

LET A THOUSAND CONTACTS BLOOM: HOW CHINA COMPETES FOR INFLUENCE IN BULGARIA

Vladimir Shopov

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SUMMARY

- China is a geopolitical latecomer to Bulgaria, having traditionally shown more interest in other countries in south-eastern Europe.
- Beijing has long struggled to gain influence in Bulgaria due to the country's EU membership and entrenched interests in sectors such as infrastructure and energy.
- China has responded to this challenge by adopting a multi-track strategy of engagement with state and non-state actors at the national and subnational levels.
- Beijing has significantly expanded its subnational cooperation with Bulgaria in areas such as culture, education, agriculture, research, public procurement, and e-governance.
- China has focused on strengthening its frameworks of cooperation and building relationships with local elites to circumvent national policies.
- China's growing presence in Bulgaria has concerning implications in areas such as technology transfers, agriculture, research, 'smart city' and governance projects, control of critical infrastructure, and public procurement.

Introduction

China's rise as a major player in global economics and politics in the last decade has drawn attention to its foreign policy and diplomatic strategies. The development of the Belt and Road Initiative (BRI) and its implementation across the globe embody Beijing's international ambitions. One of the offshoots of this is the '16 plus one' initiative, which was rolled out with countries from central and eastern Europe (CEE) in the early 2010s. The initiative reinforced an emerging trend: China's claim to geopolitical influence in a region of Europe that, after 1989, embarked upon a wider integration into the West's political, cultural, and economic realm. Moreover, the Chinese endeavour coincided with growing disillusionment in CEE with the complex outcomes of the post-1989 transition to liberal democracy and free market economics. This disillusionment provided Beijing with various openings as it sought to position and embed itself in CEE, especially the Western Balkans.

However, the accelerating deterioration of the relationship between the West and China – and the growth of various tensions and rivalries – is redefining the overall context of Beijing's approach to CEE. This has also resulted in a plethora of research efforts examining Beijing's growing footprint in numerous states, particularly Hungary, Serbia, and Montenegro. The political responses developed by the European Union, the United States, and – increasingly – NATO are leading to a series of policy changes that are, in turn, transforming CEE governments' behaviour towards Beijing. China's aggressive stance on Lithuania, which has agreed to open a 'Taiwanese Representative Office' in Vilnius, is generating further worry about the future direction of relations.

This dynamic is leading to ever greater scrutiny of Beijing's activities in the region, especially from the European Parliament and various EU member states. Additionally, greater academic attention is being devoted to the interplay between national and local forms of engagement in China's global approach to diplomacy. The manner in which they complement one another is widely noted. But there have been few concrete case studies in the field. This paper attempts to address this deficiency with a detailed examination of Beijing's efforts to engage diplomatically at the subnational level in Bulgaria.

The local dimension in China's diplomatic strategy

Over the last few years, China's diplomatic strategy has transitioned to a more nuanced, multi-level approach, which extends beyond central government institutions. This process has evolved in at least two directions. Alongside a shift towards a greater focus on non-governmental and civil society organisations and actors, there has been increasing interaction with subnational, local, and regional

levels of government. While the bilateral dimension remains central, Beijing has also attempted to place its relations with local governance within the structure of its broader approach. In CEE, therefore, this has been done predominantly through the ‘16 plus one’ cooperation framework.

China’s engagement with subnational institutions and actors – which encompasses both directly elected local mayors and government-appointed provincial governors – takes place through the China-CEEC Association of Provincial Governors, the Capital Mayors’ Forum, and the Mayors’ Forum. Moreover, covid-19 has not prevented these formats from developing further. The most recent meeting of the China-CEEC Mayors’ Forum was held in June 2021 in a hybrid format, with more than 50 representatives from the region participating online. In all, there have been five group meetings with governors, four with capital city mayors, and three with other mayors, while 2018 was designated as the ‘Year of Cooperation between Local Governments and Local Enterprises’. In addition to continuing interaction through online events and contacts, there has also been a shift towards greater coordination in Beijing between the China-CEEC secretariat and the embassies of the participating countries.

The mapping, examination, and analysis of China’s political and diplomatic activities have regularly been placed within the wider debate about the goals, strategy, and structure of the country’s approach to, and presence in, various parts of the globe. This has particularly been the case as policy institutes and researchers begin to scrutinise China’s actions at the subnational level and the interplay between the national and local focus. There is a spectrum of conceptual outlooks in this regard, ranging from the notion that Beijing’s approach is complex, multi-layered, and – ultimately – incoherent, to the view that it has a strategic and well-defined capacity to project power and structure influence. Admittedly, looking at the local and subnational levels introduces further analytical uncertainty given China’s well-documented focus on key players in national and central governments.

Nonetheless, there is growing evidence of a strategic mindset and approach in China’s subnational and local governance engagement across a number of countries. High-ranking Chinese officials usually confine themselves to vague and stale policy statements about Beijing’s attitude to such engagement. Unusually, however, in the case of Bulgaria, the current Chinese ambassador, Dong Xiaojun, gave a candid account of the country’s goals. Discussing bilateral relations and cultural cooperation, Xiaojun called for “more innovations, more surprises, more gratitude, more points of contact, more cooperation, more innovations”. He also singled out the key role of the Chinese embassy and the Chinese cultural centre and their wider objectives: “to create conditions for exchange among all actors. Through policies, interaction, communication, platforms, consultation which stimulate all aspects of cultural exchange in a multi-channel, extensive, penetrating and sustained manner. People are the subject matter, context and object of cultural exchange. When we implement

projects, we must turn our attention to feelings, experiences, growth, and enrichment. Through planning, implementation, and deep and enthusiastic exchange we achieve our final aim – interaction of emotions, inspiring wisdom and reaching people’s hearts.” Beijing’s activities in Bulgaria suggest this ambition covers the entire terrain of bilateral interactions.

Bulgaria’s national context

While Bulgaria has not been at the core of China’s regional focus in south-eastern Europe, the last few years have seen a marked uptick in engagement at the political and administrative levels. Bulgarian presidents visited China in 2014 and 2019, while the prime minister travelled to the country in 2015. China’s premier, in turn, visited Bulgaria in 2018. The framework of bilateral cooperation agreements and protocols has also deepened, culminating in the signing in 2019 of a declaration that upgraded relations to a ‘strategic partnership’.

The incumbent president, Rumen Radev, supports intensified engagement with Beijing even if he has not yet been able to translate this into sustained and concrete policies and measures. Successive governments have not attempted to make political capital out of this budding relationship, preferring to keep these developments out of the wider public debate. Indeed, recent governments, led by the centre-right Citizens for European Development of Bulgaria (GERB) from 2009 to December 2021, sought to preserve their pro-European and Atlanticist political identity, largely aligning with the political mainstream within Western-led international organisations.

Bulgaria’s politicians and policymakers are usually guided by EU policies and frameworks of engagement. There are a few exceptions, but this remains the default disposition across the country’s political establishment. Nonetheless, political discourse on China, the Ministry of Foreign Affairs routinely suggests, is marked by “pragmatism”.^[1] Chinese diplomats have often referred to the fact that Bulgaria was one of the first states to recognise communist China after 1949, using this as a form of institutional flattery in Sofia. There is also a prevalent perception in Bulgaria that western Europe had its time of friendly engagement with China in the first decade of the twenty-first century, and it is now CEE’s turn.

