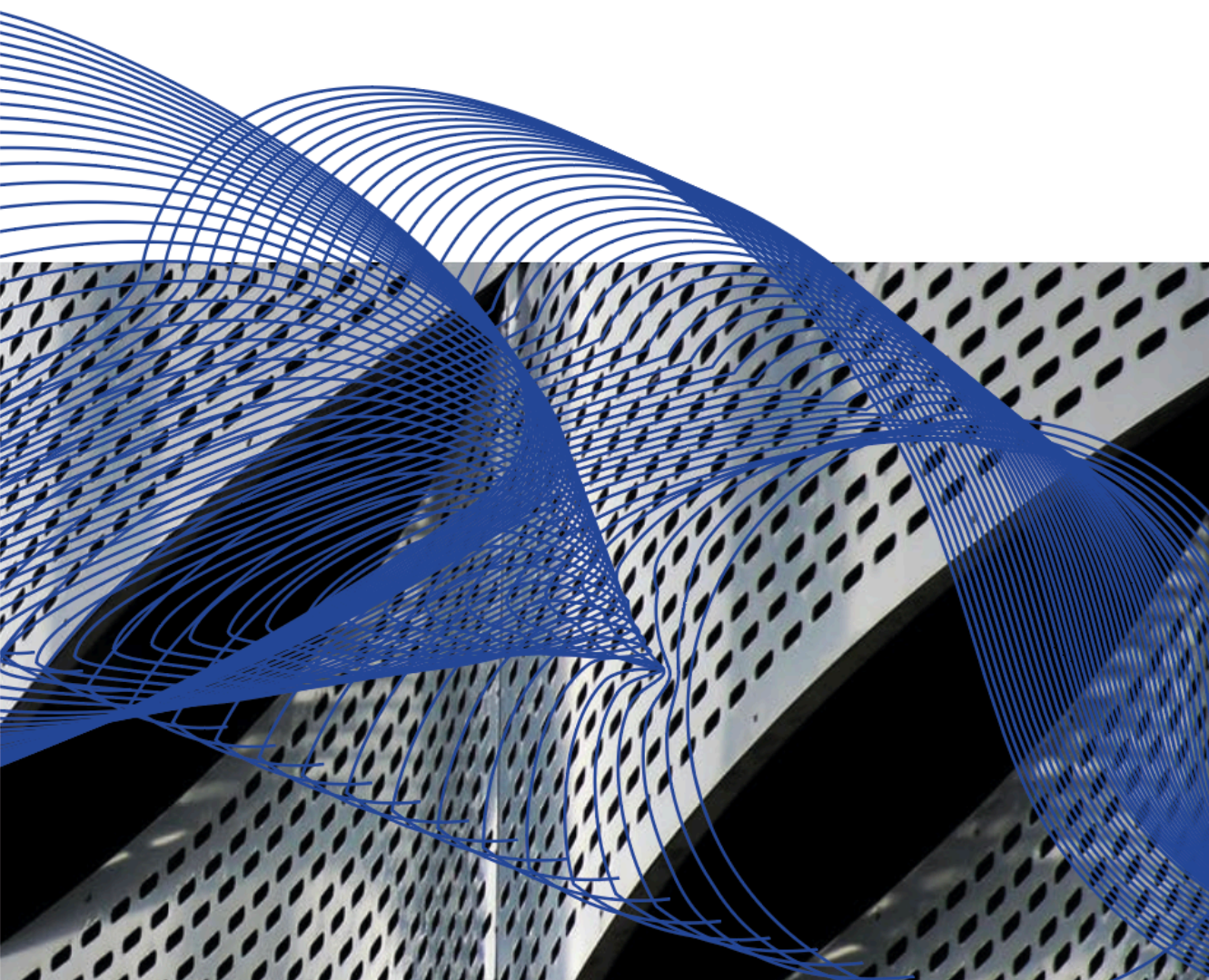




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Chief Editor:
Dr. Chen Xin



**HOW BOSNIA AND HERZEGOVINA
PERCEIVES THE BELT AND ROAD INITIATIVE
AND CHINA-CEEC COOPERATION**

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How Bosnia and Herzegovina Perceives the Belt and Road Initiative and China- CEEC Cooperation

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Preface One

On May 22, 1992, the United Nations General Assembly passed a resolution agreeing to admit Bosnia and Herzegovina to the United Nations as an independent country. China voted in favor. On April 3, 1995, the two governments signed the “Joint Communiqué on the Establishment of Diplomatic Relations between the People’s Republic of China and the Republic of Bosnia and Herzegovina”. In April 2020, China and Bosnia and Herzegovina (BiH) celebrated the 25th anniversary of the establishment of diplomatic relations.

Since establishing diplomatic relations, the two countries have been making efforts to promote bilateral relations and cooperation. In particular, since 2013, China and BiH have made considerable achievements in various areas. First, the two countries maintained political exchanges at various levels. For instance, from 2013 to 2018, Chinese Premier Li Keqiang met Chairmen of the Council of Ministers of Bosnia and Herzegovina during the Meetings of Heads of Government of China and Central and Eastern European Countries (CEECs), which were held in various CEE cities as well as in China.

Second, bilateral cooperation in business and trade produced good results. One earlier instance is that a Chinese company started to construct the Stanari power plant in BiH in 2013. This construction project is the first major cooperative project between the two countries and also the first project under the US\$10 billion special credit line for China-CEECs cooperation. According to the latest data of China Customs, the total bilateral trade between China and BiH in 2020 was US\$192.7841 million, a year-on-year increase of 0.39%. Among them, China’s exports to BiH were US\$112,011,900, a year-on-year increase of 4.29%; China’s imports from BiH were US\$72.682 million, a year-on-year decrease of 5.46%. Considering the coronavirus crisis in 2020, the two countries achieved a considerable result in bilateral trade.

Third, in the past two decades, the two countries continued to enhance bilateral communications and cooperation in several important areas, including culture, transportation, science and technology, health, education, news, military and so forth. Meanwhile, BiH also takes an active role in China-CEECs cooperation.

In 2020, China-CEE Institute launched Call for Papers entitled “How Bosnia and Herzegovina Perceives the Belt and Road Initiative and China-CEEC

Cooperation”. This book is the result of the Call and provides a comprehensive overview of bilateral relations and cooperation between China and BiH under the framework of China’s Belt and Road Initiative. Authors shed light upon various important issues in China-BiH relations, for instance, diplomatic relations between the two countries, a path of the Chinese Belt and Road Initiative (BRI) into the Western Balkans with the focus on BiH, cooperation potentials in the future, how BiH (and its youth) perceives China’s Initiative and China-CEEC cooperation, the BRI initiative and ‘17+1’ in BiH media, and institutional framework for strategic development of BiH-China relations. The views in the book are represented by the individual authors instead of the China-CEE Institute.

The China-CEE Institute, registered as a non-profit limited company in Budapest, Hungary, was established by the Chinese Academy of Social Sciences (CASS) in April 2017. The China-CEE Institute builds ties and strengthens partnerships with academic institutions and think tanks in Hungary, Central and Eastern European countries, as well as other parts of Europe. The China-CEE Institute aims to encourage scholars and researchers to carry out joint research and field studies, to organize seminars and lecture series, to hold some training programs for younger students, and to publish academic results, etc.

I hope this collection will be helpful for enriching the knowledge of China-BiH bilateral relations and the literature on China’s BRI initiative and promoting the mutual understanding between China and CEE countries.

Prof. Dr. CHEN Xin
Executive President and Managing Director, China-CEE Institute
Deputy Director General, Institute of European Studies, CASS

Preface Two

The year 2020 marks the 25th anniversary since the representatives of the governments of the People's Republic of China and the Republic of Bosnia and Herzegovina signed a joint declaration on the establishment of diplomatic relations on April 3, 1995.

At the General Assembly of the United Nations, held on May 22, 1992, the People's Republic of China voted in favour of the resolution which accepted and confirmed the membership of Bosnia and Herzegovina as an independent state in the United Nations.

After the conclusion of the Dayton Peace Agreement, relations between the two countries continued, developing over the past quarter of a century in the sign of friendship, mutual respect and cooperation.

The steel principle of political relations between the People's Republic of China and Bosnia and Herzegovina in this period was and remains mutual respect for sovereignty and territorial integrity, in accordance with international law, the Dayton Peace Agreement, the integration path of Bosnia and Herzegovina, and the Five Principles of Peaceful Coexistence that define the foreign policy of the People's Republic of China.

The People's Republic of China, as a permanent member of the United Nations Security Council, has an extremely important role to play in supporting the processes of strengthening peace and stability in Bosnia and Herzegovina.

A special aspect of the cooperation between our two friendly countries is economic cooperation, which has experienced its expansion in the past few years, in the form of a number of large investment projects.

Through participation in the "Belt and Road" initiative and "17 + 1" cooperation platform, Bosnia and Herzegovina shows its determined intention to further strengthen and improve its economic cooperation with the People's Republic of China.

On the occasion of the 25th anniversary of relations between the two countries, I express my desire to continue and improve good relations, through cooperation that will be for the benefit of the people of both countries.

Šefik Džaferović,
Former Chairman of the Presidency
Of Bosnia and Herzegovina

“Belt and Road Initiative” and Bosnia and Herzegovina

Mladen Ivanić

Aleksandar Savović

Abstract

This paper explores a path of the Chinese Belt and Road Initiative (BRI) into the Western Balkans, with the focus on emerging issues and potential projects in Bosnia and Herzegovina. Despite the warm welcome to Chinese investments in the region, Western Balkan countries are not immune to the growing pressure posed by the rising geopolitical tensions regarding the BRI. Nonetheless, significant infrastructure gaps present a substantial barrier for the economic development and European integration of the region, and the BRI seems like a unique opportunity to propel trade and investment activities in the region.

Introduction

At the end of the 1970s, the then China's leader Deng Xiaoping began reforming the Chinese economy and shifting the course and aspirations of the world's most populous country. Deng recognized that it had to adopt new economic practices in order for China to become a prosperous country. Under his plan, China retained its socio-political ideology, but combined it with market economy reforms. A new way of thinking has been put forward – Socialism with Chinese characteristics. The country became open to foreign investment for the first time since the

creation of the People's Republic of China in 1949, through the establishment of special economic zones.

Since reforms, China has been among the world's fastest-growing economies, with real annual gross domestic product (GDP) growth averaging 9.5% through 2018, a pace described by the World Bank as "the fastest sustained expansion by a major economy in history" (Congressional Research Service, 2019). Unprecedented growth happened from 1978 to 2013, with the economy growing by almost 10 per cent a year.

Current state of affairs and China's economic rise are a product of systemic and pragmatic gradual process that took decades of dedicated reforms implemented by the Chinese leadership on all levels, who recognized the realities of different international and local contexts.

The 21st century's new socio-economic realities motivated China to embark on one of the world's most critical infrastructural visions of the modern age - the Belt and Road Initiative (BRI). BRI opened possibilities for many developing countries, especially those dependent on traditional international funding, to attract investments and fill the infrastructure gaps. BRI was openly accepted in those countries, especially in the Western Balkans, whose countries felt alienated from the European Union in the last decade.

Encouraged by regional leaders, China initiated a platform of cooperation with the Baltic, Central European and Balkan countries known as the 16+1 platform, which was renamed to 17+1 after Greece joined. The bloc brought together a community of European countries that historically belonged to different geopolitical spheres - some members of EU, some potential members, and some certainly outside of it and likely to stay there. Furthermore, it brought together, under one umbrella, stable and committed followers of EU social and political norms such as Latvia and Lithuania, and then more contentious members, such as Hungary and Poland (Brown, 2017).

Before 17 + 1 Platform and BRI, China never played a significant role in the region. Belt and Road Initiative gave China a tangible

framework for interaction in the Western Balkans, while countries of the region suddenly got the opportunity for infrastructural development.

The 17+1 platform brought together, under one umbrella, countries that historically belonged to different geopolitical spheres. Unifying this diverse group under one platform was fueled by the mutual need for more investments. China's presence in these countries was negligible through history, and this kind of increasing economic involvement illustrates China of new-age – not afraid to take on the more proactive role in the international community and global development. This new geopolitical reality in the Western Balkans rose eyebrows on the West, which led to the elevation of doubts on the China investments in the region – ranging from realistic concerns to the extreme views about China's intentions.

The Belt and Road Initiative – Rerouting the globalization.

The Belt and Road Initiative (BRI), previously referred as the One Belt, One Road (OBOR) Initiative represents one of the most significant political and economic developments in recent decades globally, as it could be essential in the coming decades for a considerable number of countries geographically located within this initiative. The purpose of the initiative is infrastructural but also trade integration of China and the European Union, which implies significant investments in infrastructure in the countries of the Western Balkans, which are otherwise poorly developed.

The BRI, envisioned as an economic belt and inspired by the ancient Silk Road, could have a profound impact on regional economic development across Asia, Europe, and Africa. The colossal scale of the BRI, which comprises both an overland Economic Belt and a Maritime Silk Road, is exemplified by the 4.4 billion people and the cumulative gross domestic product (GDP) of around US\$21 trillion that it is set to encompass (Rolland, 2015).

The Belt and Road is routed with six economic corridors spanning across complex geography through resource-rich regions: *New Eurasia Land Bridge* - involving rail to Europe via Kazakhstan, Russia, Belarus,

and Poland; *China, Mongolia, Russia Economic Corridor*: including rail links and the steppe road—this will link with the land bridge; *China, Central Asia, West Asia Economic Corridor*: linking to Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Turkmenistan, Iran, and Turkey; *China Indochina Peninsula Economic Corridor* – including Vietnam, Thailand, Lao People’s Democratic Republic, Cambodia, Myanmar, and Malaysia; and *China, Pakistan Economic Corridor*, which will face challenges of bothersome relations between India and China (OECD, 2018).

This kind of grandiose infrastructure projects are not unprecedented. American Gilded Age brought unprecedented development of transport infrastructure that resulted in significant society development through economic and investment activities. Similarly, the ambitious Baghdad Railway, which was designed to run through Turkey and Mesopotamia, bypassing the Suez Canal's maritime stalemate to the Indian Ocean, was full of the promise of increased trade and economic growth between Europe, the Ottoman Empire and the Far East, until Britain stopped the project, confronted by German incursion of Britain's territories in the Indian Ocean (Brewster, 2017).

History showed us that infrastructure visions of this magnitude are usually confronted with significant pushback from countries that will be affected by the rerouting of global trade, especially those profiting most from the current state of affairs.

Role of the BRI in Global Infrastructure Gap

Based on these sources, annual investment needs range between USD 2.9 trillion and USD 6.3 trillion. At current investment trends, this is expected to translate into a cumulative investment gap of between USD 5.2 trillion until 2030, or as high as USD 14.9 trillion until 2040 when the achievement of the sustainable development goals (SDGs) is taken into account. On an annual basis, this means that global infrastructure

investments are, on average, falling short by USD 0.35 - 0.37 trillion per year (OECD, 2018).

The global infrastructure gap is overwhelming, particularly when many countries wrestle with stressed government budgets and other pressing existential threats – such as pandemic control. Investing in transport infrastructure on such a scale as envisioned in BRI will not be sufficient to fill raising infrastructure gaps in the world - but it will create a more connected trade infrastructure with the potential to propel free trade and economic development.

Without this initiative, countries in Central and West Asia would be forgotten entirely, and their development would depend solely on international financial institutions such as the IMF, the World Bank, and for only a part of them, the EBRD and the EIB. Of course, under such conditions, the reality of significant economic growth is not particularly high, as these countries have clearly seen in the last thirty years when they have been confronted with substantial political turbulence, including wars. With the BRI, all these countries get another chance, but also a new source of economic development, which is why this initiative is so heartily accepted by all countries located between China and the European Union.

The Belt and Road Initiative is also significant for many Eastern European countries. They are distinguished by two groups. The first is the USSR-influenced countries that are now members of the European Union, and the second is the group of countries that have not yet become part of the largest regional association in the world. The need for significant investments in infrastructure is common to both, as the level of development of roads, railways and other means of infrastructure activities are far below the level of the EU average. The first group of countries has a major source of funding for the investments it needs, namely the EU funds that are not available to the second group of countries in which are Northern Macedonia, Albania, Serbia, Bosnia and Herzegovina, Montenegro, and Kosovo* (with its specific status).

The infrastructure deficit in the Western Balkans is severe and is widely regarded as a significant impediment for the region to catch up significantly, in economic terms, to the countries of the European Union. In that manner, substantial infrastructure investments are needed for the political and economic integration of Western Balkan into the European Union.

Chinese interest in the Western Balkans

Surprisingly, both groups have enthusiastically embraced the initiative, and China has decided to establish a regional platform called 16+1 and 17+1 now. This initiative became an integral part of the Belt & Road Initiative, and the Western Balkans were increasingly targeted for BRI related projects as a result of their strategic geographical position, through infrastructure networks and logistical corridors between the Port of Piraeus (Beijing's flagship project in the region) and markets in Western Europe (Zeneli, 2020). Once a year, the presidents or prime ministers of 17 European countries negotiate significant projects with China's prime minister, and all consider it a substantial activity that, by many, has a considerable impact on the GDP growth rates of these countries.

The template used by China in the Western Balkans is based on direct lending to governments for infrastructure development projects, be they roads, railways, ports or power plants. Typically, funding comes in the form of a loan from the Exim Bank covering about 85% of the project capital, with the rest financed by the recipient country. These loans are offered on favorable financial terms compared to most alternatives: they usually have a long maturity period (of around 20 years) and are subject to low-interest rates (Tonchev, 2017).

China's interest, especially after the purchase of the Piraeus port, is a better rail link between Greece and key EU countries. Therefore, investing in the Athens-Skopje-Belgrade-Budapest rail corridor that continues further to the key EU centers is of particular interest to China. This would significantly shorten the route of Chinese goods now being

transported by ship through the Mediterranean to northern European ports. As the railway network in this corridor is poorly developed, especially when the European criteria of speed and safety are taken into account, the reconstruction of these lines will inevitably entail significant investments. It is a multi-year project, but given the unique Chinese long-term vision, it is entirely realistic to expect that the project will be completed.

The concept of reconstruction of this corridor could be one that has already been agreed between China and Serbia on the reconstruction of the railway between Belgrade and Budapest. The Chinese provide financing for the project on a credit basis, but for the most part, they provide jobs for their businesses as the main contractors. Countries using this concept are often pressured by the local public to involve local companies in all business cycles, which presents a realistic and powerful pressure that China must be aware of as well. Therefore, wherever possible, it is necessary to involve local companies, which is already the case, for example, in Montenegro. Namely, Chinese companies may be working the most challenging sections on the Podgorica - Belgrade highway, but they also included many local subcontractors. We consider the involvement of local businesses as an especially important part of all projects, because it creates a much more favorable political and economic environment than when these countries borrow, while Chinese firms do the work. Of course, this implies that domestic firms are able to complete the acquired jobs in a timely manner. It is important to note that Podgorica – Belgrade highway was promised for years by the government to the people of Montenegro. However, Western institutions were not interested in financing the project.

As BRI became a reality on the ground, voices of dissent started becoming louder, ranging from understandable concerns about environmental, legal and economic issues to the extreme views about the intent of China.

This anxiety in the West can be attributed mainly to the concerns that, through deeper involvement of Beijing in the region, China could become a systemic rival promoting alternate forms of governance. Critics

often suggest that by leveraging its massive economic resources for strategic purposes, China follows in the footsteps of the US and the Marshall Plan, an analogy that Chinese officials dismiss firmly and repeatedly, stressing out that BRI is born is a product of globalization and inclusive cooperation, not a tool of geopolitics. They emphasize that BRI should not be viewed with the outdated Cold War mentality (Demiryol, 2011).

In our view, any attempt of China to try to lead and dominate world affairs would be completely against its history and culture. A constructive debate should be centered around the real concerns in the implementation of the BRI, such as involvement of the local companies and environmental protection, rather than approaching the situation with the “Cold War” mentality.

The interest of China in the Western Balkans should be seen mainly through the economic lens, since some Balkan countries will eventually become part of EU, so China is using its companies to fill in infrastructure gaps, which will allow China to ships its goods from Greece through the West Balkans into the enormous market of the European Union.

BRI clearly aims to help promote Chinese commodities in the southeast and central Europe, particularly after the expansion of the capacity of the Suez Canal in August 2015. Notably, Piraeus has now overtaken Suez as the most significant COSCO installation outside China in terms of the number of containers handled. With the help of an upgraded Piraeus-Budapest transport corridor, containers from China will face a shorter and faster journey towards the heart of the continent, cutting at least ten days off the overall travel time to major seaports in western Europe (Tonchev, 2017).

While infrastructure investment is a crucial aspect of BRI, China has much broader objectives. China aims to transition to sustainable, as well as a more environmentally friendly and technologically advanced economy. At the same time, many suggest that China is seeking to mitigate

their overcapacity challenge, as well as problems of excess capital, through infrastructure projects encompassed within BRI.

China's problems of capital accumulation, it has been argued, primarily stem from dependence on global value chains over which the Chinese state and capital have limited control over. By expanding capital outward, China seeks to reduce its vulnerability stemming from its dependence on global value chains (Demiryol, 2011). China will have to ensure that the BRI is not merely moving excess capacity and energy sources that are less environmentally sustainable to other regions.

Belt and Road Initiative and Bosnia and Herzegovina

The Belt and Road pass through the continents of Asia, Europe and Africa, linking the thriving economic sphere of East Asia at one end and emerging European economies at the other, and encompassing countries with enormous economic development potential. Approximately 65 countries are along the Belt and Road, accounting for 60 percent of the world's population, 30% of the world's domestic product, 40% of world trade, and more than 50% of the world's poor people living under the extreme poverty line (Hong, 2017).

Unfortunately, Bosnia and Herzegovina is not on the priority transport corridor of particular interest to China and therefore cannot automatically expect significant infrastructural project proposals of this kind from China.

What could be done in this area are joint projects of interest to Bosnia and Herzegovina, such as the construction of individual sections of the Vc corridor or other highways. Such is the case with the potential construction of the Prijedor-Banja Luka highway. The concept for building this highway is a quasi BOT system, where a Chinese company would build, operate and use the highway and transfer it, after thirty years, to the ownership of the Republic of Srpska, which insisted on this project. However, since the Chinese partners are not sure about the adequate frequency of traffic, they asked from the government of the Republic of

Srpska, for a guarantee of the minimum annual income that the stock should bring. If the generated revenue is less than the guaranteed amount, by agreement, the difference would be paid from the budget of the Republic of Srpska. This is not a common concept of concession agreements as they are known in Europe, and this could be an issue for all future investments, due to the obligations to apply European Union's rules and procedures, which Bosnia and Herzegovina assumed when applied for the EU membership. Therefore, it would be a good idea to find an adequate legal and economical solution to this problem, as well as some of the issues that will be discussed later on, in order not to get in a position where Bosnia and Herzegovina must choose either EU or China for each project. Which is an undesirable situation for every stakeholder, especially Bosnia and Herzegovina.

However, it is interesting to note that Chinese companies are not yet involved in any of the major infrastructure projects in Bosnia and Herzegovina and that the Prijedor - Banja Luka Highway is the first that could happen. The largest infrastructural project in the country, Vc corridor is largely funded by the EBRD and the EIB, and both of these banks, together with the European Commission, are against direct contracting. If China wants to get involved in these projects, it needs to find an answer to these questions, and it could be either a classic BOT concept concession agreement, thus without guarantees of minimum income or participation in typical tenders carried out by known rules when projects are funded by European institutions.

Chinese companies' ability to do this is best demonstrated by the construction of a bridge connecting Dubrovnik with the rest of Croatia. The job was awarded to a Chinese company in a standard tender procedure, in which a significant number of European companies also took part, and which was done according to the most rigorous procedure prescribed by the EU. Particularly important for further positioning of China in the Balkans, but also in Europe as a whole, is the fact that this bridge is largely

financed by European Union funds, not just by the funds allocated by Croatia.

The most significant project that B&H and China have jointly done is the construction of the Stanari Thermal Power Plant in the Republic of Srpska. It is a 300 megawatts facility with about 530 million euros invested. That was the agreement of a company from the Republic of Srpska, which, under private ownership, was part of a consortium of companies from China that designed the power plant, built construction facilities, built equipment and installed it in the power plant. This is practically all done on a key-to-hand basis, as all the obligations related to financing, design and construction, and commissioning have been taken over by the Chinese side. The Chinese side allowed all of this to be repaid through a long term loan, but still sought a guarantee from the government of the Republic of Srpska, if the private investor was unable to meet its obligations. Given that this investment may have been the largest in the recent history of the Republic of Srpska, the Government has given that guarantee. So far, the project is successful, and everything is proceeding in an intended manner. The investor is on time for payment of the installments and the government's guarantee has not been used so far. But private investments that ask for governmental guarantees is contrary to the fundamental principles on which these economies are subject, and this problem must be taken into account in the long run.

The second project agreed upon between China and Bosnia and Herzegovina is in the field of electricity generation. This is the construction of Unit 7 of the Tuzla Thermal Power Plant with an installed capacity of 450 megawatts. This project is worth around 730 million euros and will be financed with debt from the Export Import Bank of China. The loan would be repaid for 20 years with a grace period of 5 years. As in the previous case, the parliament has approved that the Federation of Bosnia and Herzegovina become the guarantor.

Unlike the project in Stanari whose construction went through without any serious intervention from the European Union, the

construction of Block 7 produced a major and very negative reaction from the EU. They believe that issuing a guarantee for this loan is the significant problem and that it is contrary to the rules of the Energy Union of which Bosnia and Herzegovina is a member. Key representatives of the Energy Union have threatened that Bosnia and Herzegovina will be thrown out of this institution. Another problem is the EU's position aimed at banning electricity production from coal by 2050 due to environmental protection, and they consider this to be too short a period to make the investment of that volume worthwhile. Notwithstanding all these objections, the Federation of Bosnia and Herzegovina is determined to build Block 7 and in all likelihood it will happen because, except for China, no one else has offered a possible alternative financing model for this facility, which is considered very important for the stability of the entire energy system in the Federation of B&H.

Unless the right answers to these questions are found, Block 7 could be the last project in the area of coal-fired power generation, which is not in the interest of either B&H or China. For that matter, it would be important for China to consider building hydropower-based power plants, as B&H has a lot of untapped potential in this area, and it could be an area where more projects could be present. Moreover, as B&H is increasingly approaching the European Union, withdrawing government-level guarantees for these types of projects is becoming a serious and real obstacle to future projects. Therefore, only a concerted effort by the institutions of B&H and China can find the answer to this challenge, all with the aim of continuing successful cooperation.

These two investments are the most significant example of China-B&H cooperation, since all other areas of cooperation, except for the humanitarian assistance provided by China in the post-war reconstruction of B&H, are tiny in scope. The value of Bosnia and Herzegovina's imports from China in 2018 amounted to about 210 million euros, but exports were almost at negligible 18 million euros. Given the size of China's market, it

is a minor export, but also a great chance for those entities that are long-term thinking about their future.

It is evident that B&H has had and will greatly benefit from the One Belt One Way initiative. The objects we already mentioned would not have existed without the Chinese investments, and they already significantly influence or will influence the level of GDP in Bosnia and Herzegovina. But in order for China-B&H cooperation to be more fruitful and stable in the long run, the answers to the questions and dilemmas that have emerged in the past have to be found. It is not wise to ignore these issues because they objectively exist and can become a severely limiting factor in the future, which is not the interest of Bosnia and Herzegovina.

China, which has already become one of the most important global players in Bosnia and Herzegovina, has provided funding for projects that other institutions did not want to fund or did not have the resources to support. It is crucial for B&H that China remains an important economic factor in the region, but it would be good that in addition to credit arrangements that are important and not to be abandoned, Chinese companies also start their direct investments in B&H and find trade partners within the country.

Conclusion

As much as any other project of this scale in history, China's emergence over past decades has reinvented the landscape of global politics. China rapidly transformed its economy from a low-cost manufacturer to a global leader in advanced technologies. On that exponential rise, it has transformed global supply chains, leveraging that success to become the primary trading and development partner for emerging economies across Asia, Africa and Latin America. Four decades after China's reform and opening up, China embarked on one of the most ambitious infrastructure ventures ever comprehended – Belt and Road Initiative, a successor of the ancient Silk Road. The plethora of infrastructure and investment projects are envisioned to stretch from East

Asia to Europe, extending China's economic and political influence substantially.

The BRI should be seen as a natural outcome of the past 40 years. China experienced record-breaking development through bold, efficient and farsighted reforms across its economy and society. The BRI is not an idea thought out overnight. Contrary to that, BRI represents a culmination of a decades-long gradual process that brought experience and maturity to the Chinese economy.

From that standpoint, the BRI should be seen as a new stage of Chinese economic development, aimed at developing new markets for trade and investment, as well as increasing domestic consumption. Moreover, China will benefit in the long run from developing an effective trading network to promote foreign trade and investment, while at the same time having a central position. Furthermore, the know-how that Chinese companies will acquire through the ventures worldwide will help China escape a trap of middle-income countries and gradually climb up the industry ladder.

Skeptics find the BRI's goals to be proof of China's foreign assertiveness and concept for domination. Arguments reiterating China's aspirations as a rising power are rooted in the belief that China cannot develop peacefully and will eventually become more disruptive and seek regional hegemony.

But then again, BRI is primarily an instrument of free trade, and in our view cannot be looked as a zero-sum game, where one party must lose for others to gain. Free trade is in its sense win-win game, as it reduces prices, increases variety, provides necessary inputs for companies and their production processes, as well as allows for more specialized inputs that help their productivity. Specializations, brought by free trade, across geographical locations, time zones, climates significantly enriched the world. Best examples to illustrate that is that countries that are deliberately cut themselves of the trade suffered, not just in terms of their income, but also in terms of health outcomes, as well as in terms of education. It

significantly hurts the middle class and poor when countries cut themselves from the trade. That is why BRI should be looked upon primarily as a tool of free trade, which will inevitably bring developing opportunities for many countries on its route.

The countries that will be in some way involved in BRI, such as Bosnia and Herzegovina, should carry full responsibility to find a proper framework for the implementation of projects that are considered essential for their development.

This text was created at the time of the Covid-19 pandemic, which will inevitably lead to significant economic stagnation and uncertainty worldwide. We hope, in the interest of the countries included in this massive initiative, especially developing countries such as Bosnia and Herzegovina, that China will remain committed to it and that economic problems, which will undoubtedly affect all countries, including China, will not affect these initiatives as it would impact negatively all countries that see this initiative as one of the chances for faster economic and social progress.

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BiH and Its Perception of China: From the Stereotyped Past to the BRI

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Abstract

Chinese Foreign policy is defined on the foundations that are significantly different from traditionally and historically conditioned assumption of Chinese Foreign policy although it remained basic principles of international cooperation, peaceful conflict resolution and economy development of all. Regardless Chinese more active contemporary presence as in Europe as in East, Central and South East Europe, it is much more visible AFTER “Belt & Road Initiative” has been launched, which includes “Mechanism 17 + 1”, in the collective consciousness. There exist many prejudices, which remain old stereotypes from the period before Great opening and immediately after it started. Many development and stabilization projections of People’s Republic of China (PRC) are still not adequately considered in audiences of regional countries. It dominantly related to Chinese economy and technology development as well as perception of security policies and Chinese role in realization of global piece.

Key words: *China, tradition, perception, Belt & Road Initiative, economy, security*

Introduction

Since Great Opening-up started 1978, the People’s Republic of China (hereafter China) has been passing dramatically changes in all areas of economy, politics and dealing with social life as in internal as well as

foreign policy. Foreign policy and foreign economy have become means of utmost importance that China used to realize its millennial goals. Perception of Chinese objectives were not assumed as they were designed in the beginning from many, particularly non-developed countries and regions that were dependent of other world great powers. As far as China has become one of the most important trading partners for the majority of countries, the question which inevitably has to be imposed is: how to perceive China in world politics, in international relations and its internal abilities to realize posed goals. Viewing globally, main question is a position of China comparing with actual and former super-powers such are United States of America and Russia as well as rising powers like India or Brazil. A separate, we can say very complex, set of relations, which includes enormous amount of trading and economy exchange including investments and technologies and energy as well as maintaining European sanctions towards China, maintains relations with European Union (EU) very close, active but also “hot” very important point of perception is comparison of its growing development with big and strong countries. Talking about Central, East and South East Europe, one of the first associations is comparing post-Cold War process of transition. While European post-socialist countries decided in favor of liberal democracy in politics which assumes market economy, China stayed under the political power of Communist party but with significantly changed Party policies with accepted and widely implemented market economy as in internal economy as well on the global stage. Communist Party of China’s (CPC) politics also apprehend an intention to break of a role and influence o traditionally and enormously swelled bureaucracy.

Stereotypes and Prejudices

China’s assumption to become a key country due to scientific and technological innovations and progress with strong economy basis has to be founded on a legal system¹ with a central goal to become the “global

¹ Novačić, Aleksandar (2018), *Si Diping: Kineski san*, Beograd, „Filip Višnjić“, str. 131

leader in a sense of total national power and international impact, the country of rule of law, clean environment, middle class which has been broadening, adequate public transportation and diminished differences between urban and rural areas” until 2050¹ deserve careful analyzes from the point of prejudices and stereotypes related to China. Research on perception of other nations and countries toward China can give many answers, which can affect their future relations in a complex globalized world. Creation and orientation of a perception of others is very important for China in order to recognize and register key elements of creating a positive picture in the eyes of the rest of the world. Based on the Confucianism which includes a harmony as the basic principle of Chinese spirit, society and politics including foreign affairs, political entrepreneurship is turned to good relations with any partner in the World. It is practically building the Chinese model of “soft power” through implementing a scope of means which belong to *public diplomacy* approach in the entire spectrum of political, economy and security relations as with countries bilaterally as with multilateral relations through international organizations as the indivisible part of international institutionalism.

It is quite clear that Chinese global success is leveraged to the philosophy of Deng Xiaoping and Great Opening-up in the last more than forty years. Through that period China maintained and implemented its traditional as well as many of newly adopted values coined during the period of socialism. Great success on the global stage has become a great security challenge as in relations to great powers, big and strong countries as for small actors in the world. The key factor of China is also Confucius principle of harmony of the “Central Empire”, which China traditionally used on itself, and intention to convey a peaceful foreign policy. China has never been neither aggressive and conquering power nor owner of colonies. The only foreign policy goal through history was to defend and save itself.

¹ Ibid, str 131-132.

Considering the evident fact that China nowadays is the one of the two most powerful nations a perception of its global position by many actors in the World has created their very different relations to China but also vised versa. All these political relations have impact on creation of Chinese foreign policy keeping in mind that anyone is important element of achieving harmonized and synchronized policies.

Talking about relations to foreign partners it is important to assume basic constitutional foreign policy principles has been maintaining unchangeable since foundation of political accession of modern China to world politics. First pillar is honoring sovereignty and territorial integrity; second, mutual non-attacking and non-aggression and non-interference in internal affairs of other countries; third, honoring equality and mutual benefit; then peaceful active co-existence in diplomatic relations; consequent opposing to any sort of hegemony and colonialism enhancing unity with peoples of other states; supporting threaten peoples and non-developed countries in their justified fight for victory and protection of national independency; to develop national economies in order to improve progress of humanity. From these constitutional foundations it is possible to emphasize “five principles of peaceful coexistence” as a basement of Chinese politics in foreign relations. First is maintaining of national independence and national sovereignty; second opposing to any attempt for global hegemony and preserving global peace; third, enhancing solidarity of non-development countries and common opposing to imperialism and colonialism; forth, improvement relations with developing countries in order to achieve a mutual progress; fifth, elimination of interference in internal processes and active working on Chinese unification. It is relatively easy in these principles to recognize many similarities with basic principles of Non-aligned movement that adopted very similar principles the year later 1955 and Belgrade conference 1961. These similarities and a certain equalization of principles that come in a “formative time of world relations” in the post-Stalin period

during the Cold War could be very important for creation a basic perception in former Yugoslavia and successor countries to China.

