

## **Security Aspects of the 16+1 Initiative** **(working title)**

The success of the entire 16+1 process rests on the analysis of security challenges, risks and threats that could jeopardize the projects within it as well as on the development a system of security management that will respond to the assessed security risks, challenges and threats.

The President of China, Xi Jinping, launched the One Belt, One Road initiative in 2013. This highly ambitious project, intended to connect China to Europe via Central Asia, consists of the Silk Road Economic Belt initiative unveiled in Kazakhstan and the 21<sup>st</sup> Century Maritime Silk Road initiative. In order to support these ambitious projects, China has allocated forty billion dollars to the Silk Road Fund and fifty billion dollars to the newly-founded Asian Infrastructure Investment Bank. Additional financing mechanisms have also been set up with the aim of attracting substantial private capital.

The essence of this initiative is to connect China to Europe by means of a network of roads, railways, harbours, energy transport routes and logistics centres in order to create the conditions for diversifying transport and energy, creating new markets for Chinese products and enabling Chinese companies to reach European and Asian markets. By investing in infrastructure, China seeks to expedite the establishment of a network of harbours, logistics centres, roads and railways with the aim of diversifying China's freight transport and energy transport, expanding the market, delivering goods and improving the trade between East and West. This would enable Beijing to advance its national interests – to increase energy security, create markets for Chinese construction companies and help ensure food security for 1.3 billion Chinese people.

Since the first 16+1 summit in Warsaw in 2012, summits attended by heads of state of all initiative members have been held every year. To date, summits have been hosted by Bucharest in 2013, Belgrade in 2014, Suzhou in 2015 and Riga in 2016.

China has established a Secretariat for Cooperation between China and Central and Eastern European Countries within the Ministry of Foreign Affairs. The Secretariat is headed by Assistant Minister of Foreign Affairs Liu Haixing. This body's primary task is to communicate and coordinate all cooperation activities between China and Central and Eastern European countries, organize meetings between heads of state as well as trade and economic forums and implement the conclusions reached in these meetings and forums. Together with Secretary General Liu Haixing, the Secretariat is headed by Executive Secretary-General and Director-General of the Department of European Affairs Chen Xu and Deputy Secretary-General and Counsellor of the Department of European Affairs Wang Wengang. The Secretariat includes the representatives of 24 organisations. Apart from the Ministry of Foreign Affairs, the work of the Secretariat is carried out by the International Liaison Department of the Central Committee of the Communist Party of China, the National Development and Reform Commission, the Ministry of

Education, the Ministry of Science and Technology, the Ministry of Industry and Information Technology, the Ministry of Finance, the Ministry of Transport, the Ministry of Agriculture, the Ministry of Commerce, the Ministry of Culture, the National Health and Family Planning Commission, the People's Bank of China, the State Administration of Press, Publication, Radio, Film and Television of the People's Republic of China, the National Tourism Administration, the National Railway Administration, the Civil Aviation Administration of China, the Central Committee of the Communist Youth League, the China Council for the Promotion of International Trade, the Chinese People's Association for Friendship with Foreign Countries, the Industrial and Commercial Bank of China, the China Development Bank, the Export-Import Bank of China and the China Railway Corporation.

Each country in Eastern and Central Europe has appointed a national coordinator in charge of coordinating activities with the Secretariat and the joint promotion of cooperation between China and Central and Eastern Europe. (In Serbia, this is Sale Antić.)

At the initiative's Summit in Warsaw held on 26 April 2012, Chinese Premier Wen Jiabao unveiled twelve measures for improving cooperation; the eleventh measure was to set up a research fund for which China was to provide two million yuan each year starting from 2013. The aim of the Research Fund is to encourage researchers and research institutions from sixteen Central and Eastern European countries to study the relations between China and Central and Eastern European countries. The Fund also promotes academic cooperation and exchange between China and other members of the initiative.

Among various economic, financial, infrastructural and political dimensions of the Belt and Road initiative, the security aspects of China's presence in Europe, especially the Balkans, emerge as the most important set of issues that will determine the full scope of the initiative. The success of the 16+1 initiative will undoubtedly define China's position in the European market and its relations with key European states. China's entry into Europe through Balkan and Central European countries is historically unprecedented since China is emerging as a new non-European power with a potentially considerable influence in Europe.

The foreseeable security challenges that could arise due to projects within the 16+1 initiative can be divided into several large groups according to their sources:

- Global strategic challenges stemming from the attitude of the USA (Three Seas Initiative) and the most important European states towards China's global position and their potential opposition to the projects within the One Belt, One Road initiative;
- Global challenges posed by great multinational companies who consider the projects within the initiative a threat to their interests;
- Region-specific challenges related to ethnic and religious conflicts in the Balkans which could jeopardize the projects within the 16+1 initiative;
- Region-specific challenges related to organized criminal groups in the Balkans;

- Derived regional challenges related to the attempts of regional powers and the global terrorist networks to act covertly against the Chinese initiative using their networks of agents in the Balkans;
- Derived regional challenges related to the attempts of internal enemies of China to use the Balkan region to initiate anti-Chinese activities;
- Situational challenges arising as a consequence of natural disasters, technical and technological incidents and sudden political, economic or social upheavals.

The challenges that the initiative faces can manifest themselves as the following security risks and threats:

- Local and regional armed conflicts;
- Internal armed conflicts triggered by separatist and insurrectionist motives;
- Diplomatic and other forms of political and economic pressures;
- Terrorist attacks;
- Assassinations;
- Physical assaults on members of certain ethnic, religious and political groups;
- Diversions and sabotage, especially aimed at critical infrastructure;
- Threats and blackmail;
- Psychological operations and propaganda;
- Emergencies as a consequence of natural, technical and technological disasters (floods, earthquakes, landslides, fires, infectious disease epidemics, environmental destruction, etc.);
- Emergencies as a consequence of terrorist attacks, diversions and sabotage (radiological, biological and chemical contamination, epidemics of various diseases, disruptions in the operation of critical infrastructures, etc.);
- Cyber-attacks;
- Threats to cultural and natural resources;
- Violent demonstrations, strikes, obstruction of the work of political institutions;

Security challenges, risks and threats are multidimensional and occur in different areas. The nature of security challenges, risks and threats therefore requires a multidimensional approach and the expertise of professionals and institutions from the field of security as well as natural, applied and industrial sciences such as the Institute for Nature Conservation (of Serbia), the Faculty of Mechanical Engineering, the School of Electrical Engineering, the Faculty of Mathematics, the Military Medical Academy, the Military Technical Institute, Strategic Research Institute, etc.

## **Explanation**

The goal of „One belt, one road“ project is the strengthening of political, economic, monetary and cultural ties between China, Central Asia and Europe. The realization of this project includes political, economic, trade and cultural elements. The integral part of this project is 16+1 initiative that gather states from Central and East Europe, including Balkans countries.

During the realization of 16+1 initiative, China is going to confront to many challenges from different areas. The most important questions of which will depend on the ultimate scope of these initiative will arise in the sphere of security. The initiative goes through many areas burdened by political turmoil, ethnic conflicts, underdevelopment, and events in those areas will directly be reflected on success of the initiative. One of those problematic places is the Balkans, which is marked as a particularly neuralgic area with frequent political turmoil and crisis.

The Balkans is characterized by different phenomena: political fragmentation, economic decline, the proliferation of weak states and the growth of organized crime. Also, the Balkans is an excellent example of the idea that security is indivisible, because instability in one country often cause instability in the whole region. For this reason, the Balkans is considered as one of the most vulnerable points along the Chinese initiative.

The assessment of security challenges, risks and threats which have the potential to jeopardize the "New Silk Road", and 16+1 initiative as its integral part, include: identification of security challenges, risks and threats, analysis of Balkan security identity, as well as the assessment of changes that may occur as a result of implementing the Chinese initiatives.

With a good understanding of the Balkans security identity and the impact on its positive development, we can improve the security of the Balkans, which will be directly reflected on the security China's 16+1 initiative in this part of the world.

## **Security identity**

For the analysis of the Balkans security constellation, we can use different theoretical approaches. Extending of the security concept has renewed interest for culture and identity issues in security studies. That is why the analytical concept of security identity is particularly interesting, as it represents a comprehensive approach through which we can explore different aspects of the security of the observed phenomena. The security identity, as part of a collective identity, in focus of scientific research puts not only a "traditional" understanding of security based on material factors that determine the existence of the state, but also the constructivist approach. Constructivists believe in the importance of identity in construction of security. Actors define their interests during the evaluation of the situation. In the constructivist approach, the recognition of the importance of identity for security leads to a more general assumption: that the

immaterial and ideational factors are essential to the development and practice of security in global policy (Ćurčić, 2014:11). It is important to explain how, not why, actors educate and modify their identity and how do they understand the world, or in which way they define their interests in the field of security.

Security identity represents an important starting point in the analysis of contemporary reality. Foreign policy is linked to the construction of identity, since identity is always being formed by drawing clear boundaries between 'Us' and 'Other'. Feeling in danger of external threat promotes a shared identity and homogenization of social group.

The concept of security identity implies that identity construction is influenced by certain security settings. It is a kind of collective identity that is based on relevant responses the actors (group, society, state) makes in relations to its internal and external security environment (Vorotnyuk, 2013:109). Vorotnyuk considers that the key notions to determine security identity are 'image', 'role' and 'discourse' - attributes that actors possess and assign to themselves in relations to other actors. Rieker also believes that the core of the concept of security identity is security discourse. According to him, the nation-state security identity can be identified by uncovering the dominant security discourse undertaken by the political leadership in a given nation-state. By dominant discourse Rieker means the general understanding of security shared by the majority of the political elites at a given point in time (Rieker, 2006: 9). This approach is too 'state-centric oriented', because there are other security actors than states. But we can agree that establishing a dominant security discourse contributes to the understanding of security identity, although security identity is not limited to it.

With further operationalization of the term security identity we find that, when we talk about security identity of a community, state, region or other entity, the main task is to recognize the leading security challenges, risks and threats, as well as the capacity of the analyzed collectives to face with threat, or to avoid them, or find other models to respond to the security challenges. Security identity of each region is composed of specific security problems, which make it different from other regions that have the same or a dissimilar type of security problems. However, the core of security identity doesn't pose a security problems, which in the era of globalization become also global, but the ways in which each community responds to security challenges, risks and threats (Dragišić, 2013:144).