Overall, attitudes towards China are not solely rooted in the wider Western context, remain predominantly bilateral, and are largely defined through underutilised opportunities for cooperation. Significantly, between 2017 and 2021, the GERB-dominated government adopted a more accommodating attitude towards non-EU countries with a series of gestures towards Russia, Turkey, China, and even some Gulf states. While mostly undeclared, Bulgaria’s positive disposition towards China is noticeable in various EU initiatives that are optional and relatively peripheral. For instance,

together with Croatia and Cyprus, Bulgaria is one of the few EU member states that has opted not to implement a system of direct foreign investment screening. Bulgaria has no legislative plans to establish such a system and has rarely discussed the issue. Furthermore, the country has been criticised on numerous occasions for its generous investment passport scheme. Since 2014, Chinese citizens have been the main beneficiaries of this programme. Of the 981 non-EU citizens to whom Bulgaria has granted permanent residence and citizenship, 169 come from China (while 147 are from Russia).

Beyond the state, researchers have paid increasing attention to aspects of Bulgaria's bilateral ties to China, especially in terms of 'corrosive capital' and economic asymmetries. This has expanded into a detailed examination of Beijing's media footprint in Bulgaria and other parts of south-eastern Europe. Wider examinations of China's presence have also occurred in the last year or so, seeking to capture and analyse trends from a more strategic angle. Yet these efforts have had little impact on perceptions and behaviour among state and political actors in Bulgaria.

Political actors

China has been flexible in its relations with key political actors in the country. Naturally, Beijing has a firm and long-standing relationship with the Bulgarian Socialist Party.^[2] Moreover, this relationship resembles a series of networks connecting current and former politicians, civil servants, businesspeople, and cultural activists across the country. These ties are political and historical. They also reflect cultural affinity and the entrepreneurial ambitions of businesspeople close to the Socialists. Yet Chinese representatives have also had to deal with a political context in which the GERB had dominated the government for more than a decade. The GERB and the Chinese Communist Party have a low-key cooperation agreement. Relations between the two parties, which date back to the early 2010s,^[3] culminated in the GERB sending an official party delegation to China in 2016.

Beijing has also utilised various state-to-state mechanisms to cultivate relations with the party. For instance, in 2018, the Bulgarian Development Bank and the China Development Bank signed a €1.5 billion framework lending agreement under the BRI. In December 2018, the China Development Bank transferred €300m to the Bulgarian bank. This sum was gradually disbursed without any public disclosure as to the list of beneficiaries. The funds have been channelled into 'general facility' lending lines with no clear, structured bilateral project framework.^[4] Given the overall lending policy of the Bulgarian Development Bank, the amounts appear to have been made available to companies belonging to a few business circles close to the then GERB government and prime minister. This could be construed as an attempt to curry favour with a political party on a transactional, non-ideological

basis.

The new Bulgarian coalition government, formed in December 2021, will provide another test case of the manner in which Beijing engages politically. The ideology-lite cabinet is dominated by Kiril Petkov and Assen Vassilev of the centrist We Continue the Change party, both of whom have formerly had professional links to China – the former as an entrepreneur; the latter as a representative of the Hainan airport group.

Economic relations

Economic relations between Bulgaria and China appear to be on an upward path. Trade volumes have almost doubled since the early 2010s, generating a sense of dynamism. Still, there is a persistent asymmetry in the relationship: Bulgaria has a large trade deficit with China that shows no sign of shrinking, while total Chinese investment in Bulgaria by late 2020 stood at an unimpressive €119m. The early 2010s saw first-generation Chinese investments that, in many cases, involved Bulgarian partners. These largely failed to make a wider economic impact and, ultimately, faded into oblivion. The last few years have continued this trend with a string of unsuccessful Chinese projects and proposals, including a failed bid for Sofia airport and a project for a ‘smart city’ (one that uses information technology to improve governance and efficiency) near the capital. Currently, Chinese investment is clustered in just a few areas, such as agriculture and related industries, information technology, and real estate.

China has long preferred large infrastructural initiatives to greenfield investments. The former function as entry points into the economy, politics, and society of less developed markets. This has been evident in countries such as Serbia and Montenegro – as well as, to a lesser degree, North Macedonia and Bosnia and Herzegovina. But, for a variety of reasons, Beijing has been unable to replicate this approach in Bulgaria despite making proposals for energy and infrastructure projects in areas such as road, rail, and ports.

This partly stems from the nature of the Chinese proposals, which are accompanied by a range of demands in official communications, including requests for state guarantees, direct government-to-government contracts, restricted or no public procurement, and extensive China-sourced supplies.^[5] The availability of EU funds for primary infrastructure has been another obstacle to China: funding for such projects remains sufficient and comes at little or no cost to the Bulgarian exchequer. As a latecomer to the country, China has also had to deal with pre-existing consolidated commercial interests and practices. For instance, it has encountered embedded lobbies and Russian interests in the energy sector, as well as the dominant position of Bulgarian companies in infrastructure

construction. The Chinese have offered a full finance and construction package in the nuclear sector, with equipment linked to purchases from Chinese firms, to try to overcome such obstacles – but they have been unsuccessful. [6]

However, this situation might be gradually changing as the EU moves away from financial support for basic infrastructure while persistent deficiencies in Bulgaria's infrastructure remain (as seen in, for instance, the railway network, ports, and road links between the north and south of the country). Recognising this problem, the new government has embarked on an ambitious upgrade agenda. In response, Beijing has adopted a more flexible stance, moving away from trying to attain exclusivity in project implementation and showing a willingness to comply with various Bulgarian requirements (most of which stem from the country's EU membership). This has meant striking partnerships with other companies and even accepting junior positions in various projects. For instance, the China Communications Construction Company (CCCC) has entered a partnership with the Trace Group Hold, which has won a tender worth approximately €730m – and financed by EU funds – for modernising the railway line between the towns of Ihtiman and Kostenetz. Moreover, the CCCC is attempting to expand a local partnership with Trace to focus projects not just in Bulgaria but also across south-eastern Europe.

Media environment

The media environment in Bulgaria has been shifting in a pro-China direction in the past decade or so. [7] This has gone largely unnoticed. In Bulgaria, China-related content is increasing. Most of this coverage remains factual and uncritical, with little wider context about the shifting international relationship between the West and China. China also has a series of partnerships with Bulgarian media organisations that stretch back to the communist era. The state-owned Bulgarian Telegraph Agency, the main news distribution entity in the country, has a content and cooperation agreement with Xinhua, China's official state press agency. The Bulgarian agency also seems to have a relationship with telecoms companies such as Huawei, which frequently use its site for product positioning. Similar long-standing agreements are in place with Bulgarian National Television and Bulgarian National Radio, the country's public broadcast networks.

The Chinese have used these institutional frameworks to cultivate relationships with individual journalists and thereby guarantee more sympathetic coverage.[8] Some journalists have participated in study trips organised by Huawei as part of its advertising relationship with media companies. The Union of Bulgarian Journalists has long been a hub of cooperation with its Chinese counterparts, organising annual trips and study visits to the country for its members.

In terms of actual presence, several Bulgarian media outlets also carry content that is friendly to the Chinese state. One major current affairs website, 24 Hours, publishes unedited news stories from Chinese sources on a daily basis. It has set up a segment called ‘[Focus China](#)’, which openly promotes Chinese positions and even publishes President Xi Jinping’s speeches in full. Numerous other media outlets, such as *Trud*, Bulgaria’s largest-circulation daily newspaper, and dir.bg regularly publish China-friendly content. The Bulgarian section of China Radio International is increasingly active, mainly on social media, even if it remains a marginal voice. Beijing’s engagement in this area has ensured that coverage of Chinese affairs is on the increase, largely factual, heavy on official discourse and narratives, and usefully oblivious to the slide into deeper authoritarianism in China and the shift in relations between the country and the West.