Comparing to recent foreign policy of contemporary it is clear that China remains basic orientation in relations to the ouster world. The source of China's external relations is "four modernizations". As Ezra Vogel claims "Under Deng's leadership China truly joined the world community becoming an active part of international organization and of global system of trade, finance and among citizens of all walks of life".¹ As a great follower and practice of Chinese traditional thinking Deng's thought guided next generation of politicians to continue with and active approach to international community and define appropriate foreign policy in a way that Vogel also admit: "Deng's successors who realized the benefits of the international system for China to begun to think about what China could do as a stakeholder in the international system and global institutions to strengthen those (international) organization".² The practical result of such approach is that China started to begin building its international position and role global system. Apart the position of Unit Nations Security Council member with veto authorities China become member of the World Bank, International Monetary Fund, very active in the world Health Organization and finally the member of the World Trade Organization. By bringing economy, market and working power of the most populous country with 1,3 billion people, China, a Vogel claims "strengthen these organizations even it has represented its own interests, it has abided by the role of these organizations".³ The result is that Chinese trade exchange was enormously multiplicity from less than 10 billion US dollars of eternal exchange to a few thousands of billion.

Another huge challenge for China is radically changed education policies. Opening to the world have not meant only transformation of classic educations system, particularly universities, but also studying of

¹ Vogel, Ezra, F. (2011), *Deng Xiaoping and the Transformation of China*, Cambridge – London, THE BELKNAP PRESS OF HARVARD UNIVERSITY PRESS, p. 577

² Ibidem, p. 577

³ Ibidem, p.578.”

hundreds of thousands of Chinese students abroad mostly in United States. Approximately almost six billion students studied in America and almost two million returned and employed themselves in China. A change of Confucian's heritage assumes a creative thinking and instead of stocking pile of amount of knowledge. Critical thinking and freedom of expression has become a principle as in state institutional frame as in Communist Party too. Actually, there are eight political parties in China but no one struggles for power. Their role is more consultative and advisory particularly in carefully watching on actual political streams and raising new ideas. They absolutely fit in a recent Chinese approach as in internal as in foreign policy.

Harmonious world is the key concept which is closely identified with former President Hu Jintao which understands effective multilateralism with a strong role of United Nations; development of a collective security mechanism, prosperity for all through mutually beneficial cooperation and tolerance and enhancement of dialogue among civilizations.¹

Because of that assumption the main question posed here is how China is perceived from countries of developed world. In the majority of countries neither great nor even small there were no researches of perception of China and particularly Chinese development. China was perceived with many dwarfed prejudices and stereotypes. There was broadly presented view of China as “enigmatic, nontransparent, truculent, propagandistic and dismissive of foreign concerns. China is also seen as by many as comfortably fitting into the existing international liberal order and having a hidden 'revisionist' agenda to overturn that order”.²

Due to the first public opinion polls in more than twenty countries 2005 Pew Global Attitudes Poll gives “globally mixed perception of China, combining favorable and unfavorable views”. Some countries have

¹ Hu Jintao, „Build Towards Harmonious World of Lasting Peace and Common Property,“ speech at the United Nations Summit, September 15, 2005, www.fmprc.gov.cn/ce/ceun/eng/zts/zhnh60/t212915.htm, access April 28, 2020. 22:02.

² Shambaugh, David (2013), *China –Goes Global: The Partial Power*, New York, Oxford University Press, p. 11.

held consistently positive views of China some have held consistently negative views over time... With a few exceptions the Pew polls also clearly indicate a significant decline in China's global image from 2006 to 2008, but a general rise of favorability rating from 2009 to 2011.¹ The British Broadcast Service (BBC) continues to annual global survey as well. In some ways BBC reaffirms the findings of the Pew 2011. Both surveys reflect that that China continues to enjoy 'pockets' of favorability' in Africa, Latin America, and parts of Asia. But also suffers from 'pockets of negativity' across Europe and parts of Asia. North Americans seem more ambivalent. The most important conclusion is that China's global image remains mixed and majority of the world is very ambivalent about China's rise.²

These policies were a key element of creating a basis for creating perceptions of "others" to China, China's politics and economy and its image in the world. Many experts see Chinese foreign policy as some sort of concentric circles around a "Central Empire" as China traditionally considers itself. In the first circle is the biggest rival and opponent – the United States of America. In the second circle are great powers such as Russia, India, Japan and European Union; in the third circle are neighbors; in the fourth circle are all other countries from which majority belongs to the "developing world". Even China "use its self-proclaiming status as the 'world's largest developing nation' to appeal developing world sensibilities and promote solidarity with developing nations. Many developing nations, particularly in Africa, view China as 'one of them' due to their common legacy, long-standing ties starting from their postcolonial beginnings during the Cold War, and desire to resist pressures from the West"³. This quote precisely reflects China's carefully building of image and main perceptions of its partners in the "third world". The fundamental

¹ Ibid, p. 12.d

² Ibid. P. 12.

³ Bergsten, Fred; Freeman, Charles; Lardy, Nicholas R; Mitchel, Derek, J (2009), *China's Rise: Challenges and Opportunities*, Peterson Institute for International Economics, p. 221-222.

principles of Chinese Foreign Policy witness absolutely orientation to these countries. In the White paper on “China’s Peaceful Development Road” published 2005,¹ the main principles put down in the document are that peaceful development is inevitable for China’s modernization; promoting the world peace and development with China’s own development; developing by relying on its own strength, reform and innovation; seeking mutual benefit and common development with other countries; building harmonious world of sustained peace and common prosperity. Some problems of perceptions towards China have surfaced in developing world. “Many stories have emerged in the media about backlash within African populations against low-grade Chinese goods supplanting African goods in local markets, Chinese labor being used instead of local labor for infrastructure projects, Chinese investors’ disinterest in local environmental standards and charges of Chinese neocolonialism due to extraction of resources rather than investments in industry.”² But there are many that these claims are overblown and that China has over all positive contribution to local economies. On the other hand, African countries often state that they prefer China’s attitude of respect, equality and partnership in its economic outreach to the perceived condescension of the West’s “charity” and “help”. Because of some critics, Chinese government started in 2006 implementing of regulations, which demand companies to pay attention to local customs, safety standards and labor. From West countries that consider themselves as China’s counterpart as a great power often condemn and infuriate China by violation of human rights, rule of law, political freedom, corruption and export product safety.

Without adequate surveys of the perception of China in the Balkans and separately Bosnia and Herzegovina it is necessary to implement some sort of methodologically indirect access of researching perceptions of the

¹ www.china.org.cn/english/2005/Dec/152669.htm, last access May 2, 2011, 10:19

² Bergsten, Fred; Freeman, Charles; Lardy, Nicholas R; Mitchel, Derek, J (2009), *China's Rise: Challenges and Opportunities*, Peterson Institute for International Economics, p. 236.

China in the South East Europe and, particularly, ex-Yugoslavia countries. A lot of political heritage is common for them and provoke same consequences in modern time.

For a very long period China is considered as inevitable player in global communist revolution serving as a witness that a victory of proletariat, based on Marxist ideology, is inevitable. In one of the first published Mao Zedong collection of speeches, it is stressed that “China is narrowly connected to the World and that Chinese – Japanese war is the part of the World War”,¹ adding that “Chinese revolution is a part of world revolution.”² Regardless identification with Tito’s break up with Stalin’s politics Yugoslav communists felt solidarity with such a huge country against ‘Western capitalism’ which will later on be expressed through emphasized ‘anti-Americanism. That mainstream of perception was kept apart of Yugoslav – Chinese ideological dispute on a development of socialism which includes view on the western countries and ‘peaceful active coexistence’. As famous Yugoslav ideologist Edvard Kardelj found “if one non-socialist country can impose socialism by force that means that some forms of internal development could have been imposed some internal or international policies to a certain socialist country”³ considering Chinese socialism as schematic, subjectivist and dogmatic. Another thing is a Yugoslav critics of Chinese irreconcilable position which separated ‘struggle for peace’ as a ‘some other sort of fight’ because, as Kardelj claimed, Chinese theoreticians essentially did not believe in a reality in a struggle for peace and coexistence because a way of a ‘world revolution they see in a war.’⁴ Somehow this ideological and political position even was asserted by unexpected military cooperation between China and Albania 1963 and reflections to Yugoslav foreign policy and Yugoslav – Chinese relations.

¹ Mao, Ce Tung, (1949), *Govori i članci*, Beograd, Časopsi „Trideset dana“, p. 71.

² Ibid, p. 72.

³ Kardelj Edvard (1960), *Socijalizam i rat: Osvrt na kinesku politiku politike koegzistencije*, Beograd, Kultura, p. 190.

⁴ Ibid, p. 158.

Based on such perceptions there was created a stereotype of ‘strong hand’ which provides internal discipline, effectiveness, and precision, rule of bureaucracy, dogmatism, non-democracy based on vertical power and deep believing that Chinese military power is based on strong army whose capability exclusively lies on its massively personnel. Nonetheless China had been taken as a huge potential for building socialist society in the Yugoslav perception, which was very carefully nurturing the image of the most populous state with an enormous amount of poverty, uniformed life reflected as a grey or blue uniform and massive usage of bicycles. As famous Yugoslav journalist Djordje Radenkovic wrote on China as “a gray or blue blouses buttoned to throat and broad trousers that are consequently out of any elegancy, equally on male or female bodies.¹” It is the same in an art saying that “entertainment is clearly dedicated by content and modest by character; in some new theaters there are performed revolutionary operas and ballets with ideological message, sharp moves and heroic end.”² Even clearly defined anti-Americanism maintained even after American president Richard Nixons’s visit to Beijing 1972 was one of pillars for building China’s image through question “Who is afraid of American imperialism?”³

Apart of some futuristically positive views on Chinas potentialities which are really approved today that Radenkovic passed, the pure basic excerpts should have shown that the end view on socialism had to be remained, but ideological differences need to be presented through political, economy and social backwardness. This image remaining for years created the main stereotype of China until transitional changes in the socialist world. Transition in Europe looked like absolutely different at the time – while European countries euphorically were getting rid of communism and Marxism it was not the case in China despite expectations on the West. That particularly was the case on the Balkans where countries

¹ Radenković, Đorđe (1972), *Zagonetka zvana Kina*, -Beograd, BIGZ, p. 184-195.

² Ibid, p. 176.

³ Ibid, p. 185.

had been caught in historical moment and very soon embroiled in post-Yugoslav wars. Dealing with war crisis and few successive peace-negotiations processes and occupied with own troubles these countries simply overslept the critical period of Chinese resistance to Western influences and original approach to continuation of Chinese development that begun a decade earlier through “reforms and opening” launched and moderated by Deng Xiaoping.

That difference revealed that for reforms and changes were not necessary two things – firstly, not to get rid of Marxism and negate it but to implement some formula’s dialectically – that means accommodated to conditions and guide changes incrementally and carefully; second, effective transformations must not depend on the rule of bureaucracy but of the more self-regulative means in economy. After Dayton Peace Agreement achieved dominantly by Contact Group C – 5 formed by United Nations where China did not participate, a serial of bilaterally established diplomatic relations got back China in the sub-Region. The main problem of relations to China was as lack of information on changed political assumptions and changed economy philosophy in post-Yugoslav countries as maintaining old stereotypes of Chinese state and life. Almost nobody took seriously existing in transformed, better to say New-People’s Republic of China, which was not only dramatically changed but which might serve as example for changes.

The question that could be posed is what is actual perception of China today? As is already presented perception in the world is very mixed. While some developed countries in America, Europe and Asia still have some ‘negative views’ at the same time, many middle, small, and particularly undeveloped countries have absolutely ‘positive perception’ of China’s politics, relations to global, regional and local actors and total Chinese development.

It is very interesting that the stereotype of China from 1960s were living very long. In the interview given to the author, one of the former Bosnia and Herzegovina ambassadors to Beijing, talked that he invested a

lot of effort and time in studying China in the period while was preparing himself for taking office in Beijing. But surprisingly, everything he got by literature that was available in BiH absolutely wasn't useful when he and his family reached to Beijing!¹ China and Beijing were absolutely changed country more progressive and more optimistic being equal competitor to the West! Another obsolete perception is, for instance, given through social networks: "Our perception of China is that people work for a handful of rice there and eat dogs is absolutely wrong."²

Another sort of creating stereotypes overlaps with spreading Chinese shop-owners worldwide who used to sale very cheap goods originated in China. There were no sociological researches about positioning and functioning of Chinese salesmen and their relations with environment but regardless somehow defined very critical attitudes towards Chinese goods disseminated through networks of "China shops" that were deployed even in the smallest cities. Although created picture about Chinese goods was rather negative, pieces produced in China were widely used because of great post-war poverty of local population using acceptability and possibility to afford it for themselves. It would be probably easy to prove that this massive closeness between shop-owners and customers was a key element of shaping public perception of peoples in the Balkans and consequently Bosnia and Herzegovina to China's economy. This was the way of creating another stereotype which still have impact on perception of China as the source of no quality and easy flaw products that were transferred by poor Chinese people who escape because of poverty.

But what was really happened in the time of wars in the post-Yugoslav space was enormous Chinese progress which was even not registered in worrisome newly recognized countries after break-up of Yugoslavia. When returned the third time as the political leader Deng

¹ Interview of H. E. Borislav Marić with author, june 2018.

² <https://m.facebook.com/zvonimir.despot/posts/943186519068925>, last access 2. 5. 2020. 20:31

Xiaoping defined new Chinese strategies for the 'new time'. He launched project of reforms and opening-up based on liberalization of economy and absolute opening to the world in both directions. In biography of this Chinese leader Ezra Vogel mentions that "in the late 1980s, China's relations with the outside world had already begun to expand rapidly beyond these specialized institutions. Foreigners' travel was no longer restricted to certain areas, and more Chinese firms could deal with foreign firms directly. The practices that began with the SEZs and spread to fourteen coastal areas in 1984 had started to spread to the entire country. So many foreigners were coming to China that the specialized 'foreign affairs offices' could no longer manage all their affairs; the specialized institutions for dealing with foreigners mostly remained, but their activities were more often limited to routine official data collecting. Before Deng stepped down, Chinese institutions of all kinds began to link their tracks, to adapt to foreign practices. Firms that were involved in international trade had to learn foreign legal, accounting, and organizational methods.¹

Very ambivalent view on the world politics in war sides didn't mention dimenzions and intentions of opening to the world. While China exhausting liberal economy approach local political elites still think on building authoritarian and arbitrary political systems. Non enough mature democracy and many features of closed soceties of small countries have not allowed to see a size of China's transformations and its taking over a position of 'global leader'. Many creator of policies in the Balkans have been watching China through 'old eyeglasses'. It was particularly hard to recognize that reesults all transformations were focused on the development of China. It is clear that universities and high schools that sent their graduates abroad began to create training programs to prepare their students for the entrance examinations and other procedures required to gain admittance at foreign institutions. Chinese athletic coaches began

¹ Vogel, Ezra F. (2011), *Deng Xiaoping and transformation of China*, Cambridge, Massachusetts, and London, England, THE BELKNAP PRESS OF HARVARD UNIVERSITY PRESS

to focus on preparing the best athletes for competition in international sports contests. Tourist facilities built to meet international standards spilled over to handle both domestic and foreign travelers. Products initially produced for export were increasingly made available to domestic consumers. And just as the United States after World War II expanded its academic and research institutions to underpin its role as a global power, so did China's academic and research institutions expand greatly, deepening Chinese understanding of world affairs.”¹ These processes clearly show not only dimensions and enveloping but also a depth of changes that have imbued entire society. Even few years after the end of the Balkans wars a perception of China has been very little changed. Considering broader public opinion changes are very small. More changes we can mention on the level of political leadership which has interest to develop cooperation with China regardless which nationality belongs to including entities and cantons in Bosnia and Herzegovina. China and its careful foreign policy based on peaceful efforts and cooperation, intentions of economy cooperation including policy of investments has become very fruitful ground to improve economy development and general environment in Bosnia and Herzegovina what is welcome by political elites because of easing their economy position and undergo some beneficiaries in elections. Recently developed “Mechanism 16 + 1” that gather 16 Central, East and South East Europe countries (After joining Greece later on actually 17 + 1) with China as initiator clearly shows enormous necessity for investments through credits, grants, technologies and projects mostly in infrastructure and energy.

Regarding lack of exact surveys of perception and acceptability of China's economy and political relations to the Region, including Bosnia and Herzegovina, it is possible to conclude that in many ways Chinas relations to the country is more taken as a partnership than as experience and example that they could have used in their approach to define internal development and relations as inside Bosnia and Herzegovina as with

¹ Ibidem,

external partners. In the meantime, two Chinese initiatives have been developing, which can enable slightly move towards more positive perception. Firstly, the country is developing “soft power” initiatives institutionally established through offices of Confucius Institutes in Sarajevo and Banja Luka and other projects in East Sarajevo and Mostar. There are many kids and adults who learn Chinese language free of charge and also consume and practice Chinese culture, tradition art and science as an important bridge for introduction of Chinese achievements. We must not neglect the fact that it means more knowledge, understanding and acceptability of life which has been developing by few thousand years and reflects absolutely different civilization.

Many people still maintain picture of Europe-centric and Western-centric world which considers a historical power game “ally – enemy” based on hegemony and domination, violence, subordination of others, neocolonial objectives, balance of power. There are still many out of China that perceive China as one of the global powers which compete for supremacy but still not strong enough to take a place of supreme leader! Regarding greater global presence and more and more visible global influence it would be very interesting to summarize perception of the recent Chinese multilateral project launched by current president Xi Jinping – “Belt and Road Initiative” (BRI), which encompasses around 70 countries and connect three continents in many different sub-projects posed on cooperation, common peaceful development and mutual understanding. Taking that “Mechanism 17 + 1” as the part of the BRI provides clearly visible presence of China in the Balkans (including Bosnia and Herzegovina) through economy projects and political relations there are recently more new voices and warnings about ‘Chinese dangerous’ (something like ‘Russian dangerous’ as some sort of stereotype in relations between great powers) in the Region. Such dilemma inevitably poses the question of Chinese security policy and security relations to the Region.

Security, military policies and position of the People Liberation Army (PLA)¹ represents one in the Balkans broadly accepted of stereotypes too. As it has already mentioned there many still perceive Chinese Army as mass military corps able to prevail in eventually conflict just because of huge number of soldiers and on that way provide a role of global power. Such attitude initiates to learn what does represent defense and security policy in contemporary China. Firstly, based on experiences from wars in Korea and Vietnam, China participated and particularly wars in Iraq 1990 and 2003, China radically changed its defense and military strategy and doctrine. Since 1993 strategy concept was based on the “‘informatization’ is a national-level concept used in civil as well as military affairs to describe transition from Industrial Age to Information Age.”² That understands “warfare ‘under informatized conditions refers to the application of information technology to all aspects of military operations, including sensors and electronics on weapon systems and platforms, automated command and control systems and nonlethal information operations.”³ It remains as the basis of China’s military strategy today, following adjustments 2004 and 2014.⁴

As a final outcome of informatization China’s defense and PLA “will continue to increase in professionalism, in the corporate and institutional sense, and enhance its operational capabilities. The PLA will be increasingly capable of sustainable regional force projection, although not yet capable of global conventional force projection.”⁵ The new China’s military strategy is posed on three pillars: first, development, procurement, acquisition, and fielding of new weapons systems, technologies, and

¹ Official and historical name of Chinese Army

² Fravel, M. Taylor (2019), *Active Defense: China's Military Strategy since 1949*, Princeton and Oxford, Princeton University Press, p. 219.

³ Ibidem, p. 219.

⁴ White Paper, <http://www.andrewerickson.com/2019/07/full-text-of-defense-white-paper-chinas-national-defense-in-the-new-era-english-chinese-versions/>

⁵ Bergsten, Fred; Freeman, Charles; Lardy, Nicholas R; Mitchel, Derek, J (2009), *China's Rise: Challenges and Opportunities*, Peterson Institute for International Economics, p. 201.

combat capabilities; second, institutional and systemic reform focused of raising the levels of professionalism; third, development of new war-fighting doctrines.

China is today great power, nevertheless Shambaugh concluded that researching its global presence doesn't mean it is a global power but 'only a partial power'.¹ China is today the strongest military force in Asia which attracts more than 60 percent of American military potentials. Actual security and military power enables China to extent its security presence not only in a military was but through security impact of economy and political activities and investments. (...) ² Even more, China had intervention sending its military ship in Libya 2011 saving its compatriots and established military base in Djibouti 2007 in antipiracy international operation. Many of these security aspects are not firmly rooted in a consciousness of Balkan people, though many are responsible for foreign and economy policies.

Bosnia and Herzegovina shares perception on China rooted in Balkans people awareness. There are some specificities. For instance, it is a view on "politics of one China" that was defined through principles of "one country – two systems". In partial research on the security in BiH China is perceived as a friendly country. On the question of the biggest threat to BiH, 83 percent of respondents think that China's politics isn't security challenge.³ On the other hand more than 80,52 percent think that China is not a guarantee for security, in the Republic of Srpska, 81,71 doesn't feel China as security guarantee, but in another entity – Federation BiH 86,17 percent feel that China is not a guarantor of security. Around half of BiH's young citizens (52.27 percent) think that China is not

¹ Shambaugh, David (2013), *China – Goes Global: The Partial Power*, New York, Oxford University Press, p. 309.

² Šolaja, Miloš (2016), "Impact of the Chinese Presence to Regional Security in South East Europe and Danube Region", *Danube and New Silk Road 482 – 495*, ed. Duško Dimitrijević, Belgrade, Institute for International Politics and Economics, p. 494.

³ Center for International and Security Studies Banja Luka, research "Relations of Public Political Opinion towards Euro-Atlantic Integrations" results from November 2019. in five cities of BiH:

interested for BiH. The last attitude particularly reflects opinion of BiH citizens on China's relations to BiH as very modest and neglecting. On the other hand, Bosnia and Herzegovina takes appropriate position in China's foreign policy in the group of 'development countries' and interesting member of "Mechanism 17 + 1" which deserve better researches and analyses. Gao thinks: "Will the consociational democracy model help the nation establish a stable democratic system like it once did in the Netherlands, Belgium, Austria and Switzerland? To answer these questions, we need to calmly observe and rationally judge the situation in Bosnia and Herzegovina, the Balkans region and the world at large as well as comprehensively learn and reflect on political transformation in Central and Eastern European nations and other countries."¹

There is also very small interest for China academy community in BiH. Some researchers participate on conferences in neighboring countries such are Serbia or Croatia². In creating perception on China actually are active some think-tanks³ but very sporadically some academics more economy oriented. Ljiljana Stevic and Milos Grujic emphasize that "we can conclude that economy exchange with China is not satisfying. BiH needs more carefully to analyze own advantages and priorities as well as readiness to participate on international goods and labor markets in order

¹ Gao Ge (2016), „Primary Research into Political Transformation in Bosnia and Herzegovina“, *Euro-Asian Studies* 95 – 106, ed. Zhu Debin, Beijing, Social Sciences Academic Press (China), p. 106.

² Prof. Dr Miloš Šolaja took part on the scientific conferences "Impact of the Chinese Presence to Regional Security in South East Europe and Danube Region" 2016 "Initiatives on the New Silk Road – Achievements and Challenges" 2017 organized by Institute for International Politics and Economics, Belgrade and "The role of China in South East Europe – Initiative 16 plus 1 and chances for cooperation in the Western Balkan" organized by Croatian Association for International Relations 2019.

³ Some examples: „After XIX Congress of CPC: Where we will be 2021?“ November 4, 2017 and Symposium „Five Years of Belt and Road Initiative: Cooperation and Opportunities“, organized by Center for promotion and development of "Belt and Road Initiative" September 12, 2018. and Center for International Relations Banja Luka: "China – Belt and Road Initiative and Europe", June 12, 2018; lecture given by dr. Nataša Marić "China and Balkans – Prejudices, Challenges and Prejudices", Center for International Relations Banja Luka, Diplomatic Forum, October 16, 2018.

to join and realize interests on the New Silk Road.”¹ Very similar thinking come from professor of economy Anto Domazet who says that “Belt and Road Initiative shows its life reality. We are now in the phase that we need to create conditions by good governance in BiH to attract as much as possible capital in projects that have enough possibility for faster development of BiH and which would be compatible with strategic goals of Chinese side to export technology, capital and to assure necessary resources needed for long-term interests of Chinese Economy.”²

Conclusion

Geographic distance, different historical development, civilization diversities, different models of internal development after Cold War, different models of governance, visions of no conflict world and harmony as in interior as well as foreign policy but also view of the world, careful re-thinking of every policy and every move, every political activities and so on, clearly defined harmonious way of ‘peaceful active coexistence’ and cooperation, careful consideration of situation and further processes, careful pull-in different actors, building harmonious relations an appreciating every partner, thinking deliberately and acting calmly, and incrementally changed China after decades of building hard dogmatic and bureaucratic world creating “socialism with Chinese characteristics”³ in a formative time after dismissing classic type of bureaucratic Marxism based on “dictatorship of proletariat”. It was very hard to dismiss ruling power of bureaucratic caste, egalitarianism, rejecting everything that used to come from the West and start to build radically changed social environment neither a copy nor a part of the Western society but

¹ Stević, Ljiljana; Grujić, Miloš (2015), „Bosnia and Hercegovina ion the New Silk Road,“ *Politeia* 53-86, ed. Nenad Kecmanović, Banja Luka, Faculty of Political Sciences, p. 82.

² Domazet, Anto (2018), „Belt and Road: BiH and China Cooperation in the Area of Trading and Investments “, Symposium „Five Years of Belt and Road Initiative: Cooperation and Opportunities “, organized by Center for promotion and development of “Belt and Road Initiative” September 12, 2018. oral presentation

³ Xi Jiping on the 19. congress of Chinese Communist Party 2019.

compatible with it living in a harmony, cooperation, peace and absolute participation. China does not have intention for hegemony even less domination, but it is inevitably a global player with global influence.

All this direction as of internal as well as of external processes sometime are not fully understood in Central, East and Southeast Europe. A majority of these countries got rid of socialism in the beginning of nineties years of previous century and started so called “political, social and economy transition” based on dismissing of preceding type of society and social values and, managed by the west, started to create a ‘welfare state’. Most frequently intentions are to watch China due to their own model not understanding basic relations in Chinese foreign relations. There are obviously harmony and peaceful development but also equality, interest of others and mutual interest. At the same time China is occupied dominantly by internal development based of successful transferring of more than 800 million inhabitants from poverty to middle class and with plans to reach a strategic goal to become the World most successful nation in next thirty years. Perception of public opinion of China is still obsolete and old fashioned. Some political elites more perceive China as a source of investments and partner in realization of grand projects and refuse to represent bigger influence, particularly in recent time when both United States and European Union openly insist on opposing to China influence. Bosnia and Herzegovina has many benefits of Chinese presence through direct investments, loans, grants and other sorts of assistance. Regardless small market and weak economy there are huge possibilities for economy exchange. Despite this quality of presentation of China in BiH media and broader publicity, there are still prejudices and stereotypes based on picture on China from past time.

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BiH Diplomatic Perception on Cooperation with China: From 1995 to the BRI

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Abstract

This year will mark 25 years since Bosnia and Herzegovina was recognized by People's Republic of China as an independent state in 1995. Diplomatic relations thus officially started with the signing of the "Mutual Declaration on Establishing Diplomatic Relations between PR China and Bosnia and Herzegovina" in Zagreb, Croatia.

The opening of the Embassies in 1997 and 1999 respectively marked the beginning of diplomatic exchange. The aim of the paper is to introduce the period that preceded the current relations and how the relations developed onwards. The vision of the first Ambassador to Beijing Svetislav Mudrenović who wanted Bosnia and Herzegovina to take the path of Deng Xiaoping's "Reform and Opening up Policy", which he saw as the best way for Bosnia and Herzegovina to recover from the post war period. Understanding China became the prerequisite, and the first students enrolled in Belgrade Faculty of Philology were sent to China to practice the language. The first companies from Bosnia and Herzegovina had the opportunity to gain experience in doing business with Chinese companies. This was the beginning of diplomatic relations and cooperation between the People's Republic of China and Bosnia and Herzegovina.

The first part of the paper will tackle development of the relations through economic cooperation, educational exchange and cultural activities. It will present the foundations that were built prior to further

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development. In the following sections, the paper will further discuss the position of BiH in the 17+1 mechanism of cooperation and its role in the Belt and Road initiative and will lay down recommendations for future development.

Keywords: *People's Republic of China, Bosnia and Herzegovina, 17+1 cooperation; BRI*

Establishment of diplomatic cooperation between BiH and China

Diplomatic cooperation between Bosnia and Herzegovina (BiH) and the People's Republic of China (hereafter China) officially began with the adoption of the "Joint Declaration of the Establishment of Diplomatic Relations between Bosnia and Herzegovina and the People's Republic of China" in Zagreb on March 27, 1995¹. Mutual contact was established through the embassies of BiH and China in Zagreb. On that occasion, it was agreed that diplomatic relations would be officially established on April 3 of the same year.²

The document, entitled "Joint Declaration of the Establishment of Diplomatic Relations between Bosnia and Herzegovina and the People's Republic of China" and written in the official languages of Bosnia and Herzegovina, English and Chinese, states that the Governments of the two countries have agreed to develop friendly relations and cooperation on the basis of the principles of respect for the sovereignty and territorial integrity of both countries, non-aggression, non-interference in the internal affairs of the other country, equality, mutual benefit and peaceful coexistence. In addition, Bosnia and Herzegovina expressed its position recognizing that the Government of China is the only legitimate representative of China in international relations and recognized the "One China Policy", and China

¹ Report of the Embassy of Bosnia and Herzegovina for 1998, Beijing, February 10, 1999

² "Reminder of the People's Republic of China", Ministry of Foreign Affairs of Bosnia and Herzegovina-Sector for Bilateral Relations and Cooperation, No. 06-AR-11504/97

pledged to respect the Dayton Peace Agreement and equal rights of all peoples of Bosnia and Herzegovina. In accordance with international practice, the Governments of both countries agree to provide all necessary assistance to diplomatic representatives.

In July 1997, the first Ambassador of China to Bosnia and Herzegovina, Wen Xigui, handed over copies of his letter of credence to the then Minister of Foreign Affairs of Bosnia and Herzegovina, Jadranko Prlić. During the reception and conversations, the first Chinese Ambassador to Bosnia and Herzegovina outlined the principles of the PRC's foreign policy towards Bosnia and Herzegovina and expressed China's readiness to assist Bosnia and Herzegovina in post-war renewal and reconstruction¹. With the opening of the diplomatic mission of China in Bosnia and Herzegovina, the first step was taken towards cooperation in all areas, especially in the field of economy, politics, education, culture and sports.

By establishing diplomatic missions, China and BiH have finally been able to achieve bilateral relations and communication that does not take place exclusively through international organizations, as it did before. The opening of the diplomatic mission of BiH in Beijing was a real basis for further strengthening of mutual relations. The decision to appoint the ambassador of BiH to China was made on September 19, 1997, and the first ambassador of BiH to China, Svetislav Mudrenović, handed over his letters of credence a year later, in September 1998.²

The embassy in Beijing was officially opened in January 1999. On that occasion, Ambassador Mudrenović especially emphasized that the basic direction of Bosnia and Herzegovina's foreign policy, based on the full implementation of the Dayton Peace Agreement, is to provide peace, stability and economic recovery to the peoples of Bosnia and Herzegovina through international cooperation. The vision of BiH's first ambassador to

¹ The same as above

² Report of the Embassy of Bosnia and Herzegovina for 1998, Beijing, February 10, 1999

China followed China's principle of reform and opening up to the world, established by Deng Xiaoping, and China has insisted on the policy since 1978. He considered this the best way to recover Bosnia and Herzegovina and its peoples from the effects of the war devastation that had taken place several years earlier. As an engineer and long-term member of the board of the Chamber of Commerce of Republic of Srpska, Ambassador Mudrenović put special emphasis on economic cooperation. From 1992 to 1996, he was the president of the Chamber of Commerce of the Banja Luka region, and from 1996 to 1998 he was the president of the Chamber of Commerce of the Republic of Srpska.

There were many elements for cooperation between BiH and China, especially in the field of trade and economy, and many international agreements were already being prepared. The Agreement on Economic and Trade Cooperation, the Agreement on the Promotion and Protection of Investments and the Agreement on Double Taxation Avoidance stand out in particular. The Agreement on Economic and Trade Cooperation was signed in 2000, and the Agreement on the Promotion and Protection of Investments in 2002¹. Also, in that period, the possibility of abolishing visas for citizens of BiH and China was mentioned for the first time.

In the period between 1998 and 2001, when the mandate of the first ambassador of Bosnia and Herzegovina in Beijing ended, solid foundations were laid for cooperation between the two countries and mutual relations started to rise. Economic and foreign trade cooperation has advanced especially. From the opening of the Embassy of Bosnia and Herzegovina until the end of 2000, foreign trade has increased by 14 times. In an interview with the official magazine of the Chamber of Commerce of Republic of Srpska "Economic Information" in April 2001, Ambassador Mudrenović emphasized that in that period, BiH was one of the few countries that was in surplus in foreign trade with China². This was a great

¹ Grujić, M., Stević, L.J. (2015) „BiH na novom putu svile“ in „Politeia“. Banja Luka: Faculty of Political Sciences

² A report by the Embassy of Bosnia and Herzegovina in Beijing, dated 13 April 2001, stated that the total trade between China and Bosnia and Herzegovina in 2000 was

success considering that Bosnia and Herzegovina had practically no bilateral cooperation with China until then, except through treaties and agreements signed by the former SFRY and China, and also because far larger and more developed countries in that period did not achieve such success. The delegation of the Chamber of Commerce of Bosnia and Herzegovina visited China at the invitation of the Chamber of Commerce of China, and an Agreement on Cooperation between the two chambers of commerce was signed. The Chamber of Commerce and industry of Republic of Srpska also sent a delegation to China, at the invitation of the Hebei Province Chamber of Commerce.

Fruitful economic cooperation has propelled better political, educational and cultural cooperation. The city of Banja Luka has established cooperation with the Chinese city of Baoding, a city in Hebei Province, which has about 2 million inhabitants. In addition, the city of Sarajevo has intensified relations with the city of Tianjin, which now has about 11 million inhabitants. The Embassy of Bosnia and Herzegovina in Beijing has also agreed on scholarships for students who would like to improve their Chinese language at one of the universities in the Chinese capital. In those years, the first students from Bosnia and Herzegovina stayed at the famous Beijing University, where they had the opportunity to improve their Chinese language and get acquainted with student life in China. At the meeting in March 2000 in the premises of the Ministry of Education of China, the mechanisms for the adoption of the Agreement on Educational and Cultural Cooperation between Bosnia and Herzegovina and China were agreed upon¹. The first step in regulating relations in the field of educational and cultural cooperation was the Protocol on student exchange and scholarships, as well as the Protocol on cooperation between

\$4,060,000, of which imports from China amounted to \$1,560,000 and exports to China amounted to \$2,500,000.

¹ Work report of the Embassy of Bosnia and Herzegovina for the period between January and March 2000, April 14, 2000.

the City of Banja Luka and the City of Baoding, which implies student exchange on a reciprocal basis.¹

The establishment of the diplomatic mission of Bosnia and Herzegovina in China represented a major step forward in the foreign affairs policy of post-war Bosnia and Herzegovina. The solid foundations of future cooperation, which is at a high level today, have been laid. At that time, China officially became an important foreign policy partner of Bosnia and Herzegovina, and relations became cooperative and friendly. Later, in the period from 2003 to 2011, relations further developed, and Bosnia and Herzegovina achieved a special kind of cooperation with China in 2013, when the current Chinese President Xi Jinping promoted the Belt and Road Initiative or the New Silk Road. In addition to economic projects that have been implemented or will be implemented with the help of China, constant good relations between Chinese officials and officials from Bosnia and Herzegovina are also important, as well as educational and cultural cooperation in the opening of two Confucius Institutes in Bosnia and Herzegovina, in the cities of Sarajevo and Banja Luka.