Thus, the security identity of an entity is made by the totality of security challenges, risks and threats that jeopardize the a given entity, on the one hand, and capacities with whom entity can provide a response to perceived security challenges, risks and threats, on the other hand. An essential element of the security identity is the social perception of security. That is a perception of members of social groups on their own security, and the degree of recognition of certain types of endangerment as a real threats. Also, the security identity includes perceptions of members of social groups on the scope and quality of the resources that are necessary to confront to threats and protect them. In this way, by using security identity as an analytical concept, we can

understand why is society inclined to some threats see as primary, while others are qualified as less important/dangerous. As part of the collective identity, security identity affects the formation and upgrade the other subgroups of collective identity, such as national, ethnic, cultural, religious identity.

There is an imperative that the concept of security identity should be included in security studies for several reasons:

1. The security identity is not the same as state of security.

The state of security of an entity is defined as a synthetic conclusion on the state and nature of the security phenomena, that evaluates the totality of threats that endanger a given entity in the analyzed period, and assessment of available capacity to provide an adequate response to individual forms of threat. The state of security refers to the presence/absence of a certain threat at given moment. Giving an answer to this threat, whether it is about a social, natural and technical-technological processes, requires appropriate, timely, systematic and continuous guidance of security activities in order to eliminate negative security phenomena. Those activities should be applied from the moment when they are registered (when they are securitized, or when there is a potential for transformation this challenge into a threat, or if increase the frequency or impact of a risk). Social structure must possess the power of adaptation to the security threat through institutional and organizational changes. The state of security shall be determined by applying the method for risk assessments. Adopting the conclusions of the state of security assessment represents a synthesis of all security problems and the definition of security indicators. The evaluation of the state of security include the assessment of all working parts of the security system (Milosavljević, 2012:148). Security identity of an entity include previous state of security, current state of security and prediction of developments of state of security in the future. However, in addition to the state of security, security identity include the social perception of the security by members of a given entity.

2. Security identity is not the same as the security policy.

Security policy, in the narrow sense, is the sum of all measures, activities and procedures intended for the establishment and functioning of the security system (Keković, 2009:127). The aim of security policy is to create mechanisms and means for providing internal and external security of society. One of the basic constituents of the security policy are security interests. Security Strategy, as a form of strategic security assessments, is shaping ways, forms and methods of achieving security. In analysis, the starting point of creating the security strategy is research on the previous security threats and answers that are given to them. The current state of security of analyzed entities is the framework for taking operational security measures, and it is an essential element of strategic planning. Dominantly, strategies are oriented towards the future, they represent a landmark for all security stakeholders in one entity, but they are also a means by which an organization communicates with the environment (Mintzebrg, 2000). The goal of

security strategy is to provide the survival of a given entity, through the implementation of internal and external security, and by giving effective answer to security challenges, risks and threats. Security identity, as we have noted, assume the capacity which an entity can use to respond on current challenges, risks and threats. This is predominantly related to the available political, social, economic and security mechanisms which society has for responding to security challenges, risks and threats. In addition, the security identity is defined by the particular political culture and tradition - in the existence of stable and functional community and government institutions and their mechanisms for solving social conflicts (Dragišić, 2013:144). Therefore, an important component of the security identity is the perception which society has on the security of an entity, ie the level of recognition of some threat as a real danger. For this reason, understanding of the security identity represents the starting point for the development of security strategies. As Rieker noticed, a stable and durable change in security policy, depends on a change in security identity (Rieker, 2006:9). For this reason, it is necessary to influence the positive development of security identity by increasing the capacity for reducing security threats. It is possible to increase capacity through following activities: increasing military, intelligence and security capabilities, creating dissuasive mechanisms, improving methods for peaceful resolving conflicts etc. At the same time, there is necessity for monitoring and analyzing changes in the social perception of security from the members of that entities. In this way the security identity can affect on positive change in the security policy of a given entity.

### **The entrance of China into Europe**

China become interested in Balkans during the Cold War, when she started building strategic friendship with comunist countries: first with Albalia, later with Yugoslavia and Romania. After the dramatic political changes in the region that have begun with the replacement of Ceaucescu regime in Romania and culminated with violent breaking up the Yugoslavia, Beijing remained outside of developments in Balkans. The realization of the project "One belt, one road", ie the 16+1 initiative, as an infrastructure connection among Europa and Asia, once again put Balkans in focus of China's interests.

China's President Xi Jinping has made the policy of „New Silk Road by Land and Sea“, which connect China with the West, a key part of China's international relations. On 7 Semptember 2013, President Xi proposed to bild a „Silk Road Economic Belt“ during his speech at the Kazakhstan' Nazarbayev University. On 3 October 2013, he proposed to bild a „21<sup>st</sup> Century Maritime Silk Road“ during his speech at the Indonesian House of Representatives (Nolan, 2016:8). “New Silk Road” will begin in Xi'an in central China before stretching west through Lanzhou (Gansu province), Urumqi (Xinjiang), and Khorgas (Xinjiang), which is near the border with Kazakhstan. The Silk Road then runs southwest from Central Asia to northern Iran before swinging west through Iraq, Syria, and Turkey. From Istanbul, the Silk Road crosses the Bosporus Strait and heads northwest through Europe, including Bulgaria, Romania, the Czech

Republic, and Germany. Reaching Duisburg in Germany, it swings north to Rotterdam in the Netherlands. From Rotterdam, the path runs south to Venice, Italy-where it meets up with the equally ambitious Maritime Silk Road. The Maritime Silk Road will begin in Quanzhou in Fujian province, and also hit Guangzhou (Guangdong province), Beihai (Guangxi), and Haikou (Hainan) before heading south to the Malacca Strait. From Kuala Lumpur, the Maritime Silk Road heads to Kolkata, India then crosses the rest of the Indian Ocean to Nairobi, Kenya. From Nairobi, it goes north around the Horn of Africa and moves through the Red Sea into the Mediterranean, with a stop in Athens before meeting the land-based Silk Road in Venice (Tiezzi, 2014). In this way, these two roads should include Europe, Asia and Africa, along with all seas nearby.

Through investment in infrastructure and by creating networks of ports, logistics centers, roads and railways, China wants to create a favorable conditions for the diversification of China's freight transport and energy, expanding market, to distribute products and improve trade between East and West. In this way, Beijing accomplishes its basic national interests - increases energy security, opens the market for Chinese construction companies and ensures food security for 1.3 billion Chinese. On the other hand, Balkans states get funds for modernizing their energy systems, infrastructure, shipping and transportation (Arežina, 2015:172). 16+1 initiative reflects China's need to ensure stable partnership with the Central and Eastern Europe countries, through a number of joint projects, in order to achieve two goals: long-term and sustainable presence of China in the European market and investing in the economy of the countries affected by the economic crisis.

China's entry into Europe via the Balkans and Central European countries represent a great historical novelty, because China emerges as a non-European country with a potentially large impact on developments in Europe. Large Chinese investments will affect the economic recovery of this countries, but also it will help in the establishment of China's political influence. The future of 16+1 initiative and the destiny "One belt, one road" will be determined by reaction of the US on the growth of Chinese influence in Europe, but also by an attitude that Germany, France, Great Britain and other European countries will have on this point.

The United States is, convincingly, the most powerful country in economic, political and military terms and successfully project soft power to Europe. China is the second most powerful country in the world with the fastest growing economy. The biggest trade exchange is taking place between the US and China, which indicates a significant association between the two most powerful country in the modern world. Over the last eight years, Chinese President Xi Jinping (and his predecessor, Hu Jintao) and U.S. President Barack Obama managed to create momentum for bilateral ties that has withstood the impact of the 2008 international financial as well as U.S. domestic politics. The two countries managed to build and maintain "new type major country relations," which has brought tangible results for both sides. The two leaders made a point to meet regularly via bilateral visits as well as regional and international summits. These talks allowed them to make strategic and political decisions on some tough issues. As of January, the



two countries have established 94 bilateral dialogue mechanisms, facilitating conditions for both sides to address tough issues through dialogue and negotiations (Youfa, 2017). The future of US-China relation depends on what policy will the Trump administration pursue. The current development of China and the United States relations gives grounds for optimism about the success of the 16+1 initiative, because China shows no interest to confront the existing policies of the countries in the region, nor to impose them her own political views.

Chinese investment of 10 billion dollars, which is provided for the implementation of projects, is going to help the economically weakest region of Europe to strengthen its economy and contribute to the stability of the whole of Europe. At this level, the main security challenge can be fear of a strong China and doubts about the sincerity of China's intentions in Europe (Dragišić, 2017).

„The New Silk Road“ represents infrastructure link between China and European countries, which will provide a shorter time and faster transportation of goods. Also it will allow distribution, market and technological positioning of Chinese companies on the European continent. For this reason, a special group of global security threats that can compromise Chinese projects originate from large multinational companies. Those companies may see the development of projects in the framework of the "New Silk Road" as serious competition and sources of threat to their interests. The power of large corporations shouldn't be underestimated, because they have large capital and a number of legal and illegal means to oppose, and even eliminate, competition. The risk of negative impacts can be increased by possible merger of multinational companies with organized crime groups, terrorist organizations, or with countries which China's projects see as an instrument of its own geopolitical marginalization.

### **16+1 Initiative and the Balkans**

The Balkans, in terms of security, is one of the most sensitive areas along 16+1 initiative. All Balkan countries, except Greece and Turkey, are members of the 16+1 initiative. Greece participated at the Summit in Suzhou as observers, which makes Turkey the only Balkans country that is out of this process. Turkey, although is not a part of this initiative, has significant bilateral relationships with China and many important roads in the framework of "One belt, one road" passes through Turkish territory, or a territory and province of countries in Central Asia which are under strong Turkish influence. It means that each security assessment of the Chinese initiative needs to take into consideration Turkey as an important factor of (in) stability (Dragišić, 2017). China clearly shows desire to improve relations with Balkan states, which have been proven with significant investments and intensification of trade and other relations with countries in the region.

It was necessary to invest capital in completing existing projects and the launch of new highways, railways and related facilities of capital importance in order to Balkan become well

integrated and transport efficient area. In addition to investment in transport infrastructure, a lot of China's capital flows into the energy sector, especially in the construction of power plants and the sector of 'green energy'.