Security and law enforcement

Security and law enforcement are important areas of bilateral cooperation between China and Bulgaria, with this activity focused on training and education. For instance, the Bulgarian Military Academy has a bilateral [agreement](#) with its Chinese counterparts and has hosted officers from China, while a number of high-ranking Bulgarian officers have received training in China.^[9] Bulgaria’s Ministry of Interior has engaged in similar activities, including a project on tackling corruption.^[10] Beyond communication with the local embassy on routine matters, such as migration and organised crime, the ministry has also been involved with Chinese delegations and has received Chinese equipment. Various law enforcement systems use this equipment, which includes surveillance cameras.

Chinese companies have a particularly strong position in the private security sector as their aggressive commercial strategies rest on capturing the market with bulk sales at low prices. Because the Bulgarian market is particularly price-sensitive, Chinese firms effectively dominate almost the entire network of private security providers.^[11] In response to concerns regarding the security of 5G systems and critical infrastructure, the US and Bulgaria signed in October 2020 a [Joint Declaration on 5G Security](#). However, its implementation remains patchy.

Areas of subnational engagement

China has in recent years intensified its subnational engagement with Bulgaria, particularly in the fields of agriculture, culture, education, and research. The difficulty Beijing has faced in trying to secure a prominent position at the national level has encouraged it to seek stronger ties with local authorities, mayors, and non-state organisations. This contrasts with China’s approach in other

countries in south-eastern Europe, where its engagement has tended to focus on the national level.

Agriculture

In the last decade, agriculture – one of the Bulgarian economy’s most important sectors – has emerged as an expanding area of bilateral engagement, with three of the biggest Chinese investments in the country occurring in this industry.^[12] Since 2013, Heera Agro is estimated to have invested approximately €35m in the cultivation of corn, wheat, and other crops around the town of Parvomai. In the north-eastern region of Dobrich, the Bulgarian Tianshinong Feed Company, which specialises in feed production and the cultivation of corn, began initial investment activity in 2012. And this has now grown to around €15m. Since 2015, TerraLand is estimated to have invested approximately €8m in vine growing around the Danube town of Lom.

While it is hard to structure and sustain in commercial terms, China has a long-standing interest in Bulgarian wine. The Chinese embassy has been involved in this area, as have numerous Chinese companies and retail networks. Bulgarian wine producers including Svishtov Winery, Todoroff, and Katarzyna have expressed a reasonably consistent commercial interest in China and sold varying quantities of their products to the country. Still, there are numerous obstacles to deeper cooperation, such as insufficient quantities for sale in China, problems with inconsistent quality, the absence of well-established business partners, and extensive and complex administrative requirements.

Various agricultural research institutions in Bulgaria have forged links with Chinese partners. The Institute of Rose and Essential Oil Cultures, based in the town of Kazanlak, provides a particularly interesting example of this. Its international reputation is impressive. And it has several cooperation agreements with Chinese institutions,^[13] including the Academy of Agricultural Sciences in Jiangxi, the University of Hebei, and – since 2021 – the Wuhan Academy of Sciences. The director of the institute and some of its Bulgarian research staff have travelled to China on numerous occasions. The institute has hosted Chinese researchers several times. Its cooperation initiatives mainly involve study visits and joint research projects.

The institute has a ‘strategic partnership memorandum of understanding’ with a Chinese biotech company based in Shenzhen. This is focused on rose oil extraction technologies and the development of various products. The institute and the company are jointly seeking EU funding for their work. Importantly, the memorandum has a strict non-disclosure clause, stipulates Chinese jurisdiction in all legal matters and the primacy of the Chinese language in legal interpretation, and contains ambiguous wording on intellectual property rights and technology transfers.

Other agricultural links can be seen in the town of Kyustendil, where the local Institute of Agriculture

has been implementing a number of joint projects with a research centre in the so-called food capital of China, Yantai. Similarly, the Institute of Mountain Animal Husbandry and Agriculture in the town of Troyan has also developed bilateral cooperation with Chinese institutions.[14] The Institute of Viticulture and Enology in the city of Pleven is yet another body with extensive relations with China, mostly with the Northeast Agricultural University in Harbin.[15]

Momchilovtsi yoghurt, named after a Rhodope mountain village, has often been touted as an investment in Bulgarian agriculture – but this is not the case.[16] Despite promises it would be produced locally, the yoghurt, which has been produced since 2009 by Chinese company Bright Dairy and Food, is made in China itself, with ‘Momchilovtsi’ simply used for branding purposes. The Chinese firm’s revenue from the sale of the yoghurt has now exceeded billions of Bulgarian lev.

Business cooperation

There are other, more direct, forms of interaction between local and regional authorities and foreign embassies based in Sofia. In some cities, the local business community regularly organises business meetings and seminars with diplomatic representatives. For instance, the local offices of the Bulgarian Chamber of Commerce and Industry in the cities of Haskovo, Stara Zagora, and Vratsa organise such events. China is among the most active countries participating in these events.

Over the last couple of years, moreover, China-oriented Bulgarian business organisations have been attempting to create and develop relations with Chinese companies and state institutions. One such body, the Bulgaria-China Chamber of Commerce and Industry (BCCCI) arranges, and invites Bulgarian businesses to participate in, various fairs and exhibitions in China. It also organises presentations, information sessions, and other events on doing business in China with regional business associations in cities such as Sliven, Stara Zagora, and Haskovo. The BCCCI’s head, Latchezar Dinev, has been trying to promote acquisitions of local companies by Chinese business.[17] The Bulgarian-Chinese Chamber of Commerce and Industry is another similar, although more regionally focused, organisation. [18]

The Bulgarian-Chinese Business Development Association has been rising in prominence and is headed by Bulgaria's former consul-general in Shanghai. It focuses on the promotion of bilateral ties across the board, from investment to culture and institutional cooperation. The organisation has also attempted to serve as a go-between, assisting Chinese companies and other entities in disputes with Bulgarian institutions.[19] In addition, it provides consultancy and representation services to Bulgarian companies that need assistance in handling various China-related business and investment risks.

Also active in this field is the Bulgarian-Chinese Chamber for Industrial Development, which has signed a series of cooperation agreements with various trade promotion structures across China. The chamber has functioned as a point of entry for numerous Chinese companies interested in investment and has helped them engage with Bulgarian institutions.[20]

The Bulgarian Centre for Development, Investment, and Tourism in China – founded by wine producer Ivan Todorov – goes back to the early 2010s. Todorov is deeply involved in the creation of the Momchilovtsi yoghurt project and is also involved in numerous endeavours to develop ties between Bulgarian and Chinese universities, send Bulgarian students to China, and enhance cooperation on tourism.

Two recently established organisations – the Council on Economic and Diplomatic Relations and the Bulgarian-Chinese Partnership Association – seek to develop economic, business, and investment ties between Bulgaria and China, although the main focus of the latter is the political and diplomatic dimensions of the bilateral relationship.