Bosnia and Herzegovina as Part of the “17 + 1” Mechanism and the BRI

After 2002 and all the way until 2013, the cooperation between China and Bosnia and Herzegovina was mainly reduced to individual cooperation between companies of both countries. The Chinese government had plans to invest in this area, and co-operation intensified after 2010, when the BiH side pledged to reduce or remove all administrative barriers².

Intensification of cooperation in all areas between China and Bosnia and Herzegovina and other countries of Southeast Europe happened in 2012 with the creation of the “17 + 1” Mechanism (at that time “16 + 1”)

¹ The same as above

² Grujić, M., Stević, L.J. (2015) „BiH na novom putu svile“ in „Politeia“. Banja Luka: Faculty of Political Sciences

and in 2013 with the launch of the Belt and Road Initiative (BRI). The “17 + 1” mechanism is a platform for the promotion of the Belt and Road initiative and the way of implementing infrastructure projects, among which the most important is the passenger, trade and communication networking of the countries of Central and Eastern Europe¹. With growing openness to the world and entering the Balkan and European markets through the port of Piraeus in Greece, China is becoming an increasingly important trade partner of Bosnia and Herzegovina. China sees the Balkans as the only area through which it can pursue its interests, while helping the countries of Central, Eastern and Southeastern Europe to increase their GDP, develop economically and gain a new partner in international relations. Economic cooperation also encourages cultural cooperation, and an increasing number of people in these countries are learning the Chinese language and getting acquainted with the Chinese political system and international relations, “with Chinese characteristics”.

The Republic of Srpska government has signed memoranda of understanding with Chinese construction companies interested in building a highway network in Republic of Srpska. These include “Sinohydro Corporation Limited”, “China Road and Bridge Corporation” (CRBC) and “China Shandong International Economic & Technical”. All of them agreed on construction projects with the public company “Auto-putevi RS”². One part of the European route E661 passes through Bosnia and Herzegovina, and its part Banja Luka - Gradiška was completed earlier and has been in use for years. The continuation of this route should be part of Banja Luka to Split in Croatia. In addition to this section, projects are planned to build a highway from Banja Luka through Prijedor and Novi Grad to the border with the Republic of Croatia in the west, as well as a highway to Bijeljina and the border with the Republic of Serbia in the east. For all these projects, the Government of Republika Srpska has signed

¹ Popović, S, Stević Lj. (2018) „Pozicija Republike Srbije na bezbednosno-političkoj međi Evropske unije i NR Kine”, Belgrade

² Grujić, M., Stević, LJ. (2015) „BiH na novom putu svile“ in „Politeia“. Banja Luka: Faculty of Political Sciences

memoranda of understanding with Chinese companies and they all represent strategic projects. When it comes to imports and exports, according to the Ministry of Foreign Trade and Economic Relations of BiH, China is one of the countries from which Bosnia and Herzegovina imports the largest amount of goods, and the coverage of import by export is only 2%¹.

Educational and cultural cooperation between BiH and China under the BRI

With the emergence of a larger number of infrastructure projects implemented or credited by companies and banks from China and the presence of Chinese companies and tourists throughout Bosnia and Herzegovina, there is a need for increasing knowledge of Chinese language and Chinese way of doing business, as well as Chinese traditional and modern culture. Economic cooperation has encouraged both educational and cultural cooperation, and the main bearers of this type of cooperation are the Confucius Institutes at the University of Banja Luka and the University of Sarajevo, and the Department of Chinese Language at the Faculty of Philosophy at the University of East Sarajevo. All Confucius Institutes are part of the Office for the Promotion of Chinese Language and Culture in the World and Confucius Institute Headquarters (Hanban), which is under the authority of the Ministry of Education of China and represents an important segment of Chinese cultural diplomacy. These are non-profit organizations through which the Chinese language is taught, as well as Chinese culture, the way of doing business, etc. The first Confucius Institute was opened in 2004 in Seoul and today there are over 500 Confucius Institutes around the world². In addition to the two Confucius Institutes in Bosnia and Herzegovina, Confucius Institutes have opened in the region in Belgrade, Novi Sad, Zagreb, Podgorica and Skopje.

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http://www.fipa.gov.ba/informacije/statistike/izvoz_uvoz/default.aspx?id=211&langTag=hr-HR

² http://english.hanban.org/node_10971.htm

In addition to promoting the Chinese language and culture, the task of the Confucius Institute is to enable the academic community, officials and businessmen to get acquainted with the Chinese way of doing business, Chinese foreign policy, diplomacy and the political system. All these are preconditions for better cooperation and easier business and connections between countries.

Marking the basic features of diplomatic relations between China and BiH

Every diplomatic relation has its own basic characteristics. Those are the principles, on which the diplomatic activity between the political institutions of the two countries is built, and which reflect on other actors within them and determine their mutual cooperation. In marking the basic features of the relations between China and Bosnia and Herzegovina, it is necessary to point out two basic features. The first is mutual respect for state sovereignty and the specificity of policies and political processes within both states. The second is the open space for political elites in Bosnia and Herzegovina for an economic and political alternative to the policies of the neoliberal West. These two features are the basis of our further analysis and we pay special attention to them in this paper.

Mutual respect for state sovereignty and the specificities of internal policies and political processes

In the introduction part of this paper, it is stated that China and Bosnia and Herzegovina approved the development of diplomatic relations on the basis of mutual respect for state sovereignty in the early phase of their diplomatic networking. In twenty-five years of their diplomatic activity, these two countries have fully adhered to the initially defined principle of mutual respect for state sovereignty. This policy was not violated even with major economic, creditor arrangements in which Bosnia and Herzegovina was inferior to the great and powerful China. This statement may confuse the readers, especially those who are familiar with

international law and the theory of sovereignty. First of all, due to the fact that international law and the theory of sovereignty clearly emphasized that relations between the states, regardless of their territorial, demographic or economic disparity, must be built on mutual respect for their state sovereignty. So where does the dose of astonishment with the fact that there is a 25-year-old sovereignty policy of mutual respect between China and Bosnia and Herzegovina come from? With all the risks for this scientific paper to receive methodological and style critiques, we must ask this question and point our paper in this direction.

The reason is that, in the modern, largely globalized world and with a strong influence of Western polyarchies on small and weak countries, their state sovereignty is often violated, and they are the subject of “chess games” of neoliberal circles of Western powers in the process of their geopolitical positioning. In such conditions, small and weak countries often lose the battle against the powerful geopolitical empires of the West. It happens in two ways. The first is that economic and political pressures, and sometimes military ones, put small countries in a position where they cannot withstand external pressure. Even when there is a political majority will of sovereigns in these countries to remain independent in making decisions about their society and state. The second is a consequence of the first, and that is that, at the moment when the sovereign lose the ability of resistance that gives results, then the political elites take over the political power, ready to de-sovereign their country in the process of constantly yielding to the demands of great powers and corporations which have interests towards a certain country.

Bosnia and Herzegovina belongs to a circle of small and weak countries whose sovereignty has been greatly violated and where numerous centers of power in the West often bring the sovereignty of this country into a state of nonsense. Contrary to such policies of numerous countries and political centers of power of the West, China shows that, not only in the case of Bosnia and Herzegovina, but also other countries in the world, it is an admirer of the state sovereignty.

The accuracy of the above stated is reflected in several comparative parameters of the relations of the most powerful countries and institutions in the West towards Bosnia and Herzegovina and China's attitude towards this country. If we go into the past, we will see that Bosnia and Herzegovina was most often de-sovereignised by the countries of the West, which is shown by the institutional framework of Bosnia and Herzegovina created in Dayton in 1995. Despite attempts to lead the sovereign policies of the national elite in Bosnia and Herzegovina, which were in conflict with each other, they did not reach an agreement on their constitutional framework, but gained the existing constitutionality through military and political intervention of the largest Western powers.

The process of foreign shaping of Bosnia and Herzegovina's constitutionality, and thus its de-sovereignization, lasted from 1992 to 1995. This process was to a great extent continued later by subsequent constitutional amendments in which foreign actors played a significant role. Numerous authors within our region wrote about it, such as Nenad Kecmanović and Čedomir Antić¹, Radomir Nešković² and Mirjana Kasapović³. According to the interpretation of numerous authors, the beginning of the war in Bosnia and Herzegovina is closely related to and stimulated by the most powerful centers of Western powers that had certain geopolitical interests in Bosnia and Herzegovina and other parts of Yugoslavia (see more in Milorad Ekmečić⁴, Smilja Avramov⁵ and Vlado Simović⁶ books). Thus, the process of resolving the crisis in Bosnia and Herzegovina was primarily related to the will and power of the most important powers in the Western world.

¹ Antić, Č. i Kecmanović, N. (2016) „Istorija Republike Srpske“. Belgrade: Nedeljnik, Banja Luka: Official Gazette RS

² Nešković, R. (2013) „Nedovršena država“. Sarajevo: Friedrich-Ebert-Stiftung (FES)

³ Kasapović, M. (2005) „Bosna i Hercegovina: podijeljeno društvo i nestabilna država“. Zagreb: Political Culture

⁴ Ekmečić, M. (2007) „Dugo kretanje između klanja i oranja: istorija Srba u Novom veku“. Belgrade: Institute for Textbooks

⁵ Avramov, S. (1997) „Postherojski rat Zapada protiv Jugoslavije“. Veternik: IDI.

⁶ Simović, V. (2019) „Narod, partije i demokratija u Bosni i Hercegovini“. Banja Luka: Faculty of Political science

Initially, resolving the crisis in Bosnia and Herzegovina was entrusted to European diplomats and European Union officials. After their failure, the processes were taken over by the diplomacy of the United States of America, with the goal to confirm its power in this area and the status of the most powerful state in the West. It organised negotiations in Geneva and New York, and later the final negotiations in Dayton. The goal of such a complex process was as follows: “The diplomacy of the United States of America did not want to leave the process of future negotiations in Dayton to uncertainty and failure. This is why all the most important provisions were signed in Geneva and New York, which were later incorporated into the Dayton Peace Agreement. Within the framework of these agreements, numerous solutions from previously held peace conferences and proposed plans have been accepted and many problems have been neutralised”¹.

The Dayton Peace Agreement confirmed the statehood of modern Bosnia and Herzegovina, shaped its complex two-entity political-systemic organisation and achieved institutional military dependence (through IFOR and SFOR missions) and political dependence (through the Office of the High Representative for Bosnia and Herzegovina) of Bosnia and Herzegovina to the most powerful countries in the West. This dependence and de-sovereignisation of Bosnia and Herzegovina lasted for 25 years. The attitude of Western diplomacies towards Bosnia and Herzegovina is often a relationship of conditioning and even blackmail.

Contrary to this policy of the most powerful countries in the Western world is the policy of China towards Bosnia and Herzegovina. Unlike the leading countries of the West, which have been continuously attacking BiH sovereignty for 25 years by applying measures of political and economic pressure, China has had the opposite policy. For 25 years, China has respected the sovereignty of Bosnia and Herzegovina and its internal complexity. In all their activities, this is the starting point of Sino-Bosnian-

¹ Simović, V. (2019) „Narod, partije i demokratija u Bosni i Hercegovini“.Banja Luka: Faculty of Political Science (p. 149)

Herzegovinian approach. At the international level, China supports the sovereignty and sovereign will of the people and political elites in Bosnia and Herzegovina. Moreover, no economic activity of China towards Bosnia and Herzegovina was conditioned by certain political concessions on the part of Bosnia and Herzegovina. This is a practice often applied by centers of power in the West and their leading political elites. Certain creditor arrangements and investments of Western countries and their corporate branches were often conditioned by certain political concessions that the BiH authorities had to make. China does not ask the political elites in Bosnia and Herzegovina to do that. Its cooperation is aimed at economic cultural networking of this region with China. Thus, this country achieves “soft power” in Bosnia and Herzegovina. This seems like a threat to many critics, but it is far from it because the current relations between China and Bosnia and Herzegovina can only have positive impact on both countries and any criticism of this relation fails before the statistics and basic features of the relations between China and Bosnia and Herzegovina.

Numerous authors have written about the importance of the relations between China and Bosnia and Herzegovina in context of mutual respect and usefulness. In one of these works, Ljiljana Stević and Miloš Grujić state: “The Chinese side continues to develop and strengthen its “soft power” by trying not to frighten other countries with growing economic and military power, and by taking the lead regionally and globally, which is only partially going as planned for them. On the other hand, many countries strive to establish a good relationship with China and see it as a model for future development. In a certain way, China is marking a path for other nations around the world that are trying not only to develop their country, but also to fit into the international order in a way that will allow them to remain independent and protect their way of life and political choices”¹.

¹ Grujić, M., Stević, L.J. (2015) „BiH na novom putu svile“ in „Politeia“. Banja Luka: Faculty of Political Science (p.81)

Faruk Borić also writes about the relations between China and Bosnia and Herzegovina. As Borić points out: “Bosnia and Herzegovina has already become active in the project realisation of mutual importance through 16+1, a forum in which the Government of the People’s Republic of China has gathered 16 countries of Central and Eastern Europe. Every year, in one of the countries from the Baltic to the Adriatic, the Prime Ministers and Ministers gather and adopt strategic documents and start implementing new projects in specific areas in which individual countries express interest, from agriculture via infrastructure to innovation. All in the interest of win-win cooperation, in which there are no winners and losers, as it is the case in the geopolitical game of power, which is so deeply rooted in the Eurocentric mentality that it is difficult even for us to think “outside the box” and outside the victory-defeat dichotomy”¹.

Faruk Borić's conclusion explains all the differences between China's approach towards international relations and the Western approach towards them. We can understand this idea through the policies traced by the Chinese leadership in the last four decades: “Opening and cooperation are based on the philosophy advocated by President Xi, “building a common destiny of humanity”, which is a new paradigm in international relations beyond the Cold War mentality, as it ruled for most of the 20th century. At a time of growing economic protectionism and political xenophobia, the chief architect of “Belt and Road Initiative” has offered Chinese solutions to the world that seek further opening”². It is the Chinese offer of a “different principle of international relations” that was needed not only by a multipolar world, but also by Bosnia and Herzegovina trapped in the philosophical, political and economic dependence of the neoliberal centers of power of the modern West.

¹ <http://balkans.aljazeera.net/vijesti/bosna-i-hercegovina-i-kina-pojas-nade-i-put-spasa>

² <http://balkans.aljazeera.net/vijesti/bosna-i-hercegovina-i-kina-pojas-nade-i-put-spasa>

Opening space for an economic and political alternative to the policies of the neoliberal West

China has proved that a great power can behave differently in international relations in comparison with the dominant discourse of the largest Western countries, which in many cases was hegemonic and de-sovereign towards Bosnia and Herzegovina. However, with its policy, China has not only created more favourable environment for the power balance in a multipolar world. It has also enabled many political actors and experts in the countries of the “new democracies” to see their economies and their sociability again through the prism of stronger state interventionism. China, with its economic success and growth, and efficiency in crisis situations (economic recessions, global pandemics such as the COVID-19 virus, etc.), has shown all the importance of the state in context of its market intervention where necessary and in leaving space for individual activity where needed. Thus, China has largely demystified the economic and political myths of the neoliberal centers of power that dominate the public discourse of the globalised world. That discourse dominates also in Bosnia and Herzegovina. The example of China and its presence in Bosnia and Herzegovina becomes a partial corrective to neoliberal domination in Bosnia and Herzegovina.

Cooperation between China and Bosnia and Herzegovina opens space for Bosnia and Herzegovina, as well as other countries of Central, Southeast and Eastern Europe, to develop economically without political blackmail. This cooperation is mutually beneficial. On the one hand, China is investing in the energy sector (TPP Stanari is the best example of this cooperation) and the transport infrastructure of the mentioned regions, receiving compensation on the other hand: “In accordance with that, the New Silk Road is not only infrastructure for a new transport network, but it also represents the path towards the new, deeper relation realisation between China and the countries on the Silk Road route. The countries of Central and Eastern Europe (CEE) have become more important in Chinese foreign policy, especially after being included in the New Silk

Road. Central European countries are important for China because of their direct access to the European Union's common market, while Southeast Europe, and especially non-EU countries with signed trade agreements with the Union (Albania, BiH, Macedonia, Serbia) are attractive to Chinese companies for circumventing anti-dumping and other similar European Union regulations. At the same time, these areas make China a "stepping stone" for free trade with the EU, or more precisely, easier Chinese product export to the EU. China's positioning towards the countries of Eastern and Central Europe and the establishment of a fund of 10 billion US dollars for cooperation between China and the countries of Central and Eastern Europe opens new opportunities for the Balkans and BiH to get involved in infrastructure and energy development projects and access to new resources"¹.

There is no doubt that other countries should learn from China and that cooperation with this country is one of the alternatives offered to them by the multipolar world. However, precisely because of that, the presence of China in Bosnia and Herzegovina has its numerous critics. They are most often from centers that advocate policies close to the neoliberal setting of the world and Bosnia and Herzegovina in it. It is enough to read the titles of these media analyses and to denote how much antagonism there is towards China and attempts to direct the public in Bosnia and Herzegovina against a greater Chinese presence. Fortunately, according to Sino-Bosnian relations, such policies have fewer and fewer supporters.

China created a favourable impression on the public of Bosnia and Herzegovina not only by respecting the sovereignty of Bosnia and Herzegovina and its internal socio-political complexities, but also by its strong cultural presence. The Confucius Institutes, whose activities deepen good relations between the people of the two countries, contribute to this to a great extent.

¹ Grujić, M., Stević, L.J. (2015) „BiH na novom putu svile“ in, „Politeia“. Banja Luka: Faculty of Political Science (p. 81)

Conclusion

Twenty-five years since the establishment of diplomatic relations between China and Bosnia and Herzegovina is a good occasion to mark the basic features of relations between the two countries in a coherent scientific paper. From the time when the first Ambassador of Bosnia and Herzegovina in China, Svetislav Mudrenović was assigned, until today, Bosnia and Herzegovina has pursued a policy of full respect for the sovereignty of China and the creation of well-intentioned interstate policies. What is more important for a small and underdeveloped country like Bosnia and Herzegovina, in comparison with China, is that China has continuously pursued a policy of respecting BiH sovereignty and all social and political complexities in Bosnia and Herzegovina during twenty-five years of cooperation. The economic and cultural investments of China have not accompanied by any political blackmail or encroachment on the sovereign policies of Bosnia and Herzegovina's people. This is not the case with the most powerful countries in the Western world, which are more militarily and politically present in Bosnia and Herzegovina than a sovereign country should allow. Many economic investments of Western countries and companies in Bosnia and Herzegovina have been and still are followed by certain political demands that the elites in Bosnia and Herzegovina often meet.

The policy of China towards Bosnia and Herzegovina is contrary to the policies of the most powerful countries in the Western world, which do not treat Bosnia and Herzegovina in accordance with the best practice of respecting an independent state sovereignty. In that context, China is creating a sort of political, economic, and even philosophical balance in a region which is dominated by the neoliberal discourse of the West. Thus, China gains more and more supporters among the sovereign through the system of "soft power", especially among those circles who believe that it is important to have a sovereign state orientation of numerous economic, cultural and political processes. The existing economic and cultural cooperation between China and Bosnia and Herzegovina opens space for

building even more intensive relations and cooperation. Judging by the mood of people and the most relevant political representatives of both countries, this cooperation will last and be more intensive in the future multipolar world, in which China has great influence and the need to network with the rest of the modern countries.

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“Five Connectivities” of the Belt and Road Initiative: Results and Recommendations for the Future Cooperation

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Abstract

The paper analyzes the achievements in cooperation between the People's Republic of China and Bosnia and Herzegovina (BiH) in five areas or “5 connectivities or links”, which were proposed as guidelines for cooperation by the creator of the Belt and Road Initiative, China’s President Xi Jinping. The two countries have made significant progress in linking policies, infrastructure, unimpeded trade and connecting people. Visas have been abolished, Chinese companies have built the first infrastructure facility and are working on building further ones, imports to BiH have increased, and the number of tourists has grown exponentially in recent years. There is some progress in financial integration as well as in foreign direct investment. Strengths, weaknesses, opportunities and threats were analyzed for each of given areas, and a comprehensive review was made through a case study of the Chinese state shipping company COSCO Shipping and its operations in BiH. Finally, guidelines are offered to further improve cooperation.

Keywords: *BRI, connectivity, policy, infrastructure, unimpeded trade, financial connectivity, connecting people*

Introductory considerations

The idea creator of the “One Belt, One Road” Initiative, Chinese President Xi Jinping, for the first time officially presented the idea of the

need to build the Silk Road Economic Belt in his speech “Promoting Friendship among Our Peoples and Working Together to Build a Bright Future” at Nazarbayev University in Astana, the capital of Kazakhstan. Already in that first speech, President Xi proposed that cooperation between the states take place in five fields, in five areas in which it is necessary to connect the states.

The first recommendation concerned policy linkages. States should have full discussions on development strategies and policies, adopt plans and measures for advanced regional cooperation through consultations in a spirit of seeking a common ground (Xi, 2019). Another proposal related to the infrastructure, to the imperative to improve road communication, from the Pacific to the Baltic, and the Chinese president stressed the improvement of cross-border cooperation linking the East, West and South Asia “in order to enable economic development and travel in the region” (Xi, 2019, p. 5).

The third proposal concerned the promotion of unimpeded trade. The projected economic belt along the Silk Road, Xi stressed at the time, is home to close to three billion people and represents the largest market in the world, with enormous, incomparable potential for trade and investment cooperation of the countries involved. “We need to consider suitable arrangement for the acceleration of trade and investment, removing trade barriers, reduce the cost of investment, accelerate and connect increase the quality of regional economic flows and achieve common prosperity in the region” (X, 2019, p. 6).

The fourth connection was related to finances, more precisely to money. “We need to improve cash flow,” said the Chinese president, adding that the aim is to significantly reduce the cost of cash flow, increased to the ability to reduce financial risks, and make our region more competitive internationally (Xi, 2019, p. 6).

Last but not least, President Xi Jinping proposed people-to-people cooperation. “Friendship between people is the key to good relations between states. In order to continue productive cooperation in the

mentioned areas, the support of the people is needed. We need to encourage more friendly exchanges between people in order to enhance common understanding and traditional friendship, and build strong public support and a solid social base for regional cooperation” (Xi, 2019, p. 6).

Meanwhile, from this speech to the time of writing this paper, “Belt and Road Initiative” has become a global fact, indispensable in thinking about the future of the entire planet, relations between countries, one of Beijing’s most important (if not the most important) diplomatic initiatives to the world. According to Frankopan (2018), this is not only a diplomatic but also an international economic strategy that uses the success of ancient silk roads as a model for long-term plans for the future and that more than three billion dollars will be invested in more than a thousand infrastructure projects:

“Some experts believe that the amount made available to China’s neighbors and countries that are part of the 'Belt and Road' both on land and at sea will increase many times over time to create an intertwined world of railways, highways, ports for overseas ships and airport, which in turn will enable even faster strengthening of trade ties” (Frankopan, 2018, p. 20).

The “Belt and Road” initiative got its own structure, institutions, platforms, and thousands of texts and works were written on the topic from various possible angles and with various intentions. Political scientists, sociologists, economists, journalists, statesmen and academics write about the Belt and Road Initiative critically and uncritically. Some see the Initiative as a “Marshall Plan with Chinese characteristics” (Arezina, 2018) alluding to the plan of American aid to European countries after the Second World War, and this point of view will be even more relevant as the world faces the consequences of the COVID-19 virus epidemic. Another suspicion toward Beijing trying to discover hidden agenda to dominate the world or, simply, warning of unsuccessful projects under the aegis of initiatives that have failed or are partner countries end up in debt (Ekman et al., 2019).

In order to try to objectively observe the effects of the Initiative, it is necessary to return to the quoted text and carefully selected proposals for the field of cooperation. We tend to argue that most (if not all) bilateral and multilateral moves agreed and implemented in previous years of the Belt and Road Initiative can be observed and considered through these five well-designed fields of action. This paper is based on just such an approach: perceiving the whole picture through perceiving its five structural-functional parts.

Accession to the Initiative has been signed by over 100 countries and international organizations, thus ensuring the **global nature** of the initiative, which is manifested and implemented both multilaterally and bilaterally. BiH has signed the Accession to the BRI Initiative at the First Summit held in Beijing in 2017 (Embassy of BiH in Beijing, 2017). From then until 2020 and the time of writing this paper, BiH and China have developed friendly relations and projects of the Initiative through many aspects of action. The paper focuses on the analysis of this relationship.

BiH is a developing country, with limited potential due to numerous internal and external factors, but it is geopolitically and geo-strategically in an extremely important place. Historically, the interests of various powers collided in BiH, primarily the Ottoman and Austro-Hungarian empires as representatives of the Orient and the Occident, and the capital Sarajevo was the stage on which the First World War began. Today, the pretender to the BiH membership in the European Union, and its political and strategic interests in addition to the European Union here realized and the United States as a promoter of the Dayton Peace Accords that ended the war of 1992-95, as well as Russia, Turkey, and other countries from Europe and the Middle East. The increased presence and influence of China in BiH, primarily in the segment of the economy within BiH itself, is generally viewed positively. However, it should not be avoided to mention that there are areas and topics that threaten to disrupt the harmonious relationship between the two friendly states. These areas and

topics that can be found in civil society and private media more than in government institutions and public media will be discussed.

The basic hypothesis of our work is that the Belt and Road Initiative as a foreign policy tool of the People's Republic of China has contributed to a significant improvement in relations in specific areas of cooperation with BiH, although there is still great potential for improvement, from policy links to finance, trade and infrastructure, to people-top people connectivity. Secondary hypotheses arise from the basic one and they are as follows:

- Abolition of the visa regime for holders of ordinary passports of the People's Republic of China and BiH as a political connection *par excellence* created a strong basis for the development of relations, especially through connecting people, but also created preconditions for moves in other areas of connections;

- BiH as a developing country and a country in transition is committed to large infrastructure projects, especially in the fields of energy and communications. Chinese companies have already recognized this potential and contributed to the realization of concrete projects; Other projects are being implemented and are third in preparation need to take care of the internal weaknesses and external threats based on experience both from BiH and from other countries with certain similarities;

- BiH could use its comparative advantages and opportunities to test certain models of cooperation in its limited state abilities, systemic or market, which could, in case of a satisfactory positive outcome, be applied to a wider area of the region and the European Union, especially in terms of unimpeded trade or financial networking;

- Weaknesses and threats to better connection between China and BiH through the "Belt and Road Initiative" concern objective and subjective factors, from geographical distance and different demographic and social characteristics of the two countries through negative media campaigns to the influence of other forces in Southeast Europe.

To prove the main hypothesis, a SWOT analysis will be used (Strength - Weakness - Opportunities - Threats), where strength and weakness represent internal and opportunities and threats external factors in the structure and function of the research field, in this the case relations between the People's Republic of China and BiH within the Belt and Road Initiative. Certain data on Foreign Direct Investment (FDI) were obtained from the Foreign Investment Promotion Agency (FIPA), and those on tourism activities in the previous five years in BiH from the BiH Agency for Statistics (BHAS). In order to obtain and collect information, a conversation was held with the representatives of the company COSCO Shipping in BiH and the obtained information was used for a comprehensive review of the Belt and Road Initiative.

The last part of the hypothesis test will offer recommendations for further progress in the given areas.

1. Political affiliation:

Visa-free regime as strategic benefit for the future

BiH and China are friendly countries that have no open issues. Diplomatic ties were established in 1995, by mutual recognition of states, at a time when the war was still going on in BiH and relations began to develop after the Dayton Framework Peace Agreement. The People's Republic of China opened an embassy in Sarajevo in 1997, and BiH opened an embassy in Beijing in 1999. BiH inherited friendly positions from the time of the Socialist Federal Republic of Yugoslavia, which, as a socialist state, had significant contacts with China, especially in the late 1970s and early 1980s, after the beginning of reforms and opening up in China. Lifelong Yugoslav President Josip Broz Tito and other senior Yugoslav officials also visited China. Since BiH became an independent state, the highest officials of the legislative and executive authorities have visited China. Neither the President nor the Prime Minister of the People's Republic of China visited BiH. What is interesting

is that the Chinese Foreign Minister has never visited BiH, nor has the BiH Foreign Minister visited the People's Republic of China.

Over the years, cooperation between China and BiH has progressed. Relations went on an upward trajectory as the reforms in the People's Republic of China yielded results and, consequently, the activity of the People's Republic of China in the foreign policy field increased. “Only a strong and prosperous country can confidently open itself to the outside the world and openness in turn promotes further prosperity” (Xi, 2017, 550). These activities are growing especially after the formal accession of BiH to the “17 + 1” mechanism (at that time “16 + 1”), and the Belt and Road Initiative. BiH has officially joined the Initiative at the First Forum of the BRI and times for international cooperation held in Beijing signing a “Memorandum of Understanding between the Council of Ministers and the Government of the People's Republic of China on cooperation in the framework of the Initiative of the Economic Silk Belt and Maritime Road of the 21st Century” (Ministry Foreign Trade and Economic Relations, 2017). Regarding “17 + 1” mechanism, BiH has recorded a more active participation since the 2015 meeting in Suzhou (Cooperation between China and Central and Eastern European countries, 2016). BiH's active contribution to the “16 + 1” mechanism is also visible at the meetings in Budapest (State Council of the People's Republic of China, 2017) , Sofia (BiH Council of Ministers, 2018) and Dubrovnik (Xinhua, 2019).

There are numerous agreements between BiH and China, dating both from the former Yugoslavia that BiH inherited, as well as those incurred in the period of BiH independence from 1995 onwards. Among the most important are: Agreement on Cultural Cooperation, Agreement on Avoidance of Double Taxation, Agreement on Cooperation in Customs Matters, Agreement on Trade and Economic Cooperation, Agreement on Promotion and Protection of Investments, Agreement on Agricultural Cooperation, etc. (Embassy of the People's Republic of China in Beijing).

Among the most significant moments that have contributed to linking the two countries is the Agreement on the abolition of visas for holders of ordinary passports, which was signed at the Summit of 16 + 1, in Budapest 2017, and entered into force at the end of May 2018, and that after they had complied with all the procedures in the relevant institutions. With an adoption of non-visa holders of valid ordinary passports People's Republic of China and citizens of Bosnia and Herzegovina, holders of valid ordinary passports of Bosnia and Herzegovina, are exempt from the visa requirement for entry, exit, stay or transit through the territory of the other contracting party during the period up to 90 (ninety) days in any period of 180 (one hundred and eighty) days, which includes taking into account the period of 180 (one hundred and eighty) days preceding each day of stay (Embassy of the People's Republic of China in BiH, 2018) .

Two things are worth noting. The first is that all political parties represented in the Council of Ministers of BiH and in both houses of the BiH Parliament (House of Representatives and House of Peoples of the BiH Parliamentary Assembly) voted for and ratified this agreement despite numerous political disagreements marking four-year mandates and the fact that in spring 2018 has already intensified the political campaign that blocked the adoption of numerous decisions at the state level (Parliamentary Assembly of Bosnia and Herzegovina, 2018). Secondly, the adoption of a visa-free regime BiH stood out from the vast majority of other European countries that do not have the privilege of their citizens, bearers of ordinary passports, staying up to 90 days in the territory of the People's Republic of China, and vice versa¹. Apart from BiH, neighbouring Serbia and Belarus have such an agreement in Europe. All three of these countries are developing a special relationship with the European Union and Serbia and BiH have long expressed

¹ The agreement is similar in characteristics to the one for BiH citizens residing in the territory of the European Union without a visa: 90 days, after which they must leave the territory for 180 days, etc.

declarative desire for membership in the EU. There is no significant political party in BiH that is at least declaratively opposed to EU membership. BiH shares the longest land border with Croatia, which is a member of the European Union and NATO, and in addition to Serbia, BiH also borders Montenegro, a NATO member that is also a candidate for EU membership. The entire region has been incorporated into European integration. Given the more or less undisguised opposition coming from certain European centers of power, it is possible to expect demands that BiH at some point reintroduce a visa regime with the People's Republic of China. However, until that happens (and if it does), the agreement is an exceptional springboard for further development of the relationship because it enables the facilitated movement of people and ideas (about goods a little later).

In addition to the visa-free regime, there are a few facts that go in favor of the *power of* political connections. The two countries have no open issues that could damage relations in any way. BiH respects the policy of one China. Respect for sovereignty and territorial integrity are declared on both sides. Two state heritage anti-fascist legacy of the Second World War, which in BiH is longer kept in curved cultural memory and heritage than in the socio-political structure, but this legacy exists still. Given that the Communist Party of the People's Republic of China has long adopted an approach of cooperation with all parties and not only Marxist/Communist one (Zhang, 2015), and that in power in BiH are mostly center-right ethno-national parties, the People's Republic of China has established relations with all parties on an equal footing base, which is manifested by numerous party delegations that visited China, but also by the presence of Chinese officials at party ceremonies (Embassy of the People's Republic of China in BiH, 2019) . Last but not least, the People's Republic of China and BiH strongly advocate a multipolar world with the United Nations as the institutional framework for regulating relations with other countries.

When it comes to *weaknesses* in political integration, they are also objectively numerous. Geographical distance is not friendly to meetings - at least protocol ones, nor to more frequent visits of various political entities on both sides, which leads to insufficient knowledge of China among political decision makers in BiH and *vice versa*. Different characteristics of the political system and the positions of political entities in both systems can be an obstacle to a faster decision-making process and the implementation of projects that imply political aspects¹. Furthermore, BiH is known for approaching agreements and certain legal provisions on commitments nonchalantly, which is again related to the complexity of the political situation and the political system, which in theory is considered one of the most complex existing. In the end, China applies the diplomacy of a great power, and BiH is a small country with reduced sovereignty, which ultimately leads to insufficient coordination within BiH and insufficient coordination and capacity in relations with China.

When it comes to the *opportunities* provided for political connections, these are primarily the opportunities provided through the visa-free regime, as before mentioned fact that BiH is one of the three European countries with such a visa regime with China (Lakic, 2018). Furthermore, BiH is a country bordering the European Union and with a clearly and publicly declared desire for membership, which will not come in the next ten years, but fits in with China's support for further strengthening of the European Union as its largest foreign trade partner. Also, BiH is partly faces Adriatic Sea, and in the wider regional framework it is positioned between Greece, which joined the “17 + 1” mechanism, and Italy, the first of the G7 countries to sign the Accession

¹ For example, procedures in the Parliament of the Federation of Bosnia and Herzegovina and the Council of Ministers in the case of Block 7, or procedures in the Council of Ministers, and the House of Representatives and the House of Peoples of the Parliamentary Assembly of Bosnia and Herzegovina in the case of visa liberalization the political climate in BiH itself and the blockades that occur in the decision-making system itself. The fact is that the signed agreement with the executive does not necessarily mean the synchronized support of the legislature and various entities in the system.

to the Initiative “One Belt, One Road”. That provides solid opportunities for further development.

Threats to the political connections of BiH and China have a negative view of other entities in the region against such bilateral relations, because of their own interests. We have already said that the United States, the European Union, Russia, Turkey, Arab countries, but also some European countries that prefer to exercise influence through bilateral channels more than the Brussels ones, all achieve or try to achieve significant economic or political influence in BiH. It is no secret that in many Western circles increase the impact of China viewed in a negative context and interpreted in support of authoritarian tendencies and developments in the region, and accordingly, as a security threat (Junjic and Michalopoulos, 2018).

