation in the region by adopting the Digital Agenda for the Western Balkans. In 2018, the European Commission allocated €30 million through the WBIF to support initiatives focused on introducing high-speed broadband rollout in the region (European Commission 2018). The objectives and vision of the Connectivity Agenda are followed by a new EU financial instrument for 2021-2027 – Economic and Investment Plan for the

Western Balkans. This plan is designed to fund critical projects in sustainable transport, clean energy, digital transformation, environment, private sector, and human capital, supporting the long-term economic recovery of the region after the pandemic and fostering further regional integration (European Commission 2021). The largest allocation of EU grants under the Connectivity Agenda was directed toward projects in Bosnia and Herzegovina, amounting to €246.3 million, including 13 roads and two sea/inland port projects. The projects in the Western Balkans that received the highest levels of funding, including EU grants and leveraged investments, are the following: Orient/East-Med Corridor (R7): Niš – Pločnik in Serbia (€296.5 million), Mediterranean Corridor (Vc): Poprikuše – Nemila in Bosnia (€230.4 million), and Mediterranean Corridor (R1): Budva Bypass in Montenegro (€229.5 million) (European Commission 2020).

CONCLUSION

The Western Balkans have emerged as a critical arena for geopolitical competition between the European Union and China, mainly through their connectivity initiatives: the EU Connectivity Agenda and China's Belt and Road Initiative. This article has explored these initiatives' nuances, objectives, and implications for regional infrastructure and economic development. As we conclude, it is essential to synthesize the findings and reflect on the broader impact of this competition on the future of the Western Balkans. Before that, we will refer to the conclusion regarding understanding the European Union's and China's approach to Connectivity in a general context. Concerning the connectivity initiatives and strategies of both parties, a significant overlap is evident in the objectives the EU and China seek to accomplish, as evidenced by the joint platforms for cooperation. However, it is essential to underline the differences in their respective approaches and the instruments they employ to achieve the established goals. Additionally, as indicated by previous research, the key initiatives of the EU and China – the Global Gateway and the Belt and Road Initiative – can be analyzed through the lens of geopolitical tools that promote regional Connectivity. This paper indicates similar outcomes to those of initiatives promoted in the Western Balkans region.

Both the EU Connectivity Agenda and China's BRI have significantly reshaped the infrastructure landscape of the Western Balkans. The EU's approach, rooted in regulatory alignment and sustainable development,

aims to integrate these countries into the European single market. The EU seeks to enhance Connectivity and promote good governance and long-term stability by investing in transport, energy, and digital infrastructure. The substantial financial resources allocated by the EU – up to €1 billion in grants and €3.7 billion in leveraged investments – underscore its commitment to fostering a conducive environment for future EU membership. In contrast, China's BRI presents a more commercially driven agenda emphasizing rapid infrastructure development through state-backed loans and direct investments. This approach has appealed to many Western Balkan governments, particularly those wary of EU conditionality. While projects like the Belgrade-Budapest railway exemplify China's swift implementation capabilities, they raise concerns regarding debt sustainability and transparency. The reliance on Chinese financing can increase debt dependency, potentially compromising these countries' sovereignty and long-term economic health. The geopolitical implications of this competition are profound. The Western Balkans find themselves at a crossroads, needing to balance their relationships with the EU and China while navigating the complexities of external influence.

On the one hand, multiple funding sources provide opportunities for critical infrastructure development; on the other hand, it risks creating inefficiencies and conflicting interests. Countries in the region must strategically engage with both powers to maximize benefits while mitigating risks associated with over-reliance on any single actor. Moreover, this competition reflects broader geopolitical shifts that are reshaping international relations. The EU remains a crucial partner for trade and political alignment; however, China's increasing presence cannot be overlooked. The BRI has positioned China as a key player in shaping infrastructure and economic landscapes across Europe. As such, the long-term integration of the Western Balkans with Europe will depend significantly on how effectively these countries can leverage their relationships with both powers.