Culture

The expansion and intensification of Bulgaria-China cultural cooperation are evident across a range of activities and across the country. The Confucius Institutes at Sofia University and the University of Veliko Tarnovo have both been widening their initiatives in this area. The institute at Veliko Tarnovo, which was created in 2012, has grown extensively, and in 2017 became a recognised south-eastern European regional hub for Chinese language training.[21] In 2019-2020, it managed and organised Chinese language and training classes at 50 institutions in 14 Bulgarian cities. More and more Confucius Classrooms for children in primary schools are also being opened. For instance, at the Patriarh Evtimiyi primary school in Veliko Tarnovo, 11 groups have begun studying the Chinese language. Overall, by 2020, both Confucius Institutes had enrolled more than 4,000 people in language classes across Bulgaria.

The number of Confucius Institute-linked classrooms in Bulgaria has grown considerably. In most cases, their primary role of language instruction is expanding, gradually turning them into local quasi-cultural centres. The classroom that opened in 2017 at the South-West University in Blagoevgrad, for instance, is staffed by a Chinese volunteer, conducts language training, and is open to citizens and pupils from secondary schools in the city. It organises events on Chinese cuisine, tai chi courses, book presentations, cultural evenings, and conferences. The university has a cooperation agreement with China. And there are now 15 Chinese students attending its classes. A similar pattern is evident at other Confucius Institute-linked classrooms. Confucius Institutes also organise regional cultural programmes, including martial arts classes in kindergartens, celebrations of the Chinese New Year, photo exhibitions, and Chinese art and singing competitions for children.

In some respects, bilateral cultural cooperation has broken new ground. For instance, the China Philharmonic Orchestra performed in Sofia for the first time in January 2020. Yet, even in this case, the seemingly new activity actually builds on cooperation that began in the early 2010s. In August 2014, for instance, the Shenzhen Symphony Orchestra visited Plovdiv to participate in a music festival as part of a bilateral partnership between the authorities of the city and Shenzhen.

Extensive Chinese cultural festivals take place across Bulgaria. For instance, in 2018, a series of cultural events were held in Bourgas to promote the 2022 Beijing Winter Olympics. Significantly, Bulgaria was among the first countries in CEE to host a Chinese Cultural Centre – which opened in 2017 and is one of only 35 across the world. Despite the pandemic, the centre has offered a constant stream of courses, presentations, and exhibitions.

Infrastructure and energy

Transport routes have been a traditional focus in any examination of China's approach to Europe's frontier. The maritime route via Greece and the land-based Europe-China railway corridor have received particular attention. The land between these two major lines of commerce and transport is, however, usually portrayed as being of little strategic interest to China. Yet, despite Bulgaria's 'in-between' position, Chinese institutions and businesses have consistently shown an interest in infrastructure projects in the country. Moreover, with the advance of Beijing's presence and the construction of routes through the south Caucasus, the country is likely to begin to experience more sustainable Chinese interest.

The Varna and Bourgas ports have been a focus for Chinese state institutions and companies for a number of years.^[22] For instance, in 2016, there was a plan to create a trade hub at the port of Bourgas as part of a transport link to western Europe. Bourgas municipality is now expanding its

industrial zones, seeking to enhance the attractiveness of its port infrastructure. A similar process is under way in Varna, with new industrial zones being created in the city's surrounding areas along the entire basin of the port. Officials in both cities report a marked rise in interest prior to the onset of the covid-19 pandemic and expect this to continue as business relations return to normal.

In the last few years, smaller private ports along the wider Varna port basin have also attracted the interest of Chinese investors. In April 2019, the China Machinery Engineering Corporation, part of the state-owned Sinomach, signed a €120m deal with Bulgarian company Logistic Centre – Varna. The deal envisaged the creation of new port infrastructure and was specifically concluded under the BRI framework. While no further official information about the project has emerged, sources in the port and shipping sector indicate that it was only partially implemented.[23]

In 2019 Port Thermal Power Plant – Ezerovo discussed entering contractual relations with a major Chinese investor, COSCO Shipping. The port belongs to Thermal Power Plant – Varna, which is owned by the informal leader of the Movement of Rights and Freedoms party, Ahmed Dogan. The aim of the project was to expand Ezerovo's port infrastructure capacity to eventually match that of the larger Varna state port. Moreover, Thermal Power Plant – Ezerovo seeks to position itself as a principal route along the Rhine-Main-Danube and the Black Sea corridor. While this has been the main attraction for Chinese investors, there is no official confirmation of the nature and extent of the cooperation between the two sides. But sources in the sector indicate that long-term planning continues.[24]

There is also growing Chinese interest in city energy and power infrastructure. This is focused on Sofia's thermal power plant, where Chinese companies were part of the winning tender awarded in July 2021. The cost of the project – approximately €150m – is being met under an EU programme. The outcome of the tender is, however, currently under appeal in the courts.

At the national and local levels, China has regularly expressed an interest in the construction of the Black Sea motorway and various tunnels along the Balkan Mountains. Given Beijing's interest in transport infrastructure, it is also likely to be keen to participate in tenders for the construction of new bridges over the Danube river in the coming years.

Smart cities and safe cities

Chinese engagement in the field of smart cities is driven by a strategic policy that Beijing has been implementing across the globe. In a narrower sense, cooperation is framed within the 'digital Silk Road' agenda, which is already being rolled out in numerous parts of Europe.

The most ambitious such project in CEE is that in Belgrade. Undertaken jointly with Huawei, it is part of a national programme that also encompasses the cities of Nis and Novi Sad. This approach is starting to make inroads in Bulgaria too. Currently, the most advanced case is in the city of Ruse.[25] Its mayor, Pencho Milkov, is pursuing an activist, multi-faceted approach to cooperation with China. The expansive agenda includes the implementation of a smart city project with Chinese partners, in addition to initiatives in the fields of culture and education. The project is defined as a key element in a local strategy of modernisation and development.

Other cities across Bulgaria are looking at the opportunities for cooperation on, and implementation of, such projects. Importantly, as has been the case in Belgrade, Chinese smart city projects entail high levels of cooperation with Huawei, as well as the establishment of research and innovation centres. Therefore, with the support of the municipal authorities, a local entrepreneur in the Bulgarian city of Gabrovo has already set up a smart city framework. It is currently focused on monitoring pollution but is to be extended in the future. At the same time, Huawei has concluded a cooperation agreement with the Technical University of Gabrovo, establishing a research centre and an internship programme.

Meanwhile, lacking any national policy guidance, several other towns and cities are importing smart city concepts from different countries. The city of Bourgas is among the most advanced in this respect – with an elaborate, integrated platform developed mostly along the lines deployed by other European cities. Its management has deliberately avoided relying extensively on one partner for equipment supply.[26] Sofia is implementing yet another set of smart city elements that are also seemingly closer to European models. The municipality is also cooperating with South Korean partners on transport.

As shown by examples from towns such as Svilengrad and Kazanlak – the latter of which is working with South Korean institutions to develop an integrated surveillance system under a ‘safe city’ framework – there is a clear demand for such projects across the country. Moreover, there are many external actors who are building relationships across an array of fields in e-governance. China will increasingly encounter competition from other countries in this sector.

Public procurement at the subnational level

Without much fanfare, Chinese companies have been winning public tenders, mostly funded under EU programmes, in various parts of Bulgaria. This process has accelerated since 2017, when the Zhengzhou Yutong Bus Company won a tender for electric buses procured by the Sofia municipality. The company had already won an earlier tender for diesel buses, overcoming competition from ten

other European and Asian firms.