<p>Strengths</p> <ul style="list-style-type: none"> - Visa-free regime - A common anti-fascist past - Positive attitude towards multilateral institutions - Support for a multipolar world - China's support for BiH's membership in the European Union 	<p>Weakness</p> <ul style="list-style-type: none"> - Geographical distance - Different natures of the social system - Inflexibility of BiH politics - Undercapacity of the BiH side
<p>Opportunities</p> <ul style="list-style-type: none"> - Political willingness - Participation of Chinese companies in development projects 	<p>Threats</p> <ul style="list-style-type: none"> - Interference of other countries in the relations between BiH and China - Dependence of BiH politics on other centers of power - Disrespect for the policy of one China and other basic and crucial domestic political issues - Failures of projects of Chinese companies - Systemic critiques from the centers of power towards Sino-Bosnian joint projects

Table 1: SWOT analysis of political connectivity

2. Infrastructure connection: Roads and energy for success

When considering the Belt and Road Initiative, many researchers are considering infrastructural connectivity. In the first instance, this referred to the network of roads that should connect the Old World, with an emphasis on the Eurasian supercontinent (Frankopan, 2018, p g 14). Road development is accelerating trade, reducing energy costs such as those in the Persian Gulf and the Middle East. But we are more inclined to view infrastructure connectivity as well as the participation of Chinese companies in bilateral or combined infrastructure construction projects *in general*. A number of Chinese companies opened the representative office in Sarajevo and Banja Luka, reported to be on the tender for the works on infrastructure and energy facilities announced by public companies, explore the market and possibilities, and, in general, make efforts to get acquainted with the business environment in BiH and details of his legal system. When it comes to infrastructure connecting, it is initial *strength*.

Chinese companies have the green light and recommendation from the highest Chinese authority to apply for projects that exist in BiH. In BiH as well as in the region, they are interested in projects related to the construction of energy facilities, highways, airports, railways, etc. Thus, it is not just a matter of connecting “Old World” with a network of highways, but in a broader sense of infrastructure connectivity as the creation of objective preconditions for better connectivity.

In that sense, BiH is an interesting partner of China with great potential. In some sections of the highway on Corridor Vc, jobs have already been given to some Chinese companies (Public Company Highways, 2020). BiH is committed to the construction of energy facilities, and China has already shown at the local level what it can do with the construction of TPP Stanari (EFT-Stanari, 2017).

At the same time, this connection is subject to the greatest criticism both in the literature, and among political decision-makers, and in various media, and therein lay its *weaknesses*. Each failed

project in which, especially in the region and Europe, involved Chinese companies, under the scrutiny of the public. A case from Poland and the infamous project of the highway from Warsaw to Berlin is taken as a common example (Arežina, 2018, p. 177). Another weakness mentioned is the incompatibility of BiH with projects favored by the Chinese side, EPC + F modalities financed by Exim Bank (Chen, 2019). There are institutions in the framework of the BRI (Export-Import Bank of China is for BiH most interesting one) funded projects of Chinese companies abroad on the model Engineering, Procurement and Construction + Financing – EPC+F. Such an arrangement implies a direct agreement between public companies from BiH and state-owned companies from China, with the mediation and engagement of state institutions, and excludes open international tenders and selection of the best bidder. On the other hand, most infrastructure projects such as the construction of the highway network on Corridor Vc and similar projects have been or are planned to be done under arrangements of the European Bank for Reconstruction and Development (EBRD, 2020) or the European Investment Bank (EIB, 2020). The reasons are complex economic and political in nature, but for this paper it is important to emphasize that the EBRD and EIB loans in BiH are considered long-term reliable and most favorable for BiH. The creditor, in turn, seeks and conducts procedures in accordance with its rules, including the selection of contractors. As weakness may be specified and that the few projects of Public-Private Partnerships (PPP) that are in BiH have produced results. Finally, it should be noted that BiH's borrowing opportunities due to these and other projects are very limited and that it is almost impossible to expect financing from its own budgets.

However, Chinese companies have won certain projects in international public tenders financed by international financial institutions, which will be in the next period, which is certainly *an opportunity* for further connectivity. Also, BiH is committed to development and joint projects with mutual readiness for cooperation, so state and expert

delegations could, through a process of joint consultations, generate appropriate solutions, through introducing special laws (*Lex specialis*) or strategic agreements. It needs to be mentioned that large projects with a participation of Chinese companies are being implemented in the surrounding countries and in the member states of the European Union (Pelješac Bridge in Croatia, Belgrade-Budapest railway connecting Serbia and Hungary).

But what is an opportunity also generates a *threat*. Infrastructure projects in BiH are not extremely numerous, and depth capacities for projects for which there is a consensus of political elites in BiH is also controlled and limited. In addition to all other arguments, there are engagements that BiH has with the International Monetary Fund (IMF) and the World Bank (WB), which condition assistance to BiH with certain structural reforms in the direction of market liberalization and especially the expenditure side of the budgets, both state and entity ones. If we add to all this the strong presence of EU institutions through the EU Delegation in Sarajevo, which monitors and directs reforms on the path to EU membership but also the moves of the government in general, it is clear without citing numerous examples that BiH is strongly influenced by EU and international institutions, including strategic decision-making processes (Weber, 2018). Some centers, undisguisedly, see China's better positioning in BiH as a threat, primarily to its own interests, but wrapped in cellophane of general interests or higher goals (Deutsche Welle, 2018, N1, 2019).

<p>Strengths</p> <ul style="list-style-type: none"> - Great needs for the development of BiH - Existence of political will and commitment to build a network of roads and energy facilities - A successful example of TPP Stanari 	<p>Weakness</p> <ul style="list-style-type: none"> - Poor ability to borrow - Limited application of the EPC + F model preferred by the Belt and Road Initiative - Not sufficient experience positive with model PPP
<p>Opportunities</p> <ul style="list-style-type: none"> - Commitment of BiH to development projects - Connecting BiH part of Corridor Vc to the European highway network 	<p>Threats</p> <ul style="list-style-type: none"> - Influence of other centers of power in BiH

Table 2: SWOT analysis of infrastructure connectivity

3. Unhindered trade: Great imbalance

Even before the creation of the Belt and Road Initiative, China was strongly involved in multilateral economic dialogue and the development of free-trade zones with other countries (Zhang, 2015, pg. 172). China and BiH have signed several bilateral agreements that serve as a basis for cooperation in trade and foreign direct investment. The very idea of the Belt and Road Initiative essentially has unhindered trade from the Far East to the Mediterranean, the routes taken by famous and unknown merchants in ancient and Renaissance times. BiH is located at the very end (or beginning) of the Maritime Silk Road, from ports in the Chinese seas to ports in the Mediterranean. *The strength* of BiH is this position as well as the proximity of ports that have developed through the Initiative “One Belt, One Road”, especially in Greece and Italy, with the possibility of developing a port in Ploče that BiH rented from Croatia, or cooperation through Neum, the only city in the Bosnian coast of the Adriatic Sea.

Let’s look at data on imports and exports in the last five years (Foreign Trade Chamber, 2020). When it comes to imports, there is an increasing trend which in the first ten tariff categories amounts to almost 100 million Convertible marks (KM or BAM – Bosnian Mark), while in

total this increase is even higher and amounts to 170 million KM. In all the observed years, there are no significant changes in the list of the most represented products by tariff headings: most items are imported from the People's Republic of China under tariff number 85: “Electrical machinery and equipment and parts thereof, sound recording or reproducing apparatus; television recorders for recording or reproducing images and sound and parts and accessories of such articles”, and the following products falling within tariff number 84: “Nuclear reactors, boilers, machinery and mechanical appliances; their parts”. In addition to these electrical and mechanical devices, the most common products are footwear (tariff number 64: “footwear, ankle boots and similar articles, parts of such articles”), toys and sports requisites (tariff number 95: “toys, games and sports requisites, parts and accessories thereof”, and plastics (tariff number 39: “plastics and articles thereof”). It is important to note that one third of imports are not goods of the first ten tariff classes, which indicates the relative development of imports.

IMPORT	2015	2016	2017	2018	2019
10 highest tariffs	239,947,731	237,222,401	280,062,431	338,785,125	337,886,178
Total	369,538,963	360,987,234	424,742,092	516,981,048	540,310,631

Table 3: Overview of imports from the People's Republic of China in last five years (amounts in Convertible Marks (KM))

On the other hand, exports to China are measured by five-digit values, without a trend of significant increase, even in 2019 there was a decline compared to the previous two years (Table 4). Unlike imports, exports are almost entirely covered in the first ten tariff classes - about 98%. The most exported products fall under tariff number 44: “wood and wood products; charcoal”, followed by furniture (tariff number 94: Furniture; mattress supports; bedding and similar articles; mattresses, pillows and similar stuffed articles); lamps and other lighting fittings, not

elsewhere specified or included; signs, illuminated nameplates or the like; prefabricated buildings”). The products of these two headings are followed by Paper and cardboard; articles of paper, paper (heading 48), zinc and articles of zinc (heading 79), and goods of heading 25: Salt, sulfur, earth, stone, plaster, lime and cement.

EXPORT	2015	2016	2017	2018	2019
10 highest tariffs	27,899,071	25,543,124	37,877,546	36,602,259	29,550,639
Total	28,388,393	26,085,049	38,300,803	36,982,210	30,164,325

Table 4: Overview of exports to the People's Republic of China from BiH in the last five years

When it comes to Foreign Direct Investments (FDI), information is somewhat different from the two relevant sources: the BiH Central Bank (CBBiH), which monitors the flows of financial capital residents and nonresidents, record inflow and outflow of funds, stated the actual transactions of foreign investment during the period under review; and Ministry of Foreign Trade and Economic Relations of BiH (MoFTER), which reports the values of FDI based on the values stated in court decisions (FIPA, 2020).

According to reviews by the Central Bank of BiH, information on FDI from the People's Republic of China to BiH has been available since 2014. As of December 2018, FDI from the People's Republic of China amounted to 2.6 million KM. In the total amount of 2.4 million KM, there are ownership shares and retained earnings, and other capital 0.2 million KM. According to the Central Bank of BiH (CBBH), the cumulative stock of FDI in Bosnia and Herzegovina, as at 31 December 2018, amounts to KM 14,296 million or KM 14.3 billion (EUR 7,309 million or EUR 7.3 billion). Foreign direct investments in 2018 amounted to 783.4 million KM or 400.6 million euros (FIPA, 2020).

Data from the Ministry of Foreign Trade and Economic Relations in BiH (MoFTER) on FDI for the previous period represent an overview of registered foreign investments with the competent courts, which the FIPA uses to analyze investments by companies. The review of the amount of investment, based on registrations, in a shorter period of time or for the current period, does not provide complete information, given that most companies re-register at the end of the investment cycle, and when registering new companies, share capital is registered as initial (1,000 KM as initial in the Federation of BiH and 1 KM in the Republic of Srpska). Total FDI from the People's Republic of China in BiH, in the period from May 1994 to December 2018, according to court registration, can be estimated at 3.2 million KM (FIPA, 2020). These data show a picture that is not so bright.

But it is necessary to look at things objectively and say that there are several *weaknesses* for trade that do not go in their favor. First, BiH is geographically significantly distant from China, which makes transporting goods expensive. Secondly, with a population of three million (with a tendency to further decline due to the trend of emigration), BiH is market that does not attract direct investors from China, nor is it a potential that attracts Chinese exporters. Third, and related to the previous, the possibilities of exporting from BiH to China are limited by both quantity and quality. Simply put, any product from BiH in full production capacity on the Chinese market can hardly meet the needs of an average Chinese city. Fourth, Bosnia and Herzegovina is a developing country and is not respected manufacturer of high and new technology nor its potent importer, which can be seen from the data on tariff codes and products in Tables 3 and 4. If all this is added the fact that BiH is primarily bound in regional and European trade flows by applying for membership in the European Union and membership in organizations such as CEFTA (Central European Free Trade Agreement), then it becomes clear why China is not among the most important partners of BiH when it comes to foreign trade.

However, this does not mean that there are no *opportunities* to improve cooperation. BiH relies on the European Union, where BiH companies owned by Chinese citizens or jointly owned by citizens of BiH and China could find a very potent market for their products. Also, compared to many European countries, BiH has a cheap and educated workforce, especially in sectors that China is developing such as IT and green technology. It should be bear in mind that the rates of relevant taxes are among the lowest in the region and Europe: Value added tax is 17%, Income tax 10%, as well as Tax on Profit (FIPA, 2016), and that the governments of both entities and Brcko District in their jurisdiction are working on reforms for the benefit of employers and investors.

That the picture is far from ideal is also shown by the fact that BiH ranks 90th out of 190 ranked economies in terms of ease of doing business, and that starting a business (184/190), the procedure for obtaining the necessary permits (173/190), and paying taxes (141/190) (Doing Business, 2020). Complicated company start-up procedures *threaten* to deter a potential investor or trading partner. BiH must work to improve business environment benchmarks and introduce their products much better in the Chinese market to an increase or decrease FDI debalance.

<p>Power</p> <ul style="list-style-type: none"> - Established visa-free regime, easier introduction to the market 	<p>Weakness</p> <ul style="list-style-type: none"> - Quantitative and qualitative characteristics of the market in BiH - Absence of Chinese banks on the market of Bosnia and Herzegovina
<p>Opportunities</p> <ul style="list-style-type: none"> - Proximity to the European Union market - Branded high-quality products 	<p>Threats</p> <ul style="list-style-type: none"> - Complicated procedures

Table 5: Swot analysis of unhindered trade

4. Financial Connectivity: WeChat pay chances for success

In recent years, the People's Republic of China has taken several significant steps towards better financial connectivity at the global level. The most important are adding yuan in the basket of currencies International Monetary Fund (IMF), as well as establishing AIIB and the BRI Fund. A substantial idea of financial connectivity is related to the convertibility of the local currency in the Central and East Asia. It seems that the possibility of loans for projects that the Chinese side will eventually place in BiH in yuan is a mission impossible. In Bosnia and Herzegovina, also, there is no branch of any Chinese banks. The banking sector in BiH is controlled by several European banks that privatized the banking sector after the war in the transition process. Only a few smaller banks with minimal participation in the financial sector and entity development banks remain state-owned. Central Bank of BiH is the main institution that maintains monetary stability in accordance with the Currency Board arrangement (1 KM: 0,51129 EURO), which means that the issue of the local currency with full coverage in freely convertible foreign currency at a fixed rate of 1 KM: 0.51129 EURO (Central Bank of BiH, 2020). Governing Council as the highest body of CBBiH is unfavorable to decisions that would change this fixed exchange rate in order to maintain financial and monetary stability nexus which implies curb inflation, which some experts consider necessary for development. Without intention to delve deeper into this field of expert discussions, we emphasize that this fact of the currency board, together with the previously mentioned characteristics, represents a basic *weakness* for the financial integration of BiH and China.

However, some weaknesses can turn into *strengths* and *opportunities* for financial networking in a specific way. A significant increase in Chinese tourists in BiH could be the basis for the installation of WeChat payment systems in BiH, which would lead to even more significant tourist activity in BiH. Towards the end of 2019, a step was taken in this direction because an Italian bank present on the

BiH market enabled the acceptance of cards from the Chinese UnionPay International (Intesa Sanpaolo, 2019). Still, the habits of the Chinese citizen are going to pay via mobile phone through this extremely popular application used for this purpose by hundreds of millions of Chinese people on a daily basis. Relatively easy on feasible option installing WeChat payment as a POS terminal payment to all banks in BiH is a great *strength* that would lead to financial binding in an innovative way.

The opportunity that BiH can take advantage of is the fact that the introduction of WeChat payments on the controlled market of BiH (about three million people) could control possible technical and functional errors and correct them relatively easily and with only minor consequences. Also, given the links between BiH and the markets of other European countries and that the banks that are present in BiH are widespread in other countries of Europe and EU, so that BiH could serve as a proving ground for broader financial lacing through WeChat payment of Southeast Europe, or, which is a much bigger challenge, the state “17 + 1”.

Threats to financial bonding in the sense in which it is presented here as an opportunity do not come so much *from outside*, from external factors, as from not recognizing this opportunity as such.

<p>Strength</p> <ul style="list-style-type: none"> - Stable monetary and financial market of BiH - Opening of the monetary and financial market of China to the world 	<p>Weakness</p> <ul style="list-style-type: none"> - Absence of Chinese banks on the market of Bosnia and Herzegovina
<p>Opportunities</p> <ul style="list-style-type: none"> - Possibility to install WeChat payments - Limitation of the BiH market in terms of the possibility of trial and error - Complementarity and connection with the financial markets of other European countries 	<p>Threats</p> <ul style="list-style-type: none"> - Unattractiveness of BiH with the Chinese side, not to observe the complementary advantages of the region

Table 6: SWOT analysis of financial linkages

5. People-to-People Connectivity

It all starts and ends with people. Without people's support, there is no cooperation. Cooperation between states takes place for and for the sake of the people and for the people, for human well-being within the borders of states and globally.

The greatest *strength of* connecting the people of China and BiH is the visa-free regime, which has already been discussed here. According to the data of the Agency for Statistics of BiH obtained for the purposes of this paper (Table 7), the number of tourists from China in the previous five years increased from 6,779 in 2015, to 102,758 in 2019, which is an increase of 1520.3 %. The share of Chinese tourists in 2015 in the total number was only 1%, while that percentage in 2019 was more than 8.5 %. In 2019, Chinese tourists spent 122,002 nights, which means that they stayed in BiH for an average of 1.18 days. And the number of overnight stays by Chinese tourists increased participation and with 0,7 percent to slightly more than 5 % of the total number of overnight stays. Since the end of May 2018 abolished visa number of Chinese tourists is increased in the 2019 number of 100,000.

Year	Number of arrivals / visits of foreign tourists		Number of nights of foreign tourists	
	Total	China	Total	China
2019.	1,198,059	102,758	2,419,105	122,002
2018.	1,052,898	58,235	2,165,404	66,703
2017	923,221	31,780	1,913,832	37,195
2016	778,128	13,305	1,647,275	16,629
2015	678,271	6,759	1,425,761	10,015

Table 7: Number of tourists in BiH in the last five years

In BiH, several institutions from civil society and the field of culture and arts are working to connect people, promoting the Belt and Road Initiative, the Chinese language and culture, and bilateral cooperation in

general. There are two Confucius Institutes in BiH, in Sarajevo (Confucius Institute in Sarajevo, 2020) and Banja Luka (Confucius Institute in Banja Luka, 2020), with basic activities of providing Chinese language courses and other courses such as tai-ji, calligraphy, etc. The Department of Sinology at the University of East Sarajevo was opened in 2011. It provides bachelor and master classes of Chinese language and literature and promote Chinese culture in the various ceremonies that are organized (Department of Sinology UIS, 2020). Department has produced several generations of graduates and post-graduate students with the knowledge of the Chinese language, that significantly shaped the consciousness of generations and students in the department in the town of Pale near Sarajevo in which the University is. In addition, the Bosnian-Chinese Friendship Association was established in Sarajevo in 2014. In the past five years, in cooperation with the Embassy of the People's Republic of China in BiH, it independently organized several important round tables and visits of representatives of relevant partner institutions from China to BiH, promote bilateral cooperation in the fields of culture, art, media, etc (Bosnian-Chinese Friendship Association, 2020). One of the more stable projects of the Association is the web-magazine *Kina danas* (China Today), the first Chinese online magazine in the languages of the South Slavic peoples (Kina danas, 2020). At the end of 2018 in Sarajevo Center for the Promotion and Development Initiative "Belt and Road" was established, becoming the first specialized think-tank organizations in BiH dealing exclusively with this initiative and to the academic standpoint while at the same time provides services to Chinese companies, both state-owned companies (SOE), as well as small and medium enterprises (SME's). The Center also organized several important roundtables with topics relevant to the Belt and Road Initiative (Embassy of the People's Republic of China in BiH, 2017). In the Republika Srpska entity, several primary and secondary schools have started experimental Chinese language learning (Nezavisne novine, 2019). In Sarajevo, museum "Walter Defends Sarajevo" was open. It is dedicated to the

film on the symbol of resistance to the fascist occupiers during World War II, a film that in China has a very special status, as evidenced by the fact that the Ambassador of the People's Republic of China in BiH attended the opening of the Museum as a guest of honor (TV N1: 2019).

All the listed institutions and related projects, with the exception of the Department in East Sarajevo, did not exist before the Belt and Road Initiative. That fact and figures mentioned speak in favor of the *strength of connecting people* that happened. But this does not mean that there are no *weaknesses*, both objective and subjective.

First of all, there are no direct flights on the route Sarajevo-Beijing or Sarajevo-Shanghai, nor to any other Chinese city from Bosnia and Herzegovina (Mostar, Tuzla, Banja Luka), with less-likely chances something like can happened. This means that the full potential of the visa-free regime will not be exploited. Second, the number of overnight stays of Chinese tourists in relation to the number of visits that Chinese tourists stay for only one night. This is partly due to the fact that Chinese tourists coming to Europe try to visit as many countries and destinations as possible - which is a very different concept from the static vacations and *one-destination* vacations practiced by the middle-class in Southeast Europe and Europe generally. Nevertheless, we are inclined to claim that the data on the number of overnight stays/number of visits is at least partly a fact of insufficient profiling and interests of Chinese tourists. In interviews with experts in the field of tourism, personnel from the relevant institutions and their own insights, we conclude that, although it is becoming increasingly distinctive tourist destination, BiH is not comprehensive and strategic acceded developing its tourism potential at least when it comes to the reception of a large number of Chinese tourists. It seems that, in addition to more extensive tourist activity, there is still a lack of knowledge of cultural as well as socio-political references and characteristics. This can also be seen on social networks, where negative stereotypes about the Chinese permeate to a lesser but noticeable extent.

In relation to the above mentioned, the action of the media and the civil sector can to some extent order good relations. In the media, especially private ones, we can find texts that negatively treat certain Chinese socio-political topics that the People's Republic of China considers a clearly internal state matters such as the issues of Taiwan, Hong Kong, Uyghur in Xinjiang, Tibet, etc. Rarely they are activities generated by Bosnian media, this kind of articles are mostly reproduction of materials from the Western media, and the theme Uyghur usually seen through the eyes of their Muslim identity. So in 2020 there was a gathering aimed at expressing support for the Uyghur group and opposition to the People's Republic of China (Besic, 2020), as well as a round table with the same goal (Badžić, 2020).

Yet, all things in mind, *opportunities do* exist, and it seems most logical that we should continue to work in already present directions and areas. With the right strategy, BiH could become a regional center of Chinese culture, a center for promoting cooperation in various fields, from media and civil society cooperation through cultural and artistic cooperation projects and exchange of content through classical and new channels, to the development of tourism cooperation.

Threats to improve cooperation in this segment are more visible than in some other segments. Any negative media article or action of civil society that calls into question unquestionable topics such as the sovereignty and territorial integrity of one or another state threatens to disrupt relations. Such pressure from civil society on policy makers could lead to other reckless statements or moves that could complicate cooperation. A different cultural background and worldview is not something to be accepted as one's own, one just needs to be aware that there are people and systems with different values. It sounds simple, but believing in the correctness of one's own value system can often lead to a negative perception of others and different ones. Negative stereotypes can prevail in society through the emergence of Sinophobia, anti-Semitism, racism, the growth of right-wing anti-immigrant and Islamophobic

movements. Manifestations of hatred are ubiquitous on social networks and, in a more hidden way, in the *mainstream* media, which are not immune from various ideological questions about the value of different worldviews. This topic deserves separate research.

<p>Power</p> <ul style="list-style-type: none"> - Visa-free regime - Confucius Institutes in Sarajevo and Banja Luka - Department of Sinology in East Sarajevo - Departments of Sinology and Chinese in primary schools - Cooperation in media and civil sector - Walter as a brand 	<p>Weakness</p> <ul style="list-style-type: none"> - There are no direct flights - Adapting to the needs of Chinese tourists are slow - Insufficient knowledge of cultural and socio-political references to each other
<p>Opportunities</p> <ul style="list-style-type: none"> - BiH as a regional center of Chinese culture, tourism, education 	<p>Threats</p> <ul style="list-style-type: none"> - Campaigns focused on weak points of cooperation - Hate speech on social networks - Sinophobia

Table 8: Swot analysis of connecting people

6. Comprehensive approach:

Case study COSCO Shipping Dragon Maritime

As we could have seen, five areas of connectivity are not organically separated and cannot be properly interpreted outside the context of interconnectedness. Linking policies through concrete agreements or legal solutions affect unimpeded trade or people's mobility; infrastructure projects monitor and seek financial integration; unhindered movement of people increases economic activity including trade, etc. Consider the comprehensive diameter in the case of the Chinese state-owned

company COSCO Shipping, which is present in BiH through its regional partner, Dragon Maritime¹.

Dragon Maritime Company represents COSCO Shipping in the area the Western Balkans since 2005. Intensive cooperation between BiH and China, as well as the large global project “One Belt, One Road” have contributed to increasing economic activity, as well as trade between the People's Republic of China and BiH. Opening COSCO representative office in Bosnia and Herzegovina on 1 May 2018, said company representatives, the way is that BiH become established as an important item on the "Marine Silk Road" and thus connected with Chinese ports. The Representative Office in Sarajevo brought the direct presence of the shipping company COSCO Shipping on the BiH market, providing local support to customers through direct and efficient communication and strategic orientation towards BiH freight forwarders².

Even before the opening of representative office in Sarajevo in Bosnia, COSCO Shipping had been participating on the market working from neighboring countries. Their partners are predominantly global and local logistics companies, which have recognized COSCO Shipping as a significant strategic and business partner. The number of clients is constantly growing, and, as they say in COSCO, they proudly point out that they work with the largest number of local logistics companies. The number of clients is constantly growing, and, as they say in COSCO, they proudly point out that they work with the largest number of local logistics companies³.

Company representatives noted that the BIH growing market and that there are strong links with the People's Republic of China due to the large number of Chinese investments and projects such as construction of TPP Stanari in whose implementation was included

¹ Interview with the head of the representative office for BiH of the company COSCO Shipping Dragon Maritime, Ms. Meliha Mujezinovic, held on February 9, 2020.

² *Ibid.*

³ *Ibid.*

and company COSCO; and upcoming project of construction of Block 7 TPP Tuzla. In addition to large energy projects, BiH represents a significant market of container transportation that is evaluated up to 50,000 TEU¹ a year and which are equally directed through the ports in Croatia, the ports of Rijeka and Ploce. The total volume in COSCO is divided into 60% of imports and 40% of exports. According to the company from BiH, as an import-oriented country, it imports consumer goods, white goods, machines, textile, technical equipment and other goods from the *Fast Moving Customer Goods* (FMCG) category. Exports are dominated by wood and wood products, granules, oil, stone, soda and paper products. A positive and promising trend shows that COSCO in 2019, compared to the first year of operation of the representative office, experienced an operational growth of 75%. The market share of COSCO Shipping in BiH is currently 15%².

The vision of the COSCO Shipping fully follows the vision of the People's Republic of China and they are convinced that the Belt and Road Initiative will bring economic progress for BiH. COSCO services take place is through the ports of Rijeka, Koper (Slovenia) and Piraeus (Greece), and they plan further development and investment in BiH. Opening a potential service to the port of Ploce with connecting intermodal traffic through South-East of BiH, creates a precondition for efficient servicing the entire BiH market: 50 % of cargo, with final destinations BiH, is serviced through the port of Ploce, Croatian port which is connected by railway with BiH railways from the period of Socialist Yugoslavia when it was originally constructed.

The establishment of container terminals was precondition for expanding business in BiH. At locations in Banja Luka, Tuzla and Brcko

¹ TEU stands for the equivalent unit of twenty feet commonly used to measure the carrying capacity of a ship. The dimensions of one TEU are equal to the dimensions of a standard shipping container that is 20 feet long, 8 feet high. Usually 9-11 pallets can fit into one TEU. One standard container or 1 TEU carries a maximum of 21.56 tons of material.

² *Ibid.*

there are available container and depot for systematization of containers. Part of the business plan in BiH is the establishment of regular trains for the transport of containers, which would pave the way for the revitalization of the railway connection to BiH, which is now only occasionally in operation for freight trains. The *land-sea* connection via Rijeka to Tuzla as well as to Banja Luka is considered as well.

Intermodal service via port of Piraeus connects two times a week Piraeus with Belgrade (Serbia). The same regular service provides an excellent possibility of direct connection for import and export shipments with a larger allocation of space on mother ships. This Land-Sea Priority service is a competitive alternative to traditional road transport that connects Greece, Spain, Turkey, the countries in the region. COSCO makes local deliveries from Belgrade to the final destination in eastern BiH and in the other direction. As they say in the company, practice confirmed that the multimodal transport is competitive and flexible alternative for customers in BiH. They are still thinking in that direction, planning strategic development in the direction of combining all traffic components¹.

Of the further development and investment plans in Bosnia and Herzegovina, COSCO singled out three: (1) the opening of a new feeder² service at the Port of Ploce; (2) Launch of a multimodal service via the Port of Ploce for Sarajevo; and (3) development of a multimodal service via Rijeka for Tuzla³.

COSCO opened a representative office in BiH the same year that BiH and China abolished visas for their citizens. The appearance of COSCO in this part of Europe and in BiH is a consequence of political will and political integration *par excellence*, and the company's business

¹ *Ibid.*

² Transport operations in which cargo is transferred by water on smaller vessels to and from a port with a seat for loading for loading or unloading from larger ships going to the ocean.

³ Interview with the head of the representative office for BiH of the company COSCO Shipping Dragon Maritime, Ms. Meliha Mujezinovic, held on February 9, 2020.

follows the political vision of the state, which the company's representatives themselves emphasize. Considering that this is a transport company that transports goods, the influence that is realized in connecting the infrastructure and even in creating the infrastructure and the area of undisturbed trade is obvious. A special study would be needed to investigate and evaluate the financial benefits and savings for those participating in BiH trade with China, but it is also certain that COSCO made a calculation before embarking on investments and further market development in BiH and the whole region it imports. In the end, people go through all of the above as the most important factor, from domestic employees of COSCO through communication that is realized through the work and services of the company, to the feeling that China is much closer to BiH than before.

7. Concluding remarks:

Recommendations for further cooperation

The basic hypothesis of our work was that the Belt and Road Initiative as a foreign policy tool of the People's Republic of China felt contributed to the improvement of relations in specific areas of BiH cooperation with PRC, but noting that there are still great opportunities to improve cooperation, from connecting finance, trade and infrastructure, to connecting people also. The increase in the number of tourists visiting BiH, the growth of imports, the arrival of Chinese companies and jobs they win in tenders as well as market positioning, activities carried out by state institutions and the civil sector are some indicators of extremely positive trends and how much cooperation has increased before the Belt and Road Initiative ... makes us consider our hypothesis to be fully proven.

Bilateral cooperation between BiH and China is on an upward path in all areas that have been proposed as a framework for cooperation since the beginning of the idea. Here, at the end of this text, we will correlate the results of our SWOT analysis with the auxiliary hypotheses we used in our

work, in order to, in accordance with the original goal, create recommendations for policy makers and other entities that are in some way covered by the Initiative. Recommendations are:

- **Diplomacy:** Strengthen the BiH Embassy in Beijing with human resources; consider the possibility of opening a consulate in Shanghai or some other strategically selected city and province. Consider opening a BiH office in China that would do the job of promoting BiH in economic, tourism, cultural, and social terms. It is possible to include several governmental, non-governmental and private entities in the establishment of a representative office that express interest in the development of cooperation between the two countries.

- **Politics:** Organize political negotiations at the bilateral or multilateral level in order to discuss projects that may be of mutual interest, but also the state of existing projects. Existing platforms within the “17 + 1” mechanism or forums of the “Belt and Road” Initiative should be used, but BiH can also offer bilateral talks.

- **Economy:** Organize bilateral talks with the aim of creating the next steps in the direction of smooth trade, with the participation of the state, professional and civil sector (BiH Chamber of Commerce, entity chambers of commerce, ministries and agencies in charge of customs policy and inspection) to agree tariffs and quotas of products from BiH that can be exempted from certain duties and competitive on the Chinese market. In parallel, offer the creation of a free trade zone under the auspices of “17 + 1” and/or the Belt and Road Initiative in Bosnia and Herzegovina, which would be placed on the BiH market under special reciprocal arrangements.

- **Technology:** To offer commercial realizations of “smart cities” projects in BiH, in a way that Chinese companies using economical environmentally friendly technologies implement smaller local projects which would demonstrate the knowledge and capabilities of the Chinese side and the BiH side had a modest but concrete benefit (parking management, street lighting, public transport, etc.).

- **Finance:** Organize a professional symposium on the financial aspects of the Belt and Road Initiative, the work of institutions such as the Belt and Road Fund, the Export-Export Bank of China (EXIM) and the Asian Infrastructure-Investment Bank (AIIB) and consider opening an office of these institutions in BiH. Work in project of application WeChat payment for Chinese tourists as a testing ground for the introduction of this possibility in other countries of the “17 + 1” mechanism and Southeast Europe.

- **Media and NGOs:** Strengthen cooperation in the field of media and civil society in the wake of signed bilateral agreements and cooperation between institutions and existing platforms, offer diverse media content in both directions, strengthen existing media platforms with quality content, strategically and planned cooperation models civil society.

- **Education:** Provide further support to learning Chinese language in primary and secondary schools projects in BiH, as well as colleges on existing platforms. Organize mutual exchange of student and academic staff in various fields with an emphasis on social sciences and humanities in order to improve the connection of people but also the scientific study of the Belt and Road Initiative.

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Evolution of Chinese Cultural Diplomacy and its impact on the BiH perception of the Belt and Road Initiative and China CEE Cooperation

Ljiljana Stevic¹

Abstract

Since the introduction of the China – CEE ‘17+1’ framework of cooperation in 2012 and the Belt and Road Initiative in 2013, China became “hot topic”, not just in the region of the Western Balkans, but in the broader European framework as well. Because majority of analyses are focused on economic and security studies, they lack the historical, ideational and social context in understanding Chinese policy of reforms and opening up. Facing this kind of challenges, official Beijing readopts the Confucius thoughts and Zhongyong dialectics as a part of broader concept/framework of the cultural diplomacy. On the other side, through cultural diplomacy official Beijing is trying to democratize the structure of the Global Governance Club and to present itself as a benevolent and responsible stakeholder. This paper would like to present the influence of cultural diplomacy on the BiH perception of the Belt and Road Initiatives and China – CEE ‘17+1’ framework of cooperation. The structure of the paper will be organized in three parts. The first part will be dedicated to the evolution of cultural diplomacy in Chinese foreign policy since the founding of the People’s Republic of China on the October 1st in 1949. The second part of the paper will analyze the cultural diplomatic activities of China in Bosnia and Herzegovina (BiH). It will focus on the activities and projects implemented by the Confucius institutes and educational institutions and exchange. The third part of the paper will be dedicated to explaining whether Chinese campaigns in BiH were successful. That

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success will be measured by the occurred changes in the perception of China and its initiatives within Bosnia and Herzegovina.

Key words: *cultural diplomacy, public diplomacy, peaceful development, zhongyong, Confucius institutes, think tank, soft power, Chinese dream, harmonious symbiosis, '17+1'*

Introduction

No one disputes any longer the fact that People's Republic of China (hereafter China) holds one of the leading positions in global leadership. However, there emerged some very "heated" debates about how will China react to the obvious shifting of the power from West to East in the future. On the one hand, there is a position that China, through its widening global influence, shall create such a security system and economic order that would be supportive to renewal of the "Central Empire".

On the other hand, Chinese politicologists and experts promote a different discourse, the one based on the so-called *background knowledge*, or, in a free interpretation, the necessary knowledge about history, culture and philosophy of a country, which they see as essential for studying China. In that sense, *Zhongyong* dialectics is mentioned as key component of the additional knowledge.¹ Qin Yaqing² in his article explained the concept of Continuity through changes and added that Hegel's dichotomy structure is in fact perfect for realistic approach in explaining the western point of view on China as possible challenger of hegemonistic policy of power the USA has been conducting since the end of Cold war. This theoretician introduces "additional knowledge" as necessary for further research and understanding of Chinese international politics and middle road (*zhongyong*) as basic dialectics that could be applied onto Chinese

¹Qin Yaqing, Continuity through Change: Background Knowledge and China's International Strategy, *The Chinese Journal of International Politics*, 2014, str..285-314, available from: <http://cjip.oxfordjournals.org>.

²Ibid,p.286

internal and external affairs. In a certain way, this and other similar attempts offer different view and understanding of international relations that are based on Western traditions and values. In this paper we will discuss the perception of Chinese ambitious plans like Belt and Road and “17+1” format of cooperation in Bosnia and Herzegovina. Hence, we will research whether BiH sees Chinese positioning in the region as an act of force, or as Chinese desire to establish balance and harmonic relations among countries on the New Silk Road, by applying new and specific approach to international relations.

