

THE MODERN CHINESE OPENING-UP POLICY VIEWED THROUGH BRI: FROM AFRICA TO EUROPE

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Abstract

The Belt and Road Initiative (BRI), launched by the People's Republic of China in 2013, represents a transformative global development strategy aimed at enhancing regional connectivity and economic cooperation. Encompassing over 60 countries across Asia, Europe, and Africa, the BRI seeks to create a modern Silk Road through a network of trade routes, infrastructure projects, and investment opportunities. This initiative is characterized by its dual components: the Silk Road Economic Belt, which links China to Europe through Central Asia, and the Balkans, and the 21st Century Maritime Silk Road, which connects China to Southeast Asia, South Asia, Africa, and Europe and especially the Balkans via sea routes. The BRI is not merely an economic endeavor but also a strategic framework for fostering diplomatic ties and cultural exchanges, thereby positioning China as a pivotal player in global affairs. The historical roots of the Belt and Road Initiative can be traced back to the ancient Silk Road, a network of trade routes that facilitated commerce and cultural exchange between the East and the West for centuries. Namely, most of the historical route was going from China through Central Asia, the Middle East, and the Balkans as part of the Eastern Roman Empire, finishing in Venice, from where all the goods were transported to Europe.

Keywords: Belt, Road, China, Geopolitics, Balkans

JEL classification: F02; F21; F35; F55

1. THE OPENING-UP POLICY

The party's mantra for success has historically been "reform and opening up." The Party constitution from 2002² states that "opening up and reforming are the only ways to make our country strong." "Suppose we are to break new ground in advancing Chinese modernization on the new journey in the new era," Xi stated in his "Explanation" of the Third Plenum Resolution, the formal text of the conclave. If so, we must keep depending on reform and opening up³. In the Resolution, the word "reform" appears 139 times, opening up 27 times (Geostrategy, 2024).

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² Constitution of the Communist Party of China', Intelligence Resource Program, Federation of American Scientists, 14/11/2002, <https://irp.fas.org/> (checked: 14/09/2024).

³ Constitution of the Communist Party of China', Communist Party of China, 22/10/2022, <https://news.cgtn.com/> (checked: 14/09/2024).

China's "opening-up" policy", officially known as reform and opening-up, was introduced in 1978 under the leadership of Deng Xiaoping. It marked a decisive turning point in China's economic and social development, moving the country from a planned economy to a more market-oriented economy without leaving the socialist framework. This policy aimed to modernize China's economy, improve living standards, and integrate the country into the global economy. De-collectivization of agriculture started with the introduction of the household responsibility system allowed farmers to cultivate their land and sell surpluses on the markets. Promotion of private enterprises, small private enterprises and community and village enterprises (TVEs) were encouraged. Conversion to a market economy: Prices were gradually liberalized, and a two-track system of government-fixed and market-determined prices was introduced (World Bank, 2015).

Special Economic Zones (SEZs) such as Shenzhen, Zhuhai, and Xiamen were set up to attract foreign investment with tax incentives, simplified bureaucracy, and modern infrastructure. China joined international trade organizations and promoted foreign direct investment (FDI). The focus is on modernizing key manufacturing, infrastructure, and technology industries (Ibid). Advanced technologies and management practices have been introduced through cooperation with foreign companies.

Diplomatic relations have been expanded, including normalizing relations with the United States and joining international bodies such as the World Trade Organization (WTO) in 2001. Chinese students were sent abroad to learn advanced skills that they later applied at home. Unlike "shock therapies" in other countries, reforms in China were implemented gradually, balancing growth with social and political stability. Economic growth: China's GDP grew at an average rate of nearly 10% per year for several decades, lifting hundreds of millions of people out of poverty. Industrialization was accompanied by rapid urban development, and cities such as Shenzhen became global hubs. China became the world's second-largest economy and a leading center of trade and manufacturing. Inequality rate is regulated by reforms that led to regional and social inequalities, with wealth concentrated in coastal areas and urban centers (Jinping, 2014). The opening promoted a burgeoning middle class and changed consumer habits, lifestyles, and aspirations.