The Yutong buses – 150 in total since 2018 – were delivered by the Bulgarian Automotive Industry (BAI), which represents the Chinese producer. The deal was part of a wider municipal programme under the EU's Regions in Growth programme. The BAI is the new company name of Litex Motors, which took part in a failed attempt to manufacture cars with Chinese investors. Funding for these Sofia tenders has been made available through various EU programmes. A similar EU-funded contract worth approximately €6.5m was signed with the city of Pleven in May 2021. There is a similar project in Kazanlak and another in Stara Zagora. In September 2021, another Chinese company, Golden Dragon, won a tender for electric buses worth almost €6.5m in Varna, again under an EU programme. And, through its local representative, Avto Engineering Holding Group, Golden Dragon secured yet another contract in Haskovo for approximately €2.5m. Clearly, EU funded procurement is of growing interest to China.

In November 2020, a municipal tender in Veliko Tarnovo was won by a Chinese-Bulgarian consortium led by the Jiangsu Alfa Bus Company and Excelor Holding Group, after no other bids were submitted. Three buses were subsequently ordered for roughly €750,000. One year earlier, Alfa Bus expressed its wish to build a factory in Bulgaria, including a production capacity for bus batteries. A memorandum of understanding was signed in 2020 between Alfa Bus, its Chinese partner ACN Worldwide, and the Bulgarian government regarding a €25m investment, which will include a production plant and a research and development centre near Veliko Tarnovo.[27] Such linkages suggest that there have been intensive Chinese lobbying efforts. Chinese electric buses have also been acquired under a tender procedure in the town of Gabrovo.

Chinese institutions and businesses have been positioning themselves to succeed in larger and more ambitious projects.[28] Just a few months ago, a consortium of five companies – Bulgaria's Miks Construction, a firm from the Turkish Osal Group, and Chinese firms Dongfang Electric, Everbright Environment Group (Changzhou), and China GDE Engineering – won a contract worth approximately €150m under EU funding to build a refuse-based fuel plant in Sofia. An appeal related to the project is currently before the courts.

As Chinese interest in public procurement has picked up, so have various investigations into suspected irregularities involving commercial entities from China. The Anti-Corruption Commission has, for instance, conducted an investigation and notified the Prosecutor's Office in relation to a public tender worth approximately €43m – won by a consortium involving China Motors – for electric buses in the city of Varna. There has been a similar development in the case of the 2019 tender, won by Xiamen Golden Dragon Bus, for electric buses in the city of Vratza.

Such cases are not limited to the subnational level. In February 2021, the EU Anti-Fraud Office determined that Bulgaria should pay back €6m to the EU budget following an investigation into a public procurement project involving the purchase of hundreds of police SUVs. The 2017 tender was won by a company assembling Chinese 'Great Wall' vehicles, as they were called.

The National Association of Municipalities and other state institutions do not collect information relating to Chinese participation in public tenders at the local level, thereby preventing a detailed overview and analysis.

Public health diplomacy

The onset of the covid-19 pandemic led to an extensive health-related diplomatic offensive by China, with mask supplies, PPE assistance, and vaccine support at the forefront of this effort since mid-2020. China has waged a public campaign of this kind in Bulgaria, albeit on a smaller scale than in Latin America and Serbia.

At the peak of the health crisis, Beijing donated masks and protective equipment to the Ministry of Health at a ceremony at Sofia airport, but the event failed to generate much publicity. However, in April 2020, four contracts with Chinese companies were signed. Due to considerable media pressure, the details of the almost €4m agreement – which was funded by an EU programme – were released.

However, as various journalists' investigations have revealed, many of the commissioned items were never used due to quality issues. The compliance checks for Chinese-sourced masks were also problematic. The Prosecutor's Office concluded that the relevant procedures were opaque and that the costs of the products were above market levels. In August 2021, the case was transferred to the European Public Prosecutor's Office, where it remains under investigation.

Interestingly, the local Chinese embassy made a specific gesture to the Bulgarian Socialist Party in this area. In November 2020, the Chinese ambassador paid a visit to the party's headquarters to deliver a donation of some 18,000 protective masks and 200 protective suits, with both sides pledging their

“productive cooperation”.

There have also been many more localised examples of China’s mask diplomacy. For instance, in June 2020, the governor of the Sofia region publicly delivered a Chinese donation of PPE and masks to representatives of smaller towns around the capital. In July, the mayor of Kardzhali received more than 9,000 masks from the town’s Chinese municipal partner, Meizhou (as part of a larger donation). These masks were then distributed to mayors of smaller towns across the entire municipality. The Chinese diasporas in Sofia and Burgas donated protective masks to local hospitals, while Huawei Bulgaria also made a donation of some 150,000 masks, mainly to the Bulgarian Red Cross. China also donated masks to the Military Medical Academy in Sofia; the office of the Plovdiv regional governor; Plovdiv University; towns such as Troyan and Kazanlak; and, thanks to cooperation agreements with Hubei and Jiangxi, the Sofia region.

Interestingly, China conducted some mask diplomacy at the grassroots level with non-state actors. For example, a sports club in Gabrovo received masks from the Guangdong Genesis Youth Radio Club. The Chinese club also made a donation to the Radio Club at Gabrovo’s Technical University. The delivery was organised by the Bulgarian Federation of Radio Amateurs, which in October 2019 sent representatives to Guangdong to participate in international games on radio interception. The Technical University of Gabrovo received another donation, this time from the Ningbo University of Technology. The donation included a handbook on treatment protocols for covid-19. In all, these assistance efforts have been extensive and sustained, if underreported.

Education and research

Cooperation and engagement between Bulgarian and Chinese higher education institutions have gradually expanded in the last decade. Chinese higher education institutions are implementing a multi-track approach to develop and institutionalise these links. This involves concluding cooperation agreements; using the EU’s Erasmus+ programme to send Chinese students to Bulgaria; arranging for representatives of Chinese universities to attend Erasmus+ fairs and make new contacts; and finding course places and exchange programmes for students of these universities.

Bulgarian universities are keen to attract students from China and to develop strong relationships with China's universities. The key challenges in the development of closer ties appear to come from Bulgaria's strict visa regime for Chinese citizens, administrative issues, and a lack of sufficient support from various state institutions. Most of the universities covered by the research for this paper have strengthened their administrative and recruitment capacities with regard to China, participating in student recruitment fairs and working with an increasing number of recruitment companies.

One of the most ambitious efforts to develop ties with Chinese higher education institutions is being led by the University of Ruse. The university has concluded cooperation agreements with seven Chinese universities. For instance, it offers a joint degree in computer science with the Wuhan University of Technology under which ten students from China come to study in Bulgaria and vice-versa. A similar arrangement has been concluded with the Shanghai Polytechnic University. There are plans to expand cooperation with the Beijing Language and Culture University to cover three areas: joint degrees, a 'young leaders' exchange programme, and research projects. With the assistance of the Confucius Institute at the University of Veliko Tarnovo, Chinese language courses have been on offer for a number of years. The programme's slogan is "Chinese Fever is Taking Over the World". Chinese cultural festivals have been held at the university for three years.

Bulgaria's oldest and most prestigious university, Sofia University, is gradually becoming a key centre for China-related academic cooperation as well. In 2018 the status of the Chinese Studies unit was upgraded to a department and its programmes were expanded. A Confucius Institute has been in operation at the university since 2006, while a Centre for Economy and Politics of China was founded in the mid-2010s at the Faculty of Economics and Business Administration in cooperation with Chinese partners. In 2019 a Europe-Asia research centre was launched with various joint initiatives involving the Beijing International Studies University.