With the rise of Chinese economic and military power, Chinese government tries to present its intentions as friendly and to convince all in doubt that China has no intention to become a hegemon. In that process, China is largely relying on tools that fall under the definition of a soft power concept.¹ We count there the concept of Peaceful development, promotion of Chinese language and culture through Confucius institutes and think-tank activities, which, from different angle, but with the same goal, present Chinese vision of international order and its position in it. With their synergetic acting, the official Beijing is trying to show that Chinese positioning in the global leadership is not a threat, but it offers a wider spectrum of developmental possibilities for countries worldwide.

The aim of this paper is to answer whether Chinese public diplomacy (cultural diplomacy specifically) and associated activities have a positive impact on BiH perception of the Belt and Road initiative and Cooperation mechanism 17+1. Speaking of the image of China and the impact on the BiH, we are interested to see to what extent is that image based on Chinese soft power and whether that power lies in Chinese culture and its values, or, it is after all the “hard” power, i.e. economic power that is interesting not only to Bosnia and Herzegovina, but also to numerous other developing economies, that is, countries of the “Third world”.

¹Zhao Yinnan, Chinese dream is Xi vision, China Daily, published 18.03.2013., available from http://www.chinadaily.com.cn/china/2013npc/2013-03/18/content_16315025.htm, accessed 20.08.2017.

Since the Chinese initiative Belt and Road, with regional mechanism of cooperation 17+1 as its part, is one of the most serious alternatives to existing global order, dealing with Chinese public diplomacy and soft power is imposed as a necessity when analyzing and considering Chinese intentions. The question is whether Chinese public diplomacy, oriented towards the worldwide public with the aim to change the image of China as a threat, produces soft power through the offered content (culture, values and policies). By geographical narrowing of our research subject, we will investigate whether the work of Confucius Institutes, their education component in particular, produces the “cultural soft power” in BiH. Along with that, we will research how the BiH perceives Chinese “soft power based on culture.”

The first part of this paper is dedicated to the analysis of soft power, and it will present the theoretical framework of the paper. The second part will present the content of soft power that China projects towards Bosnia and Herzegovina. Third part of the paper shall deal with the concept of Confucius Institutes and present the work and significance in the context of Bosnia and Herzegovina. Since the author participated in many high-level events in the period starting from 2015, she got¹ a unique position to study “up close” the Chinese soft power and cultural diplomacy.

Part I

Soft power and public diplomacy

The concept of soft power, since the coining of the phrase in 1990, has been used by the western analysts in the academic world to describe certain aspects of states’ foreign policy. Thus, this concept is applied in analysis of Chinese foreign policy as well. When Joseph Nye defined three resources of soft power: culture, political values and foreign policy, the Chinese academic circles recognized the significance of soft power for

¹The author participated in the application process and negotiations about opening a Confucius Institute at University of Banja Luka, in meetings between RS Government and province of Tiengin, conference of 17+1 think-tanks held in Bled and 4 global conferences of Confucius institutes, in Xian, Chengdu, Changsha and Krakow.

“branding” of China and creating an image of a country that does not represent a threat, but rather a responsible and technologically advanced partner in global processes.

When we analyze power within the framework of present time politics, it is important to bear in mind that the nature of power changes, and the soft power becomes more and more relevant. The concept of Joseph Nye was a preliminary step in further research of perceiving the Chinese soft power. There we understand both the Chinese soft power and the Chinese perception of soft power. American politicologist, Joseph Nye, first deals with the term “power”, a concept that is - according to him – similar to “love”, it is easier to “experience it” rather than “define or measure it”.¹ The power is the ability “to make others do what otherwise they would not do”.² Nye defines power also as “the ability to achieve goals” or “ability to do something and control the others³”. Nye relies on definitions of his predecessors, Robert A. Dall, Hans Joachim Morgenthau, Klaus Knorr and Ray Klaine, and claims that, in line with behavioral definition of power, it is necessary to know the preferences of others if one wants to measure the power in view of altered behavior.⁴ We especially emphasize the part in which Nye describes “changing source of power” as a process in abandoning the traditional stress on military power and approaching measuring the international power based on factors such as geography, population, raw resources.⁵ Introducing the idea of soft power in relation to hard power he stressed that “making other countries to change may be called a directive or a command method of applied power”. In that, the command power is based on incentives (the carrot) or threats (the stick).⁶ Nye also defined the resources of soft power in view of ideology,

¹J.S. Nye (1990 a) Bound to Lead: The Changing Nature of American Power. New York: Basic Books, pp25

² J.S. Nye (1990 b) “Soft Power” Foreign Policy, 80, Autumn, pp.153-171 (Cтp 154)

³J.S. Nye (1990 a) Bound to Lead: The Changing Nature of American Power. New York: Basic Books, pp25,26

⁴ Ibid p.26

⁵Ibid o.29

⁶Ibid p.31

culture and institutions. In that sense, these resources represent soft power in relation to resources of command power such as military and economic force.¹ Hence, according to him, the power is composed of hard and soft aspect, while the universalism of a country's culture and its ability to establish a set of certain rules and institutions that run international activities are the key sources of power.² Over the years Nye continued to develop his theory and, generally, the power itself is seen as something less tangible and less forced. In the changed world, means of power such as economy and military have become less efficient compared to “a more attractive way” that a country may use to make others do what it wants.³

Nye also explained the relation between soft power and public diplomacy by differentiating the two types of power. The first type is power that is measured in behavior results, while the other type is power measured in resources. In international politics the resources of soft power of a state derive from its system of value and dominant cultural pattern.⁴

Nye defines public diplomacy as an instrument the governments use to mobilize resources in order to communicate and attract the attention of other states, and not exclusively their governments. Milos Solaja wrote that public diplomacy is used to remove effects that might have negative impact to the image of a state, and thus to its position in international community.⁵ Therefore, the purpose of public diplomacy is creating a positive image to make a state policy more transparent and business practices more attractive. This is particularly important for China, since it is in no way isolated and closed country anymore. However, it is very important to make a difference between public diplomacy and propaganda campaign. From that standpoint, public diplomacy should represent a “link” between real

¹Ibid p.32

²Ibid p.33

³J.S. Nye (1990 b) “Soft Power” Foreign Policy, 80, Autumn, p. 166

⁴Public Diplomacy and Soft Power, Joseph S Nye Jr., The Annals of the American Academy of Political Science, vol 616. Public Diplomacy in a Changing World (March, 2008), pp.94-109

⁵Milos Solaja, Medjunarodnoi odnosi sa javnoscu kao osnova imidza drzave, PR u ulozi diplomatije, Globe Edit, 2019, p21

picture and desired image. For the time being, China is solving this task gradually, but in many segments insufficiently. If a product of a public diplomacy is attractive to public of another country, then we can consider that resources of that diplomacy produce soft power. In academic discourse there are a lot of discord regarding perception of soft power and public diplomacy, but general understanding is that the two concepts are not synonyms and they relate to different (though connected) communication activities.¹ In the same context, public diplomacy according to Hartig is “an act of communication with foreign public and thus an instrument that enables or projects soft power of a state”,² while the soft power is a product or an attraction deriving from public diplomacy.

**Chinese concept of soft power: “cultural soft power”,
or the Chinese view of soft power (*Wenhua ruanshili* 文化软实力)**

Since the last decade of the previous century, there is a rising interest for the concept of soft power among the Chinese academic milieu. The analysts ask what exactly is the soft power and what is it in relation to “hard power” and how is it being used in realization of foreign politics. With economic growth and development, which caused China to be the creator of new and a reformer of existing international institutions, this issue is dealt with not only by Chinese academic community but also the representatives of the authorities. Since China is guided by principles of scientific development, the authorities’ decisions certainly contain premises found by the scientific community. In that sense, the White book on national defense of 2005 first presented the “peaceful growth” (*heping jueqi* 和平绝气), which turns into “peaceful development” (*heping fazhan* 和平发展) that sounds less aggressive, and the creation of “harmonized world - 和谐世界” Traditional Chinese value, “harmony”, may be used for

¹Falk Hartig, Chinese Public Diplomacy, prema Rawnsley Gary, Diplomacy and Propaganda, in Issues and Studeies 36(3) 1-25, Taiwan, 2000.

²Falk Hartig, Chinese Public Diplomacy, The Rise of the Confucius Institutes, Routlage, New York, 2016. p,49

resolving conflicts, cultural clashes, or as a harmony between nature and mankind, when we speak about solving global problems in environmental protection.¹ These concepts are in the service of presenting China as reliable economic partner and a country that is not a threat, hence acknowledging China as a legitimate superpower in international arena. Fang Chanping explains that China tries to mitigate the *China Threat Theory* with its soft power, acquire understanding of the international community and active support for peaceful development.² Chengxin Pan, who deals with methods of analyzing China foreign policy, claims that merely observing China does not explain China in international relations, but merely presents China as “threat” or “chance”. Therefore, his approach is opposite to positivistic tradition that says that for studying China it is enough to observe facts, measurable and subjected to testing, without full understanding of Chinese reality.³ In that sense we take under consideration the aforementioned epistemic debates and Chinese theories in international relations that advocate deeper knowledge on Chinese culture, history and values as precondition for understanding the soft power based on culture, a Chinese concept of understanding a soft power. Deng Yong explained reasons why some theoretical parameters and postulates cannot be applied in studying a ruling force (USA) and a rising force (China). The reasons he gave were differences in status between the two countries, different resources and goals of soft power.⁴ The official mentioning of the term soft power by Chinese authorities was in the speech of former Secretary General of the Communist Party, Hu Jintao, in the report after the 17th congress of Chinese communist party. He mentioned cultural soft power

¹Mingjiang “Soft Power Discourse” u “The Limits of China Soft Power in Europe, Ingrid d’Hooghe, Netherland’s Institute of International Relations, Clingendael

²Fang Changping, Zhong-mei ruan shi li bijiao jiqi dui Zhongguo de qi shi, A comparison of US and Chinese Soft Power and insight for China, *World Economics and Politics*, no.7:21-27

³ Chengxin Pan, *Knowledge, Desire and Power in Global Politics: Western Representation of China’s Rise* (Cheltenham, UK: Edward Elgar, 2012)

⁴Deng Yong, *The New Hard Realities: Soft Power and China in Transition*, in Li Minjiang (ed.) *Soft Power: China’s Emerging Strategy in International Politics*, Lanham, MD: Lexington Books, pp.63-64

as priority of Chinese foreign policy. In the beginning, academic papers on this topic focused on understanding Joseph Nye, but the discussion continued to shaping this concept so that it would be in accord with Chinese perception of international community. The founder of Tsinghua School, professor Yan Xuetong, stated that globalization itself no longer relate to a fight for a country, resources or markets, but more to creating rules, establishing norms or customs.¹ China, therefore, got into this process of establishing rules, norms and theories and presenting a new concept of soft power (based on culture). We can conclude that China emphasizes its traditional culture, philosophy, medicine, architecture, martial arts and all that bears specific message on diversity and different background of knowledge and understanding, which represents also the content of its public diplomacy and soft power. Chinese academicians claim that Chinese power, tradition and harmony are enrooted in Confucianism and other Chinese thoughts and schools, and as such they provide “an alternative to self-aware system of values of the West”.² Soft power is analyzed in the domestic and international context and it is visible from words of the then president, Hu Jintao, who said that soft power is not only a component of national comprehensive power but also an important source of national cohesion.³

On a concrete example of bilateral and multilateral cooperation, we will try to present the perception of China in BiH and a projection of desired image based on Chinese culture and traditional values that are promoted through Confucius institutes.

Part II

Soft Power as Addition to the Economic Cooperation between PR China and BiH

¹Yan Xuetong quoted in the book Mark Leonard, What does China think (New York: Public Affairs 2008). page 94

²Ibid, pp 428

³Report from the 17th CPC Congress session part 7, 15.10.2007.

Previous researches done on the topic of the European view of China, start from the premise that European perception is under the influence of Chinese economic and political increasing power. China represents both an opportunity and challenge for Europe in economic and political sense. China represents big export market, destination for investment and production, cheap labour but also a competition at the export market and in the race for resources. However there is no unique European perception of China which indicates numerous internal challenges faced by Europe. So far there was only one survey of BiH perception of Chinese economy done by the Chinese Academy of Social Science and the Centre for Cooperation between China and CEE. The survey represents the household survey in 16 CEE countries in 2018. Fifty nine of adult population in CEED countries evaluated Chinese economic development in the last two years as very fast, and six percent as slow. BiH respondents estimated Chinese development on the range of -100 and +100 in the last two years (+27) which is significantly lower than average score in other central and Eastern European countries.¹ Unlike Poland, Serbia and Albania whose respondents were the most informed on cooperation between China and CEE, respondents from BiH generally showed the least informed on this cooperation. This paper used the case study, specifically focused on one mechanism of public diplomacy, Confucius institutes, to try to measure perception and soft power and cultural diplomacy.

Cooperation between Bosnia and Herzegovina and China intensified with the establishment of Cooperation Mechanism 17+1 and Belt and Road Initiative. Since 2012 the new dialogue platform was created amongst China and then, 16 CEE countries, out of which eleven were from EU and other five from Balkan region. Since its establishment, the initiative progressed in strengthening of dialogue and cooperation. One of the biggest challenges was cautious and more assertive stance of EU when it comes to cooperation especially with countries of Western Balkan. Despite

¹Chen Xin, How the CEE citizens view China's Development, based on household survey, China CEE Institute, Budapest, 2018

this assumed interest, rather than bolstering the EU membership prospects of the countries of the Western Balkans, China's BRI is considered by EU to be detrimental to this process. The BRI, according to some reports "hampers Western Balkan-EU integration in three primary ways: trapping countries into debt (so-called "debt trap diplomacy"), lowering environmental standards, and perpetuating corruption."¹

Investments in Bosnia and Herzegovina fit the pattern in the region being orientated predominantly on infrastructure and energy. Reasons for that is the necessity of Balkan countries to improve infrastructure and use the energy resources available which concurrently offer an opportunity for Chinese side to realize certain impact in the region. China aims to develop the infrastructure and distributive network in this part of the world which would be useful for further development and progress to the EU market where Balkan countries have crucial role.² In accordance with these objectives, China intensifies activities in the area of public diplomacy. Since China does not have strong links with BiH like with Serbia for example, it aims to explain its ambitions in this part of the world. Through the active public diplomacy, not propaganda, China strives to confront negative writing of certain media and reports on China as the "threat" to Western Balkan and its path to European Union membership.

Partnership relations which China established with Bosnia and Herzegovina are part of the wider strategy of foreign policy (*zouchuqu*), as the platform. The Strategy of global presence is in the service of creating economic cooperation and realization of greater political support.³ The first Chinese Ambassador Wen Xigui came to Bosnia and Herzegovina in

¹ Austin Doehler, "How China Challenges the EU in the Western Balkans - Will the EU ultimately cede the Western Balkans to Beijing's influence?" Diplomat, published on 25 September 2019, available from: <https://thediplomat.com/2019/09/how-china-challenges-the-eu-in-the-western-balkans/>, accessed on 1 October 2019

² Ljiljana Stevic, Milos Grujic, *Bosna i Hercegovina na Novom putu svile: Strategija, stanje, perspective i pozicioniranje u skladu sa novom kineskom strategijom* UDK 327:339,94(497.6)(510), DOI10.7251/POL1408405S, Politeia, broj 10, decembar 2015

³ Ibid

1997 and the first Ambassador of BiH to China Svetislav Mudrenovic was appointed in 1998. So far there were no official visits of Chinese Prime Minister and President to Bosnia and Herzegovina. Former Minister of Foreign Affairs of BiH Zlatko Lagumdžija in 2003 paid a visit to the Minister of Foreign Affairs of China Tang Jiahuan and signed “Agreement of Cultural Cooperation”, “Executive Plan of Cultural Cooperation 2002-2004”. Regardless of these agreements, this period was not marked by more significant cooperation. BiH Ambassador stressed first the need for bilateral cooperation to be organized by entities or cities. Chinese Ambassador gave similar statement and added that the cooperation will depend on local leaders and relations established between business people.¹ This indicated the need for extended knowledge in Asian studies and understanding of language and culture of China, which would add to furthering cooperation and which BiH significantly lacked.

The first bigger project of mutual cooperation was the power plant Stanari. This was the first project financed from the separate credit line amounting to 13 billion US dollars intended for CEE countries. The number of projects realized with Bosnia and Herzegovina is modest when compared to other CEE countries and one of the reasons stated is the lack of coordinated approach by BiH authorities. Former President of the BiH Ministers’ Council Vjekoslav Bevanda met with the Chinese Prime Minister in 2010 in Beijing and Bosnia and Herzegovina was offered assistance amounting to 1.09 million BAM and BiH promised to remove administrative obstacles slowing down mutual cooperation.² Warsaw meeting held in 2012 in the format 16+1 was one of the most important for the relations of the two countries when Chinese side expressed the hope that BiH will participate in the future conference on development of

¹Nezavisne novine. Dongchun Feng. Nova šansa za saradnju NR Kine i BiH. 1.7.2013. <http://www.nezavisne.com/index/kolumne/Nova-sansa-za-saradnju-Kine-i-BiH-198530.html> . (31.3.2015.)

² Savjet ministara Bosne i Hercegovine. *Predsjedavajući VM BiH razgovarao sa premijerom Kine*, 7. 5. 2010. http://www.vijeceministara.gov.ba/saopstenja/saopstenja_predsjedavajuceg/default.aspx?id=10460&langTag=sr-SP-Cyrl . (31.3.2015.)

transport network. BiH, on the other hand, expressed the hope that China will continue to invest in the infrastructure and energy development sector.¹

Srečko Latal, researcher for Prague Institute of Security conducted one of the rare analyses on impact of Russia, Turkey and China to Bosnia and Herzegovina. According to this report, Chinese presence is focused on expanding business opportunities in BiH and there is no significant interference in the internal issues of BiH. When compared to the impact of Turkey and Russia, Chinese companies and officials are open for cooperation with local stakeholders regardless of their religious confession, political beliefs or ethnicity. According to this author, Chinese presence is seen as the positive one, thanks to the infrastructural projects promoted by the local leaders. However, he states the challenges i.e. Chinese loans conditions, non-transparency and corruption in Chinese projects.² We claim that the number of Chinese cultural events has been significantly increasing since 2015 when the official Chinese diplomatic channels, Chinese Embassy to BiH, more intensively organizes public events, the first think tank Belt and Road has been organized under initiative of the Chinese Embassy and the first Confucius Institute was also open in Sarajevo that year and two years later in Banja Luka. These events correspond to the Chinese more active role in public diplomacy in the region. We hereby claim that CIs opened in Bosnia and Herzegovina will serve as instigator of academic research and cultural and language activities which are necessary in order to improve cooperation and understanding between these two countries. The lack of previous academic research and knowledge of language lead to the lack of information and understanding for the Chinese initiatives, i.e. '17+1' and the Belt and

¹ Večernji list. *Bevanda pozvao Kineze na ulaganja u Bosnu i Hercegovinu* 26.4.2012., <http://www.vecernji.ba/bevanda-pozvao-kineze-na-ulaganja-u-bosnu-i-hercegovinu-402887> (22.4. 2015.)

²Ibid

Road, which was also shown in the previously mentioned survey conducted by the China-CEE Institute.¹

Confucius Institute Sarajevo (Sarajevo CI) is organizing public courses of Chinese language but according to the home director, the biggest interest and attraction for the public are all activities related to health i.e. taiji or Traditional Chinese Medicine. Kong Fu is the activity which is traditionally popular in Sarajevo and has its history in pop culture from 80ies when Bruce Lee was very popular in former Yugoslavia.² Sarajevo University does not have department of Sinology hence courses are not intended for students of Chinese language who need additional practice like in some countries. University introduced Chinese language as an optional course along with the Japanese at the Faculty of Philosophy which is working on introduction of Chinese as a major in near future. Chinese language is offered as a course for the primary and secondary school as well as Business Chinese course. They also have HSK Test Centre and are organizing workshops of Chinese traditional culture i.e. paper cutting, calligraphy and taiji. Like in most of other European CIs have students interested in business relations or want to improve their careers adding Chinese language to their portfolio, however there is also interest in Chinese traditional culture. Sarajevo CI is working on academic exchange however some academic exchanges are organized directly via Chinese Embassy in BiH. Besides Summer Camp organized by CI, they organized academic exchange and visits with their partner university in Lanzhou, where besides meeting with university representatives, they had official meetings with the city officials.³ This also confirms our thesis on CIs as important hubs for public diplomacy and networking. The challenges of this CI, based on interview conducted in 2018 with the Chinese director were predominantly organizational and reflect the issues faced by most of CIs mainly when it comes to the adjusting CIs with the

¹ Chen Xin, How the CEE citizens view China's Development, based on household survey, China CEE Institute, Budapest, 2018

² Interview with Home Director of CI Sarajevo

³ Interview

University legal and financial systems. We can highlight dedication of Lanzhou University which allocates its staff on longer period to try to develop Chinese studies further at the Sarajevo University thus creating the base for further cooperation.

Confucius Institute Banja Luka University pursuant to its mission stated on the website, aim to introduce Chinese language and culture program for children of primary, high school and kindergarten age, students and all those interested in learning Chinese language or wanting to find out more about Chinese culture and customs. Besides language learning, the Institute has in its offer different courses and education, familiarization with Chinese ethics and doing business in China, Chinese calligraphy, traditional Chinese painting, tea ceremony, Taiji and kongfu. The difference between the two institutes is that Banjaluka CI is specific for organizing lectures covering different aspects of Chinese history, culture, economic development, and contemporary life in China. CI organized more than 10 different lectures during the two years' time. Traditional Chinese medicine lecture was the most attended and it was the first TCM lecture organized at the Faculty of Medicine in the region.¹ Each lecture was followed by TV interview on the topic to enhance the publicity of the theme. One lecture was held in the Grammar School and was related to the cultural and symbolic similarities between the two cultures in order to make Chinese culture more accessible to the secondary school students.² Grammar school also had opportunity to participate in the first karaoke organized in that school enabling them to learn about Chinese pop culture. This all had great impact on the increased interest for Chinese language and this school will open Confucious Classroom this year. T

The event which is usually the most popular in the Banja Luka city is the Chinese New Year celebration which is traditionally organized in the

¹Akupunktura nije isto sto i kineska medicina, published.1.3.2020. available from : <https://www.ki.unibl.org/post/%D0%B0%D0%BA%D1%83%D0>

²Srpsko kineske konstalacije, published: 1 April 2018, available from : <https://www.ki.unibl.org/post/%D0%BE%D0%B4%D1%80%D0%B6%D0%B0%D0%BD%D0%BE>

city center and attended by most of the officials from various Ministries and city of Banja Luka.¹ Hartig states the cases of CI in Germany where cultural events are usually more attended when compared to the language courses and he found the reason in that courses were not free unlike the cultural events.² That is not the case in Banja Luka CI because language courses were free too at the beginning for all, and now University students have still right to the courses that are free of charge. During the course of two years since the opening of the CI Banja Luka, Chinese language was introduced as the optional course at the Faculty of Philology and Academy of Art. The Sinology department is in the preparation process and should be finalized in 2021. Chinese language is taught by CI in two primary schools, one kindergarten, two secondary schools in Banja Luka and three in Doboј and there are 6 groups attending courses at the Institute. The CI published two books, translation of Mrguda by Petar Kocic to Chinese language and The First Contacts of Serbs with China, on the prominent historians who visited or wrote about China in history. The institute is authorized to run HSK tests (Chinese National Standard Testing System).³ Besides these activities CI in Banja Luka was the coordinator of numerous academic exchanges and official visits from and to both sides.

Since the activities conducted by the Confucius institutes do not include only attendants but wider public too, with the aim to accomplish international understanding and cooperation, we claim that those are of great importance for BiH and represent the precondition of future successful cooperation. Based on the participation on the three global conferences in China (Xian, Chengdu and Changsha) and European CI conferences held in Sofia and Krakow and training workshops in Xiamen and Paris, the author claims that those activities also contributed to better

¹Kineska nova godina proslavljena, objavljeno:: [27.01.2020 available from : https://www.ki.unibl.org/post/%D0%D1](https://www.ki.unibl.org/post/%D0%D1) приступљно: 27.02.2020.

² Falk Hartig, Chinese Public Diplomacy, The Rise of the Confucius Institute, Routledge, London, 2016, стр. 149

³Конфуцијев институт Универзитета у Бањој Луци, доступно на: <https://www.ki.unibl.org/?lang=en>

cooperation with China and overall international cooperation in the area of education. Based on the reports from CI Banja Luka from December 2017, there were ten visits in total organized in both directions. These visits included also high officials from Hanban management team and officials from Tianjin government.¹ This adds additional to the CI mission. When we compare the official data on cooperation with China prior to this period, we conclude that academic cooperation intensified and in some cases like in Banja Luka there were no previous cooperation with China. The way Chinese authors see the role of CIs is “proactive way of changing Chinese image” and “response to the Western culture domination».² Such approach is dominantly based on the promotion of Chinese traditional culture, but the selection of activities depend on the individual Confucius institutes. Chinese contemporary films days and pop culture promotion is one way how CI Banja Luka is trying to meet both images of China and present the modern and technologically advanced China.³

Part III

What are Confucius Institutes?

Joshua Kurlatizick considers the Chinese diplomatic strategy as consisting of two parts: 1) cultural promotion and 2) encompassing diplomacy.⁴

As previously explained, under the culture term, China presumes all from film, to sports and language to paper cutting. The key narrative

¹Годишњи извјештај за Ханбан мај 2019. године, Конфуцијев институт Универзитет у Бањој Луци

²Falk Hartig према Liu Wenya, “Kongzi xueyuan: hanyu he zhongguo jiaoyu guojihua de xin jucuo (New measures for the internacionalization of Chinese language and Chinese educateion) in Jiaoyu Yanjiu, 2007, 50-52

³CI Report for 2019, Confucius Institute Banja Luka University, available from www.ki.unibl.org

⁴Joshua Kuraltizick, Charm Offensive- How China’s Soft Power is Transforming the World, Yale University Press 2007, pp 61

description of China is “Confucius” hence it is important to understand the basics of Confucius thought.¹

The image and international status have great impact on the strategic planning and selection of geoeconomic and geopolitical elements in Chinese foreign policy. Introduction of “real China” to the world as well as peaceful intentions for its objective has creating favorable conditions for undisturbed economic development of China. We shall now tackle Confucius Institutes and their role in the public diplomacy. We shall also mention here papers of those authors who analyzed Confucius institutes and their thesis that CIs do not represent soft power of China because the product of Chinese public diplomacy as such is not attractive enough for the developed democracies. The claim CIs contain ideas of undemocratic and authoritative political systems and it is considered as propaganda.²³ We shall explain the formal structure of this mechanism of Chinese foreign policy which aims to tell the story of China from its own angle. Chinese Language International Council or HANBAN operates within Ministry of Education. HANBAN consists of representatives of 12 state ministries and commissions i.e. General Office of the State Council, Ministry of Education, Ministry of finance, Overseas cooperation Office, Ministry of Foreign Affairs, State development and reform commission, Ministry of Economy, Ministry of Culture, Stated Administration of Film and

¹Confucianism developed in the period of Warring States, it was forbidden during the Qin Dynasty and during Han dynasty it became ruling ideology and remained the basis of all forms of Chinese public life until 20th century. The main focus are Five Classics (Book of Change, Book of Poems, Book of History, Spring and Autumnals, Book of Rituals). Strengthening of Confucianism develops parallel to the pro-secularization of social and cultural life in China when Song Dynasty replaced Tang Dynasty and the state became more centralized introducing the state exam as the key for public service..

² Ann Marie Brady, *Marketing Dictatorship* (New York: Roman and Littlefield Publishers, 2008)

³ James F Paradise, *China and International Harmony, the role of Confucius Institutes in bolstering Beijing Soft Power*, *Asian Survey*, 4(49), (2009), pp 647-669

Television, State Journalism Service, State Council for Information and State Language Board.¹

The model of work is very specific and it differs Confucius institutes from other cultural institutes i.e. British Council, Goethe Institute, Cervantes because Confucius Institutes relay on local institutions for cooperation.² Namely, Confucius Institutes are being established in cooperation with the domestic partner universities according to the principle that each university may select Partner University in China and they apply together to Hanban for CI opening. The reason for initiating the Confucius Institute in 2004 is not officially known and stated. However, Hartig states two possible reasons, one as we stated the strengthening of identity and rebirth of Confucianism and the second it related to the increasing financial power of China.³ He sees both aspects as worth considering but not as the reason for initiating the overall process. Besides this, he states the 16th CPC National Congress when Hu Jintao became the President of PR China as one of the reasons. He then stated Confucianism as the source of tradition and he reintroduced the idea of harmony and harmonious society.⁴

The name itself indicates the importance of tradition and Chinese values in forming identity and image. Despite the fact that Confucianism was not popular several decades ago, especially during the Cultural Revolution 1966-1976 when it was considered as an obstacle to progress, nowadays, the name of Confucius, *Kongzi*, represents the symbol of united and harmonious Chinese society.

¹CI Headquarters, available from : http://english.hanban.org/node_7716.htm, accessed: 1.2.2013.

²*British Council* was established in 1934 and has offices in 110 countries around the world, *Goethe Institute* was established in 1951 and has 140 institutes and 10 branches in 93 countries. *Cervantes* in Spain was established in 1991 and has institutes in 93 countries. The oldest is actually, *Alliance Francaise* established in 1883. With more than 1000 offices in 135 countries.

³Falk Hartig, *Chinese Public Diplomacy, The Rise of the Confucius Institute*, Routledge, London, 2016, p.100

⁴*Ibid*, p.100

Revival and rebirth of Confucianism in the contemporary Chinese society is the phenomena provoking many discussions. It reappears as the attempt to overcome challenges inside China as well as in the interaction with its neighbors. Revive of Confusions is also seen as the symbol of Chinese nation meeting the globalization. Therefore the name of Confucius institutes is linked to the image China attempts to project of China traditional country with the continuity of over 4000 years where traditional values are deeply rooted. Confucius institutes are not researching Confucianism, nor are they involved in the research of its philosophy and ethics. The focus is on the language and culture promotion, mainly traditional Chinese culture which has for its aim to introduce China from the Chinese view of point not only overtly present Western view on China.

Confucius institutes are organizing classes of Chinese language in accordance with the plan and program developed by the HANBAN, which is adjusted to the European Referential Framework for Foreign Languages. Besides Chinese language courses, each CI is organizing activities that promote Chinese ancient culture and tradition, lectures from various field and celebrations marking important dates in Chinese history. Falk Hartig states that the most important feature of CIs is actually the structure of this organization which presumes cooperation and joint work with local universities. That fact alone according to him has multiple implications not only to individual institutes and its partners but in general to the Chinese way of conducting public diplomacy.¹ Hartig thereby sees use of culture and language in the public diplomacy with participation and financing of foreign partners as the unique way of financing Chinese public diplomacy. This approach is adjusted to the principles of Chinese economic development and Chinese Opening up from 1978.

On concrete examples of hereby presented two Confucius institutes in Bosnia and Herzegovina we shall show the realization of these

¹Falk Hartig, Chinese Public Diplomacy, The Rise of the Confucius Institute, Routledge, London, 2016

objectives and activities and in what way it impacted the view of BiH citizens. As we mentioned, many authors see this work as propaganda. Plamen Tonchev who wrote the report for Friedreh Ebert Stiftung analyzed soft power and Confucius Institutes as the “tools of soft power” in the region of Southeast Europe and China is seen as without strategy, but organizing different activities focused on the bilateral cooperation.¹ These assumptions require further explanation and wider context.

Bosnia and Herzegovina has two Confucius Institutes, established with Sarajevo University and Banja Luka University and one CI classroom established in the Banja Luka Grammar School. As in other cases around the world, CIs tend to be established with better ranked high school institutions hence Sarajevo and Banja Luka as the first and second ranked universities in BiH. Confucius Institute Sarajevo was opened in April 2015 and the event did not have big media promotion.² Partners in establishing this CI were University of Sarajevo and Northwest University, Lanzhou. The CI was opened within the Centre for Interdisciplinary Studies Sarajevo which represents a sort of a hub for different projects and belongs to the Rector’s Office. The opening of this CI matches more intensified cooperation with BiH, especially within the 17+1 Mechanism of Cooperation and Belt and Road Initiative as well as marking twenty years since establishing formal relations between the two countries. The opening was attended by the Deputy Minister of Foreign Affairs Amir Kapetovanovic, and the Rector of the Chinese partner University from Lanzhou Mr. Liu Zhongkui. He stated that “the Confucius Institute shall represent the platform to promote Chinese language and culture in BiH as well as strengthening of relations between the two countries“.³ Sarajevo University Rector Muharem Avdispahic, PhD, whilst addressing the guests,

¹Plamen Tonchev, China’s Soft Power in Southeast Europe, Friedreh Ebert Stiftung, Sarajevo, 2020

²Vijesti.ba, Published on the 2nd of April 2015.available from : <https://vijesti.ba/clanak/265961/u-sarajevu-otvoren-konfucijev-institut>, accessed: 1st .May 2015

³Falk Hartig, Chinese Public Diplomacy, The Rise of the Confucius Institute, Routledge, London, 2016,

stressed that previously the center for Interdisciplinary Studies was recognizable for programs i.e. European studies, public policies, human rights, religious and gender studies, and that Confucius Institute will introduce new dialogue dimension. “Confucius Institute will successfully fulfill its task: strong contribution to better understanding of Chinese language and culture with the help of partner university and will represent a window for better understanding of BiH in China; it will also open other aspects of successful cooperation between Bosnia and Herzegovina and People’s Republic of China”¹ Since the beginning of its opening Confucius Institute is considered as an additional step to strengthening of bilateral relations between the two countries and the initiative was supported and instigated by the PR China Embassy in Sarajevo. This statement is supported by the research conducted by the German researcher Hartig who analyzed German CIs, stating that out of eight CIs in Germany, five were established on Chinese initiative.² Sarajevo University did not have the tradition of sinology studies in the past and Chinese language was not taught at the any level of education. Sinologists from Sarajevo similar to Banja Luka, did not have the opportunity to continue and work in developing this area further, hence they left for Belgrade where demand for Chinese professors and translators was bigger. In order to better support the work of CI Sarajevo, home director was elected from the post of the Head of the Rector’s Office and along with Chinese director, they jointly began with work. At the beginning the interest from the people was not that ³ and University of Sarajevo itself encountered difficulties in understanding of the HANBAN system of work and developing unique mechanisms in order to overcome issues such as contracts for professors and volunteers from China requiring special D visa for their work.