When it comes to **Serbia**, three Chinese projects are in progress. Serbian and Chinese officials signed in December 2014 a loan agreement for the second phase of a renovation process at 'Kostolac' thermal power plant complex, which includes the construction of a new 350MW unit and increase of capacity of the adjacent open-pit coal mine 'Drmno'. Chinese companies have already constructed the 'Mihailo Pupin' Bridge over the Danube River, in Belgrade, plus 21 km of access highway. China Shandong International Economic & Technical Cooperation Group Ltd.–SIETC signed with the Serbian government contract to build a section of road on Corridor 11. This is a section from Obrenovac to Ub and from Lajkovac to Ljig and 'Morava Corridor' from Pojate to Preljina. These sections of road are part of the future highway from Belgrade to the Montenegrin border, as well as part of Corridor 11 which will stretch from a Timisoara via Belgrade to the Montenegrin city of Bar on the Adriatic coast. In addition to these projects in Serbia is opened Chinese trade center "Dragon", the first wholesale center in the Western Balkans. In early 2012 JP EPS signed with Canadian-Chinese consortium Lavalin and CNPEC a Memorandum of understanding on the development of the project reversible hydropower plants "Bistrica" on Lim River. In July 2013 Chinese company Huawei and the Serbian Railways signed an agreement to modernize the entire telecommunications of Serbian Railways. In June 2015 Everrest Production Company opened a factory in Ruma for the production of memory foam mattresses and pillows (Arežina, 2015:176-177).

Zeijanf Chinese provinces has signed an Agreement with **Bulgaria** on the establishment of a joint Bulgarian-Chinese industrial zone in Bozhurishte near Sofia. In October 2009 China's largest metal trader, China Minmetals Corporation, signed the 800 million dollar contract with Aurubis Bulgaria, one of the biggest copper smelter in Europe. At the beginning of 2010, Chinese company Polar Photo-voltaics and Wiscom proposed to build a solar plant in Ihtamanu, near Sofia. Great Wall Motor, a Chinese car manufacturer, signed an agreement with Litex Motors worth 80 million Euros in November 2009 (Szczudlik-Tatar, 2010:358). Production in China's car factory Great Wall Motors-Litex Motors in Bahovici started in February 2013. Lifan Group Group opened a factory for assembling air conditioners, and Huawei and ZTE were given shares in the Bulgarian telecommunications market. China Luoyang Float Glass group started negotiating on the production of glass with Visa Glas. China's National Nuclear Corporation has expressed interest to build a new reactor of 1000MW nuclear power plant at Kozloduy. It has been given priority to Chinese companies in realization of projects for the second nuclear reactor power plant "Belane" (Arežina, 2015:178).

For many years, China is the largest Asian trade partner of **Romania**, with a significant volume of trade in which China invested mostly private capital. There are more than 8 thousand Chinese companies in Romania (Szczudlik-Tatar, 2010:357). In May 2012, China Huadian Engineering Co. was selected to build a 500MW coal-fired plant worth €1 billion at the Rovinari

thermal power station. China National Electric Engineering Construction Corporation will conduct a modernization works at Romania's Mintia-Deva thermal power plant, under a contract worth about €250 million, as agreed in September 2014. The winning bidder for expansion of Tarnita-Lapustesti hydropower plants will be a Chinese company. Chian General Nuclear (CGN) is going build two new reactors at the Cernavoda nuclear power plant (Levitin et al., 2016: 11-12). Also, it is notable increasing presence of Chinese multinational companies such as Lenovo, ZTE i Huawei.

There is ongoing implementation of several projects in **Bosnia and Herzegovina**. Autoputevi Republike Srpske (RS), has signed preliminary agreement with Chinese firm Sinohydro for the construction work for a 93km long section of a 186km long motorway linking the Entity's capital of Banja Luka with Croatia's Adriatic city of Split. In December 2014, government of the Federation of B&H signed a Memorandum of Understanding with a consortium led by China's Gezhouba Group for the construction of the 450MW unit at Tuzla thermal power plant. China Development Bank is financing construction of the Stanari thermal power plant. Also, China is financing construction thermal power plant Banovici, with capacity of 350MW (Levitin et al., 2016:9).

The interest of Chinese investors hasn't bypassed **Macedonia**. In 2010 China started with negotiation with Government of Macedonia about the project in the valley of the river Vardar, which involves the construction of 12 hydroelectric power plants. In 2011, China International Water and Electric Corporation signed a Memorandum of Understanding with the government of Macedonia about this half billion worth project, wherein 85% of the investment is provided by China Development Bank (Filijović i Kilibarda, 2013:52). The Chinese Exim Bank is providing most of the funding for two stretches on the highways linking Kicevo-Ohrid and Miladinovci-Stip (Levitin et al., 2016:11).

**Albanian** government and China's Exim Bank signed in December 2014 a Memorandum of cooperation under which Exim Bank will finance the completion of construction of Albania's Arber motorway towards FYR Macedonia and further to Bulgaria, linking the Albanian Ionian Sea coast and the Bulgarian Black See coast. Also, it was announced that Albania has obtained Chinese support for the development of an industrial park in coastal city of Durres (Levitin et al., 2016:11).

Chinese companies have been interested in realization of project thermal power plant Plomin C in **Croatia**, as well as for the construction of a nuclear power plant in Osijek. Beijing has also expressed interest in the port of Ploce and Rijeka, as well as for the development of railway infrastructure (Arežina, 2015:179). In mid-2017 are expected the first Chinese investments in Croatia-invest in the development of tourism in Krapinske Toplice.

In Sept 2014 China Exim Bank approved \$875 million loan to **Montenegro** for the construction of the first priority section (Podgorica - Kolasin) of the major motorway project connecting the country's port of Bar (Adriatic Sea) with its border to Serbia. China is interested in construction of hydropower plants on the rivers Moraca and Komarnica, and building the new unit at Pljevlja thermal power plant. China is also interested in construction The Blue Corridor, a

project that will stretch along the entire eastern shore of Adriatic and Ionian seas, from Trieste in Italy to Greece via Croatia, Montenegro and Albania (Levitin et al., 2016:8).

A review of projects in the Balkans shows that China invests in all Balkan countries regardless of whether with some countries have better political relations (Serbia and Romania) or does not support the politics of the State concerned (Albania regarding the attitude towards Kosovo and Metohija). China is guided by economic interests, and doesn't favor any country, which reduces the possibility of harmful effects of existing political disputes.

### **Security and the Balkans security identity**

The Balkans is a region with turbulent history which is marked with a number of crises, war and conflicts. When we look at the twentieth century, we notice that the only period of relative peace in this region, paradoxically, was during the Cold War. The conflicts in the Balkans tended to spill over into the rest of Europe (The First World War began in the Balkans, while in the Second World War one of the bloodiest zone was in this area). In the last decade of the twentieth century in the former Yugoslavia started fratricidal conflicts which resulted with political fragmentation, economic decline, proliferation of weak states and the growth of organized crime. The term "balkanization" is based on the perception of the Balkan security identity, and it is created to denote an endless crisis, chaos, irrationality, without a sustainable solutions for the existing conflicts and mechanisms based on real interest. Precisely, when we talk about the Balkan security identity, this region has been synonymous with crisis situations, wars, barbarism, the absence of stable and functional state, the lack of legal mechanisms and political will for peaceful resolving of conflict. It is noticeable a great influence of foreign powers on the local political leaders and chronic economic underdevelopment (Dragišić, 2013:145). Thus, the Balkans is used to describe the image of defragmentation state, ethnic conflict and rivalry forces which are fighting for control of a territory.

Today, the security of Balkans has been transformed from conflict formation, in which he was during the end of XX century, into security regime. The main security problems can be classified into two groups: classical threats and asymmetric threats. The classical security challenges involve conflicts between states or different entities within the state, so we talk about challenges that are located at the intersection of societal and political sphere, or about the ethno-territorial disputes. As the most important classical challenges stand out problems with the recognition of the status of Kosovo and Metohija, the constitutional reconstruction of Bosnia and Herzegovina, as well as the situation in Macedonia in the context of the creation of the co-called Greater Albania. The second group of challenges are asymmetric challenges, whose stakeholders are non-state actors in the Balkans. Among the asymmetric challenges, the most important are the organized crime, terrorism and a various types of crime, ethnic and religious extremism as a consequence of bad social and economic conditions and high unemployment.

All Balkan countries except Greece, Romania, and Serbia (which proclamation of the so-called Republic of Kosovo directly threatens the national and state interests) recognized the so-called Kosovo. Old historical aspirations of Albanians to create so-called Greater Albania is the most dangerous political project that threatens the national interests of Serbia, Montenegro, Macedonia and Greece and can directly create instability in the region. On the other hand, having in mind primarily hers national interest, China hasn't recognized the independence of the so-called Kosovo, and as a permanent member of the UN Security Council she opposes on attempt of violent and illegal secession. China doesn't agree with the establishment of a precedent in international law, because it could be reflected on the questions of Taiwan and parts of China such as Tibet or Xinjiang. Also, using that precedent, any of the 56 recognized minorities could go footsteps of unilateral action and self-proclamation. In the perception of Albanians and other ethnic groups who support the secession of Kosovo and Metohija, China can be seen as "pro-Serb oriented", and the entire 16+1 initiative can be recognized as an instrument to strengthen the position of Serbia in the Balkans. But, the fact is that China shows no aspirations to favors any country at the expense of the interests of other members of the initiative, which is proven by active Chinese projects in all Balkans countries. Therefore, we don't expect that such kind of perception of China-Serbia relations can seriously jeopardize the projects within the initiative.

Macedonia is facing with a lot of problems in the field of security: name dispute with Greece regarding the use of the name Macedonia, Bulgaria's territorial claims, but also territorial claims by Albania. Situation in Macedonia is particularly problematic because of the aspirations of Macedonian Albanians to create their own entity within the so-called Greater Albania. Existing tensions have the capacity to grow into ethnic conflict between Macedonians and Albanians, and security experts this situation see as the consequences of bad influence of international community. As a potential scenario they predict transformation of Macedonia into binational state, with the aim of creating cantons, and at the end the federalization of Macedonia. The consequences of political turmoil can be reflected on the security situation in southern Serbia<sup>1</sup>. If the political situation doesn't consolidate it is possible to happen an escalation of violence which will affect on neighboring countries, and jeopardize the projects within the Chinese initiative.