Elsewhere, the Agricultural University of Plovdiv is among the most active partners of Chinese higher education institutions. In the last few years, it has managed to organise and implement a series of cooperative initiatives and projects. This includes the establishment of a Bulgarian Centre at the Shanghai Jiao Tong University in 2016 as part of the BRI. The centre held two bilateral cooperation conferences in 2017 and 2018, a summer school, a seminar on contemporary agriculture, and a training seminar on global challenges. The agricultural university also joined the Belt and Road International Scientific and Technological Cooperation network. Covid-19 restrictions have not halted the continuing expansion of cooperation. In October 2021, a Bulgarian-Chinese training centre was officially opened at the university. It hosts the Luban Workshop, a project funded by the BRI which aims to cultivate professional and technical personnel for Chinese firms outside China, and the centre

has developed innovative training and research programmes on specific issues and crops.

The Diplomatic Institute of the Ministry of Foreign Affairs has a long and well-established set of initiatives with numerous counterparts in China, most prominently the Chinese Academy of Social Sciences. The institute is a member of the '16 plus one'. And some of its staff regularly publish on topics aligned with Beijing's research agenda, such as the BRI and the emergence of a multi-polar world. The institute functions as an informal hub for academic and research cooperation, and its efforts have been recognised by the Chinese.[29] There is growing engagement with the Shanghai Institutes for International Studies. The Bulgarian Academy of Sciences also traditionally has well-developed ties with its Chinese counterparts. And its Institute for Economic Studies is among the most active bodies in this field.

Universities across Bulgaria are also developing various forms of cooperation with Huawei at an accelerating pace.[30] In November 2021, for instance, Varna's University of Economics and Huawei Technologies Bulgaria signed a memorandum of understanding involving the participation of students in its scholarship programme and the implementation of joint research projects. The Chinese company has also inked an even more ambitious agreement with the University of Library Studies and Information Technologies in Sofia. It seeks to recruit local IT talent and conduct joint projects in the areas of cyber security, artificial intelligence, and virtual reality.

A similarly ambitious agreement has been concluded with the Technical University of Gabrovo. The Chinese company has set up the Huawei ICT Academy, the curriculum of numerous courses has been changed to integrate content from the company, and numerous training formats now include Huawei equipment, formally consolidated into a cyber security lab.

Sofia University, which has concluded a memorandum of understanding with Huawei to work jointly on artificial intelligence and other technologies, will see a similar ICT Academy established, as well as a joint scientific lab. EU funding is being sought for these activities. The scholarship programme at the Faculty of Mathematics and Informatics at the university is already up and running. An almost identical cooperation framework is currently being implemented at the Technical University in Sofia.

In addition to working with various Chinese universities and Huawei, Sofia University has an expanding set of formalised partnerships with China's Global Alliance of Foreign Studies Universities, the Belt and Road Network for Science and Innovation, and Edu Shanghai International, an educational services company.

Mechanisms and tools of engagement

As the previous section shows, China has been stepping up its bilateral engagement activities across a variety of areas. This segment will focus on the mechanisms and tools used by China as it seeks to embed its presence.

Cooperative frameworks

The establishment, rejuvenation, and maintenance of frameworks for cooperation with local institutional actors is a key mechanism deployed by the Chinese side to engage with countries with which it hopes to build warmer relations. This bilateral tool is often perceived as being mainly driven by specific contexts, be they existing relations or an ambitious ambassador keen to develop ties between the two sides. While this is of importance, the wider transformation of foreign policy engagement by Beijing has clearly had a significant impact. The interrelated concepts of the BRI and the ‘16 plus one’ cooperation format with CEE countries have generated a new framework and tools for cooperation. They have also provided legitimate incentives for Chinese actors to ‘internationalise’ and seek to create new institutional and individual ties.

Currently, 19 Bulgarian municipalities have bilateral cooperation agreements with various Chinese cities and towns. They range from the capital city of Sofia to small towns such as Popovo, Dolni Dabnik, and Dimitrovgrad. The focus of the agreements ranges across the economy, culture, academic cooperation, tourism, and administrative governance. A few are designed to reflect local conditions. Veliko Tarnovo is centred on history and culture, for instance, while Kazanlak concentrates on rose oils and historical artefacts.

As stated previously, the National Association of Municipalities does not gather data on the activities, projects, and initiatives undertaken at the municipality level. There is, therefore, no detailed overview or analysis available of bilateral cooperation with China beyond the information available at each locality. City- and town-level cooperation agreements are most often described as “city twinning” or “city pairings”. Most of these arrangements are relatively recent and date back to the 2010s. Still, a few stand out for having been in place for rather longer. For example, the Danube town of Svishtov has had such an arrangement with Taizhou since 2002.

The Chinese have also been keen to develop bilateral ties with mayors and regional governors. In September 2018, for instance, the regional governor of the Sofia region, Ilian Todorov, signed a wide-ranging memorandum of cooperation with representatives from Hubei province, which surrounds the

wider Beijing area. The governor has also developed ties with Jiangsu province, seeking to expand it with municipal-level cooperation agreements between four towns – Slivnitsa, Kostinbrod, Dolna Banja, and Chelopech – in the Sofia region and the Chinese province.

These frameworks are usually complemented by numerous international conferences, and business and investment-oriented events and forums. In effect, a multitude of formats and cooperation instruments are increasingly employed in tandem. The pace of institutionalisation was accelerating prior to the covid-19 pandemic and is expected to be renewed after its conclusion.

Interlinkages of frameworks

Chinese local engagement is often facilitated by links with broad cooperation frameworks developed at the national level. This allows those working at the local level to sustain such interactions, as is shown in numerous bilateral official documents.

There are examples of this in education and research, in which Beijing has sought to structure and formalise cooperation with Bulgarian institutions by establishing an overarching framework. Hence, since 2016, the two countries have signed a series of detailed cooperation agreements in this sector; the most recent covers the period 2020-2023. Interlinkages with other frameworks are then created at the level of local government and various other institutional actors. Universities, for instance, conclude agreements through the annual bilateral ‘scientific research fund’, which details subject areas and other requirements for joint projects.

A similar approach is apparent in the expanding area of cultural cooperation. Drawing on an agreement dating back to 1987, in February 2021, both countries signed a programme for cooperation for the period 2021-2024. It covers a wide range of activities, including cultural exchanges, festivals, and book publishing.

Another example is in the field of infrastructure. In July 2018, the minister for regional development, Nikolai Nankov, signed five framework cooperation agreements with Chinese companies interested in the construction of various projects (including the tunnel under the Balkan mountain range and the Vidin-Botevgrad motorway). These agreements build upon a 2016 cooperation deal between the relevant ministries of both countries.

Similarly, in 2018 four state-owned Chinese companies signed a memorandum on a cooperation framework, with the Bulgarian authorities expressing their interest in various infrastructure construction projects. As well as the Vidin-Botevgrad motorway, these included the Shipka tunnel, the Veliko Tarnovo-Ruse motorway, and the Black Sea motorway.

Hubs of engagement

By and large, cooperation efforts appear to be evenly spread across the country and across sectors. However, some Bulgarian cities and institutions are visibly more engaged than others. This can be seen not just in the ambitiousness and intensity of cooperation but also in relation to activities that extend beyond a given institution's remit.