Confucius Institute Banja Luka University was established on the initiative of the Banja Luka University and Republican Ruska entity

¹Ibid

²Falk Hartig, Chinese Public Diplomacy, The Rise of the Confucius Institute, Routledge, London, 2016, p.144

³Based on the Interview (Interview SA-D1)

government. The process itself lasted close to three years. The author of this paper and her colleagues sinologists worked together on the application process, lobbying at the University management team in order to support the project. The project itself and CI establishing is the part of the PhD thesis of the author who wanted to prove the thesis those bilateral relations will improve with language and cultural studies enhancement. Following the approval of HANBAN, Banja Luka University was allocated the same partner as Sarajevo University, however the former Rector preferred Tianjin University of Technology and Education with whom they established previous cooperation.¹ December 2017 saw official signing of the contract with Hanban, and few months earlier, the contract was signed between Tianjin University of Technology and Education and Banja Luka University. Former Deputy Prime Minister of PR China Mrs. Liu Yendong awarded the plate of CI to the Rector of Banja Luka University Radoslav Gajanin at the 12th Global Conference of Confucius Institutes before 2000 delegates from all over the world.²

The official opening ceremony was held on 21st January 2018. The Opening ceremony was attended by the President of Republika Srpska Milorad Dodik, Prime minister Zeljka Cvijanovic, Minister of Foreign Affairs of BiH Igor Crnadak, Deputy Mayor of Tianjin City Zhao Haishan and Ambassador of PR China Madam Chen Bo.³ Majority of Ministers from the RS Government attended this ceremony as well as the Mayor of Banja Luka and more than 300 of local guests. The opening itself was the biggest event that year and clearly showed great support from the local government to the cooperation with China.⁴

¹ Author participated in the process and is familiar with all details of the opening and establishing of the CI

² Univerzitet u Banjoj Luci: Osnovan Konfucijev institute, published: 12 December 2017, available from <http://mojabanjaluka.info/infograda/clanak/51134/univerzitet-u-banjoj-luci-osnovan-konfucijev-institut-foto>, accessed on 13 December 2017

³ Otvoren Konfucijev institut u Banjaluci, published on the 28th of January 2018, available from <http://ba.n1info.com/Vijesti/a238885/FOTO-Otvoren-Konfucijev-institut-u-Banjaluci.html>, accessed on the 28th of January 2018

⁴ Interview – BL--I2

Controversies linked to the CIs and often mentioned in the papers by various Western authors refer to lectures on Taiwan, Tibet or Falun gong sect. It is often referred to as problematic topics that CI's avoid to tackle. Based on interview with the director of CI Sarajevo and personal experience, there was no interference in organization of lecture topics in CIs in BiH. However no such lectures were planned to be organized due to the lack of academic interest in this topic. In CIs in other countries of Central and Eastern European countries, the lack of interest in paper cutting or Chinese traditional dance, were also mentioned as the main challenges in CI activities promoted by HANBAN as the part of Chinese traditional culture. Young people are more interested in the contemporary art and modern China.¹ Some of activities that are popular in other CIs in the Central and Eastern Europe are Chinese cousin, Tea ceremony, calligraphy and Taiji as well as lectures on various aspects of Chinese Culture. These experiences match the interest of Banja Luka University CI students whilst as we previously mentioned, CI Sarajevo found that Chinese traditional medicine and Taiji were the most attractive activities for their students.

In order to evaluate the Confucius institutes and their role in foreign policy of China, we shall thus tackle three objectives of Confucius Institutes: language promotion, culture promotion and public diplomacy role in the foreign policy.

Case study was performed by introducing structural configuration of institutes which has multiple implications not only to individual institutes and partners but generally to Chinese implementation of public diplomacy. Political system which CI in some way is representing also has some implications to the work of CI and its functioning as the instrument of Chinese public diplomacy. We aim to link previous chapters using the example of BiH and put it in the wider context of Chinese foreign policy

¹ Slobodnik, G. P. (2017). The Role of the Confucius Institutes, Non-Governmental Organizations and Other Stakeholders in the Presentation of China in Central Europe. Bratislava: China CEEC Think Tanks Network.

that is using CIs for introduction of certain image China wants to project. The structure itself indicates uniqueness of organization of association with local institutions and provision of financing partly by the host countries. So as to understand CI better, we emphasize different method of establishing institutes in Sarajevo on the initiative of the Chinese side and in case of Banja Luka, on insisting of local side. This shows Hanban is not forcing or imposing CIs but has proactive attitude and make decision in accordance with needs and requests. The most important feature of CIs in BiH is the promotion and work of local staff and local stakeholders on the promotion of Chinese culture and in case of Banja Luka CI, active promotion of Serbian culture in China too. The overall trend in the world,¹ is that domestic universities are investing more efforts in the CI work than Hanban which face the increasing number of CIs as the obstacle to successful management. The real challenge as observed by the author is the lack of local staff in Sarajevo CI which could help in more successful daily operations in cooperation with the home university, and are more familiar with local public, situation thus developing programs more adjusted to local liking and expectations. Banja Luka CI has the advantage because it is one of the rare CI in the region with the biggest number of local staff. The opening of CIs is increasing the credibility of universities and enables them to better network in the international network of universities. The global conference of CIs is the event that gathers rectors and leaders of universities around the world as well as CI directors. Bosnia and Herzegovina does not have similar project and in current circumstances it is hard to imagine that similar joint effort and work however the work of CIs is the at the same tome the closest way of promotion of interest and soft power of BiH via the same institutes. CI belongs to the home universities and it is equally important to work on the promotion of its language and interests in China. So far both CIs are promotion joint cooperation between the countries and participate in

¹Falk Hartig, Chinese Public Diplomacy, The Rise of the Confucius Institute, Routledge, London, 2016, p.167

networking and connecting various education and non-educations stakeholders from both sides. Another advantage is also potential of intercultural communication, exchange of opinion and experiences through joint work and efforts which leads again to better results for both universities and countries. Chinese partners and delegations who visited BiH, may acquire new knowledge and experience as well as different view on the country which was practically unknown to them. Through the daily contact and work with colleagues in the institute and University, they are able to get wider picture on the situation. Another opportunity for both universities is to establish Sinology studies both in Sarajevo and Banjaluka thus enabling new generation better insight in the Chinese language and culture, which will lead to establishing of future experts and eventually better cooperation between the countries. The official Hanban stance is that it helps local institutions of higher education in establishing study programs and institutes for learning Chinese language. In case of Banja Luka, we have the confirmation of this approach because the Institute as we stated already was initiated from the local side with the support of local government. The number of students studying Chinese at institutes increases as well as the number of students passing HSK tests (official internationally recognized test for Chinese language). Total number of students who registered for testing both in Sarajevo and Banja Luka was 80. This also represents good basis for future study programs of Chinese language. Also students at CI have different motives for studying Chinese. Except of those interested in Chinese culture or wanting to improve their career options, there is also a group choosing Chinese out of curiosity or wanting to have fun with different language. The last group is not stable, they are usually not willing to pay for courses and this group does not help providing sustainability of CIs. On the other hand we can see that students of CI are very active and open public with the power not only to consume cultural content but to use the content in accordance with their needs and wishes. If we look at the introduction of Chinese language as the major at the both Universities, we may confirm that both CIs in BiH fulfilled in a

relative short period one of the main objectives by introducing Chinese language as the major at the Faculties of Philosophy in Sarajevo and Faculty of Philology in Banja Luka. Another issue left to be resolved is sustainability a relaying on local resources and professors for continuity. This issue can be resolved by continued investment in training and development of local professors of Chinese language. When we talk about Chinese culture, based on survey conducted amongst Banja Luka CI students, traditional Chinese dance, calligraphy and Taiji are well accepted and there is a deep understanding for these aspects of Chinese culture. Parallel to this, we also introduced modern China to the students because we are of opinion that modern elements and impact on globalization on China are equally important in understanding China and getting the whole picture on Chinese role in the world today. Banja Luka University does not have scientific researches based on China or the tradition of Asian studies, hence this type of academic initiative comes from the Confucius Institute. In November 2012, HANBAN announced the study program of Confucius China Research Program aiming to provide support to the researchers and to create new generation of sinologists or experts in Chinese studies.¹ Bosnia and Herzegovina does not have many academic papers on the topic of China and we hope this will improve in future with the impetus given from the two CIs and the new generation of sinologists that will be educated at the Universities of Sarajevo and Banja Luka.

Conclusion

The afore-mentioned activities related to the first two objectives such as language and culture promotion are successfully fulfilled by both CIs in Bosnia and Herzegovina. Whether CIs serve and have a role in the Chinese public diplomacy by promoting the image of China as the traditional values country can also be confirmed. Besides the official reference to the “harmonious world” and harmony promotion in the HANBAN mission we refer here to the various officials’ visit and the CI role seen as the

¹Ibid, p. 183

diplomatic branches. As a confirmation to this statement we state high officials' visit to CIs, deputy governor of Tianjin to CI Banja Luka. Belgrade CI participated at the banquet organized in honor of the President Xi Jinping for example.¹ Unlike authors who state that the problem of “real China” perception and “politically correct China” which represents the issue for the public in Western countries, we may conclude that such issue does not exist in Bosnia and Herzegovina where China is not dominantly viewed as authoritative political system but as friendly country which does not interfere BiH internal affairs, additional opportunity for better international positioning (Republika Srpska) and source of projects and new funds (BiH Federation). Unlike propaganda, public diplomacy does not presume one-sided message transferring and Confucius institutes are example of that since their structure of joint venture indicates participation and cooperation of both universities and both countries. In the conclusion we shall emphasize that overall organization of Confucius Institutes as public diplomacy tools is useful for both sides. China gets the opportunity to promote not only language and culture but to tell its side of the story and introduce its vision which refers to Chinese development but global order too. Institutes in Bosnia and Herzegovina have a chance to introduce the language which was not available at the main two Universities, academic development in the sense of new research programs and promotion and networking of universities within the network of cooperation of Central and Eastern Europe and wider as well as more successful internationalization for both universities. When compared to the research in the Western countries the impact is not the same, and quoting Hartig who states that China is the one that have advantages because it uses local resources to develop its ideas and realize its interest², we oppose by showing mutual interest for both or three parties participating in the

¹ Xiamen University, the Souther Base of HANBAN, Chinese President Xi Jinping visits Serbia Confucius Institute in Belgrade performs at welcome banqu, published at 23.06.2016., available from <http://ocia.xmu.edu.cn/en/news/hanban/2016-09-06/65.html>, accessed on 21 May 2018

²Ibid, p. 188

process. Based on this case study, exposure to language and culture of the bigger number of CI students showed itself as efficient in expanding the knowledge and understanding of China and acquiring more realistic picture of China and its system of values. This Case study is narrowly focused on BiH only and it requires more comparison with other countries of Central and Eastern Europe as well as other countries. The paper was written under special circumstances during Corona virus which additionally may impact perception of the people in BiH. So far based on the random interviews China is still perceived as the country that will help Bosnia and Herzegovina by following the example of Serbia which received significant medical assistance from China. Additional value to the topic would be added by the comparative approach since the public in different countries with CIs also have different perception of China and its public diplomacy and soft power.

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Bosnia and Herzegovina's Youth Perception of China-CEEC Cooperation

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Abstract

Participation in the Cooperation between China and Central and Eastern European Countries (China CEEC or 17 + 1) initiative brings significant benefits to the countries in the Balkans. Among them is Bosnia and Herzegovina (BiH), which joined the annual meeting in Warsaw in 2012 and whose relationship with China is viewed through the broader EU-China-Western Balkans nexus. Although generally still modest, three sectors where China's presence is most visible in BiH are the energy industry, infrastructure projects and cultural diplomacy. The aim of the paper was to examine the perceptions of China-CEEC mechanism by young politicians and civil society organizations (CSO) members up to the 30 years of age. The research found that the overall perspective on the mechanism was positive and that the respondents supported greater presence of China through cultural activities and models of development offered within China-CEEC. However, respondents strictly emphasized the importance of compliance with EU environmental standards and guidelines, as well as the importance of compliance with all legal frameworks under which Chinese companies operate in Bosnia and Herzegovina.

Key words: *Bosnia and Herzegovina, China-CEEC, participation, youth, perspective*

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1. Introduction

In 2013, in a speech given in Kazakhstan, Chinese President, Xi Jinping, announced the initiation of a new Silk Road named the Belt and Road Initiative (BRI). This modern-day Silk Road binds together almost 70 countries and 4,4 billion people from Xi'an in western China (the old imperial capital and the start of the original route), across Central Asia to the Middle East, Russia and Europe (Du, 2016, p. 31). The initiative is the final departure from Deng Xiaoping's idea of "hide your strength, bide your time", which promoted non-interference and being "out of the spotlight". With the BRI, China has become a global player and launched itself as one of leaders in the sphere of economic development and transnational connectivity. The Belt and Road Initiative is defined as a route for win-win cooperation that promotes common development and prosperity and a path toward peace and friendship by enhancing mutual understanding and trust, and strengthening all-around exchanges (L. Kong, 2015, p. 338). By initiating the "win-win" concept into its foreign policy, China has challenged the realist presumption of rational self-interest and introduced a new paradigm of mutual benefit in international relations. What enabled China to launch such an initiative was an incredible economic growth from the end of the past and the beginning of the new century. Primarily, the BRI is a development strategy aimed at the mutual development of China and other countries directly involved in the project. Therefore, in addition to its immediate neighborhood, Africa and Europe have also become important strategic points for China's objectives.

The largest initiative within the BRI concerning European countries is Cooperation between China and Central and Eastern European Countries (China-CEEC or 17 + 1), which began in 2012 with a meeting of heads of governments in Warsaw. The so-called regional approach to deal with Central and Eastern European countries can be regarded as a breakthrough in China's policy towards Central and Eastern European countries (T. Kong, 2015, p. 171). One of the important clusters within the mechanism consists of Western Balkan states, and because of the specific foreign

policy goal of joining the European Union, the relationship with China is on the sidelines of the wider EU-China nexus. Integral part of this specific cluster is Bosnia and Herzegovina (BiH), which, like other Western Balkan countries, is trying to direct its political direction towards membership in the European Union. However, due to its internal structure, it is currently in the worst position of all remaining non-EU Western Balkan countries, even though it has begun the process of integration at the same time as others (Hirkić, 2019, p. 179). Since the establishment of diplomatic relations between Bosnia and Herzegovina and the People's Republic of China (PRC) in 1995, the two countries have significantly expanded their cooperation, which has been reflected in different economic and social initiatives. The most important mechanism through which BiH and China enhance their partnership is China-CEEC, which has been the backbone of all major projects in the energy, infrastructure and cultural sectors since 2012. These three pillars are central instruments of cooperation, where several capital projects can be identified - the modernization and construction of a thermal power plant in Tuzla, the construction of motorway sections within Corridor 5C and the push for educational content of Confucius Institutes in Sarajevo and Banja Luka.

Most texts related to the EU-China-Western Balkans triangle use the narrative of opposing parties and portray space as contested between multiple actors. However, the possibility of using multiple models of development is rarely or never mentioned in the literature, and the role of structural power in defining relationships and “sub-relationships” is rarely emphasized. Through the so-called “Sofia Guidelines”, a document adopted by the participating countries of the China-CEEC mechanism in 2018, members pledged that any form of cooperation would be “in accordance with the laws, regulations and respective competences of each other and EU standards and policies for EU member states and candidate countries” (Ministry of Foreign Affairs of the People's Republic of China, 2018). Because of that, Pavličević argues that the EU has achieved that the relationship between China and the Western Balkans has been now

positioned as subordinate to the China-EU relationship and its further trajectory determined by the imperative of compliance with the EU's regulations, policies, and objectives (Pavličević 2019, p. 464). On the other hand, EU officials' concerns can be explained through a dual prism. The first deals with the expansion of China's political influence in countries with significantly different political systems, where this influence can be exerted within the EU, once the Western Balkan countries become part of the community. The second concerns the possible over-indebtedness of potential members, where the burden of possible debt would fall on other member states. The experience so far only partly justifies these fears. Bağ believes that from the economic side, integration within the EU is still strong, and there is no indication that the 17+1 initiative has caused any reorientation of individual countries (Bağ, 2019, p. 5). Liu writes that the EU's attitude has also gone through a positive change from an initial period of suspicion to the present willingness to collaborate with China (Z. Liu, 2017, p. 21). Nonetheless, the Belt and Road Initiative (and therefore China-CEEC) is still viewed with a great deal of skepticism and many critics label it as economically non-viable. For instance, Boucher argues that the rail link to Europe has been a great idea, but not much has started to flow yet. He also adds that China does not dominate the global infrastructure and that some aspects provide strategic benefits that are interesting, but not game changers (Boucher, 2019). Some of the criticisms leveled at BRI include the debt diplomacy, lack of transparency and environmental disinterest. China was also suggested to institutionalize the BRI, so that the project is not seen as entirely Chinese-led (Kuo, 2019).

1. Methodology

This paper is a result of a small-scale quantitative-qualitative study which explores potential future political and local BiH leaders' perception of Chinese influence in three sectors of China-CEEC mechanism - energy politics, infrastructural models and soft power. For the quantitative part, 110 young members of political parties and CSO activists who are up to

30 years of age participated in a questionnaire. The qualitative part consists of an interview conducted with a total of 10 interviewees - half being members of political parties (*SDA, PDP, DF, Platforma za progres* and *Naša stranka*) - and other half consisting of activists from different CSOs in both entities of Bosnia and Herzegovina. The results thus obtained served for the interpretation of the data collected through the questionnaire.

2. Research results

3.1 Energy politics

Energy politics plays a significant role in China's foreign policy, while Bosnia and Herzegovina is one of the countries that do not play a notable role in the global energy landscape. While it is able to meet domestic electricity demand (with partial exports abroad), the state is completely dependent on the Russian gas. BiH is a coal-rich country, which represents one of its most important natural resources. However, due to the commitment to the European path and alignment with the standards of the European Energy Community, it is also devoted to paying greater attention to renewable energy sources - a goal that can also be achieved through the China-CEEC mechanism. In its Europe 2020, 2030 and 2050 agendas, the EU defines its energy policies, which include environmental reforms. However, geographic features make the energy produced from thermal power plants much more extensive and therefore more attractive to investors. In addition to the energy generated from coal, the greatest potential is in the hydropower, which is unable to reach the production capacity of thermal power plants. BiH has a huge number of hydropower plants that represent "clean" energy, but these can also have a negative impact on the ecological balance. So far, several framework agreements have been signed between BiH and Chinese companies to build hydroelectric power plants in Republika Srpska entity (Todorović, 2019). However, the financing model and the starting dates have not yet been confirmed. On the other hand, there are a number of agreements and project plans signed between Chinese companies and government

representatives in BiH related to the construction and modernization of thermal power plants such as those in Stanari, Tuzla, Ugljevik, Banovići and Gacko. While some projects are frozen, the two largest ones, one of which was realized and the other on the way to realization (Stanari and Tuzla), served as central elements of the overall research. Stanari Thermal Power Plant (TPP) was the first power plant of its kind in Europe to be fully built by China's Dongfang Electric Corporation and is one of China-CEEC's early successes. In 2019, BiH was also given Chinese assurances for financial support in implementing the Tuzla Thermal Plant (Unit 7) construction project, the most significant Sino-BiH cooperation project included under 17+1 cooperation format and the biggest investment in BiH energy sector so far worth EUR 613 million (Bakota, 2019b, p. 5). After the project was formalized as part of China-CEEC cooperation, the Prime Minister of the Federation of Bosnia and Herzegovina, Fadil Novalić, stated that the project was initially offered to Western partners, but the offer was declined.

This study has confirmed that there are currently two divergent narratives regarding energy production. The first marks Chinese loans as a stumbling stone in attempts to harmonize with the European Union (EU) environmental standards, and the second projects the idea of complete functionality, which is in line with EU standards and regulations. Out of 110 respondents, 59.1% support Chinese loans for the purpose of investing in the energy sector and construction of thermal power plants in Bosnia and Herzegovina, 38.2% oppose this type of investment, and 2.7% said that they were not sufficiently familiar with the positive aspects and the downsides of such investments. Furthermore, the research showed that environmental protection is very important when constructing infrastructure projects. 85% of respondents stated that environmental protection was important, while 15% indicated that jobs were more important than environmental protection. For the local community, both power plants are primarily a significant source of employment. According to the available information, there are currently about 850 people working

in the TPP, and energy is exported to European markets, primarily to Germany and Croatia (EFT Group, 2020). The commissioning of the power plant has come under criticism from EU officials, who stated that coal-based production is an outdated energy solution that can only hinder EU access and create dependency on China's technology.

Generally, Bosnia and Herzegovina has major problems with air pollution, particularly during the winter, and coal-run power plants could further aggravate the health of citizens. Therefore, opponents of the construction of thermal power plants believe that Bosnia and Herzegovina should focus on renewable energy sources (such as solar energy) because these could bring financial effectiveness, in the long run. On the other hand, contractors claim that thermal power plants are built according to all EU standards and regulations required by the European Energy Community. Some respondents felt that coal should not be abandoned, since it is one of the region's most important resources, but that new, eco-friendly refining technologies should be used. In this way, plants could be sustainable and would not endanger the environment or people living in the surrounding areas. Moreover, advocates for the construction of Unit 7 of Tuzla power plant argue that it is important not to give up the electricity production in this region, but rather upgrade it, given that the existing technology has to be abandoned by 2027 and thus many job positions and capacities could be left unused.

3.2 Alternative infrastructural models

Bosnia and Herzegovina has alarming issues with implementation of reforms and lengthy bureaucratic procedures, which makes it difficult to attract investment and foreign capital. In this sense, China-CEEC represents a unique opportunity to connect with the region as well as Europe as a whole. However, the survey showed that 68.2% of respondents believe that Bosnia and Herzegovina still does not fully reap the benefits of participation in the mechanism. Furthermore, 82.7% of respondents indicated that they support development models such as the construction

of roads, bridges, railways offered by China through the aforementioned mechanism. 89.1% of respondents believe that roads are the most needed infrastructure projects in the country, followed by hospitals (62.7%), railways (58.2%) and airports (30%). BIH has only 130 kilometers of motorway built since the end of the war and for the last five years no new motorways have been built in the full length (Bakota, 2019a, p. 4). Currently, a section of Corridor 5C with a total length of 10 kilometers is built close to Mostar by China State Construction Engineering Corporation Limited. Also, there is a plan to build a *Banja Luka-Novi Grad* highway that will be financed by the Export-Import Bank of China, and that will connect Banja Luka with the EU. Therefore, strengthening and expanding existing road networks and better connectivity with EU countries would improve the tourism sector as well as the volume of trade. In the town of Doboј, a Chinese company, China Sinopharm International Corp, is also building a new hospital in a deal worth around 45 million euros (Kovačević, 2020). Moreover, representatives from the two countries signed a memorandum of understanding for the construction of the airport in Trebinje - a city in the south of Bosnia and Herzegovina, which, due to its strategic location, could represent an important link to neighboring Dubrovnik in Croatia and the Kotor Bay in Montenegro.

By launching BRI and setting up banks and funds that could challenge Western institutions such as the International Monetary Fund (IMF) and the World Bank, China has used important soft balancing strategies. In order to obtain a loan from Western institutions, states must meet strict conditions. However, China allows loans on much more flexible terms and with less bureaucratic procedures. Although BiH is in need of infrastructural development and the Chinese projects, primarily the construction of highways and modern facilities, are more than welcome, they do involve the engagement of Chinese companies, which alongside carries a heavy load of loan policies. Also, Chinese companies use the idea of boots on the ground, where they send their workers, experts, managers and equipment to countries where projects are conducted. Most Chinese

companies are now ranked in the top ten, given the unique contract clauses and predominant role in the market. Respondents who participated in the survey emphasized the importance of thorough scrutiny of companies performing works in Bosnia and Herzegovina, given the alleged corruption scandals of individual actors during the construction of projects in Africa. According to Transparency International's Corruption Perceptions Index (CPI), many political leaders in BiH are prone to corrupt practices and their cooperation with the similar profile of the company could significantly shake public perceptions not only of China-CEEC, but also of China. However, despite certain fears, current projections show that there is no danger of the so-called "debt-trap" that Bosnia and Herzegovina could fall into. The share of BiH public debt in gross domestic product (GDP) was 31.42% in 2019, which (at least currently) does not provide a realistic assumption for over-indebtedness (Sarajevo Times, 2019).

3.3 Soft power and "charm offensive"

In 2009, speaking on the occasion of the 11th Conference of Chinese Diplomatic Envoys Stationed Abroad, Chinese President Hu Jintao expounded on the importance of public diplomacy in Chinese foreign policy (T. Liu, 2019, p. 78). A few years later, Xi Jinping also stated that it was important to "tell China's story well". The Public Diplomacy Office was formed in 2009, to be later followed by the opening of the China Public Diplomacy Association in 2012. In the meantime, soft power and public diplomacy also began to be taught at some of the country's universities. Therefore, China has since made enormous efforts to improve its soft power, which was then projected through public diplomacy. According to the Soft Power 30 index published by Portland Communications and the USC Center on Public Diplomacy since 2015, China is currently (according to the 2019 rankings) ranked 27th. The reasons for the relatively poor ranking are the events from previous years such as: the US-China trade war, blacklisting of Huawei by the US, escalating criticism of the treatment of Uyghurs, South China Sea dispute

and demonstrations in Hong Kong (Soft Power 30, 2019). On the other hand, it is emphasized that China's main soft power strengths are its culture and education. Some of the most important cultural projects carried out in Bosnia and Herzegovina include the opening of the Confucius institutes in Sarajevo and Banja Luka, the introduction of Chinese language as an elective course in the entity of Republika Srpska, the Chinese film week during the 70th anniversary of the founding of the PRC and the screening of the "Charming Beijing" series on state television.

Confucius institutes represent the centerpiece of China's cultural soft power and the leading cultural initiative. The rationale for the Confucius Institute project reflects China's recognition of language teaching as a means of building relationships, enhancing socio-cultural understanding and promoting trade and foreign investment (Pan 2013, p. 25). In addition to free language and culture learning, through active engagement and good results in competitions organized by the institute, students also have the opportunity to visit China. Speaking of Confucius institutes in Bosnia and Herzegovina and the manifestation of soft power, research has shown that it is still at a modest level. There are currently two Confucius Institutes in BiH (Sarajevo and Banja Luka) and only 11.8% of respondents participated in their activities. In the past year, elective Chinese language courses were introduced in schools in the entity of Republika Srpska, which, in cooperation with the Confucius Institute in Banja Luka and the headquarters of the Confucius Institutes (Hanban) in Beijing, provides classes for students. However, generally speaking, it is noticeable that Chinese is still not perceived as relevant as European languages for private and professional developments. On a scale of 1-3, 12.7% of respondents expressed a strong desire (rated 3 on the scale) for learning Chinese, 33.6% indicated 2, and 53.6% have little or no desire to learn the language. However, the middle cluster (2) is the target group which could be further influenced and encouraged to participate in cultural projects of both the Institute and Embassy of the PRC in BiH.

When speaking about soft power, Joseph Nye, a political scientist who coined the term, stated that the proof of power lies in the ability to change the behavior of states (Nye 1990, p. 155). Moreover, Nye believes that the biggest portion of soft power is produced by civil society – everything from universities to the movie industry and pop culture – not from the government (Nye, 2013). In the context of the China-CEEC Initiative, this signifies promotional efforts that, in addition to the Embassy of the PRC in BiH, include civil society organizations (CSOs), which lobby for greater cooperation between the two countries through the mechanism. However, the “Center for Promotion and Development of the BRI”, the “Bosnian-Chinese Friendship Association” and *Kineski vijesnik* (Kina-danas.com) are only a handful of CSOs actively promoting China in BiH. The research confirmed a modest impact, where only 16.4% of respondents indicated that they were following online content or were otherwise involved in the work of these actors. Furthermore, given the great rise of the Chinese film industry and promotional events such as the "Chinese Film Week" organized in 2019 in Bosnia and Herzegovina with the help of the aforementioned CSOs and the Embassy of the PRC in BiH, the study investigated the general appeal that the Chinese film and music industries have. However, out of the 110 respondents, 12.7% claimed that they were following the aforementioned industries. This indicates the full-scale market presence of Western cinema in BiH, primarily through Hollywood and European film art. Although China's soft power is currently at a modest level, majority of interviewees noted that more cultural initiatives and more pronounced presence of all China's promoters in BiH are welcome.

3. Conclusion

The foreign policy objective of establishing the BRI marked the final opening of China to the world and launched the “win-win” concept of cooperation, which challenged the core of international relations theories. Through the China-CEEC mechanism, China has been able to bring

together the countries of Central, Eastern (and Southeast) Europe, and allocate a budget of several billion euros for projects in various sectors. However, throughout any narrative that includes the Western Balkans (and therefore Bosnia and Herzegovina), it is necessary to observe the individual relations of the countries within the wider EU-China nexus. Also, little or no attention is paid to the structural power of the European Union, according to whose rules and suggestions the mechanism operates. Bosnia and Herzegovina and China have significantly improved cooperation since the establishment of the China-CEEC, and the three fundamental pillars in the relationship include the energy sector, infrastructure development and cultural activities. First, there are conflicting narratives surrounding projects in the energy sector - one describing projects as a stumbling stone in attempts to harmonize with EU's energy standards and environmental protection, and the second looking at the opportunity for development and employment of more people. The research has shown a support of young politicians and CSO activists for investments in the energy sector and the construction of thermal power plants, but also a call for caution in regard to environmental protection. Respondents also emphasized the importance of greater commitment to clean and renewable energy, which could also be achieved through the China-CEEC mechanism. The second pillar consists of investments and loans in the infrastructure sector, where the research has confirmed support for development models offered by China, primarily for the construction of roads, hospitals, railways and airports. Furthermore, respondents stressed the importance of thorough check of the contracting companies in order to avoid corruptive practices. The third pillar consists of the cultural activities and projection of the soft power of state and non-state actors. The research has shown that China's soft power projection is still at the modest level in Bosnia and Herzegovina. At the same time, respondents welcomed a number of cultural initiatives that would familiarize Bosnia and Herzegovina's citizens with China, its society, culture and history.

Appendix

The questionnaire

1. What is your age?
2. Are you a member of a political party?
3. Are you an active member (staff or volunteer) of a CSO?
4. Do you think that Bosnia and Herzegovina reaps the benefits of its participation in the China-CEEC (17+1) initiative?
5. Do you welcome models of development (e.g. construction of roads, bridges, railways) offered by China through China-CEEC?
6. Which infrastructure projects are most needed in Bosnia and Herzegovina?
7. Do you support Chinese loans in the energy sector and the construction of thermal power plants in Bosnia and Herzegovina?
8. When constructing infrastructure projects, the protection of the environment is: important; important but potential jobs are more important; not important.
9. On a scale of 1-3, how much would you like to learn Chinese language?
10. Have you participated in any of the activities of the Confucius Institutes in Bosnia and Herzegovina?
11. Do you follow or engage in the content of the Chinese Embassy, the Bosnian-Chinese Friendship Association (Udruženje “Bosansko-kinesko prijateljstvo”), Kina-danas.com or any other promoters of China in Bosnia and Herzegovina?
12. Do you use Chinese products in your daily life (e.g. mobile phone, clothing, accessories or food)?
13. Are you a fan of Chinese movie or music industry?

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Belt and Road Initiative and Platform “17+1”: Perception and Treatment in the Media in Bosnia and Herzegovina

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Abstract

The Belt and Road Initiative, as well as cooperation China - Central and Eastern European Countries (hereinafter: CEE) through the Platform "17+1" require the creation of a higher level of awareness of citizens about all aspects of the advantages of these foreign policy initiatives aimed at mutual benefit for both China and the participating countries. Of course, the media always play a key role in providing quality information to the general public, with the aim of better understanding all the benefits that these Chinese initiatives can bring to Bosnia and Herzegovina. Also, the media can have a great influence on decision makers by creating a positive environment and by accurate and objective information. Therefore, when it comes to media articles related to these topics, it is important to look at the situation objectively and professionally.

The purpose of this paper is to provide an overview of the media treatment of the Belt and Road Initiative and Platform "17+1" in Bosnia and Herzegovina, quantitative measuring of the total number of media releases dealing with these topics in the media with editorial board or visible editorial policy, and their qualitative analysis, as well as the analysis of additional, special relevant articles. Additionally, it will try to offer some recommendations with marking desirable actions that need to be implemented in order to improve the perception and treatment of these important Chinese foreign policy initiatives.

Keywords: BRI, China and the CEE countries, Platform “17+1”, Platform “16+1”, China and BiH, BiH media

Introduction

The People's Republic of China (hereinafter: China) has launched two very important foreign policy initiatives in the past eight years aimed at mutual benefit for both China and the participating countries. Thus, in 2012, “16+1” platform (since 2019, with the accession of Greece to become "17+1") was launched as a mechanism of cooperation with the CEE countries, and cooperation began with the first meeting of prime ministers of participating countries (China Radio International, 2015) in the capital of Poland, Warsaw. A year later, in 2013, Chinese President Xi Jinping proposed the Belt and Road Initiative (China Radio International, 2015).

This year, Bosnia and Herzegovina (BiH) and China are marking 25 years of diplomatic relations, and the mutual ties between the two countries are becoming closer, more diverse and more developed. During the years, cooperation between BiH and China has made significant progress. Relations went upward as the reforms in China gave results and, consequently, increased China's foreign policy activity. Bosnia and Herzegovina officially joined the Initiative at the First Belt and Road Forum for International Cooperation held in Beijing, by signing a "Memorandum of Understanding between the Council of Ministers and the Government of the People's Republic of China on cooperation within the framework of the Silk Road Economic Belt and the 21st Century Maritime Silk Road Initiative" (Ministry of Foreign Trade and Economic Relations, 2017). More active participation in the Platform "16+1", Bosnia and Herzegovina recorded since 2015 and a meeting in the Chinese city of Suzhou (Cooperation between China and the Central and Eastern European Countries, 2016) .

In order to be able to program further actions regarding cooperation through the two mentioned initiatives, to carry out work to build relationships at a higher level, ie in order to understand in which direction are these relations going, it is necessary to have a basis for further activities. The perception of the general public in both countries will play an important role in shaping these relations in the future. Since the media always play a crucial role in providing quality information to the public, and by creating a positive environment and by accurate and objective information they can have a big impact on decision makers, it is important to objectively examine the current perception of China in the media in Bosnia and Herzegovina, with a focus on the Belt and Road Initiative and cooperation platform "17+1".

This paper will try to provide insight into the treatment and perception in the media in Bosnia and Herzegovina related to the two mentioned foreign policy initiatives, quantitatively and qualitatively analyzing media coverage, and based on the results give recommendations indicating desirable actions that needs to be taken in terms of improving treatment and perceptions of these important topics.

Analysis of Media Releases

Initial Parameters

Prior to the quantitative research, a method was determined, an assessment of sources that are relevant and can provide a realistic view of the perception of the Belt and Road Initiative and the Platform "17+1" in Bosnia and Herzegovina, and the period of observation.

In this research, the search engines were used, i.e., the so-called "search engine" of the media selected as a relevant source, and in situations where it was not possible to perform a search with results that would be sufficiently representative or provide a relevant basis for analysis, Google search engine with targeted search was used (search term site: web name pages).

The basic search phrases were "Pojas i put" (local languages abbreviation for the Belt and Road) and "16+1".¹

The media (their online editions) which can be concluded to have a certain editorial policy, editorial stance and in addition to transmitting news from external sources, they also create their own content, were selected as relevant sources for research.

In order for the research base to be as relevant as possible, ie to give as realistic results as possible, the following factors were taken into account: regional representation (entities), linguistic diversity (Bosnian, Serbian, Croatian), media diversity (agencies, television, daily newspapers and periodicals, news portals).

Taking into account all the above, the following media (ie their online editions) were selected as a base:

- Public news agencies:

Federalna novinska agencija (FENA) and Novinska agencija Republike Srpske (SRNA)

- Members of the Public Broadcasting System:

Radio-televizija Federacije BiH (RTV FBiH) and Radio-televizija Republike Srpske (RTRS)

- Daily newspapers:

Dnevni avaz, Oslobođenje, Nezavisne novine, Glas srpske, Vecernji list (BiH edition), Dnevni list

- Periodicals:

Start BH

- News portals:

Klix.ba, Bljesak.info.

The survey covered a two-year period from 1 January 2018 to 31 December 2019.

¹ Although the platform is, practically, "17+1" since 2019, seven years before that it still had a different name, which is incomparably more represented in the media.

Quantitative analysis

Belt and Road Initiative

A total of 419 releases were recorded during the search through phrases related to the Belt and Road Initiative. Due to different search algorithms and very poor search options by some media selected for the research, and in order to make the results as complete as possible, in addition to the phrase "Pojas i put", other phrases were used such as: pojas i put, Jedan pojas, jedan put, Pojas i put.

Out of total number of releases, 84 of them were assessed as not relevant to the analysis, and it was a situation eg. when one result (release) is repeated, when the release relates to the announcement of the event multiple times in a row, and the like.

335 publications related to the "Belt and Road" Initiative remain to be analysed.

The number of releases by media is shown in Table 1 on Page 31.

Platform "17+1"

A total of 351 releases were recorded during the search through phrases related to the Platform "17+1". Due to different search algorithms and very poor search options by some media selected for the research, and in order to make the results as complete as possible, in addition to the phrase "16+1", other phrases were used such as: 17+1, 16 + jedan, 17 + jedan, 16 plus jedan, 17 plus jedan.