The Balkans has been burdened by constant crisis in Bosnia and Herzegovina since the end of civil war in 1995. Bosnia and Herzegovina, as the most fragile part of the Balkans, can be misused in order to jeopardize Chinese project. In that country Wahhabi movement is very active, and its members may connect with Uighur separatists from China's Xinjiang province. As the result, Bosnia and Herzegovina can be misused in the context of the Global Jihad in order to obstruct of Chinese projects. Another threat comes from a possible Russian involvement in this area. The Russian politicians believe that the initiative "One belt - one road" is detrimental to

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<sup>1</sup><http://www.politika.rs/scc/clanak/379410/Dragisic-Moguc-etnicki-sukob-u-Makedoniji>

Russia's global interests, and Russia seems to be increasingly aggressive in defending its spheres of interest originating from the former Soviet empire (Brauner, 2014). For this reason, the Russian influence in Republika Srpska can be misused in the context of Russian resistance to the Chinese initiative. Also, resolving internal issues of Bosnia and Herzegovina can result with threats to the Chinese initiative. Constitutional reconstruction process moves between the demands of extreme Bosniak political circles for full centralization, and demands from Banja Luka for greater autonomy or even separation of the Republika Srpska. Such a situation could lead to new conflicts, and armed conflict in Bosnia and Herzegovina could jeopardize the 16+1 initiative, because it would draw Serbia and Croatia into conflict (Dragišić, 2017). Great powers could exploit the political disagreements in this country as a means to stop 16+1 initiative and expel China from this part of Europe.

A specific group of security threats are made by asymmetric threats originating from the non-state actor. Among them organized crime stands out in particular. Armed conflicts in the past, the institutional weakness of the countries in the region, transition issues, system corruption caused the emergence and spread of organized crime in the region. Organized crime in the Balkans doesn't recognize neither state nor ethnic boundaries, because those who are involved in the smuggling of narcotics, prostitution and human trafficking are only interested in profit (Barišić et. Al., 2014:84). Today, organized crime represent permanent security challenge for several reasons: first of all there is a close link between organized criminal groups and groups of extreme nationalists. Also, domestic and international criminal organizations work closely and apply violence to the commission of offenses, and in each other's accounts for market dominance. In addition, at leaders of organized crime activity occurs a political aspirations, other than the pursuit of financial gain and power. Through cooperation with the political elites, organized crime have linked with state structures, improving its strategic position for the future, taking control of some parts of the state apparatus, primarily over the repressive structures (Fatić, 2005:74). Taking the most profitable industries and legalization of illegally acquired capital lead to further devastation of the economic base of the state and to corruption in all spheres of social life: civil society, educational and health institutions, political parties, religious organizations.

16+1 initiative represents a serious threat to the interests of organized crime, because the most lucrative economic activities will be placed under strict control and will be taken over by a large Chinese company in cooperation with local governments. Having in mind the political impact and international character of these groups, we can safely say that they will try, through corrupt activities and blackmail, to impede the implementation of projects under this initiative. The Chinese initiative will contribute to strengthening the institutional capacities of the Balkans countries and improving their ability to resist organized crime. If they fail to undermine this initiative, we can expect that organized criminal groups will try to redefine criminal activity in order to adapt to new circumstances. Organized crime is a social phenomenon that is constantly transforming, so we can expect that organized criminal groups even try to find a way to take benefits from initiative. Therefore, organized criminal activity, associated with the activities of

the countries that oppose this initiative and large corporations, may represent a significant security problem in the future. In security assessments a special attention should be given to analysis of organized crime activity, although its capacity can't jeopardize the initiative in general.

Terrorism, as a form of asymmetric threats, is another way of the potential threat to China's initiative in the Balkans. In most of Balkans countries the Wahhabi movement is active, and fighters from this area have been recruited, trained, and some of them went to Syria and Iraq. Individuals and groups from this region may be instrumentalized to take a terrorist act against the Chinese initiatives within global jihad. Also, a special threat comes from China's internal enemies who can estimate that the Balkans is the weakest link for endangering China's initiative. Some of China's internal enemies who conduct activities around the world are: Uighur separatists (related to the international jihadist network), Falu Gong sect (they tried to organize protests against Chinese President in Belgrade), the Chinese Catholic Church, the so-called Front of National Liberation and groups associated with Taiwan (Trifunović, 2016). These threats must be taken seriously and there is a need for coordinated operation in the monitoring of this phenomenon by states who are members of initiative. Prevention requires the exchange of intelligence between China and states who are members of initiative in the context of this threat, since holders of terrorist attack in the Balkans can be external factors, and there is a possibility of cooperation between internal and external holders

In the analysis of security challenges, risks and threats in the Balkans, challenges that come from political, economic and social spheres have a special place. Balkans countries are trying to consolidate their politics, however they are accompanied by a heavy legacy in building a modern democratic society, especially in the socio-economic sphere. The transition from the socialist to liberal democratic order and market economy, have been followed by an extensive privatization and restructuring of economy, which has led to an unprecedented level of unemployment and systemic impoverishment of whole branches of the economy. High unemployment in the Balkans countries may affect the perceptions of citizens that the initiative will threaten small businesses and bring Chinese workers in this area, which will result in a higher degree of competition in the labor market. Therefore, it is necessary to analyze and evaluate the potential subversion activity that can be undertaken with the aim of jeopardizing the initiative. Quality response to this potential threats is strengthening intelligence and security system of a countries that are members of initiatives, raising their integrity and creating conditions for high-quality and timely exchange of information.

Particular attention should be paid to the so-called situational threats that are a result of natural disasters, technical and technological disasters and accidents, which may seriously jeopardize the initiative. Tracks of new roads, railways and other infrastructure will pass through areas that were often affected by floods, earthquakes, landslides, forest fires and other natural disasters. In order to proactively work with the aim of diminishing the effects of natural disasters, it is necessary to do a risk mapping, high-quality design and construction of large infrastructure

projects. In the framework of 16+1 initiative, a special attention should be given in responding to emergency situations. As a result of sabotage, terrorist and cyber-attacks it can arise a endangering of human health and life, environmental degradation and destruction of critical infrastructure. It is very important to influence on strengthening existing and building new mechanisms for joint action in responding to emergencies between countries that are members of 16+1 Initiative.

The first step in finding ways of achieving security in the Balkans in context of Chinese initiative is identification of potential threats and holders. As a next step it is necessary to form a special working body that will deal with monitoring threats and coordinating action among members of the 16+1 Initiative. That working body should be organized through organizational units that cover specific threat. Some of necessary organizational units should be: units for emergencies, terrorism, organized crime, cyber threats, subversion, social and economic threats (Dragišić, 2017). In that way, this working body will represent an optimal response to Balkans security challenges, risks and threats in the context of the Chinese 16+1 initiative.

## **Conclusion**

The Chinese presence in Europe through the project "One belt - one road", ie initiative 16+1, is a historical novelty that will be reflected in a number of areas of social life - political, economic, infrastructural, cultural, and especially in the sphere of security. This initiative could potentially face with many challenges at global and regional levels. From global strategic challenges stand out those that may arise from global and regional powers who may view the initiative 16+1 as infringing on their areas of influence, driving competition rather than cooperation. The second global challenge to 16+1 initiative comes from multinational companies that realization of this project can see as a direct threat to their interests.

Each region has a specific security dynamics which create the overall image of the security in a given area. The Balkans is neuralgic area with frequent political turmoil and crisis and with a number of unresolved issues at the intersection of socio-economic sectors. Such security constellations can be directly reflected on the security of the initiative and to jeopardize its realization.

The concept of Balkan security identity represents a good starting point and high-quality analytical framework for the study of security challenges, risks and threats in the Balkans that might compromise the realization of Chinese projects. Analyzing the Balkans security identity and by understanding of its constituent elements, we can get the picture of the major security challenges, risks and threats in this area, the scope and quality of resources for countering security challenges, as well as the social perception of the security by the citizens of the Balkan states.



Events in Kosovo and Metohija, Bosnia and Herzegovina and Macedonia show that the impact of external factors on the political and security processes in the Balkans is very big. That is a significant determinant of the Balkan security identity, which must be the starting point for any analysis of the security of the region, particularly in the context of the New Silk Road. Regional and global powers can interfere in the policy, security, economy and other area at this region in order to create a conflict with a goal to stop the 16+1 initiative and expel China from this part of Europe.

Positive development of Balkan security identity is imperative because it contributes in improving security situation in the region. As the development of identity can go in both directions, it is important to proactively respond to new threats to the region. The Chinese presence in this area will bring new threats which can affect on change of the Balkans security architecture, as well as on the security identity. State member 16+1 initiative need to be prepared on this new security situation.

### **Current Geostrategic overview China - EU**

Chinese President Xi Jinping, opening the BRICS meeting, estimated that five states of that alliance should play a more active role in the global governance system, given the complex changes that are taking place in the world community. In support of Xi's claim that without the participation of BRICS, many world challenges cannot be effectively addressed by speeches and figures. Three billion people in Brazil, Russia, India, China and South Africa account for 42 percent of the world's population, and these countries account for 30 percent of the planet's total surface, with a GDP of \$ 16.8 billion making up nearly a quarter of the global total - 22.3 percent.

That the Ninth Summit of BRICS countries will take place under different circumstances than before, it was clear after the World Economic Forum in Davos at the beginning of the year. Then the first appearance of a Chinese president in that forum for his founder, Klaus Schwab, was a signal of a turning from a unipolar world dominated by the United States to a multipolar system, in which rising powers would have to play a greater role. And such are China and Russia, says O'Neal. According to the Chinese president, BRICS should work on the search for a new model of development in order to overcome the difficulties in the world economy, which is experiencing global changes due to increased financial risks and the reduction of demand in the international

market. And, as Si says, it does not mean a high priority of development, but a stable development.

Russian President Vladimir Putin also believes that the time has come for BRICS to adapt the strategy to the current economic reality and to set new ambitious goals, among other things, to create a common platform for energy research, but also to quickly switch to lending in national currencies.

The leaders of the five countries at the summit in the Chinese city of Xiamen agreed that direct investment should be calculated in national currencies. They even discussed the possibility of introducing cryptoworks as an alternative to other payment instruments.

What is behind the word and the announcement by the Russian and Chinese leaders of taking a much more active role globally and dedolarizing, a process that is not new to China and Russia, as trade and energy agreements between these two countries are already being calculated in rubles, that is, in the yuan, and not in dollars ?

### **On horizon the big change**

Economist Borislav Borovic stated that large changes are being made on the global financial market, whose initiators are, first and foremost, the BRICS countries. Refunding gold as a guarantee for national currencies and "withdrawing" the dollar as the official world reserve currency is just one option, but it is more realistic that "deductarisation" is actually a substitute for mutual payments in the national currencies of the BRICS countries, he emphasizes.

The dollar is the world's reserve currency, which replaces gold, and the five-dollar dollar was until recently the exclusive currency for oil trading. Whether the dollar as the world reserve currency can still be, is more certain than Borović asks, as he points out that there are no real parameters for the amount.

- The question is whether the idea of switching to national currencies or returning to the gold standard would have been actualized that the appetites of the guys from Volstrit did not increase

so much that the situation in national economies caused by such treatment became almost unbearable - says this analyst of the Independent Economists Forum.