The University of Veliko Tarnovo and its Confucius Institute, for instance, have become a centre for an ever-expanding array of activities, initiatives, and projects. They are also seeking to increase regional cooperation. Their work extends across central-northern and eastern-northern Bulgaria and along the Black Sea coast, including the city of Bourgas.

There are also some cities that appear to be moving towards an active degree of cooperation with China. The mayor of Ruse, for instance, speaks of a “China strategy” and promotes the smart city model. Ruse has accelerated cultural cooperation with China and will host the dragon boat racing world championships in 2025. The University of Ruse is among the most active in terms of academic cooperation with Chinese universities, with Chinese language instruction rapidly expanding at the institution. In Gabrovo, there is intensifying research and academic cooperation with Huawei at the technical university, an enthusiastic mayor with an ambitious smart city agenda, evident Chinese interest in public procurement, and growing Bulgaria-China cultural cooperation.

Smaller Bulgarian towns are also showing sustained interest in deepening cooperation with China. Thanks to the activities of a few China-friendly individuals and their friendship clubs, for instance, the town of Dimitrovgrad is expanding its cultural cooperation, mostly with the assistance of the embassy in Sofia. For example, the local museum's large collection of Chinese artefacts has been exhibited in all the surrounding towns and villages.

The Bulgarian Academy of Sciences is another hub of China-related cooperation in a number of areas, including research, publications, and joint projects. The Diplomatic Institute at the Ministry of Foreign Affairs is also becoming a de facto hub of engagement. For Beijing, its proximity to official policy formulation mechanisms, dialogue with policy institutes, and the rising number of training programmes help provide legitimacy to Chinese ideas about international relations.

This list is not exhaustive. China's efforts to further embed its presence in Bulgaria will increasingly rely on such activist hubs.

A multi-track policy

Current research reveals a multi-track Chinese policy of engagement, with an interplay between the central and local government levels and between state and non-state actors.

The Bulgarian experience shows a nuanced picture with central, embassy-led initiatives, focusing on interaction with state structures, supplemented by engagement with local state institutions. This is increasingly being formalised with the introduction and development of various frameworks aimed at generating opportunities and incentives, as well as 'socialising' key actors in the Bulgarian administrative system. This state-centred approach is at the core of China's diplomatic strategy, particularly as the country still needs to expand its presence not just geographically but also across sectors and types of institutions.

As this paper shows, China's offers of expanded cooperation are, on the whole, received in Bulgaria with enthusiasm and a readiness to engage. This has clearly encouraged Beijing to expand its activities and outreach. While the state-centred component remains important, it is now being complemented by a civil society-focused approach that is also yielding results. Beijing is building relationships with a wide array of actors, ranging from academic, educational, and business institutions to friendship societies and less formal entities and groupings.

Significantly, however, this is not necessarily occurring through the direct involvement of Chinese institutions and other players. Instead, a number of intermediary bodies, predominantly Bulgarian ones, are conducting this task through various partnerships (including those with Confucius Institutes, bilateral business organisations, friendship clubs, media outlets, and some individuals). These bodies enhance Beijing's efforts to deepen bilateral cooperation and thereby further embed China's presence in Bulgaria. From this perspective, Beijing has created a rather elaborate, multi-faceted, and functional framework, allowing it to use various avenues and dynamics to increase its influence in Bulgaria.

A multi-actor approach

China's subnational presence increasingly rests on a multi-actor approach, which involves several institutions. As interviewees for this paper have confirmed, the work, guidance, and direction provided by the embassy are central to the approach. Increasingly, though, other China-supported entities are also playing a greater role. These include the Chinese cultural centre and Confucius Institutes, which have transformed themselves into cultural diplomacy institutions across the country. The growing local Chinese business diaspora, whose members are consistently seeking commercial opportunities in Bulgaria, are important actors in this.

There are also a number of increasingly significant Bulgarian players. They include numerous business organisations; members of the cultural, educational, and academic communities; associations focused on China; current and former senior civil servants; mayors and deputy mayors in many towns; and graduates who have an interest in China.

These actors make up a growing constituency of shared interests across numerous areas of Bulgarian public life. In many instances, they are engaged in sustained interactions with the Chinese embassy in Sofia. Nonetheless, there is a degree of informality surrounding some of these actors that makes analysing them difficult.

In the area of business and investment, for instance, there are indications that some of the exploratory scoping that is undertaken in relation to Chinese economic engagement is non-institutional and conducted outside formal company strategies. Furthermore, Bulgarian actors often appear unaware of the complexity of the Chinese company system in terms of structures, procedures, investment strategies, goals, and incentives for international expansion. Therefore, it is difficult to estimate how much of this scoping activity is actually performed in the context of company strategies. There are also quite a few Chinese businesspeople with recently acquired Bulgarian passports who are searching out opportunities for investment and acquisition. The parameters of this activity are difficult to estimate,

as it is dispersed, non-institutionalised, and, in most instances, undisclosed. Still, this author came across such examples in every region of Bulgaria.

Attitudes towards engagement with Chinese institutions

Bulgarian institutions and individuals have varying attitudes towards their Chinese interlocutors and partners. These range from accommodative, transactional, and developmental to reserved and sceptical. This can be seen in two broad areas: a readiness to uphold or adjust rules of engagement with the Chinese side; and perceptions of the usefulness of such interactions.

Therefore, at one end of the spectrum lies an accommodative attitude characterised by Bulgarian actors' willingness to engage on terms proposed by the Chinese. This could involve accepting changes to norms and procedures (such as through the inclusion of non-disclosure clauses and the acceptance of Chinese jurisdiction) and adjusting formats and timetables. In this pattern of engagement, the relationship is largely structured and driven by the Chinese institutions in an asymmetric manner.

At the other end of the spectrum, some actors are sceptical of various elements of relations with China. Their reservations relate to the benefits of engagement for the Bulgarian side; Beijing's overall approach; cultural, institutional, and political divergences; and the transformation of relations between the West and China.

Many people interviewed for this paper displayed a transactional and accommodative attitude towards China, appearing ready to amend terms of engagement in line with Chinese expectations. These attitudes are most often encountered in smaller and medium-sized cities and towns. A significant number of interviewees in the bigger Bulgarian cities expressed concerns related to development. Such scepticism of China is mainly found in extensively developed areas such as Plovdiv and Sofia.

Places of symbolic respect

There is another seemingly ad hoc aspect of Chinese diplomacy that is increasingly prevalent – albeit one that does not appear to have obvious political benefits. This approach is focused on an effort to establish or develop contacts in areas that have hitherto received little diplomatic attention, most often smaller local towns and villages of significant symbolic value to Bulgarians.

The most recent example of this is the historic town of Koprivshtica. The town is known for its central role in the 1876 Bulgarian anti-Ottoman uprising, its prominent contribution to Bulgarian culture, and its architecture. In November 2018, a Chinese TV channel filmed a documentary about the town

and its traditions as part of a series on the Silk Road. Six months later, Xiaojun made his first trip to the historic town on the 143rd anniversary of the April Uprising, bringing the entire staff of the embassy with him. At a meeting with the local mayor, he explicitly referred to the cooperation framework between the Sofia region and the Hubei and Jiangsu provinces.

Similar gestures of interest and engagement have been made towards other symbolic places, such as Tryavna, Panagyurishte, and Momchilovtsi. Some of these places are home to famous, centuries-old artefacts and treasures that are symbolically important to Bulgarians.