Out of total number of releases, the 69 of them were assessed as not relevant to the analysis, and it was a situation eg. when one result (release) is repeated, when the release relates to the announcement of the event multiple times in a row, and the like.

282 publications related to the Platform "17+1" remain to be analysed.

The number of releases by media is shown in Table 2 on Page 32.

Qualitative analysis

Belt and Road Initiative

Topics. When analyzing, the releases were classified into five categories, according to the topics they cover. The topics were: politics/diplomacy, economics/tourism, education/science, culture and other. Also, it is taken into account that one article can treat more than one topic, and such articles are classified into all categories they have covered.

Related to the topics, the analyzed releases are classified as follows:

- politics/diplomacy - 229

An example of this topic is the title of the release: "The Chinese side paid great importance to developing relations with BiH, considers BiH a good friend and partner in Central and Eastern Europe. Over the past years, guided by the Belt and Road Initiative and 16+1 cooperation, relations between China and BiH have maintained a tendency to develop rapidly." (Klix.ba, 2019)

- economics/tourism - 222

An example of this topic is a paragraph in the release: "Belt and Road" is an initiative launched five years ago by the President of the People's Republic of China Xi Jinping and is built on the ideas of the ancient and medieval "Silk Road", which for centuries connected countries and nations of Asia, Africa and Europe, contributing to the overall progress through the exchange of people, ideas and goods. The modern version of the "Silk Road" has a similar intention, to contribute to the creation of a community of common destiny of humanity through the Belt and Road Initiative and the opening and connection of peoples and states." (Start BH, 2018)

- education/science - 45

An example of this topic is a paragraph in the release: Students in the field of pedagogy and education have the opportunity to visit distant China as part of the summer training program "Belt and Road", organized by Beijing University in Beijing. The goal of the program is to attract as

many top talented students as possible to learn and exchange ideas. (Glas Srpske, 2019)

- culture - 55

An example of this topic is a paragraph in the release: "As the charge d'affaires of the Chinese Embassy in BiH Zhou Yang said on the occasion of the opening of the exhibition, the exhibition of Chinese paintings is one in a series of cultural events dedicated to the 70th anniversary of the founding of the People's Republic of China", which coincides with the 25th anniversary of the establishment of diplomatic relations between China and BiH. She reminded that the relations between the two countries in the context of the Belt and Road Initiative and cooperation within the "17 plus one" platform are developing rapidly, emphasizing that good bilateral relations are based on good understanding and cultural exchange." (Nezavisne novine, 2019).

- other - 58

An example of this topic is a paragraph in the release: "The Ambassador confirmed that mutual cultural cooperation is progressing rapidly, and there are numerous good examples within the Belt and Road Initiative, as well as "16+1" within which a festival of winter sports for students will be held in BiH this year, as well as a conference of ministers of transport and communications." (FENA, 2019) .

The percentage of the topic in the releases is shown in the Chart 1 on Page 37.

Observed individually by the media, the representation of topics in releases is shown in Table 3 on Page 33.

Editorial stand. When analysing the stand, i.e. the preference of the release, they were classified into three categories: positive, neutral and negative.

According to the stand, the analyzed releases are classified as follows:

- positive - 234

An example of positive stand is the title of the release: "Great opportunities for the inclusion of the USK in the Chinese Belt and Road Initiative" (RTV FBiH, 2018)

- neutral - 49

An example of neutral stand is the title of the release: "Five years of the Belt and Road Initiative - Symposium in the Foreign Trade Chamber of BiH" (Start BH, 2018)

- negative - 49

An example of negative stand is the paragraph in the release: "He further cited China as another destabilizing factor. Palmer reminded that the Chinese authorities are infiltrating the region through the "17+1" and "Belt and Road" initiatives, as well as through investments in strategic industries and information and physical infrastructure, creating new political and economic weaknesses." (Bljesak.info, 2019).

As a percentage, the stand in releases is shown in Chart 2 on Page 38.

Observed individually by the media, the representation of topics in releases is shown in Table 4 on Page 34.

Platform "17+1"

When analyzing, the releases were classified into five categories, according to the topics they cover. The topics were: politics/diplomacy, economics/tourism, education/science, culture and other. Also, it is taken into account that one article can treat more than one topic, and such articles are classified into all categories they have covered.

Related to the topics, the analyzed releases are classified as follows:

- politics/diplomacy - 227

An example of this topic is the paragraph in the release: "Ambassador of the People's Republic of China to Bosnia and Herzegovina Chen Bo considers the just concluded 7th summit of heads of government of CEEC and China in Sofia another success of BiH in bilateral cooperation with the People's Republic of China and multilateral within the format of 16 countries of Central and Eastern Europe." (Bljesak.info, 2018)

- economics/tourism - 251

An example of this topic is the paragraph in the release: "It was pointed out that economic cooperation between BiH and China has intensified after the launch of the Platform 16+1, that Chinese investors' interest in BiH has increased in recent years, but that there is still much space and opportunities for strengthening economic cooperation between the two countries." (Klix.ba, 2018)

- education/science - 69

An example of this topic is the paragraph in the release: "The goal of opening this institute is to promote Chinese language and culture, strengthen educational cooperation between China and RS, as well as strengthen diplomatic ties and economic cooperation, but also active participation in the Belt and Road Initiative and Platform 16+1 with the aim of better positioning RS in the international framework." (Glas Srpske, 2018)

- culture - 56

An example of this topic is the paragraph in the release: "The third is the bridge of human and cultural exchange. In recent years, the "wave of the Chinese language" has been in full swing in BiH, and art performances such as "Happy Chinese New Year" have been well received by local audience. We will continue to provide big support for teaching Chinese language and promoting Chinese culture in BiH, expanding communications with think tanks, higher education institutions and the media in BiH, in order to increase mutual acquaintance and constantly bring the peoples of the two countries closer." (Klix.ba, 2019)

- other - 75

An example of this topic is the paragraph in the release: "During the Summit in Sofia, BiH proposed to organize the Festival of Winter Sports 16+1 for university students in 2019. I believe that this will help increase the exchange of young people from China and 16 countries of Central and Eastern Europe, introduce winter sports as a new area of cooperation

within 16+1 and strengthen cooperation between China and BiH in winter tourism." (RTV FBiH, 2018).

As a percentage, the stand in releases is shown in Chart 3 on page 39.

Observed individually by the media, the representation of topics in releases is shown in Table 5 on page 35.

Editorial stand. When analysing the stand, i.e. the preference of the release, they were classified into three categories: positive, neutral and negative.

According to the stand, the analyzed releases are classified as follows:

- positive - 237

An example of a positive stand is the title: "BiH is the winner of the 16+1 Summit in Sofia" (Bljesak.info, 2018)

- neutral - 31

An example of a neutral stand is the title: Softić at the meeting of the governors of the central banks of the 16+1 countries, China and CEEC (Start BH, 2018)

- negative - 14

An example of a negative stand is the paragraph in the release: "The latest addition to the regional power game is China. All the countries of the Western Balkans, except Kosovo, have been incorporated into the Beijing's Belt and Road Initiative, within the 16+1 format. They welcomed much-needed aid, trade and investment flows, which are steadily increasing in areas of economic influence which rivals the European Union. While Beijing supports the region's accession to the European Union, its activities cast doubt within the EU itself that China could use its economic influence to profit politically. In addition, Chinese projects do not necessarily comply with EU sustainability or transparency standards. China's economic reach therefore poses a risk to the region, especially in terms of debt, as much of the investment comes in the form of loans." (Klix.ba, 2019).

As a percentage, the stand in releases is shown in Chart 4 on Page 40.

Observed individually by the media, the representation of topics in releases is shown in Table 6 on Page 36.

The results

A total of 617 releases addressing both topics were analyzed.

From the above indicators it is possible to gain insight into the topics that dominated the releases, and those are politics/diplomacy (456 releases that dealt with these topics) and economics/tourism (473 releases that dealt with these topics), while all other topics, which is understandable, are still less represented.

When it comes to the editorial stand of analysed releases, and this is part of the analysis that provides an answer to the question posed by this paper - treatment and perception of the Belt and Road Initiative and Platform "17+1" in the media in Bosnia and Herzegovina – 474 or 76.82% of them were assessed as positive, 80 of them or 12.97% as neutral, and only 63 or 10.21% of them as negative.

Looking at the analysed topics individually, 335 publications were analysed for the Belt and Road Initiative. Out of that, 234 or 70.74 % were assessed as positive, and by 49 or 14.63% wer assessed as neutral and negative. For Platform "17+1", 282 releases were analysed. Out of that, 237 or 84.04% of them were assessed as positive, 31 or 10.99% of them were assessed as neutral, and only 14 or 4.97 % of them were assessed as negative.

When analysing the results, it is important to consider that most of the releases that analysis assessed as negative are tied for conveying the stands of political authorities of other countries (Fena, 2019) or for activities that are not related directly to the analysed topics (Bljesak.info, 2019), while only a small part had the characteristics of a negative stand that relates directly to the attitude of local actors towards the analysed Chinese foreign policy initiatives and their impact on Bosnia and Herzegovina .

Judging by all the above, it can be concluded that the treatment and perception of the Belt and Road Initiative and the Platform “17+1” in the media in Bosnia and Herzegovina are extremely positive.

Additional analysis

In order to obtain a comprehensive insight, in terms of another goal of this work - giving specific recommendations, the additional analysis was performed, i.e. the analysis of two special cases.

Two releases, which are not covered by quantitative and qualitative analysis, were analysed more detailed¹. Both publications are author's, and the authors are well-known and recognized long-term media workers, who have many years of editorial experience in the most respected media in Bosnia and Herzegovina, and can be considered relevant in international relations, economic and political situation both globally and in Bosnia and Herzegovina, as well as in the area of relations between Bosnia and Herzegovina and China.

Also, both publications have positive stand toward the Belt and Road Initiative and the Platform 17+1, but they are objective presentations with relevant indicators, official data, relevant sources and are avoiding a one-sided view of things.

“JEDAN POJAS – JEDAN PUT”: Kina je spas za BiH

First analysed release is the one entitled “JEDAN POJAS – JEDAN PUT”: Kina je spas za BiH (Osmović, 2017). This release covers both of the observed foreign policy initiatives.

Analysing this release, it can be concluded that the author provides a balanced insight and analysis of the Belt and Road Initiative and the Platform “17+1”. That can be noted at the outset, from the introductory and accented paragraph, which are indicating

¹ One publication was not included because it was published outside the observed period and the other one because it was published in a medium that was not selected for analysis.

possible benefits for Bosnia and Herzegovina but also that the things are two-way, i.e. something also depends on local decision-makers:

The new Chinese strategy called "One Belt, One Road", and it is a new model of globalization, could be a huge investment infusion for BiH, provided of course that the local authorities do their job and accept the salvation belt offered by official Beijing.

In the text, the author also provides data from relevant sources on the economic situation in which Bosnia and Herzegovina finds itself:

Data from the United Nations Conference on Trade and Development (UNCTAD) shows the best where BiH is right now - since 2010, foreign investment in our country has been only USD 92 per capita, showing that BiH is at the European bottom.

In addition to the above, the specific moves of the decision-makers of both countries were mentioned, as well as the specific projects in which China plans to invest, with specific figures:

We already know the projects in which the Chinese intend to invest their money - highway Banja Luka - Mlinište, highway Banja Luka - Novi Grad, then about EUR 500 million in the Thermal Power Plant Gacko, they are also interested in investing in the Hydroelectric Power Plant Buk Bijela and the project "Gornji Horizonti" in Herzegovina. Almost every day the final signing of the contract on the construction of Block 7 in the Tuzla Thermal Power Plant, the value of which is around EUR 800 million, is expected. The Chinese are announcing an investment of USD 305 million for the Banovići Thermal Power Plant, and about EUR 500 million for the Kamengrad Mine and Thermal Power Plant in Sanski Most... Chinese investors built the Stanari Thermal Power Plant near Dobož and it was put into operation last year.

However, the author has made efforts to avoid one-sided view, and uncritically positive representation of matter, where he mentioned that there are disputes about the observed China's foreign policy initiatives (stating most often remarks that it is a geopolitical project

exclusively for Chinese interest) and the official response of China to stated:

To the remarks that this is a geopolitical project in the exclusively Chinese interest, the official Beijing replied: "We hope that "One Belt, One Road" is a two-way street, not a one-way street. "China is not only penetrating the world but accepting it and opening up to equal international trade."

And he tried to support the above answer with additional information from official sources:

BiH has a kind of advantage that borders the European Union, but also an advantage in the price of labor, land and raw materials - explained Chinese Ambassador to BiH Chen Bo, emphasizing that her country "has taken numerous measures to place BiH products on the Chinese market". Among other things, in June last year, a permanent BiH booth was opened free of charge at a large investment and trade exhibition held every year in Ningbo, and in the city of Yiwu, which is called the "world of small goods", BiH can also get its permanent booth for free.

In short, the author showed knowledge related to political and economic realities in Bosnia and Herzegovina, knowledge of foreign policy relations, knowledge of relations between the two countries, and with the use of relevant data and official sources tried, with a positive stand, to realistically and objectively point out the benefits of Bosnia and Herzegovina may have from Chinese initiatives as well as what could be obstacles in the process.

Bosna i Hercegovina i Kina: Pojas nade i put spasa

The second analyzed release is the one entitled " Bosna i Hercegovina i Kina: Pojas nade i put spasa " (Borić, 2019). This release covers both of the observed foreign policy initiatives.

By analyzing this release, it can be concluded that the author tries, with a positive stand towards the observed Chinese initiatives, to point out their real feasibility (rapid development of China and large growth of

investment in countries participating in the initiatives) and great current significance (both globally - "Belt and Road" and regionally - "17+1"), but maintaining objectivity pointing to the realities related to attracting investment and financing (reduction of investment and financing by "standard" sources of financing, and the opening of new opportunities from China), the most common criticism (potential debt bondage), but also current and potential benefits for Bosnia and Herzegovina.

By underlining the rapid development of China, the author tries to point out the real feasibility of the observed Chinese initiatives:

It is estimated that by 2030, along with the United States and Russia, of the six countries with the largest gross domestic product, four of them could be from Asia, namely China, India, Japan and Indonesia. (...) Last year, the People's Republic of China marked 40 years since the beginning of reforms and opening, the unprecedented development of a country in the modern history. By 2025, China will replace the European Union as the world's largest gas importer. This year, it sent a space crew to the dark side of the Moon.

A 55-kilometer bridge connecting Hong Kong, Macao and Zhuhai in Guangdong Province was built. China's GDP in 2018 was Yuan 90,030.9 billion (EUR 11,472.85 billion).

It also underlines their current great importance:

The countries of that initiative recorded a significant increase in imports and exports with China by 13.3 percent, compared to an increase of 7.9 percent with the countries of the European Union, and 5.7 percent with the United States. Last year, Chinese companies made a non-financial direct investment of USD 15.64 billion in 56 countries along the "Belt and Road", which is an increase of 8.9 percent or 13 percent of total Chinese indirect financial investment.

The author also states the realities related to attracting investments by individual countries:

The rapid increase in Chinese investment along the "Belt and Road" can, to some extent, offset the effects of Western capital

withdrawals. However, it is common knowledge that many of these countries are not the most attractive investment opportunities, and growing trade protectionism and unilateralism further limit access to finance for developing countries. (...) By the way, Chinese investment along the Belt and Road is concentrated in this area¹ and because the developed countries of the West are reluctant to invest in the infrastructure that, as we know in Bosnia and Herzegovina, as well as those in Pakistan, Sri Lanka, Montenegro and the Philippines, is necessary for development

In the part of the text, the most frequently expressed criticism (potential debt bondage) is pointed out, as well as the data that show whether these criticisms are grounded, ie the position that these initiatives are still two-way:

"Belt and Road" has its critics, as well as open enemies. The common concern goes in the direction of the quality of Chinese industry products or financial arrangements through Chinese banks, as dangers threatening debt bondage in the event that certain projects prove unprofitable.

According to published data, Chinese loans to Africa accounted for only 1.8 percent of Africa's total debt from 2000 to 2016 and are mainly concentrated in infrastructure. (...) Without infrastructure and energy independence, there is no industrial development and these projects require the support of large banks, from the east or west. The fact is that Chinese banks do not condition credit lines on structural reforms in society, as is the fact that the political elites of a country with the help of experts must be able to make decisions with all the consequences they carry.

In the conclusion of the release, the author tried to point out the current and potential benefits that participation in the observed Chinese initiatives could bring to Bosnia and Herzegovina. Eg.:

"Dongfang Electric", which built the Stanard Thermal Power Plant near Dobož and is the chosen partner for the construction of TPP Banovići, is the brightest example of cooperation within the Belt and Road

¹ In infrastructure.

Initiative. "Gezhoubu", a company that will soon build block 7 of the thermal power plant in Tuzla with American and European partners, the largest post-war investment project, just waiting to show off its skills, and after the Parliament of the Federation of Bosnia and Herzegovina gives its final consent to credit indebtedness (by shutting down obsolete blocks, Tuzla will finally breathe, miners relying on the thermal power plant will be provided with a livelihood).

Or:

Infrastructure projects are accompanied by unimagined opportunities for the development of cooperation in tourism. Every year, the number of Chinese people leaving China in search of world destinations grows. Their number in 2018 was 150 million. The share of Bosnia and Herzegovina for the same year with the abolition of the visa regime increased significantly and exceeded 50,000, which is not a single per mille of the total number. But it also shows how much space for improvement there is.

Also, the author, by citing China's attitude towards the process of European integration of Bosnia and Herzegovina, shows how these initiatives are not conditioned, ie an obstacle to multilateralism:

Senior officials of the People's Republic of China so far expressed support countless times to the path chosen by Bosnia and Herzegovina, which is membership in the European Union, which is, it should be emphasized, China's largest trading partner and whose leaders meet regularly with Chinese leaders, both at the member countries and the EU level.

The volume of mutual exchange between China and the EU in 2012 reached USD 546 billion. The EU invested USD 89.93 billion in China in the same year. The value of goods transported between China and Europe in 2013 reached EUR 393 billion. In 2014, China became the world leader in terms of trade volume - four trillion USD, the volume of trade with the EU is growing with the expectation that in 2020 will reach one trillion USD.

In short, the author showed great knowledge related to political and economic realities in Bosnia and Herzegovina, knowledge of global economic and political relations, knowledge of relations between the two countries, and he, as well as the author of the first analyzed release, with using relevant data and official sources, and with a positive stand, tried to realistically and objectively point out the benefits that Bosnia and Herzegovina can have from Chinese initiatives as well as what could be obstacles in the process.

Other sources

In addition to the conducted analysis, for an overall insight into the treatment and perception of the Belt and Road Initiative and the Platform “17+1”, it is necessary to list other sources that speak about the analysed topics. Namely, in Bosnia and Herzegovina there are other sources besides the classic media. We can divide them into two groups: governmental and non-governmental.

Governmental sources include:

- Website of the Embassy of the People's Republic of China in Bosnia and Herzegovina - <http://ba.chineseembassy.org/ba/>

- website of the Confucius Institute of the University of Sarajevo - <http://www.confucius.unsa.ba/>

- Facebook profile of the Confucius Institute of the University of Sarajevo - <https://www.facebook.com/Konfucijev-institut-Univerziteta-U-Sarajevo-1212031732172115/>

- website of the Confucius Institute of the University of Banja Luka - <https://www.ki.unibl.org/>

- Facebook profile of the Confucius Institute of the University of Banja Luka - <https://www.facebook.com/kiunibl.org/>

- Facebook profile of the Department of Sinology at Faculty of Philosophy of the University of East Sarajevo - <https://www.facebook.com/katedrazasinologiju/>

Non-governmental sources include:

- website of the Association "Bosnian-Chinese Friendship"
 - www.boskin.ba
 - Facebook profile of the Association "Bosnian-Chinese Friendship"
 - <https://www.facebook.com/boskin.ba/>
 - web (news) portal of the Association "Bosnian-Chinese Friendship" - www.kina-danas.com
 - Facebook profile of the web (news) portal of the Association "Bosnian-Chinese Friendship"
 - <https://www.facebook.com/kinadanas/>
 - website of the Foundation for the Promotion and Development of the Belt and Road Initiative - www.pojasiput.ba
 - Facebook profile of the Foundation for the Promotion and Development of the Belt and Road Initiative
 - <https://www.facebook.com/pojasiput/>
- These sources, by their nature, have an expected positive stand towards the analyzed topics.

Concluding remarks

Judging from the results of quantitative and qualitative analysis, which can be further confirmed with analysis of two separate releases, it can be concluded that the treatment and perception of the Belt and Road Initiative and Platform "17+1" in the media in Bosnia and Herzegovina is extremely positive. If we take into account the great geographical distance between the two countries, that Bosnia and Herzegovina is traditionally oriented towards Euro-Atlantic integration, that the public in Bosnia and Herzegovina has practically recently become acquainted with China in general and then with the Belt and Road Initiative and the Platform "17+1", in which the cooperation between the two countries has passed (and in some segments is still passing) the phase of initial difficulties, the perception of the observed initiatives in the media in Bosnia and Herzegovina can be assessed even more positive.

Given this favorable perception in the media in Bosnia and Herzegovina, which always play a key role in providing quality information to the general public, in creating a positive environment, and can have a great impact on decision makers, the conclusion is that this result could be greatly exploited to build the foundation for creating the direction of further bilateral relations, "programming" of mutual actions on the issue of improving cooperation through the two mentioned initiatives, and finally to build relations at the highest possible level.

Recommendations for further action

Although the survey gave a positive result regarding the treatment and perception of observed topics, given the volatility in global relations, as well as various line of force in regional and local political and economic relations which can contribute to lowering the lower level of bilateral relations between China and Bosnia and Herzegovina, and weakening positions of Bosnia and Herzegovina in the Belt and Road Initiative and the Platform "17+1", it is necessary to constantly undertake activities to maintain, and if possible to improve, current positive treatment and perception of these Chinese initiatives for international cooperation.

The basic recommendation is general when it comes to informing the general public - to continue to access the media transparently and up-to-date, and with comprehensive and understandable language, on the basis of which the media can then create an stand to act in all future situations.

And from this analysis, research, it was possible to see how information, education of media workers on the topic they cover is very important when it comes to how to present that topic. The more they know about the topic being reported on, the better, more objective and topical the articles/releases are, devoid of prejudices and reflections of external influences. Related to this, it is desirable to establish new channels of cooperation and strengthen the existing in terms of permanent contact with media workers, their education/information on important topics - briefings,

visits to cultural institutions (Confucius Institute, etc.), visiting construction sites/plants of Chinese enterprises in BiH, visits and participation at events (Chinese New year, the celebration of certain holidays, etc.), and also organizing personal introductions (study visits, etc.) to the observed foreign policy initiatives and with China in general .

Also, it is necessary to take into account the fact that for average resident of Bosnia and Herzegovina, and consequently for the majority of the media, China is still "far away at the end of the world" and the stand of most people about everything that comes from this country is based on certain prejudices, half-information or information that they cannot easily decode because they do not have access to a sufficient amount of comprehensive information to enable them to do so, stands they hear from the media the most of which have not treated China at all until a few years ago. Therefore, the approach to the media, but also to the wider public in general, it is necessary to be created in a comprehensive manner - not just in relation to the two observed foreign policy initiatives than for China in general - people, language, sport, heritage, art, etc.

Regardless of possible objections and bias, the bias of these sources of information, it is necessary to continue to help maintain other sources of information in addition to the classic media - existing governmental and non-governmental sources.¹

Help encourage/maintain/improve some, selected non-governmental sources of information. Chinese state media do not have a page for Bosnia and Herzegovina. There are sites/programmes of China Radio International in Croatian and Serbian language that focus on Croatia and Serbia, but there is not a site that focuses on Bosnia and Herzegovina (and there is no content in Bosnian language). Related to that, it is desirable to consider the opening of such a channel/program of this or any other media, or what is realistic and feasible fast – to establish cooperation and encourage and support the development/operation of some of non-governmental sources of information. Eg. to help development of the most

¹ Listed in the section Other sources, pages 21-22.

vital non-governmental source of information about China, and only one referred to the daily transfer of news, the first Chinese online magazine in the languages of South Slavic peoples, the web (news) portal Kina danas – Kineski vijesnik¹ in order to reach the level where it can be able/capacitated to publish a certain number of news, eg. sites/programmes of China Radio International in Croatian and Serbian language, and to add a certain number of "its own" news and have all that news in Croatian and Serbian and Bosnian language. This is just one example, and cooperation is possible to establish in many ways, although it is necessary to bear in mind that it depends on the cooperation opportunities possessed by the Chinese state media and the local legislations in Bosnia and Herzegovina.

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Tables and charts

Table 1.

Belt and Road Initiative, Search Results

Media	Total	Irrelevant	For analysis
FENA	86	25	61
SRNA	17	3	14
RTVFBiH	76	35	41
RTRS	22		22
Dnevni avaz	28	4	24
Oslobođenje	21		21
Nezavisne novine	43	9	34
Glas Srpske	25	3	22
Večernji list (BiH)	14	2	12
Dnevni list	10	1	9
Start BH	12	2	10
Klix.ba	35		35
Bljesak.info	30		30
TOTAL	419	84	335

Table 2.*Platform „17+1“, Search Results*

Media	Total	Irrelevant	For analysis
FENA	86	25	61
SRNA	17	3	14
RTVFBiH	76	35	41
RTRS	22		22
Dnevni avaz	28	4	24
Oslobođenje	21		21
Nezavisne novine	43	9	34
Glas Srpske	25	3	22
Večernji list (BiH)	14	2	12
Dnevni list	10	1	9
Start BH	12	2	10
Klix.ba	35		35
Bljesak.info	30		30
TOTAL	351	69	282

Table 3.*Belt and Road Initiative, Representation of Topics in Analyzed Media Releases*

Media	Politics/ diplomacy	Economics / tourism	Education/ science	Culture	Other
FENA	44	44	5	13	10
SRNA	10	12	5	6	4
RTVFBiH	27	20		2	7
RTRS	20	10	4	5	4
Dnevni avaz	20	17	1	1	2
Oslobođenje	15	15	5	5	3
Nezavisne novine	18	21	2	2	2
Glas Srpske	11	8	4	4	1
Večernji list (BiH)	6	9	1		
Dnevni list	7	6	1	2	3
Start BH	7	9	2	2	2
Klix.ba	24	30	9	10	9
Bljesak.info	20	21	6	3	11
TOTAL	229	222	45	55	58

Table 4.*Belt and Road Initiative, The Stand of Analyzed Media Releases*

Media	Positive	Neutral	Negative
FENA	38	17	6
SRNA	11	1	
RTVFBiH	24	6	11
RTRS	20		2
Dnevni avaz	16	2	5
Oslobođenje	15	1	5
Nezavisne novine	24	8	2
Glas Srpske	16	3	3
Večernji list (BiH)	11	1	
Dnevni list	4	1	4
Start BH	9	1	
Klix.ba	28	4	3
Bljesak.info	18	4	8
TOTAL	234	49	49

Table 5.*Platform „17+1“, Representation of Topics in Analyzed Media Releases*

Media	Politics/ diplomacy	Economics / tourism	Education/ science	Culture	Other
FENA	45	62	13	5	15
SRNA	8	12	4	4	5
RTVFBiH	17	17	6	5	4
RTRS	25	21	7	5	6
Dnevni avaz	13	15	6	2	4
Oslobođenje	15	16	5	5	5
Nezavisne novine	21	21	5	6	4
Glas Srpske	7	6		1	1
Večernji list (BiH)	12	14	5	2	6
Dnevni list	12	12	2	7	4
Start BH	3	3	1	1	
Klix.ba	40	42	11	10	16
Bljesak.info	9	10	4	3	5
TOTAL	227	251	69	56	75

Table 6.*Platform „17+1“, The Stand of Analyzed Media Releases*

Media	Positive	Neutral	Negative
FENA	60	13	2
SRNA	11	1	
RTVFBiH	18		1
RTRS	17	4	4
Dnevni avaz	15	1	1
Oslobođenje	14	2	
Nezavisne novine	21	1	1
Glas Srpske	6	1	
Večernji list (BiH)	13	1	
Dnevni list	13		
Start BH	3		
Klix.ba	37	5	4
Bljesak.info	9	2	1
TOTAL	237	31	14

Chart 1.

Belt and Road Initiative, Representation of Topics in Analyzed Media Releases

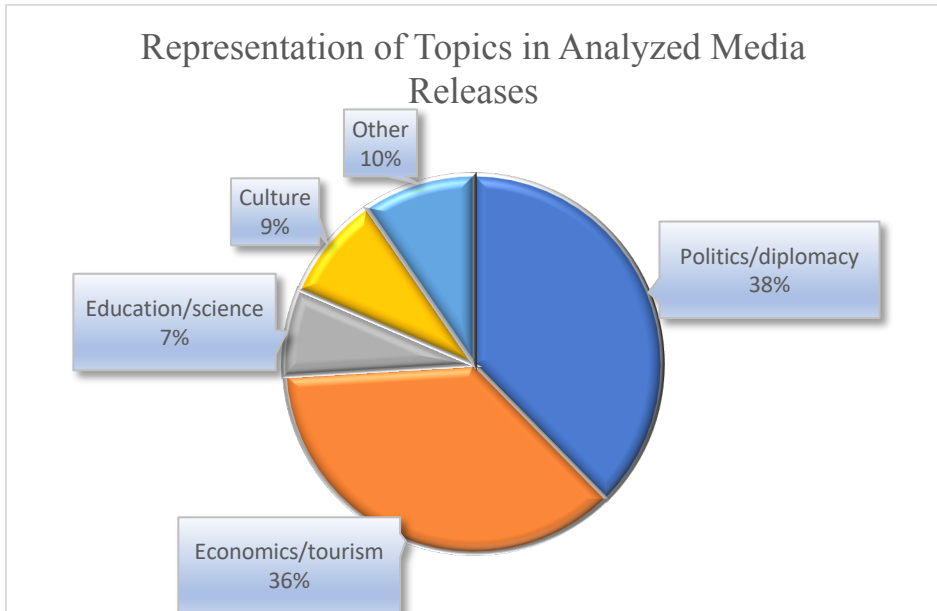


Chart 2.

Belt and Road Initiative, The Stand of Analyzed Media Releases

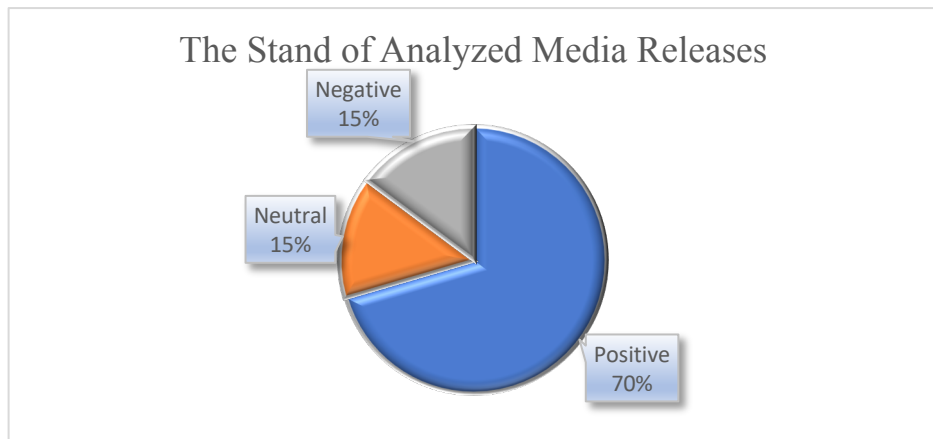


Chart 3.

Platform „17+1“, Representation of Topics in Analysed Media Releases

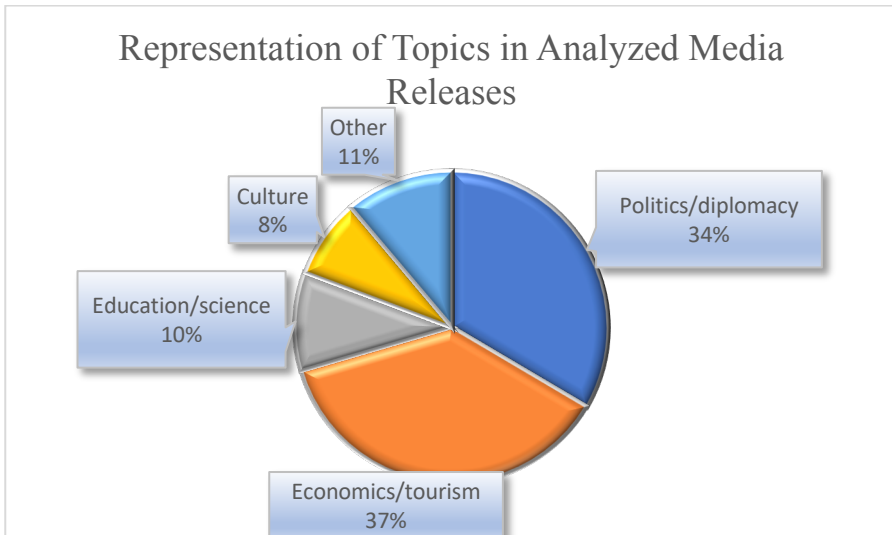
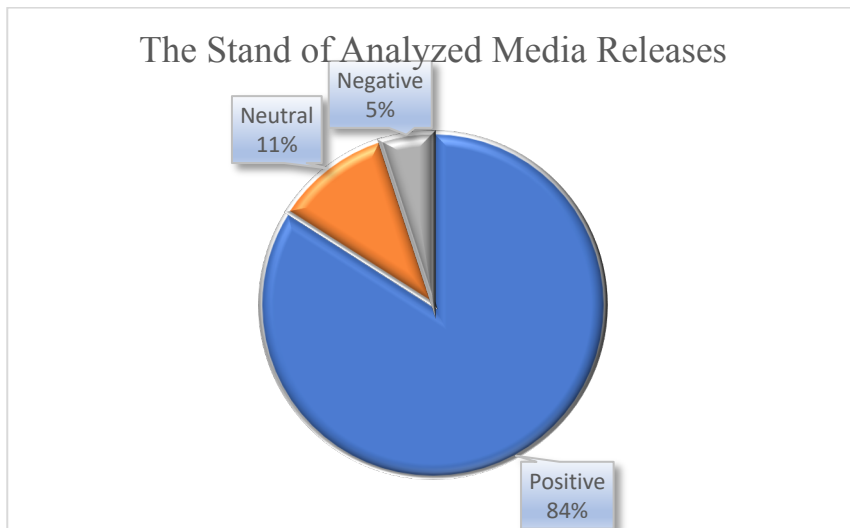


Chart 4.

Platform “17+1”, The Stand of Analysed Media Releases



Institutional Framework for Strategic Development of Bosnia and Herzegovina-China Relations with a Focus on the BRI

Miroslav Živanović

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Introduction

The ambition of this paper is to inspire process of strategic planning of bilateral relations between Bosnia and Herzegovina and China. If nothing else, anticipated economic recession, as consequence of developing pandemic of Covid-19 virus, is strong incentive for Bosnia and Herzegovina to expand relations and cooperation with China. Of course, strengthening bilateral relations between two countries is path loaded with challenges. Bosnia and Herzegovina is a small state, not very relevant for global aspirations of China. It is very difficult to imagine any possible reasons for China to elaborate its cooperation with Bosnia and Herzegovina beyond friendly diplomatic relations supported with Chinese economic activities executed in the region of Central and Eastern Europe and Western Balkans. Asymmetry between two states is of gigantic proportions, not to mention Bosnia and Herzegovina complicated circumstances deriving from its recent violent and devastating past, which includes political instability, fragile institutions and economic setback.

At first sight, it seems that any effort aimed at researching different aspects of relations between two states can hardly result with the encouraging outcome. Still, it would be a bit irresponsible not to consider potentials of strengthening relations with China, especially if one has in

mind that Bosnia and Herzegovina in its past dealt with even greater trial of managing war diplomacy almost immediately after it's been internationally recognized as sovereign state. Historically good relations between China and Bosnia and Herzegovina inspire initiative to further strengthen bilateral relations between two countries.