2. EAST AFRICA AND THE INDIAN OCEAN ROUTES

Launched by China in 2013, the Belt and Road Initiative (Council on Foreign Relations, 2023) plays an important role in East Africa by promoting infrastructure development, economic growth, and regional connectivity. Here is an overview of the initiative's impact and regional role. The BRI has funded key projects such as the Mombasa-Nairobi Standard Gauge Railway (SGR) in Kenya, which connects the port of Mombasa to Nairobi and increases trade efficiency. Other significant investments include the Djibouti-Addis Ababa railroad line, which connects landlocked Ethiopia with the port of Djibouti, an important trade corridor. Expansion of ports: Ports such as the port of Djibouti and the port of Lamu (Kenya) have been expanded or newly built to serve as hubs for trade and logistics within the BRI. BRI projects have helped improve access to markets by reducing transportation costs and times, boosting regional and international trade. Special Economic Zones, such as those in Djibouti and

Ethiopia, are being developed under the BRI to attract investment and promote industrial growth. The BRI focuses on East Africa's internal connectivity and connectivity to global trade networks. Improved connectivity has facilitated trade integration within the East African Community (EAC) and with markets in Asia, the Middle East, and Europe (Shinn, 2023).

Projects such as roads, railroads, and telecommunications infrastructure contribute to the vision of a better integrated and more accessible East African region. BRI has supported the construction of energy projects such as dams (e.g. Gibe III in Ethiopia) (Yan, Sautman, 2023) and power grids to address the energy shortage in East Africa. Can be easily concluded that some East African countries such as Kenya and Djibouti have taken on significant debt to fund BRI projects, raising concerns about long-term debt sustainability (Davis 'IRJP', 2023). On the other hand, local critics complain that many BRI projects rely on Chinese labor and materials, limiting job creation and technology transfer to local communities. The BRI has strengthened China's influence in East Africa and provided the country with strategic access to important trade routes, particularly near the Red Sea and Indian Ocean. It also represents competition for Western-led development initiatives and is changing East Africa's global partnerships.

The Indian Ocean is of great importance to China's Belt and Road Initiative, a global infrastructure development strategy aimed at improving connectivity and trade. The region is central to both the maritime and economic dimensions of the BRI, as it is strategically located, rich in resources, and a major trade artery. The Indian Ocean connects important maritime trade routes linking Asia, Africa, and Europe. Important bottlenecks such as the Strait of Malacca, the Strait of Hormuz, and the Bab el-Mandeb are located in this region. Around 80% of China's oil imports pass through the Indian Ocean, making it crucial for securing energy supplies and ensuring economic stability. The Maritime Silk Road, a key component of the BRI, relies on the Indian Ocean to connect Chinese ports with markets in the Middle East, Africa, and Europe. Investments in ports such as Gwadar (Pakistan), Hambantota (Sri Lanka), and Kyaukpyu (Myanmar) are part of China's efforts to build a string of pearls and create a network of strategic and commercial hubs. The Indian Ocean is an important channel for global trade as a large portion of world trade passes through its waters. As China is heavily dependent on exports and imports, maintaining open and safe sea lanes (SLOCs) in the Indian Ocean is crucial. The development of trade corridors, such as the China-Pakistan Economic Corridor (CPEC), connects China's landlocked regions with the Indian Ocean, reducing transportation costs and diversifying trade routes (Curtis, Klaus, 2024). Geopolitical influence can be seen in the strengthening of Chinese presence in the Indian Ocean, China is trying to counterbalance the dominance of other powers such as the United States and India in the region.

Infrastructure projects under the BRI, including port developments and logistics networks, aim to strengthen China's influence in Indian Ocean littoral states. The Indian Ocean region is rich in natural resources, including hydrocarbons, fisheries, and minerals, which are essential for China's economic growth. BRI projects in the region aim to facilitate access to these resources while promoting economic partnerships with resource-rich countries. Through BRI investments in Indian Ocean countries, China seeks to strengthen economic ties and promote goodwill. Projects often focus on infrastructure development, such as railroads, highways, and industrial parks.

This economic engagement is helping to create new markets for Chinese goods and services, boosting mutual economic growth. On the other hand, the challenges for China in the Indian Ocean can be detected as geopolitical competition. Namely India's strategic position and alliances with other powers, such as the United States, pose a challenge to China's dominance in the region.

Debt diplomacy concerns: Investments in ports such as Hambantota have drawn criticism. Some countries accuse China of engaging in debt diplomacy.