In this way, figuratively speaking, the victory of financial derivatives over oil derivatives was ensured, so it was expected that black gold producers would react and protect their profits, especially BRICS countries. They simply do not want the virtual dollar to be in the same range as the real slave they offer.

Russia, which has a steady inflow of dollars through the sale of oil and gas, now immediately changes those gold dollars at current prices that are falling, after being artificially overthrown, as is the case with oil. Thus, Borovic explains, they achieve two effects - compensating for the loss of a low oil price, and increasing the value of gold.

He reminds that Switzerland also abolished the dollar in the trade of "golden gold", where gold was not used in physical form, and now applies the Russian method of buying "living" gold, and China recently announced that it ceases to sell goods for dollars, use the dollar as an accounting (indirect) currency, and it will immediately be exchanged for gold or some reserve currency.

Saudi Arabia and the Emirate countries are already working to convert money from their funds worth about 2.3 trillion dollars, mostly in gold in physical form, Borovic points out.

The expert of the Russian Strategic Research Institute, Dmitry Burih, also believes that the transition to lending in the national currencies of BRIKS member countries is logical after the creation of a development bank, but also that it means a trend towards the development of BRICS, not only as a center of power in global terms and the center of economic power.

Former Goldman Sachs economist Jim O'Neill, the creator of the BRIC acronyms, created from the initial letters of the four countries, which subsequently joined South Africa, said in an interview with Xinhua that today, 16 years later, the share of BRIKS countries in World GDP is much higher than he imagined. The current value of their GDP of \$ 16.6 billion, \$ 5 trillion or almost half, exceeded its forecasts at that time, O'Neill acknowledged.

### **EU does not believe China. EU prepare set of measurements to stop China**

China is an important partner to the European Union. It could even be said to be one of the most important. The EU is China's largest trading partner, and China is the EU's second largest trading

partner, becoming an increasingly investor in the European Union and those seeking integration in the EU, such as the Western Balkan countries. The extent to which China is an important partner is enough to say that trade between the EU and China is 1.5 billion euros a day. Recently, China has also been mentioned as a key global partner and with regard to priority EU targets such as the fight against climate change. Especially it became important when US President Donald Trump decided to give up obligations from the Paris Agreement. At that time, the EU-China summit in Brussels was held, in which the two sides agreed on a common position on climate change and expressed their commitment to the Paris Agreement and the fight against global warming. But in the EU, however, there is a strong concern about the Chinese approach to investment in Europe, especially in smaller countries where such investments would give China a political role which could also affect internal relations in the EU.

As in the case of Russian investments in the field of energy, even now in the case of China, the EU says that they "do not mind anything against such investments if they are in line with EU rules". They think not only of meeting all formal EU standards, but also of respecting the transparency of public tenders and state aid. In the EU they suspect that behind Chinese investments, even when they are private, the state stands either through subsidies or through subsidies, which raises many questions.

### **Unhappy EU**

At the last EU-China summit in Brussels before the summer, when both sides were praising each other, it was obvious that there were still major differences in trade. At the summit they discussed free trade measures and the need to reduce subsidies for steel. The European Union is not satisfied with the operating conditions in China, which, although one of the world's largest players, is only ranked 78th out of 190 countries according to business conditions. The EU wants to reach an agreement with China as soon as possible in order to provide European companies with a better business opportunity, as required by many member states, from Germany and France to Italy.

"The big economy like China must be more than the middle of the scale," said European Commission President Jean-Claude Juncker at the time. He asked European companies to be given a competition for projects funded by China in infrastructure.

- Our relationship is based on mutual respect for openness and cooperation within the framework of an international system based on rules. I am pleased that today we have the opportunity to meet and clearly express these values. We are aware that together we can improve prosperity and sustainability at home and abroad. We welcome the ambition of the reforms launched in China. We know that reforms have been implemented and plans have been established. But we would be pleased to speed up the implementation - so that your policies can match your vision of the world - said Jean Claude Juncker two months ago in a speech at an EU-China economic forum.

### **Taking over the company**

And the Chinese prime minister then responded that they are trying to promote trade and achieve a trade balance. He recalled that now the number of Chinese tourists in Europe is significantly higher than the number of European tourists in China. The Chinese prime minister said that cooperation with the EU is solid and that both sides have benefited from globalism, and globalization cannot be considered an excuse for many problems that exist today in the world. Shortly after the EU-China summit, as revealed by the Politico portal, the three largest EU member states (Germany, Italy and France) have asked the European Commission to consider foreign investment control mechanisms in the EU, especially the takeover of key companies by third-party investors country.

- Freedom of investment in the private sector as well as openness to foreign investments should be preserved in the European Union. However, while third countries maintain barriers to direct investment by European companies, or allow such investments only under certain discriminatory circumstances, at the same time European companies are taken over as part of the industrial strategies of other states, which means that there are no equal conditions for all - are the position in their letter to Germany, France and Italy. They add that conditions are even less equal when such investments are directly or indirectly subsidized by state bodies. Although China does not

directly mention that letter, it is clear that this relates primarily to that country. However, it also applies to Russia.

They write that the existing instruments available to the Member States regarding the limitation of external investments, referring to issues of national security and public order, will not be sufficient in the future to protect them, and suggest that the EU should consider the possibility of reciprocity with third countries. In that case, if a state, for example China, would make it difficult or impossible to take over its businesses, then it should respond with a reciprocal measure. This would ensure fair competition, according to the same rules, on the investment market for all.

### **Defense Department**

If the ideas that came from these three countries are achieved, and usually this is because they are countries that can impose their views within the EU when acting together, then the European Commission will have a formal role in analyzing and monitoring foreign acquisitions of European companies and other foreign investments in Europe, as well as their operation. The exception would certainly remain a defense sector in which each state still has the sovereign right to decide on its own. Such oversight would be based on information and data collected by Member States on the operation in their territory. The Commission, on the basis of such information, would report twice a year on the state of foreign investment in Europe in all sectors. Such reports would also contain the state of subsidies from the countries from which such investments come to Europe.

The three largest states that have sent this letter to the European Commission state that they do not call into question the rules of international trade by the EU, especially those of the World Trade Organization, and obligations under the agreement with third countries. But they demand that the EU and the Member States retain the possibility of a reaction in the case of an assessment of the fact that by taking over some companies and acquiring the right to decide through the increase in voting rights due to the increase in the ownership stake, it wants to increase the political influence.

When China is concerned, the EU wants transparency in public tenders and contracts and for projects in which China invests in the Western Balkans. Analysts believe China's long-term

investments are aimed at creating the conditions for penetration of Chinese products into Europe and taking a favorable position within the EU itself. The first reactions from the European Commission were positive and the Commission expressed its readiness to consider the ideas put forward by these three countries.

### **EU and China mutual fear**

There is a growing fear in the EU from the influence of China in member states where Chinese investments have a strategic significance. An example is often mentioned Greece, to which Chinese investments were important during the financial crisis and the EU imposed savings measures. Some European diplomats say Greece, but also some other members, has repeatedly opposed the views of the European Union that should have condemned China for the state of human rights or aggressive behavior. It is possible that China did not directly request such services from these countries, but it is possible that these countries themselves felt obliged to stand aside for China and thus prevent the EU from speaking with one voice on an important issue. Because of such things, which sometimes reflect the different national interests of some member states, the EU loses both the influence and the role in the world and in the political sense.

The same has been said for several years about the influence of Russia, which, as some circles in the EU, believe, uses its energy power as a means to achieve political goals. However, at the moment, the EU has far better relations with China than with Russia, but the long-standing concern is the strengthening of China's position through investments in the world and even in Europe. Therefore, since it is not possible to prevent investments and prevent their prevention, it is not desirable to place such investments under the supervision, and in this connection there is greater transparency among the EU Member States themselves.

Also, there is huge consideration in EU about Chinese cosmic program.

## **Danube in the function of China Silk Road – Security risk and challenges**

Originating in Germany, the Danube flows southeast passing through or touching border of Austria, Slovakia, Hungary, Croatia, Serbia, Romania, Bulgaria, Moldova and Ukraine before emptying into the Black Sea. Its drainage basin extends into nine more countries. For hundreds of years trade links between Asia and Europe have been developed. Marco Polo, a Venetian merchant traveler, whose origins are from the former Yugoslavia, testified about this rich East, China and the Mongol Empire in his writings. In his book entitled "The Travels of Marco Polo Venetian" he had described all of his travels, introduced the trade route that connects two continents called "Silk Road" (e.g.: Polo, 1907). It was about land and sea routes through which from Asia to Europe were transported spices, amber, silk, jade and other products, and from Europe gold, glass, ivory and precious stones (e.g.: Rodrigue, Comtois, Slack, 2009, p.42).

"Silk Road" was not just a trade route, it was also the political and religious spread of different influences. By combining various nations across Asia, "Silk Road" was coming up to the Roman Empire in Europe. Chinese silk was very popular in Europe, not only during the Roman Empire, but also in earlier period. Chinese silk has arrived to Europe around 1000 BC (e.g: Allsen, 1997, p.100). All products from the East that were admitted in Europe, were also transported to the most distant parts of the Roman Empire, due to highly developed system of roads including the special significance Danube river had in that specific period. In the history of the Roman Empire, a great importance had the rivers Rhine and Danube, which were not only the border rivers, those rivers were the main link to the territory from the North Sea to the Black Sea. The famous Roman "Amber route" was using the Danube river as its main traffic artery (e.g. Clark, Jerry, 2015, p.261). This route was an ancient trade route for the transfer of this raw material. Amber sometimes dubbed "the gold of the north", was transport from the North Sea and Baltic Sea coasts overland by way of the Vistula and Dnieper rivers to Italy, Greece, the Black sea, Syria and Egypt thousands of years ago, and long after.

Danube has always had an important commercial, political and security significance. In ancient times the Goths, Slavs, Huns, Germans used the Danube and Turks for trade and for its military campaign (offensive and defensive). In addition, the Crusaders in their visits to the Holy Land were using this river for transportation of goods or in some cases even soldiers. After the fall of Constantinople in 1453 into Turkish hands, all roads to the Black Sea were discontinued, but the



Turks have proceeded largely to use the Danube for its conquests (e.g. Clark, Jerry, 2015, p.261). Danube has always been an important traffic artery and the object of interest to large and regional superpowers.