Internal factors affecting Bosnia and Herzegovina Foreign Policy

Although Bosnia and Herzegovina has a long political history, its modern statehood started on 6th of April, 1992, with the international recognition of its independence. From the very beginning, its foreign policy was imposed a crucial task: to ensure Bosnia and Herzegovina is recognized by other states and acceptance into most important international associations (Arapović, 2010). Despite all aggravating circumstances, due to raging armed conflict on the territory of entire state with the open engagement of neighboring countries, with limited human and material resources of its diplomacy, Bosnia and Herzegovina managed to achieve mentioned objectives.

Key determinant of contemporary Bosnia and Herzegovina is, of course, the legacy of the war that ravaged country from 1992 to 1995 and left a trail of material and human devastation. Postwar period was primarily characterized with the reconstruction of government institutions and economic infrastructure. As established by the Constitution of Bosnia and Herzegovina (the Constitution), which is an integral part (Annex IV) of the 1995 Dayton/Paris General Framework Agreement for Peace (the GFAP), Bosnia and Herzegovina is a parliamentary democracy in which the executive powers are exercised by the Presidency of Bosnia and Herzegovina (the Presidency) and the Council of Ministers of Bosnia and Herzegovina (the Council of Ministers), and the legislative powers by the Parliamentary Assembly of Bosnia and Herzegovina (the Parliamentary Assembly). The Constitution guarantees the fundamental principles of a

democratic state, including the rule of law, free elections and the protection of human rights.

The Constitution sets out the internal structure of the country as a state consisting of two entities, the Federation of Bosnia and Herzegovina (itself composed of 10 cantons) and Republika Srpska, as well as the Brčko District. The Preamble to the Constitution recognize ‘Bosniacs, Croats, and Serbs, as constituent peoples (along with Others), and citizens of Bosnia and Herzegovina’ as determining the Constitution. The country faces a number of structural issues stemming from its complex institutional set-up coupled with ethnicity-related procedures that adversely affect its functionality. State-level competences are enumerated in the Constitution, which attributes all other powers to the entities. State-level competences also include powers that have been gradually attributed to or assumed by the State on the basis of transfer agreements, implied powers and annexes to the peace agreements, as a result of pressure executed under the authority of the Office of the High Representative (OHR). The OHR, international institution established by the Annex X to the Dayton Peace Agreement, is yet another special characteristic of Bosnia and Herzegovina. The OHR is the final authority on the interpretation of the civilian aspects of the implementation of the peace agreement. The OHR has since been granted extensive powers to decree legislation and remove public officials – known as ‘Bonn powers’ – which was last used in 2011. Such extensive international supervision is in principle incompatible with the sovereignty of Bosnia and Herzegovina. A process towards closing the OHR has been underway since 2008, but still open due to Bosnia and Herzegovina failure to fulfil number of conditions related to the EU membership. Frequent disputes on the distribution of competences between the State and the entities affect legislation and its effective exercise and implementation.

In general, the Constitution contains ethnic and residence-based provisions that are not in line with the European Convention on Human Rights. The composition and decision-making of several administrative

bodies are based on ethnic criteria, which affects their effectiveness and efficiency. In addition, ethnic-based veto rights affect the work of the Parliament and of the entity legislative assemblies. The Constitutional Court is the interpreter of the Constitution and final authority on conflicts of competence between different levels of government.

Bosnia and Herzegovina has a complex system of executive power, which is broadly functioning. The complexity of its institutions leads to significant issues related to coordination and harmonization of the country's policy stances. There are 14 executives across the country exercising competences relevant for implementing the fundamental state-relevant policies. At the same time, they all face the challenge of insufficient capacities to deliver sound and effective public policies.

Obviously, such an unstable and complex political system couldn't facilitate desired economic development. The European Commission Analytical Report prepared as part of the Commission Opinion on Bosnia and Herzegovina's application for membership of the EU in regard to economic performance underlines that Bosnia and Herzegovina is a relatively small economy with a population of approximately 3.5 million, living on a territory of around 51 000 square kilometers. Key economic figures coming from the same source are presented below.

Bosnia and Herzegovina: Key economic figures	2010-15 average	2016	2017	2018*
GDP per capita (% of EU-28 in PPS)	30.0	31.0	32.0	:
Real GDP growth	1.4	3.1	3.2	3.1
Economic activity rate of the population aged 15-64 (%), total	54.0	54.2	54.5	54.2
<i>female</i>	41.6	41.9	42.7	41.8
<i>male</i>	66.5	66.2	66.1	66.4
Unemployment rate (%), total	27.5	25.5	20.7	18.4
<i>female</i>	30.2	30.2	23.3	20.3
<i>male</i>	25.9	22.6	19.0	17.2
Employment (annual growth %)**	-0.7	-2.6	1.9	0.7
Nominal wages (annual growth %)	1.2	0.9	1.5	3.1
Consumer price index (annual growth %)	1.0	-1.1	1.2	1.6
Exchange rate against EUR	1.96	1.96	1.96	1.96
Current account balance (% of GDP)	-6.8	-4.5	-4.9	-4.2
Net foreign direct investment, FDI (% of GDP)	2.0	1.6	2.1	2.3
General government balance (% of GDP)	-1.5	1.2	2.6	:
General government debt (% of GDP)	35.4	40.5	36.1	35.9

Source: Eurostat and national sources

* National sources

** LFS, including employed, self-employed and family workers

According to the constitutional and legal framework, the competences for the economy are spread over the state level, the level of the two entities, Brčko District, but also cantonal and municipal levels.

The transformation into a functioning market economy is frequently delayed by political stalemates and an insufficient focus on investment and education. Cooperation with the international financial institutions helped to overcome adverse external shocks; to keep public finances on a sustainable path, to strengthen the financial sector's resilience; to proceed with public sector reforms; and to prevent the build-up of external imbalances.

The economy of Bosnia and Herzegovina shows a rather low overall growth momentum, in particular when taking into account the relatively low-income level, with per capita GDP (expressed in purchasing power standards) at 32% of the EU-28 average in 2017. Private consumption is a key driver of growth. The main areas of investment have been the

manufacturing sector, in particular the coal and food industries, the financial sector, trading and the electricity sector. FDI inflows are largely consisted of reinvested earnings, while green field investment is low, with the exception of tourism. Monetary policy supports stability, based on the currency board arrangement as a key anchor.

The country's general government revenues are largely based on indirect taxes, which account for more than 40% of total revenues. Those revenues are collected centrally, while the other taxes are mainly defined, collected and spent on the lower levels of government. The level of official public debt rose from 24% of GDP in 2009 to 35.9% at the end of 2018.

Market entry and exit regulations are still lengthy and cumbersome because high degree of regional fragmentation leads to many different rules and different interpretations. The legal framework for market entry and exit is largely defined at the lower levels of government, which often results in different regulations and implementation at local level (i.e. in the two entities as well as in Brčko District, and partly also at the level of the 10 cantons in the Federation). There are many similarities among the various regulations and procedures, nevertheless often differences remain, which complicates doing business in different parts of the country. This high degree of fragmentation affects country's business environment, requiring companies to comply with different procedures within different parts of the country. The difficult business environment is not only reflected in low rankings in various international surveys, such as the World Bank's 'Doing business' survey, but also is probably a key factor behind the low level of domestic and foreign investment.

State influence on the economy is significant. Despite efforts to reduce state influence, countrywide public spending has remained at a relatively high level. The privatization process is still incomplete, and strategic sectors such as transport and energy (and telecommunication in one entity) are in need of improved management and increased efficiency. The share of the private sector in the country's value added has remained

rather stable over the last decade. It creates some 83% of the country's gross value added and generates some 82% of the country's employment.

The financial sector of Bosnia and Herzegovina has to be considered as stable, with foreign banks account for the largest share in the sector's activities. 15 banks out of 23 have a majority foreign ownership and together account for some 84% of the sector's total assets. Bosnia and Herzegovina has two public development banks. Bank lending to the private sector has gathered pace again, with loans to households and corporations rising from about 50% of GDP in 2009 to some 60% in late 2018. Still, SMEs and micro enterprises has difficulties to access finance.

Despite recent improvements in increasing employment and reducing unemployment, the overall situation of the country's labour market is still troubling. Low labour force participation and employment rates, high unemployment and underemployment appear to be deeply rooted problem in Bosnia and Herzegovina.

External Factors of Bosnia and Herzegovina Foreign Relations

All the above-mentioned seriously affects Bosnia and Herzegovina foreign policy. And all the above-mentioned has to be taken into account when thinking about enhancing relations with China. In addition to this, there are a few external factors, beyond influence of domestic political actors and internal political process, which determine foreign policy of Bosnia and Herzegovina. Firstly, Bosnia and Herzegovina is exposed to several factors of dependence, political, economic and security, which significantly narrow ambitions and content of its foreign policy. According to Arapović (2010), predominant role of international community, institutionalized through the OHR, increasing dependence on the international financial institutions, and international military presence make Bosnia and Herzegovina an example of triple dependence which degrades sovereignty, political system and internal cohesion of state and society. In these circumstances, state role on the international scene is

marginalized and its foreign policy is rather modest in its reach (Arapović, 2010).

Important determinant of foreign policy is geopolitical position of the country. In the case of Bosnia and Herzegovina and potential elevation of bilateral relations with China, geopolitical position is not a factor of positive influence toward that aim. On the contrary, it is more likely to be regarded as an obstacle. Territory of Bosnia and Herzegovina is placed in the secondary wrist of Eurasian geopolitical aorta in the region without any strategic reserves of vital energy resources and, as such, it is less important than, for example, Caucasus, Armenia, Azerbaijan, etc. (Ćurak, 2011). As a matter of fact, it would be accurate to conclude that only strategic reserves Bosnia and Herzegovina actually poses are reserves of political crisis. Arapovic describes geopolitical position of Bosnia and Herzegovina as two concentric circles of mutual influence. First circle is regional and puts Bosnia and Herzegovina in the focus of political action of neighboring countries - Croatia and Serbia. Both countries have history of territorial aspirations toward Bosnia and Herzegovina and strong connections with the political elites of Serbian and Croatian ethnic communities in Bosnia and Herzegovina. Second concentric circle is of global nature, with Bosnia and Herzegovina stretched between four centers of influence: Washington – Brussels – Moscow – Islamic states (Arapović, 2011). Unfortunately, modern geopolitical relevance of Bosnia and Herzegovina started with 1992 – 1995 war. Globally exposed war ended with the Dayton Peace Agreement, signed under the USA patronage, with the wide support of the international community. Since then Bosnia and Herzegovina remained in the focus of the above-mentioned centers of influence as a kind of globalized issue over which powerful international actors are demonstrating their own relevance in global politics.

From the above mentioned it is obvious that Bosnia and Herzegovina in the global processes has been in the position of an object of global trends and transformations. For example, post 9/11 world became a stage of global fight against terrorism and placed Bosnia and Herzegovina, as

country, together with Albania, with dominantly Muslim population under additional challenge of presenting itself as state deeply committed to global antiterrorism efforts. To confirm its alignment with global agenda against terrorism Bosnia and Herzegovina implemented policies that included extradition of individuals to USA authorities and participation of Bosnia and Herzegovina military forces in operations in Iraq and Afghanistan (Arapović, 2011).

Bosnia and Herzegovina political leadership and its political and economic elites are adhering toward liberal – capitalist ideology and full membership in EU. This approach creates just under set of constraints over the flexibility of Bosnia and Herzegovina foreign policy.

According to the Constitution and legal framework, the competences for foreign policy rest exclusively at the state level. The Presidency of Bosnia and Herzegovina is responsible for conducting foreign policy and representing Bosnia and Herzegovina in international and European institutions and organizations, negotiating, denouncing and, with the consent of the Parliamentary Assembly, ratifying treaties. The Ministry of Foreign Affairs is in charge of implementing the foreign policy as defined by the Presidency.

Bosnia and Herzegovina's Strategy of Foreign Policy 2018-2023 (the Foreign Policy Strategy) outlines four pillars: security and stability, economic prosperity, the protection of the interests of Bosnia and Herzegovina's citizens abroad and international legal cooperation as well as the promotion of the country in the world. The main strategic goals and priorities include full membership in the EU, activation of NATO Membership Action Plan, fight against terrorism, cooperation at regional level, and bilateral and multilateral cooperation. At the same time, the implementation of the country's Foreign Policy Strategy goals is affected by frequently divergent positions expressed by the three members of the Presidency.

Administrative structures in the area of foreign policy are modest and in need of further strengthening. This includes adequate training of the

diplomatic staff. The diplomatic and consular service consists of 44 embassies, 6 missions and 6 general consulates. In the MFA, both in the headquarters and diplomatic and consular missions, there is 658 workplaces with around 550 persons currently employed. Regulation and practices applied in the process of appointment of Bosnia and Herzegovina diplomatic and consular network negatively influence the capacity of the Ministry of Foreign Affairs to perform its tasks effectively, eventually resulting in adverse effects on the implementation of the overall country's foreign policy objectives.

Bosnia and Herzegovina has been engaged in intensive political dialogue with EU, EU Member States as well as neighboring countries and within regional initiatives.

It is participating in the Stabilization and Association Process (SAP). The Stabilization and Association Agreement (SAA) between Bosnia and Herzegovina and the EU was signed on 16 June 2008 in Luxembourg and entered into force on 1 June 2015. With the entry into force of the SAA, Bosnia and Herzegovina opened a new chapter in its relations with the EU and confirmed its commitment to pursue EU accession. By establishing contractual relations among the parties, the SAA provides a framework of mutual commitments on a wide range of political, trade and economic issues as well as the legal basis for formalized policy dialogue. Regional cooperation and the development of good neighborly relations, cooperation in the areas covered by the EU's Common Foreign and Security Policy (hereinafter: the CFSP) of the EU, and full cooperation with the International Criminal Tribunal for Yugoslavia constitute essential elements of the agreement.

Bosnia and Herzegovina has expressed its commitment to the objectives of the CFSP of the EU, outlined in the Global Strategy of June 2016, and is willing to contribute to the implementation of the Strategy in accordance with its capacities. The country expressed its readiness to act regionally and to be a reliable partner of the EU.

Bosnia and Herzegovina committed to continue to gradually align its foreign policy with the CFSP and to increasingly proceed with the alignment of its positions with those of the EU on international issues as required under EU membership obligations. However, some issues remain open. For example, Bosnia and Herzegovina did not align with High Representative declarations on behalf of the EU and Council Decisions related to the Russian Federation. In addition, the country maintains a bilateral immunity agreement with the United States, granting US citizens' exemptions from the jurisdiction of the International Criminal Court. In doing so, it does not comply with the EU common positions on the integrity of the Rome Statute or with the related EU guiding principles on bilateral immunity agreements. From the perspective of EU membership, Bosnia and Herzegovina has to step up its alignment with the EU foreign policy statements and restrictive measures towards third countries and entities.

Relations between Bosnia and Herzegovina and other countries are generally good. However, some outstanding issues exist, notably when it comes to Croatia and Serbia where border matters needs to be addressed. Bosnia and Herzegovina signed agreements on cooperation in the EU accession process with Montenegro, Serbia, Croatia and North Macedonia. It plays a broadly constructive role in regional cooperation in Southeast Europe and actively participates in initiatives such as the Western Balkans Six, Brdo-Brijuni Process, CEFTA South East Europe Cooperation Process or Central European Initiative.

Regarding the cooperation with international organizations Bosnia and Herzegovina is a member of and actively participates in the work of the United Nations (1992), the Council of Europe (2002), the Organization for Security and Cooperation in Europe (1992), the World Bank (1993), the International Monetary Fund (1992), and other major international organizations. It acts as an observer in the Non-Aligned Movement (1994) and the Organization of Islamic Cooperation (1994). The country is in the process of negotiating its membership in the World Trade organization. In addition, it participates in NATO's Partnership for Peace Program since

2006 and was invited in November 2018 to submit the first annual national programme.

The BRI Enhancing the Bilateral Relations between China and Bosnia and Herzegovina

As part of the Socialist Federal Republic of Yugoslavia (SFRJ), Bosnia and Herzegovina developed bilateral relations with China which dates back to 1949. As part of Yugoslavia, Bosnia and Herzegovina didn't have much contacts with China, so its political, economic, social and cultural ties with China could be described as historically weak. China recognized state of Bosnia and Herzegovina on April 3, 1995, and this is the date when two countries established diplomatic relations. Many of the bilateral agreements between SFRJ and China were carried over to Bosnia and Herzegovina. Since 1995, Bosnia and Herzegovina and China are developing friendly relations, however, without particularly strong ties in any potential area of cooperation, including economy. This situation changed since 2012, when Bosnia and Herzegovina joined the Cooperation between China and Central and Eastern European Countries (China CEEC or 17+1) initiative. China-CEEC cooperation is a China-led multilateral platform facilitating cooperation in the areas such as industry, energy, science and technology, finances, agriculture, forestry, health, as well as cooperation between local communities from China and CEE countries and people-to-people contact. Additional impulse for cooperation came with the China's Belt and Road Initiative (BRI), launched by President Xi Jinping in late 2013 as a cornerstone of China's foreign policy and overarching framework of projects in a wide range of areas, such as transport infrastructure, telecommunications, energy, industrial development, health, research and education and development cooperation. BRI is principally concerned with the development of land and sea corridors connecting Asia and Europe, but it can be expected that initiative of such magnitude will affect the international system and strengthen global influence of China. Bosnia and Herzegovina is among

countries with great expectations from these initiatives especially in regard to Chinese loans and investments, increased economic interconnectedness and access to Chinese growing markets. As country with the rather complex political system and unclear EU future, Bosnia and Herzegovina is under the pressure to explore economic and political opportunities outside the EU, so declarative readiness of domestic political leadership to develop relationship with China doesn't come as a surprise. Expectations of this kind are, of course, followed with the increased frequency of political relations and government and political officials' meetings and consultations.

Concrete investments in developmental and infrastructural projects throughout CEE countries are designed and implemented on the level of bilateral relations between China and each partner country. Due to the fact that EU regulations in some segments are not in line with the financing model that China implement for infrastructure development in 17+1 initiative, majority of available funds are directed toward Western Balkans countries, including Bosnia and Herzegovina, as countries which are not (yet) members of the EU. These circumstances are creating clear opportunity for Chinese banks to introduce loans for projects that would not receive EU funding.

Chinese investments and Chinese companies in Bosnia and Herzegovina are mostly present in the energy and traffic infrastructure sectors. China-CEEC yielded Stanari Thermal Power Plant Project which was marked as the first successfully implemented project within the initiative (Hirkić, 2019). In March 2019, the Parliament of the Federation of Bosnia and Herzegovina gave consent to a loan of around 613 million euro from China's Exim Bank to build Tuzla Block 7 power plant. The credit, taken by Public Enterprise Electric Utility of Bosnia and Herzegovina, is the largest post-war investment in the country. This is state-guaranteed loan which faced fierce opposition from environmental groups and the EU Energy Community Secretariat because state guarantee violates EU legislation on state aid to the energy sector (Mardell, 2018).

However, government is supportive toward this initiative because new power plant is about to replace old and less efficient plants. Also, several Chinese construction companies are engaged with construction of highway infrastructure in Bosnia and Herzegovina and they are continuing to compete for additional highway construction contracts.

Beside above mentioned, cooperation between China and Bosnia and Herzegovina encompass the usual range of Confucius Institutes, grassroots-level cultural exchanges, Sino-Bosnian friendship associations and presence of Chinese companies like Huawei (Mardell, 2020). In May 2018, latest bilateral agreement between Bosnia and Herzegovina and China, the mutual visa-free regime entered into force and resulted with the significant increase in the number of Chinese tourist visiting Bosnia and Herzegovina in 2019. In 2017 this number was 37000, in 2018 it increased with more than 58000 tourists, while during the first ten months of 2019 Bosnia and Herzegovina registered more than 95000 tourist from China.¹ Without any doubts the tourism industry is one of the most successful segments of 17+1 initiative for Bosnia and Herzegovina.

Up to know it seems that China managed to ensure better utilization of improved and more dynamic bilateral relations through significant increase in Chinese imports in Bosnia and Herzegovina, stronger presence of Chinese investments and loans, strengthened political and economic influence on the account of all other international actors in Bosnia and Herzegovina.

Bosnia and Herzegovina and China: Way Ahead

China position toward Bosnia and Herzegovina is predominantly defined with the Chinese approach to entire region of Central and Eastern Europe. Foreign policy decision-makers in Bosnia and Herzegovina should be encouraged with the renewed Chinese focus on CEE, which is accepted as an important region where successful regional cooperation will

¹ Kina danas. Available at: <https://www.kina-danas.com/kineski-turisti-u-Bosnia-and-Herzegovina-zabiljezeno-95-000-u-deset-mjeseci-2019/>

significantly contribute to China's overall foreign policy strategy. Within the CEE, China gives special consideration to Western Balkans countries because they are non-EU members and, as such, more open for Chinese investments and loans for developmental and infrastructural projects. Moreover, from the perspective of BRI as global infrastructure strategy, WB countries are recognized as territory which provide physical access to EU markets, however, with the overall infrastructure underdeveloped. China's approach to European continent requires Western Balkans cooperation, including Bosnia and Herzegovina.

Both BRI and China CEEC Cooperation initiative facilitated rapid development of relations between China and CEE countries. However, certain challenges remain. First of all, one has to keep in mind the position of the EU toward China CEEC cooperation. For the moment, it seems that it is the EU and its major members which are very cautious and reserved about increased dynamics in bilateral relations between China and CEE countries. It is very likely that EU institutions and officials are worried that strong relations of EU-members CEE countries could weaken their overall commitment for EU affairs, and at the same time distract attention of non-EU-members CEE countries from the process of European integration. It must be pointed out that China's regional engagement is not opposing to the goal of EU membership. Still, approach of Bosnia and Herzegovina to development of relations with China has to take into account EU-China context.

Another consideration comes from the fact that Bosnia and Herzegovina is a small country. To be precise, Bosnia and Herzegovina is a small state with fragile democracy and stagnant economy, placed at the intersection of conflicting regional and international interests, and EU membership as its strategic ambition and one of rare cohesive factors in ethnically divided society. The real question is: is there any way to make development of bilateral relations with Bosnia and Herzegovina attractive to China? Part of the answer to this question comes from the practice of China's relationship with small states. First of all, there is the official

position and according to it China treats all countries, regardless of size, as equals (Boon and Ardy, 2017). Boon and Ardy (2017) are claiming that China doesn't underestimate the role of small states in globalized world and there are at least two important reasons for this. First, small states make up a substantial part of the global system and their impact on the international system is not negligible because in many international organizations each small state carries the same voting weight as bigger states. Second, some small states' geographic location and natural resources seem to be of strategic importance to China. As another important feature of China's performance toward small states, some authors find little systemic evidence to suggest that China behaves in an overtly assertive manner to small states. Usually, from the perspective of small states, but not only from their perspectives, China is seen as major power with the second-largest defense-spending in the world (Government Communication, 2019). It is the world's largest trading country, and the largest trading partner of the most other countries, with growing global influence. For many small states throughout the world China is important as an aid donor. As a matter of fact, China is becoming very important actor in international financial organizations and development finances. Many countries find attractive fact that China remains out of global regulatory framework for aid and trade financing. As donor, China is less demanding in regard to human rights, democratic institutions, gender equality and procurement process standards (Government Communication, 2019), which is characteristic highly appreciated by numerous small states. China's foreign policy approach towards small states is marked with the pursuit of "common development" (gongtong fazhan), in which economic resources are being channeled outwards to spur the regional and global development – particularly in infrastructures, networks, and connectivity – needed to further propel its own development (Boon and Ardy, 2017).

Bosnia and Herzegovina has to expect that its future relations with China will be determined with the appropriate framework of bilateral

relations defined on the ground of China preferred diplomatic concepts such as equality, mutual benefits, win-win cooperation and inclusiveness (Long, 2014). Commitment of China to CEE countries, as important part of its diplomatic strategy in new era, creates unique opportunity for Bosnia and Herzegovina to develop more balanced foreign policy which will pay more attention to China and other countries, while EU will remain its principal and strategic foreign policy goal.

As a small state, Bosnia and Herzegovina has a limited number of strategies available in pursuing its foreign policy goals. They include multilateralism, prioritization, issue-specific power, coalition-building and image-building (Thorhallsson and Steinsson, 2017).

Very often decision about the foreign policy strategy is presented as choice between multilateralism and bilateralism. Here, the ambition is to advocate for foreign policy strategy on China as appropriate combination of both multilateralism and bilateralism. It is more than obvious that scarce resources will prevent Bosnia and Herzegovina, in its effort to strategically develop its relations with China, from any substantial engagement with any of open issues which exists between EU and China. These issues are simply beyond the reach of small state such as Bosnia and Herzegovina. Still, China will have to acknowledge that Bosnia and Herzegovina, as country with aspiration to become EU member state, will follow the EU agenda and guidance in matters of international law and order. In other words, for strategic development of bilateral relations with China, non-interference in internal affairs and right to fair representation in the framework of international law will be fundamental principles of cooperation. In the multilateral context of work of international organizations, Bosnia and Herzegovina will be in full support of EU-China dialogue which is on-going effort aimed toward reducing competition and conflicting positions between the two most powerful global actors. On the level of bilateral relations with China, Bosnia and Herzegovina will act in full respect of China's role and importance in globalized world. In this regard, our ambition is to draw attention of professional and expert

community on the model of strategic planning of bilateral relations between Bosnia and Herzegovina and China.

Bilateral relations between countries refer to political, economic, cultural and historical ties, as well as people to people contact. Strong bilateral relations are characterized by cooperation between institutions and persons at administrative and political level as well as in the private sector, academia and civil society. Other elements of bilateral relations include trade and investment, cultural cooperation, as well as general knowledge, understanding and public awareness about the other country and the ties existing between them (Bilateral Guideline, 2017). Clearly, Bosnia and Herzegovina is in need of strengthening bilateral relations with China. Having in mind colossal asymmetry between two states, it is obvious that this goal requires strategic approach which brings together relevant stakeholders from both countries.

In our proposed model of planning bilateral relations with China we take into account disadvantages and needs related to foreign policy of a small state. Bosnia and Herzegovina has a small diplomatic force and resources. Consequently, it has limited skills and human resources that can be put into development and implementation of foreign policy toward China. In order to overcome this key weakness of small state diplomacy, Bosnia and Herzegovina needs special strategy on developing relations with China and it needs administrative approach featured with the informality, flexibility and greater autonomy of officials (Thorhallsson and Steinsson, 2017, pp.9). Also, outsourcing of development of foreign policy toward China is one way of how to deal with our disadvantages in terms of skills and human resources. This implies that policy development work is to be outsourced to private and non-governmental sector and academia, of course, under the official diplomatic guidance. Still, it doesn't mean that process will happen without appropriate institutional framework in place. On the contrary, the effort will require official set-up of institutional mechanism under the auspices of the Ministry of Foreign Affairs of Bosnia

and Herzegovina. It will need structure that resemble operational structure of any other strategy development process, including:

- Bosnia and Herzegovina – China Bilateral Forum – joint body of key stakeholders and relevant actors for bilateral cooperation from both countries established under the leadership of two ministries of foreign affairs with responsibility to oversee the strategic approach to the agreed bilateral objectives;
- Bosnia and Herzegovina – China Policy Team – team of intersectoral policy analysts from both countries, under the leadership of Bosnia and Herzegovina ambassador in China and Chinese ambassador in Bosnia and Herzegovina, responsible for design and development of programmes and projects of bilateral cooperation;
- Bosnia and Herzegovina – China national secretariats – national offices responsible for supporting management and administration of bilateral programmes and projects.

To initiate the process and set in motion the above mentioned mechanism, it is necessary that Bosnia and Herzegovina officially address Chinese authorities and present its good will to open the process of bilateral planning in the format of the draft Memorandum of Understanding on strengthening bilateral relations between two states. Therefore, the above-mentioned institutional mechanism for strengthening bilateral relations will be established with the signing of the Memorandum of Understanding (MoU) between two countries. Beside defining overall objective of the cooperation which is strengthening bilateral relations between China and Bosnia and Herzegovina through policy development in the priority sectors, MoU will provide for following segments of cooperation agreement:

- Priority sectors identification
- Existing and/or new legal framework needed for MoU objective to be implemented

- Financial framework and contributions by states
- Roles and responsibilities of parties to the MoU
- Multi-annual policy framework with the implementation framework
- Funds for bilateral relations
- Structure of the mechanism.

Bosnia and Herzegovina – China National Secretariats shall establish the Bosnia and Herzegovina – China Policy Team as soon as possible after the signature of the MoU. National secretariats will develop draft terms of reference for the Policy Team with precisely defined lateral limits and red lines of what planners/policy analysts can and should discuss (Bazin, 2016). The Bosnia and Herzegovina – China Policy Team will have the responsibility of identifying priority policy sectors and areas for bilateral cooperation. With the support of national secretariats Policy Team will develop policy analysis of all identified sectors and areas and present them in the format of proposal of Activity Plan for Strengthening Bilateral Relations. Responsibility of the Bosnia and Herzegovina – China Bilateral Forum will be to discuss matters of bilateral interests, officially adopt the Activity Plan and to oversee and review the progress towards reaching the objective of strengthened bilateral relations.

The Bosnia and Herzegovina – China Forum shall be chaired by high representatives of ministries of foreign affairs of both states and composed of high-ranking representatives from governments and business and academic communities. The Forum shall meet at least once a year but may meet more frequently. National secretariats will be responsible for preparing the draft agenda and documents of the Forum meeting which shall be sent to the members of the Forum for comments before the meeting. Other relevant meeting documents should also be provided to the members of the Forum in due time prior to the scheduled meetings.

As mentioned earlier, with the administrative and technical support of national secretariats, Bosnia and Herzegovina – China Policy Team will prepare a draft Activity Plan for Strengthening Bilateral Relations

describing the proposed implementation and activities. It will operate under the leadership of Bosnia and Herzegovina ambassador in China and Chinese ambassador in Bosnia and Herzegovina. Bazin (2016) finds that ambassadors play a critical piece in synchronizing the planning effort within the larger interagency whole-of-government approach at the grass roots level inside each country. The Activity Plan shall as a minimum include a brief description of the sectors and areas of bilateral interest, implementation of policy measures for strengthening bilateral relations, as well as major activities to be organized. The Activity Plan shall include information on funds required for its implementation.

The principal goal of Bosnia and Herzegovina – China Team will be to prioritize and identify policy sectors of great importance due to high probability of gaining direct benefits from them. The Team will be in need of resources to be invested in building the issue-specific power, primarily through development of the knowledge base and policy analysis on identified issues of interest. Unfortunately, nowadays Bosnia and Herzegovina almost qualifies to be regarded as country too small and resourceless to develop sufficient expertise on and commit resources even to the issues of greatest importance, such as development of strategic partnership with China. Therefore, Bosnia and Herzegovina – China Team will have to give serious consideration to expertise of larger states, developing partnerships with other small states in the similar position and establishing cooperation with technocratic bodies of international networks and association with Chinese leadership.

The work of the Bosnia and Herzegovina – China Policy Team will have to be organized in line with the good practices of bilateral planning. First, bilateral planning is valuable activity that, if performed well, strengthens relationship and operational synergy between nations (Bazin, 2016). Still, it is exceedingly difficult diplomatic activity because it involves numerous stakeholders and have to take into account their specific interests. Bazin (2016) points that bilateral planning is a process of structured communication between partners focused on one tangible

output; a written and mutually agreed plan that provides decision-makers options to address shared interests. Even to start the process of bilateral planning with China would be regarded as great achievement of Bosnia and Herzegovina foreign policy, not to mention additional and positive benefits coming from deep and deliberate planning. It seems rather interesting to put policy making in the framework of bilateral planning because it is a confidence-building measure which helps policy analysis to go beyond pure intelligence and information sharing and develops into shared understanding of circumstances and context. The composition of the Policy Team will determine the success of bilateral planning. Participation of top-class experts will ensure quality of policy analysis and strength of presented arguments, positions and proposed solutions. Only comprehensive team can guarantee coverage of full scope of strategic policy areas. If process of bilateral planning is conducted in the open manner without reservations and hidden agendas, there is a certain probability that it can greatly contribute to the synergy between states and can ensure focused assistance and cooperation between partners. It goes almost without saying that bilateral planning lead to better informed decision-making at the strategic, tactical and operational level (Bazin, 2016).

Although this is not the occasion for detailed description of the process of bilateral planning, it is appropriate to emphasize that one of the first topics to be discussed among policy analysts is the development of a shared problem statement (Bazin, 2016). As explained by Basin (2016), the reason for this comes from the experience that without a clear and concise problem statement, discussions on the level of Policy Team could lead toward areas that are distracting, irrelevant and unproductive. In the context of the bilateral planning we use the term “problem” in order to identify roots of idle potential of relations between two states. In this regard members of the Policy Team will present available data and findings, relevant indicators, and their expertise on further developments. Shared understanding of obstacles on the way of strengthening bilateral

relations will be very helpful for developing the course and content of future activities and policy measures. During the entire process of policy development, members of the Policy Team should be engaged in structured consultations with wide network of representatives from different policy sectors. Involving them in the process in the early stage is important because it will contribute to the penetrability of policy measures once when their implementation starts. Another important aspect of bilateral planning is understanding and respect for stakeholders red lines. It means that each state has certain planning and policy restrictions, and this is true both for China and Bosnia and Herzegovina. Ambassadors leadership will be of crucial importance in this regard. Their guidance will also include managing realistic expectations and defining planning parameters. For members of the Policy Team will be essential to remain open to different ways of doing things. Bazin (2016) argues that planner(s) can reasonably assume that each country comes to the table with their own unique level of doctrine and a different way of looking at the problem which leads him toward the conclusion that it is critical that everyone at the table strive to understand and work within existing norms. However, this is not the argument speaking in favor of avoiding tough topics during the bilateral planning. On the contrary, the existence of uncomfortable topics or subjects has to provoke statements regarding states positions on such issues. Only openness and sincerity in this regard can avoid any possible misunderstanding and error and lead to active communication, confidence-building and, eventually, compromise among policy-makers/planners. Additional value to the process will come from review of the first draft of the Activity Plan which will be disseminated among highest ranking officials, members of the Bosnia and Herzegovina – China Bilateral Forum. Their feedback and comments will influence final changes of the Activity Plan before its official submission to the Forum to be adopted and than cosigned by political leadership of both states. After the Activity Plan is enacted its implementation will be under the periodical review of the Policy Team, at least two to three times a year, and the Forum, annually or

biannually. If process attracts fair commitment of majority of important stakeholders it is to be expected that, on the basis of reviews, the Activity Plan will be amended if necessary.

Conclusion

The Belt and Road Initiative, as well as China – CEEC cooperation, are creating demand for a more elaborated understanding of possibilities for strategic development of relations between Bosnia and Herzegovina and China. Furthermore, obvious socio-economic differences between two states represents additional incentive for Bosnia and Herzegovina to search for possible practical and functional models of a development of strategically defined relations with China, including vision, mission, strategic, tactical and operational goals of such cooperation, as well as well-defined and precise sectoral policies aimed at enhancing cooperation between two states.

Foreign policy practice shows that there are possible institutionalized models for planning and designing a strategic development of relations between Bosnia and Herzegovina and China. The effort to develop model of institutionalized bilateral planning, adjusted to Bosnia and Herzegovina and China context, has a potential to generate sound, precise, acceptable and measurable strategy of cooperation between two rather specific states such as Bosnia and Herzegovina and China. The history of bilateral relations between our states is a history of good but not so productive relations. On the side of Bosnia and Herzegovina, one of reasons for this situation, is to be found in the lack of articulated expectations of key domestic actors involved in the decision-making processes related to China - Bosnia and Herzegovina relations. Following from that, it seems that introduction of institutionalized planning is a way to ensure full articulation and strategic determination of the future of relations between Bosnia and Herzegovina and China, with special attention given to the Belt and Road Initiative.

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