Further research should address several critical issues that warrant attention and consideration. First, it is paramount to understand how Western Balkan countries can optimize their engagement with the EU and China. This includes assessing how they can negotiate better terms for projects funded by either party while ensuring their developmental goals align with national interests. None of them have entirely fledged EU Member States yet. Still, they must have in mind the negotiation process that in some areas of social life – especially in terms of transparency

for tenders and infrastructural procurements – there are strict EU limits, especially when it comes to cooperation with the Chinese companies. Second, there is a need for comprehensive studies on the debt sustainability of Chinese investments. As many countries in the region grapple with rising debt levels due to BRI projects, analyzing the long-term economic impacts of this dependency will be essential for informing future policy decisions. Lastly, exploring ways to enhance cooperation between the EU and China within the region could yield significant benefits. While competition is inherent in international relations, collaborative efforts focused on shared goals – such as sustainable development or climate change mitigation – could pave the way for more stable outcomes in the Western Balkans.

While the EU Connectivity Agenda and China's Belt and Road Initiative have catalyzed significant infrastructure development in the Western Balkans from 2015 to 2020, they bring distinct challenges that require careful navigation by regional governments. One of the key challenges is the persistence of national particularisms among the Western Balkans countries, which complicates efforts to foster regional cooperation and integration. These national particularisms often manifest in divergent political interests, historical grievances, and economic priorities, making it difficult for governments to align their strategies with the EU's and China's broader objectives. The interplay between these two initiatives offers growth opportunities but necessitates a strategic approach to avoid pitfalls associated with debt dependency and geopolitical maneuvering. As we move into an increasingly interconnected world, understanding these dynamics will be crucial for fostering sustainable development in this pivotal region of Europe.

REFERENCES

- American Enterprise Institute and Heritage Foundation*. 2024. "China Global Investment Tracker." <https://www.aei.org/china-global-investment-tracker/>.
- Anthony, Ian, Jiayi Zhou, Jingdong Yuan, Fei Su, and Jinyung Kim. 2021. *China-EU Connectivity in an Era of Geopolitical Competition*. SIPRI Policy Paper 59.
- Ari, Anil, David Bartolini, Vizhdan Boranova et al. 2020. *Infrastructure in Central, Eastern, and Southeastern Europe: Benchmarking*.

- Macroeconomic Impact, and Policy Issues*. Departmental paper series no. 20/11. International Monetary Fund, Washington, DC.
- Bastian, Jens. 2017. *The potential for growth through Chinese infrastructure investments in Central and Southeastern Europe along the Balkan Silk Road*. EBRD.
- Carragher, Allison. 2022. "Hard Cash and Soft Power: When Chinese Firms Win EU Contracts." *Carnegie Endowment*. <https://carnegieendowment.org/research/2022/11/hard-cash-and-soft-power-when-chinese-firms-win-eu-contracts?lang=en¢er=middle-east>.
- Council of the European Union*. 2021. "Council Conclusions – A Globally Connected Europe." <https://data.consilium.europa.eu/doc/document/ST-10629-2021-INIT/en/pdf>.
- Dinwiddie, August Nelson. 2020. "China's Belt and Road Initiative: An Examination of Project Financing Issues and Alternatives." *Brooklyn Journal of International Law* 45 (2): 745–776.
- Đorđević, Branislav, and Nenad Stekić. 2022. "Beyond China's Grand Strategy Cultivation: Connectivity as Neglected Variable." In *The Connectivity Cooperation Between China and Europe: A Multidimensional Analysis*, eds. Liu Zuokui and Branislav Đorđević, 51–71. London: Routledge.
- European Commission*. n.d. "ASEM Sustainable Connectivity Portal." Last accessed 13 November 2024. <https://composite-indicators.jrc.ec.europa.eu/asem-sustainable-connectivity/about>.
- European Commission*. n.d. "Global Gateway." Last accessed 15 November 2024. https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/global-gateway_en.
- European Commission. 2015. "Connectivity Agenda: Co-financing of Investment Projects in the Western Balkans in 2015." *Western Balkans Investment Framework*. <https://www.wbif.eu/storage/app/media/Library/6.%20Connectivity%20Agenda/27.%20Vienna-Info-Pack-Final.pdf>.
- European Commission. 2016. "Connectivity Agenda: Co-financing of Investment Projects in the Western Balkans in 2016." *Western Balkans Investment Framework*. <https://www.wbif.eu/storage/app/media/Library/6.%20Connectivity%20Agenda/26.%202016-Paris-Summit-Package.pdf>.