3. RELATIONS BETWEEN EAST AFRICA AND EAST EUROPE REGARDING THE BRI

Launched by China in 2013, the Belt and Road Initiative (Belt and Road Portal, 2024) aims to create a global infrastructure network to promote trade and economic cooperation. The connection between Eastern Europe and East Africa within the BRI illustrates the initiative's ambition to integrate regions across continents through infrastructure development, trade, and investment. Regarding the mentioned above, the geopolitical importance of Eastern Europe is a crucial part of the "Silk Road Economic Belt", which focuses on land-based connectivity. Same as East Africa is an essential part of the "Maritime Silk Road", which aims to connect China's southern coast with Europe via the Indian Ocean, the East Europe can play one crucial role in the future. Namely, together, these regions are important hubs for the BRI's overarching goal of creating a seamless Eurasian-African trade network. In Eastern Europe, China has invested heavily in railroads, ports, and energy infrastructure. As examples we can name the Budapest-Belgrade rail line connecting Hungary and Serbia, facilitating trade routes to Western Europe. Investments in port infrastructure in Greece (port of Piraeus) and the Balkans, serve as entry points for goods into the European Union. On the other hand, in East Africa, China has financed major projects such as the Mombasa-Nairobi standard gauge railroad in Kenya and, the expansion of the ports in Djibouti, Mombasa, and Dar es Salaam, which are important hubs for African trade with Asia and Europe. If one takes in consideration the mentioned facts in the paragraph above, one can conclude that the trade and economic corridors linking East Africa and Eastern Europe often ran via sea and land routes, such as the Suez Canal. Namely, The Suez Canal is a key artery for trade between Africa, Europe, and Asia through its connections to Mediterranean ports, which then lead to Eastern European railroads and logistics centers. The geopolitical overview can be found in the integration of these regions into the BRI offers opportunities for economic growth, but also raises concerns about debt sustainability and geopolitical tensions. As Eastern European countries, many of which are members of the EU or aspiring to join, often face critical scrutiny of their BRI engagement due to competition with EU-led initiatives, while in East Africa, heavy reliance on Chinese funding has led to concerns about debt dependency and the loss of strategic assets such as ports. Finally, there is importance in the cultural and diplomatic ties that China has promoted cultural exchanges and people-to-people ties between these regions, including scholarships, training programs, and partnerships in technology and education (Ibid). The Belt and Road Initiative's efforts to connect Eastern Europe and East Africa are emblematic of its global vision but also reflect the complexity of balancing local priorities, international partnerships, and sustainable development goals.

4. THE IMPORTANCE OF EAST EUROPE FOR THE BRI

Eastern Europe plays a key role in China's Belt and Road Initiative due to its strategic location, economic potential, and infrastructure needs (Belt and Road Forum, 2023). Here are some reasons why the region is important for BRI. Namely, the geographical gateway between East and West/Eastern Europe is located at the crossroads between Europe and Asia, making it an important corridor for trade and transportation. The BRI aims to create a modern Silk Road, and this region is an important link between China and European markets. The development of infrastructure in Eastern Europe contributes to smoother trade routes, especially via railroads and highways, reducing transportation costs and times for the movement of goods between Asia and Europe (Wnukowski 'KAS', 2019). Also, the development of logistics and transportation infrastructure is very important, as many Eastern European countries have outdated or underdeveloped infrastructure, and BRI investments offer the opportunity to improve ports, railroads, highways, and airports. This would significantly improve logistics and make the region a hub for transit trade between China and Western Europe. As already mentioned, the expansion of trade networks is very important because as China seeks to expand its trade relations, Eastern Europe offers new markets for Chinese goods. In addition, the region's emerging economies are often in need of infrastructure projects, and China is offering funding and expertise in exchange for improved access to these markets through the BRI. In this category, one can mention also the energy transit routes in several Eastern European countries are strategically located on the most important energy transit routes. China has shown interest in building energy infrastructure, such as pipelines, to secure energy supply chains. This also allows China to expand its influence in the energy markets, particularly for natural gas and oil. Another very important state is the political and economic influence. Namely, under the BRI, China is seeking to expand its geopolitical influence, and Eastern European countries are increasingly receptive to Chinese investment due to a lack of alternative sources of funding. Many of these countries are members of the European Union (EU) but have less political influence, which makes them more open to partnerships with China. If one takes into consideration the political situation, then one can easily see that BRI is attracting the attention of the EU as part of the EU, Eastern Europe is China's entry point into the wider European market. While the EU may have reservations about Chinese influence, individual Eastern European countries often welcome Chinese investment, which could cause friction within the EU and allow China to gain a foothold in European decision-making. Cultural and diplomatic ties are also very strategically important for China, as China is also keen to strengthen cultural and diplomatic ties with Eastern European countries (European Commission, 2017). Through initiatives such as the "16+1" cooperation framework, which includes 16 Central and Eastern European countries and China, efforts are underway to deepen ties that go beyond trade and infrastructure to include education, tourism, and political cooperation. In short, Eastern Europe is crucial to the BRI as it provides an important bridge between China and Europe, offers opportunities for infrastructure development, provides access to new markets, and helps to expand China's influence both economically and geopolitically (Le Corre 'Carnegie Endowment', 2018).