Recognizing the importance of the Danube River, Russia was also trying to achieve its dominance. After the Bucharest Peace Accords in 1812, Russia has been able to force that shores of the lower Danube belong to Bessarabia. By this, Russia has achieved full control of the lower Danube. Also, this country had certain fears that the ports Braila and Galatz could reduce the amount of work of the ports in Odessa. Russia was doing everything to prevent sailing and entrance in these two ports by disabling riverbed maintaining and even performing certain work to congested route to the two ports. The result was that the majority of ships could not actually sail in that direction (e.g.: Gore 2012, p.24). Other super powers wanted to control, or to have a great impact when it comes to the flow of the river Danube. This applies first of all to the Austro-Hungarian monarchy and also to Germany.

### **Danube today**

The Danube connects many European countries and flows through four capital cities: Vienna, Bratislava, Budapest and Belgrade. Widely speaking Danube basin includes the area where lives of over 80 million inhabitants, which extends over 802.890 km<sup>2</sup> (e.g.: Simenov, Chirila, 2007, p.60). The Danube is also known as one of the trans-European corridor (Corridor 7). Realizing the importance of cooperation of the Danube countries, EU adopted the Strategy for the Danube Region<sup>2</sup>. EU Strategy for the Danube region refers to the economic development, environmental management, navigation safety and transportation, competition, management of natural resources as well as measures for the overall modernization. This strategy has six key principles relating to the promotion of cooperation between the regions, improvement of transport infrastructure, the flow of energy and information, environmental protection, rule of law, improving the economy and economic potential. The Danube River has been integrated into the basic plans and strategy

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<sup>2</sup>The European Union Strategy for the Danube region, SEC (2010) 1489, SEC (2010) 1490, SEC (2010) 1491, Brussels, COM (2010) 715/4

development of the EU by 2020<sup>3</sup>. The importance of the river Danube is not only noticed by the EU and the Danube region countries. Considering that one part of the Chinese initiative to build railway "Silk Road" predicts Budapest as a focal point, the Danube River with all its potential comes in the focus of interest. Hungary was the first European country, which, together with China signed the Agreement on the participation of the Chinese initiative *One-belt one road*<sup>4</sup>.

## **China "Silk road" and Danube**

Since the German geographer, Baron Ferdinand von Richthofen in 1877 gave to this trade road the romantic name "Silk Road", this route that through centuries connected East and West have never lost its importance. Recognizing not only commercial, but also political and security significance, Chinese President Xi Jinping has launched initiative to restore the idea of the ancient "Silk Road" in 2013 (e.g.: Sharma, Kundu, 2016, p.1). However, for China this is not only economic and trade decisions. The initiative of the President of China Xi Jinping is primarily political. Perhaps this is one of the biggest in the modern history of the world. It is not just the construction, or reconstruction of roads networks which include road transport, but also railway and maritime, not only the construction of these roads, but also political, cultural and economic connecting. In this manner i.e. *Chinese way* involves the expansion of economic impact as a platform for political influence through which is reflected so called *soft power*. Considering that the world after the Second World War is more divided, and that this fact caused a new division in the period after Cold War, it is reasonable to question whether this Chinese initiative would improve the relationships and affect the geopolitical trends: the expansion of Russian influence in the European countries and intention to integrate the Danube Strategy in the "One Belt One Road". This is primarily related to the platform called "16 + 1".

## **Chinese platform "16 + 1"**

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<sup>3</sup> EUROPE 2020 – A European Strategy for smart, sustainable and inclusive growth  
<http://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%20%20007%20-%20Europe%202020%20-%20EN%20version.pdf>

<sup>4</sup> Hungary first European country to sign up for China Silk Road plan, Reuters, <http://www.reuters.com/article/us-china-hungary-idUSKBN0ON01W20150607> Retrieved, 20/07/2016

Chinese platform "16 + 1" aims to strengthen relations between China and the countries of Central Europe. Most of these countries are members of the EU and NATO, and become members of the new geopolitical division of the world with this new relationship that have ruled in Europe after the fall of the Berlin wall, ie. exemption from Russian domination, which is projected over the USSR. Chinese platform overlaps with the more integrative spheres of influence. Also, member states of this initiative vary among themselves according to economic power, political relations and also in their attitude towards Russia as a new regional superpower. It is obvious that the China need to invest a lot of effort in working with Central and Eastern Europe in order to obtain those counties for their own initiative *One belt one road*.

### **Security risks**

Security risks can be divide into several categories. Considering it is a Chinese platform and their initiative for cooperation, it certainly means that the first category is consisted of security risks and challenges relating to China itself. In addition, it is important to analyze whether some of the holders of a security threat to China are operating on the territory of Europe. Basically, the main threat to the security of China comprises the following groups:

1. The sect Falun Gong;
2. Separatist movement of Tibetans;
3. Separatist movement and the terrorist organizations of Uighurs;
4. Christian-Catholic church;
5. The People's Liberation Forces Front<sup>5</sup>
6. The opening of the Mongolian minority issues in China.
7. Taiwan problem.

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<sup>5</sup>The existence of an anti-communist armed faction within the armed forces was revealed in April 1996 through the trial for rebellion of a group of army officers. The People's Liberation Forces Front was founded in Shanxi's Taiyuan in March 1994, and was composed of some graduates from military academies and institutes, the sons and brothers of senior cadres. The organization straddled several regions: involving General Logistics Department organizations; the Beijing, Shenyang and Jinan Military Regions; the Beijing Garrison; the Air Force Institute; the Engineering Corps Institute; and the Shijiazhuang Army Academy. The People's Liberation Forces Front in 1996 reportedly had more than 350 members. In addition to active servicemen, members included demobilized officers; demobilized armed policemen; persons expelled from the Army, public security and border guard cadres, and the police, as well as armed police cadres of some grassroots units and enterprises.

## **Complicate current geopolitical situation in Europe**

The current geopolitical situation is in the light of NATO - Russia relations. NATO has installed rocket defensive system in Romania and plans to construct an additional system in the Czech Republic and Poland<sup>6</sup>. For Russia, the loss of the Cold War meant loss of territory, especially those in Europe. All the countries of Eastern Europe that were within the former USSR, the disappearance of this military alliance and cessation of Russian influence, economically helped to recovered and are on the way to improve their political, security and economic positions. However, Russia still has a strong impact on certain countries of the former Soviet Union, EU and to the countries that are European but non-EU countries such as Serbia, Montenegro and Bosnia-Herzegovina. Taking as a fact that the US and its EU partners marked Russia as the biggest i.e. the most dangerous threat to national security, with reason can be expected that Russia will be in the mission of distractions the US and EU interest, to use all available means to protect themselves and their interests. In this light, Russia could take the following measures:

- Provoking the political and security instability, given the distribution of "Russian agents of interest" in Southeast Europe nations (Serbia, Montenegro, Croatia, Bosnia and Herzegovina, etc.). The vulnerability of institutions in these countries is at the highest level since 'transition' comes with a high degree of corruption. The same situation is in the West Europe (France, The Netherlands, Austria, Hungary and Check Republic) . Russia was accuse of clandestine funding of European parties with goal to [undermine European unity](#) on a whole range of vital strategic issues<sup>7</sup>.

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<sup>6</sup>*U.S. launches long-awaited European missile defense shield*, CNN Politics, Retrieved May 15, 2016.  
<http://edition.cnn.com/2016/05/11/politics/nato-missile-defense-romania-poland/>

<sup>7</sup> *Russia accused of clandestine funding of European parties as US conducts major review of Vladimir Putin's strategy*, The Telegraph, Retrieved, September 6, 2016  
<http://www.telegraph.co.uk/news/worldnews/europe/russia/12103602/America-to-investigate-Russian-meddling-in-EU.html>

- Russian capacities to lead asymmetrical wars (the possibility that Russia may initiate both local and regional conflicts) until provoking international conflicts. Clear example of above mentioned is current situation in Turkey or Russian direct influence on Republic of Srpska in the Bosnia and Herzegovina, Moldova and some more EU countries.

Taking into account that the majority of countries in Eastern Europe have perceived Russia as a security threat, it can easily happen that the countries of Southeast Europe do the same because they are already countries that are NATO members, or are those that want to become members<sup>8</sup>. It is great dilemma how in this context of complex relations and geopolitical circumstances will feat Chinese initiative and what will be impact of Danube waterway. For sure, one of the leading regional superpower and leading country of EU is Germany. Germany *faces* significant economic, political, and above all security -geopolitical *challenges*. It is important to underline great role of United States in Europe, particularly having in mind that Chinese perception of US as threat and vice versa.

### **Situation in Germany**

Although its development and economic power Germany owes to the United States, this country since 2003. has begun to distance its foreign policy from the US and its other allies. Germany has not supported the American intervention on Iraq and overthrow of Saddam Hussein's regime (e.g.: Parsons, Jabko, 2005, p.67). In addition, Germany has begun to block US and other of NATO initiatives such was the case when Germany, Belgium and France blocked of NATO preliminary defensive support to Turkey in case of Iraq attack at the time of the attack of the alliance on that country (e.g.: Szabo, 2004, p.41). German Chancellor Gerhard Schroeder has invested maximum efforts to restore relations with Russia. He became a personal friend of the Russian Prime Minister Vladimir Putin and for year's improved Russian-German relations despite opposition and criticism that came from the United States. The criticisms were arriving from Germany itself. Gerhard Schroeder was in front of the question: whether to turn on democracy and the position in the EU or will he bows to current, highly lucrative economic

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<sup>8</sup> *Russia is now a threat. The U.S. should treat it like one*, Washington Post, Retrieved, September 24, 2016, [https://www.washingtonpost.com/news/in-theory/wp/2016/08/18/russia-is-now-a-threat-the-u-s-should-treat-it-like-one/?utm\\_term=.db286d121cbd](https://www.washingtonpost.com/news/in-theory/wp/2016/08/18/russia-is-now-a-threat-the-u-s-should-treat-it-like-one/?utm_term=.db286d121cbd)

benefits emerging from its special relationship with Putin?<sup>9</sup> After his departure from the political scene he was offered the position of chairman in board of directors in the Russian-German gas pipeline Gazprom, which Schroeder accepted<sup>10</sup>. Rapprochement of Russia and Germany has always been a reason for concern in United States. Germany, along with Russia initiated the formation of a new Committee on Security Policy in European Union in 2010<sup>11</sup>. This proposal is understood by the US administration as a direct threat and an attack to NATO alliance. If Germany and the EU have that kind of security relationship that requires prior consultation and cooperation with Russia, then Russia directly has positions in the NATO. In other words, if Germany has begun any kind of cooperation in the field of security with Russia, in which way Germany could cooperate with the US as the leading countries of NATO, and only if we, for example, take the crisis in Ukraine or Georgia?