- European Commission. 2018. "Connectivity Agenda: Co-financing of Investment Projects in the Western Balkans in 2018." *Western Balkans Investment Framework*. <https://www.wbif.eu/storage/app/media/Library/6.%20Connectivity%20Agenda/15.%20Connectivity-Agenda-Co-financing-of-INV-Projects-in-the-WB-Rev-LONDON.pdf>.
- European Commission. 2019. "Projects presented under the EU-China Connectivity Platform." <https://transport.ec.europa.eu/system/files/2019-11/eu-china-connectivity-platform-projects-2019.pdf>.
- European Commission. 2020. "Brochure on EU Connectivity Agenda for the Western Balkans." *Western Balkans Investment Framework*. https://wbif.eu/storage/app/media/Library/6.%20Connectivity%20Agenda/brochure_wb_connectivity_agenda_en.pdf.
- European Commission. 2021. "EU-Western Balkans Boosting Connectivity." https://neighbourhood-enlargement.ec.europa.eu/document/download/043cc2e1-0ca6-4c0e-9b76-f9cc8c251a35_en.
- European Commission. 2021a. "Joint Communication to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank The Global Gateway." Brussels, 1.12.2021 JOIN(2021) 30 final. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52021JC0030>.
- European Commission and High Representative of the Union for Foreign Affairs and Security Policy. 2018. "Joint Communication to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank Connecting Europe and Asia - Building blocks for an EU Strategy." Brussels, 19.9.2018 JOIN(2018) 31 final. <https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX%3A52018JC0031>.
- European Union External Action [EEAS]. 2019. "Joint Statement of the 21st EU-China Summit." https://www.eeas.europa.eu/node/60836_en.
- Flint, Colin, and Cuiping Zhu. 2019. "The Geopolitics of Connectivity, Cooperation, and Hegemonic Competition: The Belt and Road Initiative." *Geoforum* 99: 95–101.
- Gaens, Bart, Ville Sinkkonen, and Henri Vogt. 2023. "Connectivity and Order: An Analytical Framework." *East Asia* 40 (3): 209–228.