The Balkan Route

The Role of the Balkan Route in the Belt and Road Initiative has been discussed in the context of the Belt and Road Initiative, particularly as part of China's broader geopolitical and economic strategy in Eastern Europe and Southeast Europe (Vangeli 'Global and Regional Order', 2022). The infrastructure projects along the Balkans funded by China under the BRI, such as new railroads, roads, and ports, while not directly related to migration flows, may influence the migration route by improving logistics and travel in the region. These developments can also change the dynamics of the regional economy and offer both challenges and opportunities for the migrant population.

CONCLUSION: THE FUTURE PROSPECTS OF THE BALKAN–EAST EUROPE ROUTE

In summary, the Balkan route is both a symbol of the migration crisis in Europe and a manifestation of the geopolitical complexity of the region, which includes issues of security, human rights, and European unity. The prospects of the Belt and Road Initiative's Balkan route appear promising but face both opportunities and challenges. The BRI, launched by China in 2013, is a vast infrastructure and investment project that aims to enhance connectivity and economic cooperation across Asia, Africa, and Europe. The Balkan region is a strategic corridor connecting Europe and Asia, making it an essential part of the BRI's European leg (Ibid). The BRI aims to develop better infrastructure in the Balkans, including railways, highways, and ports. This will improve connectivity between Central and Eastern Europe and China, enhancing trade routes. The development of the Belgrade-Budapest railway is one such project that connects Serbia and Hungary. The development of ports, like the port of Piraeus in Greece, a key project under the BRI, enhances access to European markets for Chinese goods. This further strengthens China's strategic position in the region. The BRI can provide substantial investments in the Balkan region, supporting economic growth. Investments in infrastructure, energy, and industrial development will not only improve local economies but could also boost the competitiveness of the Balkans in the global market. The starting of the construction and development projects, like bridges, railroads, and energy infrastructure, can create jobs in the region, further promoting local economic development and increasing the appeal of the region to foreign investors. Energy infrastructure is another critical area for the BRI in the Balkans, with potential investments in renewable energy, gas pipelines, and electricity grids, helping to meet growing energy demands in the region. The Balkan route has the potential to integrate into larger energy networks, such as the Trans Adriatic Pipeline (TAP), aligning with European energy diversification goals. The Balkans are strategically located at the crossroads of Europe, Asia, and the Middle East. As China expands its influence in the region through the BRI, it strengthens its geopolitical presence in Europe, which is significant for China's global ambitions. On the other hand, looking at China-EU relations, the BRI could deepen China's ties with the European Union, particularly with countries that are not yet members, like Serbia and Bosnia, by improving infrastructure and trade relations (European Parliament, 2022). However, this also raises concerns within the EU about Chinese influence and the potential

undermining of EU cohesion. Namely, there is competition with the EU and USA. The BRI's expansion in the Balkans could cause friction with Western powers, particularly the EU and the US, which are concerned about China's growing influence in Europe and its potential leverage over the region's economies and politics. The challenges can be seen in several countries in the Balkans facing challenges related to high debt levels, and the large-scale investments tied to the BRI could exacerbate these issues. Some Balkan countries are already grappling with the long-term impacts of debt from Chinese loans, which could undermine their financial stability (Zeneli 'Europe's Futures, 2023). There is also political and social resistance regarding the BRI within the region due to political instability, concerns over national sovereignty, or opposition to Chinese investments. Some Balkan countries are wary of the growing influence of China, viewing it as a challenge to their alignment with Western institutions such as NATO and the EU. The geopolitical tensions can be traced in the relations between China and the European Union, or the United States could impact the success of BRI initiatives in the Balkans. The EU's skepticism of Chinese investments in sensitive sectors like energy and communications infrastructure could hinder progress in certain projects, as could the region's ties with the USA and NATO (Cristiani, Ohlberg, Parello-Plesner and Small 'GMF', 2023). According to the mentioned above regarding the Balkans, the BRI Balkan route holds significant promise for enhancing economic growth, improving infrastructure, and increasing trade connectivity between China and Europe. However, challenges related to debt sustainability, political resistance, and geopolitical competition must be carefully managed. In the long term, the success of the BRI in the Balkans will depend on balancing the region's development needs with the broader political and economic interests of the involved stakeholders.

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