As already noted, the Russian-German "marriage" in America has seen as the German betrayal of the United States. After the biggest scandals of intelligence services by WikiLeaks, it became evident that the US intelligence monitors high representatives including German Chancellor Angela Merkel and most of the ministers in the Government of Germany<sup>12</sup>. Confidence among the closest allies has been heavily undermine with good reason. Germany continued its pro-Russian policy after the departure of Gerhard Schroeder. Thus, despite a minor criticism that Angela Merkel referred to the Russian account order to create illusion of objectivity, Germany initiated the entry of Russia into the group G 7. Since then the group obtained a new name - G 8 (e.g.:Maxine, Gower,Haukkala, 2013, p.21). At the same time, Germany has continued to provide its full support to the Russian gas pipeline "Nord Stream". Relation to Russia and concerns about Russian interests was expresses during the NATO meeting in Bucharest in 2008 when Germany, together with France, openly opposed to American plans for Ukraine and Georgia to get MAP (Members Action Plan) for NATO. Russia encouraged by the partition in NATO caused by the German attitudes, committed aggression against Ukraine and annexed the Crimea with the aim to

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<sup>9</sup>*Moscow Mon Amour*: Gerhard Schroeder's Dangerous Liaison, Spiegel, Retrieved, August 20, 2016.  
<http://www.spiegel.de/international/moscow-mon-amour-gerhard-schroeder-s-dangerous-liaison-a-330461.html>

<sup>10</sup>*Schroeder Accepts Russian Pipeline Job*, Washington Post, Retrieved August 20, 2016.  
<http://www.washingtonpost.com/wp-dyn/content/article/2005/12/09/AR2005120901755.html>

<sup>11</sup>*Germany and Russia call for new EU security committee*, EU Observer, Retrieved, August 20, 2016  
<https://euobserver.com/foreign/30223>

<sup>12</sup>*WikiLeaks: US spied on Angela Merkel's ministers too, says German newspaper*, The Guardian, Retrieved, August 20, 2016  
<http://www.theguardian.com/media/2015/jul/02/wikileaks-us-spied-on-angela-merkels-ministers-too-says-german-newspaper>

get the territory of Ukraine where predominantly Russian population lives and to establish a state territory – Novorossiia. Previously Russian troops have seceded sovereign parts of Georgia, Abkhazia and Ossetia. In Moldova, the Russian troops totally control an eastern part called Transnistria (eg: Binnendijk, Foes, 2016, Chapter V) . German and Russian positions faded from 2008 till today. Several crucial events contributed to weakening especially German position:

1. Greek debt crisis has shaken the foundations of the EU and Germany itself. United States had a completely different point of view on crisis in Greece from Germany. Differences went far from security, economic or strategic view. The Greek crisis before all put Germany on a difficult exam as the leading country of the EU and its capacity to solve the crisis. Attention of German politicians is directed to this problem, and therefore the question of Russian-German cooperation was challenged.
2. Ukrainian crisis physically cut off power in Central Europe and Germany itself, despite the "Nord Stream". Russia was face with the fact that Ukrainian normally aspires to EU and NATO membership. For Russia, it would mean the loss of their positions on the Black Sea. Despite the German-French opposition to joining NATO, Ukraine's integration process is unstoppable. Russia has reacted and committed aggression against this country. Without Ukraine which opened the EU, Putin's plan to create a Eurasian Union does not make sense (Larrabee, Wilson, Gordon, 2015, p.25). In this way the Russian-German relations are further tightened. Russian aggression against Ukraine was in contradiction with the Helsinki Final Act from 1975. EU had to take a unified position, and therefore Germany as well. EU introduced restrictive measures and a whole range of sanctions against Russia over Ukraine<sup>13</sup>.
3. Migrant-refugee crisis not really begun in the Middle East that it is represented. Migrant-refugee crisis started in Kosovo and Metohija in 2015. when tens of thousands of Kosovo Albanians went to the Germany<sup>14</sup>. Sad mages of long lines of migrants from Kosovo and Metohija, in order smoothly cross European borders, have

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<sup>13</sup>*EU sanctions against Russia over Ukraine crisis*, European Union Newsroom, Retrieved August 20, 2016. [https://europa.eu/newsroom/highlights/special-coverage/eu\\_sanctions\\_en](https://europa.eu/newsroom/highlights/special-coverage/eu_sanctions_en)

<sup>14</sup>*Exodus from Kosovo: Why thousands have left the Balkans*, The Telegraph, Retrieved August 20, 2016 <http://www.telegraph.co.uk/news/worldnews/europe/kosovo/11426805/Exodus-from-Kosovo-Why-thousands-have-left-the-Balkans.html>

appeared on social networks and have served as a kind of invitation to all the other migrants around the world to move towards the EU. Migrant-refugee crisis again in the forefront put Germany as leading EU country. Large part migrants-refugees wanted to go just in this country. Germany has received more than a million migrants and refugees, which resulted in a large internal public discontent and desire of more than 40% of the citizens that Angela Merkel, the German chancellor to resign<sup>15</sup>.

4. The scandal of falsifying exhaust emissions of two leading German car companies (Audi and Volkswagen). The German economy is burdened with enormous administering for preserving the Euro zone and refugee crisis has hit with an unprecedented scandal. Leading German car companies have presented untrue data on the amount of exhaust gases that their vehicles produced discharged into the atmosphere. Volkswagen suffers damage this year greater than 6.5 billion Euro<sup>16</sup>. Volkswagen scandal as the leading auto manufacturer in Germany represents the greater economic crisis than it is Greek economic crisis. Specifically, the automakers car employs 270 000 workers and annually produces more than 9.5 million vehicles. Because of the deception of consumers, Volkswagen faces wasting larger than the current 21 billion (more than the company has in cash)<sup>17</sup>. This scandal caused great fear of job loss for thousands of employees in Germany. The seriousness of this situation contributes to the fact that in this country a large number of migrants and refugees who are unemployed and that further burden the budget of this country.
5. **Brexit** – UK leaving the EU - merging the words **Britain** and **exit** to get Brexit. Brexit -will harm the EU's cohesion, confidence, international reputation and on end of the day will disrupt the EU's internal relations.

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<sup>15</sup>*Migrant Crisis: 40% Of Germans Want Merkel Out*, Sky News, and Retrieved August 20, 2016.  
<http://news.sky.com/story/1631955/migrant-crisis-40-percent-of-germans-want-merkel-out>

<sup>16</sup>*Audi, VW Group's crown jewel, is damaged by emissions scandal*, Automotive News Europe, Retrieved August 20, 2016  
<http://europe.autonews.com/article/20150930/BLOG15/150939997/audi-vw-groups-crown-jewel-is-damaged-by-emissions-scandal>

<sup>17</sup>*Volkswagen is a bigger threat to the German economy than the Greek debt crisis*, Business Insider Reuters, Retrieved August 20, 2016  
<http://www.businessinsider.com/r-volkswagen-could-pose-bigger-threat-to-german-economy-than-greek-crisis-2015-9>



## Current Russian role to regain influence in Europe

It has become evident that Russian politicians in their strategies use energy for economic and political conditionality have new plans when it comes to Europe (e.g.: Diesen, 2015, p.87). Encouraged by the German role in the EU, and then the high-energy prices, the Russian politicians' aggressively start a hike for taking position within the EU and Europe. Gentleman's approval of the US administration regarding the "Nord Stream" is perceived as a weakness of US to control the situation in the EU and Europe. US loosening in the German requirements for energy, Russian politicians interpreted as an opportunity to start a more aggressive foreign policy, while forgetting that the US is still the only superpower in the world. Crucial year for the dramatic changes and Russia's aggressive politics focused on occupation of geopolitical territories is 2008. This year was mark by the following Russian activities:

1. The Russian aggression against Georgia and the secession of Abkhazia and South Ossetia as well as the ultimate Russia's recognition of Abkhazia and South Ossetia;
2. Russian occupation of Serbian energy sector;
3. The Parliament of Greece, under the pressure and influence of Russia, accepts the project "South Stream" and rejects the Nabucco with two-thirds majority voting for this Act.

Russian aggressive policy of expansion of its zone of interest in Europe and the EU was also pursued in 2009. and 2010. In the 2009. Sochi representatives of gas companies of Russia, Italy, Bulgaria, Serbia and Greece signed an agreement on the construction of South Stream. The Prime Minister of Russia Vladimir Putin and Italian Prime Minister Silvio Berlusconi were both present on signing<sup>18</sup>. In addition, Russia and Turkey signed an agreement on building a gas pipeline through Turkish territorial waters of the Black Sea. The agreement was signed by Russian Prime

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<sup>18</sup>*Sochi Agreements and Aftermath Deflate South Stream Hype*, Eurasia Daily Monitor Volume: 6 Issue: 101, Retrieved August 20, 2016[http://www.jamestown.org/regions/russia/single/?tx\\_ttnews%5Bpointer%5D=343&tx\\_ttnews%5Btt\\_news%5D=35043&tx\\_ttnews%5BbackPid%5D=48&cHash=0ded722a683e28c8186bc919a26740eb#.VyjGT9J96Uk](http://www.jamestown.org/regions/russia/single/?tx_ttnews%5Bpointer%5D=343&tx_ttnews%5Btt_news%5D=35043&tx_ttnews%5BbackPid%5D=48&cHash=0ded722a683e28c8186bc919a26740eb#.VyjGT9J96Uk)

Minister - Vladimir Putin, Prime Minister of Turkey - Recep Erdogan, also in the presence of Italian Prime Minister - Silvio Berlusconi. That same year, Slovenia and Russia signed an agreement on Slovenia's accession to the Russian pipeline. Should not be omitted personal friendship between the Prime Minister of Russia Vladimir Putin and French Prime Minister Nicolas Sarkozy, who signed a military cooperation agreement between the two countries worth 1.3 billion Euros. According this agreement France has an obligation to the Russian side to deliver them the latest French warships Mistral<sup>19</sup>. 2010. Russian Minister of Energy Sergei Shmatko and Croatian Minister of Economy, labor and entrepreneurship Djuro Popijac, together in the presence of Prime Minister of Russia Vladimir Putin and Croatian Prime Minister JadrankaKosor signed a contract on Croatian accession to the Russian South corridor.