- Godehardt, Nadine, and Karoline Postel-Vinay. 2020. "Connectivity and Geopolitics: Beware the "New Wine in Old Bottles" Approach." *Stiftung Wissenschaft und Politik*. https://www.swp-berlin.org/publications/products/comments/2020C35_Connectivity.pdf
- Grieger, Gisela. 2018. "China, the 16+1 cooperation format, and the EU." *European Parliamentary Research Service*. [https://www.europarl.europa.eu/RegData/etudes/BRIE/2018/625173/EPRS_BRI\(2018\)625173_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2018/625173/EPRS_BRI(2018)625173_EN.pdf).
- International Monetary Fund [IMF]. 2024. "World Economic Outlook (October 2024) – GDP based on PPP, the share of the world." <https://www.imf.org/external/datamapper/PPPSH@WEO/EU/CHN/USA>.
- JP Autoceste FBiH. n.d. "Počitelj – Zvirovići." Last accessed 22 November 2024. <https://www.jpautoceste.ba/pocitelj-zvirovici/>.
- Ju, Weiwei. 2022. "China–Europe connectivity system from the perspective of an embedded relationship." In *The Connectivity Cooperation Between China and Europe: A Multidimensional Analysis*, eds. Liu Zuokui and Branislav Đorđević, 16–32. London: Routledge.
- Karjalainen, Tyyne. 2023. "European Norms Trap? EU Connectivity Policies and the Case of the Global Gateway." *East Asia* 40 (3): 293–316.
- National Development and Reform Commission [NDRC]. 2015. *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road*. With State Council authorization, the document was issued by the National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China.
- Pavličević, Dragan. 2014. "China's railway diplomacy in the Balkans." *China Brief* 14 (20): 9–12.
- Scull, Danny, and Claire Healy. 2022. "One Vision in Three Plans: Build Back Better World & the G7 Global Infrastructure Initiatives." *E3G*. <https://www.e3g.org/wp-content/uploads/B3W-G7-Report-E3G.pdf>.
- Stanicek, Branislav, and Simona Tarpova. 2022. "China's strategic interests in the Western Balkans." *European Parliamentary Research Service*. [https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/733558/EPRS_BRI\(2022\)733558_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/733558/EPRS_BRI(2022)733558_EN.pdf).
- Song, Lilei, and Liang Cai. 2024. "Connectivity Strategy: A Comparative Study Between China and the EU." In *Harvesting the Winds of*

- Change: China and the Global Actors, Volume 2*, eds. Aleksandar Mitić and Katarina Zakić, 179–196. Belgrade: Institute of International Politics and Economics.
- Stanojević, Nataša, i Katarina Zakić. 2023. *Ekonomski uspon Kine: Strategija i dinamika međunarodnih ekonomskih odnosa*. Beograd: Institut za međunarodnu politiku i privredu.
- Tonchev, Plamen. 2022. *China's Road: into the western Balkans*. European Union Institute for Security Studies (EUISS).
- United Nations. 2015. "Transforming our World: The 2030 Agenda for Sustainable Development." <https://sdgs.un.org/2030agenda>.
- Western Balkans Investment Fund [WBIF]. n.d. "Connectivity Agenda." Last accessed 22 November 2024. <https://www.wbif.eu/sectors/connectivity-agenda>.
- Wildmann, Manuel. 2021. "The EU Connectivity Strategy: Putting Words into Action." *ELIAS*. <https://eias.org/publications/briefing-paper/the-eu-connectivity-strategy/>.
- Yoshimatsu, Hidetaka. 2023. "Japan's strategic response to China's geo-economic presence: quality infrastructure as a diplomatic tool." *The Pacific Review* 36 (1): 148–176.
- Xiao, He. 2022. "Western Balkan 6 Connectivity Agenda with the Belt and Road Initiative", In *The Routledge Handbook of the Belt and Road (Second Edition)*, eds. Cai Fang, Peter Nolan, and Wang Lingui, 510–514. London and New York: Routledge.
- Zweers, Wouter, Vladimir Shopov, Frans-Paul van der Putten, Mirela Petkova and Maarten Lemstra. 2020. *China and the EU in the Western Balkans: A zero-sum game?* Clingendael Report.