## **US response**

Completion of the Second World War surely marked US initiative to rebuild Western Europe countries that were destroyed. The official plan is called Marshall Plan or officially - ERP. Main goals Marshall Plan for US had were to rebuild destroyed regions, remove trade barriers, modernize industry and rebuild Europe as a successful, better society that will be a barrier to the spread of communism. Marshall Plan was the basis for today's EU and the principles on which the EU is actually based (e.g.: Yergian, Stanislaw, 2002.Chapter 11). American influence and credits for finishing the construction of Western Europe and activities to stop the communism are very obvious. American influence on European countries and the EU is reflected in the presence of the military through NATO military alliance and is obviously expressed through strong political and economic presence. Russian aggressive policy of spreading its influence has disregarded the interests of the United States and in the greatest extent is directed toward the member states of NATO and the countries that can be further dams for the implementation of US energy interests; this primarily refers to the Nabucco pipeline and the pipeline "Southern Corridor ". The American view of Europe has several dimensions. Regardless of the political parties

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<sup>19</sup>*Mistral Warship Offer Symbolizes New Franco-Russian Strategic Partnership*, The Jamestown Foundation, and Retrieved August 20, 2016.

[http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews%5Bwords%5D=8fd5893941d69d0be3f378576261ae3e&tx\\_ttnews%5Bany\\_of\\_the\\_words%5D=mistral&tx\\_ttnews%5Btt\\_news%5D=35790&tx\\_ttnews%5BbackPid%5D=7&cHash=fb4d5163e4#.VzxJMTV96Uk](http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Bwords%5D=8fd5893941d69d0be3f378576261ae3e&tx_ttnews%5Bany_of_the_words%5D=mistral&tx_ttnews%5Btt_news%5D=35790&tx_ttnews%5BbackPid%5D=7&cHash=fb4d5163e4#.VzxJMTV96Uk)

within the United States that it is about, it is hard to believe that the US can favorably watch how the two losers of two world wars - the German losers of World War II and on the other side Russia the loser of the Cold War, together in close partnership control territory from the Atlantic to the Pacific. Equally questionable is the possibility that German technology is based on the American money that is transferring into Russia. Germany, its western part, had great significance for the United States during the Cold War, due to the fact that West Germany was bordering with the USSR. As of today this is no longer the case, the gravity of American attention is directed to the countries, such as Polish, Czech Republic, Hungary and Bulgaria. What does this shift of gravity of American interest and attention mean for countries like Germany or France? The American response to Russian involvement in the zone of strict American interest was almost instantaneous and drastic. First under repression comes Greece that owed to Western creditors around 320 billion-a Euro (e.g.: Vasilenko, Khazieva, 2016, p.495). Although possesses so many debts to Western creditors, Greece, energetically speaking turned to Russia and Russian interests. Rejecting pipeline Nabucco and with accession to the Russian "South Stream" announced to be a Greece legitimate decision. However, such a decision in the situation in which Greece was as far as debt to the west is concerned, and the fact that Greece has to let the route of the American gas pipeline "South Corridor" pass through its country, led Greece into focus the US interests. The Greek financial crisis is utilized for several governments in the country. At the same time, the Greek financial crisis has seriously shaken the EU and pointed to the fact that Germany does not have the capacity to solve its own problems within the EU. Possible Greek exit from the Euro zone represented a potential risk that countries such as Italy, Spain and Portugal could act in the same way. This would be carried direct and serious impact on European project and the euro itself as a tool of payment, and would emphasize the impotence of EU leaders to resolve a crisis. The United States extensively alleviated the consequences of the Greek crisis, but at the same time trying to convince Greek politicians to leave the Russian project "South Stream". Accordingly, the United States intervened with the international lenders to enable Greece future loans<sup>20</sup>. Duration of the Greek crisis was limited: it lasted exactly as much as it needed to Greek politicians to realize that they cannot independently make decisions in a situation of over-indebtedness of their country. From that moment, Greece is

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<sup>20</sup>*What Happens If Greece Exits the Eurozone?* New York Times, Retrieved August 20, 2016.  
<http://nymag.com/daily/intelligencer/2015/07/what-happens-if-greece-exits-the-eurozone.html#>

no longer appeared in the headlines of all worlds' media. However, the damaging consequences hit Serbia as reprisals for inadequate assessment for wrong geopolitical actions. Whether the handing NIS (Petroleum Industry of Serbia) to the Russian side in January 2008 actually inspired the United States and other countries after pressures by the side of United States, unilaterally accept, contrary all international laws, the so-called independence of Kosovo in February 2008? Like Greece, Serbia was negotiating with Western countries, when handed its candidacy for membership in the EU, at the same time giving away heart of its industry to the Russian side. Such actions in international relations are interpreted as a "small error state," that are expensive to pay. One of the key states that have supported the Russian "South Stream" and whose Prime Minister Silvio Berlusconi was in very close contact with the Prime Minister of Russia Vladimir Putin, also passed in a certain way through a major crisis<sup>21</sup>. Italy already has a long period of problems with finances, however, the crisis culminated in 2009 and in 2010 (e.g.:Lin, Edvinsson, Chen, Beding, 2012, p.5). After all the political and economic turbulence, the Italian government rejects Russian "Southern stream". Even the European Commission indicated that the planned gas pipeline is in contravention of European law, and urged Member States to suspend "the Southern stream" (eg: Kleiman, 2015.p.93). Back than Prime Minister of Italy, Silvio Berlusconi was accused of and finally convicted in numerous scandals that had shaken Italy and in 2011 left the position Prime Minister of Italy. He was forbidden to engage any public duty (Wright, 2015, p.71). In France, Nicolas Sarkozy Prime Minister of France was in fantastic friendly relations with Vladimir Putin. Sarkozy lost the election in 2012, and soon afterwards found himself under investigation by the French authorities regarding the electoral scandals and suspicious financial activities<sup>22</sup>. The entire a military arrangement between France and Russia was canceled<sup>23</sup>.

The economic crisis that began in the US in 2007 and 2008 as the domino effect affected a certain number of EU countries (Navarro, 2012, p.77). If we analyze the negative effects of the

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<sup>21</sup>*Berlusconi says Vladimir Putin wants him to become Russia's economy minister*, The Telegraph, Retrieved August 20, 2016.

<http://www.telegraph.co.uk/news/worldnews/europe/italy/11758227/Berlusconi-says-Vladimir-Putin-wants-him-to-become-Russias-economy-minister.html>

<sup>22</sup>*Nicolas Sarkozy under investigation over 2012 campaign funds*, The Guardian, Retrieved August 20, 2016<http://www.theguardian.com/world/2016/feb/16/nicolas-sarkozy-under-investigation-over-2012-campaign-funds>

<sup>23</sup>*Mistral Warships Sale Canceled, But Russian Defense Contractor Still Makes A Profit*, International Business Times, Retrieved August 20, 2016<http://www.ibtimes.com/mistral-warships-sale-canceled-russian-defense-contractor-still-makes-profit-2165510>

economic crisis as well as other consequences that were not only directed towards the countries, but also to individuals, it is easy to note that countries that gone through worst are those countries and individuals in and outside the EU that have adopted the Russian energy policy, i.e. Russian gas pipeline "South Stream", or those which find themselves as a barrier to the realization of the American gas pipeline "South Corridor". Thus, in the territorial waters of Cyprus were found large quantities of natural gas and this state is in future plans as one of the countries alongside Israel, Syria and Lebanon from where American pipeline "Southern Corridor" will be complemented. Cyprus has also been affected by the economic crisis. The American presence in Europe is more than dominant. If the US administration perceives any presence and interference of other hostile superpower, this relationship is largely called into question the whole initiative and other international platforms. In this case remains to be seen how and in what way the American administration will put in the focus at the new role of China in international relations and certainly China's entrance into Europe (that America traditionally considered the exclusive zone of its interests). Special attention has to be on the Three Seas Initiative. Trump's apparent endorsement of the Three Seas Initiative is also a big symbolic boost for Poland, since its elites are covertly pursuing the idea of Intermarium, or a Polish-dominated confederation that would include the Baltic States, Ukraine, and possibly also Czech Republic, Slovakia, Hungary, and others, to serve as a "sanitary cordon" against Russia and a counterweight to the power of Germany and the EU. There is big question mark if this initiative is in fact also anti China oriented.

## **China in Europe**

As can be seen from the above in the text, Europe is extremely complicated geopolitical part of the world exposed to various influences. How will all this fit in, and whether it is even possible to open the way for the realization of China's geopolitical interests, remains a major dilemma. Is a Chinese platform "16 + 1" an attempt to hijack countries of Eastern Europe from the EU for the sake of satisfying China's interests, or is it an initiative from which everyone will benefit? Europe's center of gravity is changing from West to the East Europe and western part is increasingly losing its economical, political and security field. Perhaps therefore needs to be understood the frustration among some circles in Western Europe with the Chinese initiative that

includes only East Europe. Does the Chinese platform "16 + 1" actually indicates the fact that Western Europe no longer has the power to solve the burning problem, as it was the case with the refugee crisis? Exodus of Britain from the EU - Bregzit ruins the traditional concept of three core European capitals: Berlin - London – Paris. Countries of Central and Eastern European that are situated on the borders of the EU and Europe, that long ways from the East roads are reaching Europe, are exactly the ones mentioned by Chinese President Xi Jinping. More and more important due to movement of center of gravity from West to East receiving cities such as Warsaw - Budapest – Belgrade - Athens.

## **Conclusion**

The river Danube, also known as ‘European Amazon’, has significant economic, political and safety meaning for European continent. This importance is growing day by day with new initiative “One belt One road”, bearing in mind that in this are included some of the most important cities in Europe since all of those have ports on the river Danube. This applies to Budapest, Belgrade and also on the ports stationed in the mouth of the Danube river into the Black Sea. The complexity of geopolitical relations in Europe is perhaps most evident in the world. How will these initiatives and whole Chinese platform be perceived by the EU, Russia and the United States, depends on whether it will and how it will be implemented. The Chinese presence in Europe may be hazardous to a Chinese internal security if existence of fundamental interests interferes the United States above all. It is possible that if it comes to conflict of interest between China – USA, that the US government would provoke a weakening of China, encouraging those internal entities that have an interest in destabilizing China. The conflict in Syria has shown openly the confronting of China to the policy and interests of the United States of America. How and in what way will the United States suppress the expansion of Chinese interests in Europe, especially in the EU countries that have a direct interest in the US zone, considering that same countries are NATO members, remains to be analyzed in the time ahead. One thing is certain, China will have no easy task with its initiative and platform in Europe. Even more it will be harder to implement its policy of expansion of influence in Central Asia, because it is not just a question of conflict of interest between China - America or China – NATO. By building a network of road, railway and maritime roads China wishes to link the East and West,

the Pacific with the Atlantic. In this way, the entire industry will remain out of work as was the case with maritime -shipping industry, unless somebody finds a solution that will satisfy them and that may represent the largest non-state risk factors.