Ненад Стекић*

Институт за међународну политику и привреду, Београд

Јована Николић**

Институт за међународну политику и привреду, Београд

СУКОБЉЕНЕ ВИЗИЈЕ ПОВЕЗАНОСТИ: ИНФРАСТРУКТУРНЕ АГЕНДЕ ЕУ И КИНЕ ЗА ЗАПАДНИ БАЛКАН***

Резиме

Рад испитује стратешко ангажовање Европске уније и Кине на Западном Балкану, анализирајући њихове приступе кроз Агенду повезивања ЕУ и кинеску иницијативу Појас и пут од 2015. до 2020. Иако су обе иницијативе настојале да унапреде регионалну повезаност и инфраструктуру, оне су обликоване различитим агендама укорењеним у националним интересима. Приступ ЕУ се фокусирао на подстицање економске интеграције и усклађивање прописа са Европском унијом, дајући приоритет заједничким стандардима и одрживом развоју. Насупрот томе, приступ Кине наглашавао је брзи развој инфраструктуре као средство за проширење свог геополитичког утицаја, често користећи државне инвестиције за унапређење својих стратешких интереса. Истраживање наглашава како се ови конкурентни циљеви манифестују у значајним инвестицијама и њиховим последицама на регионалну инфраструктуру, економски раст и политичку динамику. Интензивирање геополитичког надметања између ЕУ и Кине такође доноси нове изазове за државе Западног Балкана, укључујући питања задужености и забринутости за суверенитет, услед настојања да се страни утицај уравнотежи са националним приоритетима. Ово истраживање нуди увид у еволуирајућу улогу региона у ширем глобалном пејзажу, откривајући

* Имејл адреса: nenad.stekic@diplomacy.bg.ac.rs.
ORCID: <https://orcid.org/0000-0001-9066-0480>.

** Имејл адреса: jovana.nikolic@diplomacy.bg.ac.rs.
ORCID: <https://orcid.org/0009-0007-9246-525X>.

*** This research was supported by the Science Fund of the Republic of Serbia through the program PRISMA, Contributing to Modern Partnerships: Assessments of Sino-EU-Serbian Relations – COMPASS Project, Grant No. 7294, www.serbiacompass.com.

дугорочне импликације спољних сила које теже повезивању и националним интересима у обликовању његовог развоја. Анализа и поређење Агенде повезивања ЕУ и кинеске иницијативе Појас и пут на Западном Балкану показују пре свега да су обе иницијативе значајно преобликовале регионалну инфраструктуру. Улагањем у транспорт, енергију и дигиталну инфраструктуру, ЕУ настоји не само да побољша повезаност већ и да промовише добро управљање и дугорочну стабилност. Значајна финансијска средства која је ЕУ доделила – милијарду евра у грантовима и 3,7 милијарди евра у инвестицијама – наглашавају њену посвећеност подстицању повољног окружења за будуће чланство у ЕУ. Насупрот томе, кинеска Иницијатива Појас и пут представља више комерцијално вођену агенду која наглашава брзи развој инфраструктуре кроз државне зајмове и директне инвестиције. Овакав приступ је привукао многе владе Западног Балкана, посебно оне које су опрезне у погледу условљавања ЕУ. Док пројекти попут железнице Београд-Будимпешта представљају пример кинеске способности за брзу имплементацију, они такође изазивају забринутост у погледу одрживости дуга и транспарентности. Геополитичке импликације овог такмичења су дубоке. Западни Балкан се налази на раскрсници јер мора да избалансира своје односе и са ЕУ и са Кином. С једне стране, присуство више извора финансирања пружа могућности за развој критичне инфраструктуре; с друге стране, ризикује стварање неефикасности и сукоба интереса. Земље у региону морају стратешки да се ангажују са обе силе како би максимизирале користи уз истовремено ублажавање ризика повезаних са претераним ослањањем на било ког појединачног актера. Ово такмичење одражава шире геополитичке промене које преобликују међународне односе. ЕУ остаје кључни партнер за трговину и политичко усклађивање Западног Балкана; међутим, све веће присуство Кине не може се занемарити. Иницијатива Појас и пут је позиционирала Кину као кључног играча у обликовању не само инфраструктуре већ и економског пејзажа широм Европе. Као таква, дугорочна интеграција Западног Балкана са ЕУ ће значајно зависити од тога колико ефикасно ове земље могу да искористе своје односе са обе силе.

Кључне речи: Појас и пут, повезаност, Западни Балкан, ЕУ, Кина.

* Овај рад је примљен 22. новембра 2024. године, а прихваћен на састанку Редакције 10. фебруара 2025. године.