This activity is somewhat distinct from efforts to achieve the wider, more strategic, aims of Chinese diplomacy. Nevertheless, it is symbolically important: projecting an appreciation of local history, culture, and sensitivities, while suggesting a disinterested, respectful engagement with Bulgarian institutions and citizens. Although potential opportunities for tourism are discussed as a part of the process, this is of secondary importance. Furthermore, such initiatives bypass cooperation agendas that, partly due to the pandemic, have often stalled. They also help maintain some momentum at a time when, thanks to China's zero-covid policy, opportunities for face-to-face engagement have been severely limited. This approach – one worthy of a rising power – is clearly intended to demonstrate the national scope and depth of China's diplomatic presence in Bulgaria.

Chinese goals of engagement

Taken together, these numerous examples of Chinese engagement indicate that Beijing has the following goals in Bulgaria.

Generating and embedding nascent cooperation frameworks

Bulgarian municipalities emerged from the communist period with a range of institutional relationships. These were predominantly focused on countries from the former Soviet bloc and neighbouring states in south-eastern Europe. Many towns also had partnerships with similarly sized Russian cities.

However, the difficult political transition during the 1990s disrupted the preservation and development of these ties, with mayors and political control of councils changing frequently. Municipalities were often in a perilous financial state, at least until Bulgaria achieved macroeconomic stability in the early 2000s. Moreover, the consistent refusal of the national government – regardless of its political stripes – to engage in fiscal decentralisation after 1989 has led to extremely limited

local financial resources for international engagement. This has had an especially negative impact on small and medium-sized municipalities across the country.

As a result, most local authorities opted to preserve partnerships – albeit of a weakened variety – with neighbouring countries. Unsurprisingly, the institutional capacity to maintain and develop these ties was underdeveloped in terms of both funding and personnel. When Bulgaria joined the EU, the process of finding partner cities accelerated somewhat as access to funding improved and various EU frameworks provided opportunities to generate contacts.

This uptick in international engagement may not have significantly improved capacity for sustained international cooperation at the local level. However, recent experiences have clearly led to a greater willingness and determination by local authorities to use international contacts to explore economic opportunities. Crucially, the stalled process of political and fiscal decentralisation has left many municipalities feeling abandoned by the central government, thereby creating further incentives to rely on international cooperation networks to develop their towns and cities. This is the wider context in which Chinese institutions have made their entry into local politics and administrations. It is, therefore, hardly surprising that local authorities have largely welcomed China's offers to institutionalise and deepen cooperation.

Socialisation

Beijing's current approach is driven by its desire to socialise a wide range of actors with an understanding of Chinese institutions, policies, culture, and ways of doing things. After establishing open and general frameworks for interaction, the focus has shifted to introducing players such as mayors, regional governors, and other local politicians to China's outlook.

In practice, this has meant extensive introductory visits to China with various elements: tours in major Chinese cities and regions such as Shanghai and Shenzhen; visits to symbolic places such as the Great Wall; and trips to key industrial areas and companies such as Guangdong and Huawei. Bulgarian visitors are also introduced to various elements of China's rapid development, such as high-speed train networks and other infrastructure. The respect accorded to visiting local dignitaries is often particularly appreciated as it contrasts with their more inferior ranking in the Bulgarian political order. Typically, guests are treated to carefully narrated development stories that emphasise attributes such as efficiency; swift and speedy decision-making; the pace of innovation and construction; deference towards empowered and respected officials; financial largesse; and ambitious projects.

Exposure to Chinese culture and customs – along with an introduction to the environment in which

Chinese institutions function – is another central component of this approach, both during trips to China and in the context of bilateral relations in Bulgaria. This is necessary due to the absence of long-standing and sustained relationships with most Bulgarian public entities.

Predictably, in the last few decades, Bulgarian municipal administrations have emphasised the rejuvenation and establishment of relationships with their regional and EU counterparts in the wake of Bulgaria's integration into EU structures. The growth of cooperation with Chinese partners is both a relatively new trend and does not yet match the degree of engagement with other major Asian countries, such as Japan and South Korea – which, in the case of the former, stretches back to the 1980s and early 1990s. The onset of the pandemic led to a dramatic decline in face-to-face dealings between the two sides. There is little sign of this changing in 2022. If the decline continues, it will have a negative impact on China's approach to Bulgaria.

Circumventing national policy

China can reasonably claim that cultural diplomacy is well within the confines of established and legitimate diplomatic protocol and interaction. However, there are clearly some aspects of subnational cooperation that pose genuine questions. Indeed, there are a number of policy areas in which Bulgaria's national government has articulated certain positions that relate to all institutions and call for certain actions and, in some cases, precautions.

In October 2020, for instance, Bulgaria and the US signed a memorandum of understanding on 5G and related technologies. As discussed, Bulgaria has joined the Clean Network initiative. The country is also integrated into the EU's 5G Security Toolbox initiative.

However, Bulgaria's implementation of these commitments at the national level has been patchy and accompanied by little publicity. There seems to be little indication that these commitments have had an impact on local actors' policy thinking and behaviour. This is particularly evident in the dramatic rise in their interest in digital governance and topics such as smart cities and safe cities, data management and governance, monitoring and surveillance, and equipment. China's official partners increasingly include municipalities in cooperation agreements, while Chinese equipment is also becoming prominent in these sectors. Similarly, academic institutions across the country are expanding cooperation and research activities with Huawei, which is enlarging its scholarship and recruitment programmes. Key national telecoms operators are also choosing to maintain Huawei equipment in their core infrastructure.

More widely, Chinese institutions have found themselves in a position to capitalise on numerous gaps, deficiencies, and inconsistencies in the Bulgarian policy and administrative system. The country lacks

a fully articulated, multi-component, and consistent China policy. This causes a significant degree of uncertainty among local actors in terms of the direction, procedures, and conditions underpinning cooperation. In this vacuum, mayors and municipal councils can structure these relations as they choose to meet their own goals.

There is also no formal system for policy communication between the institutions of central government and the various subnational actors, including regional governors. As this research reveals, ad hoc interaction occurs on a case-by-case basis, mostly at the discretion of mayors. This results from a range of factors, including a wish to remain in step with national considerations, shared party membership, and personal contacts. Several municipalities engage in ad hoc communication with the Foreign Ministry.

Significantly, the National Association of Municipalities has little capacity to deal with international cooperation and foreign affairs more broadly. Its engagement with local authorities is sketchy and mostly restricted to visits and exchanges. The association does not function as a conduit between central and local government in relation to wider policies and issues. Nor does it provide a space for reference and consultation in matters of international engagement. This reflects a degree of mistrust between the association and many municipalities, with some mayors perceiving its actions as a form of undue centralised intervention. In a manner typical of the Bulgarian political system, intermediary structures in the area are rudimentary, thin, often dysfunctional, and short on legitimacy. This state of affairs hobbles the communication and implementation of national policy positions and initiatives in relation to China. The resulting patchwork of approaches, attitudes, and goals related to Chinese institutions creates an overall lack of structure, coherence, and direction.

Projecting interests

China has been gradually manoeuvring to attain a position from which to project its influence in Bulgaria. The manner in which cooperation activities are framed and structured, and the overall dynamic of relations, has largely been driven by the Chinese side. This is the case in relation to multilateral formats, such as the BRI and the '16 plus one', and in bilateral relations. Some local authorities dismiss this dynamic but, nonetheless, it has allowed Chinese institutions to largely determine the direction and pace of cooperation.

The manner in which China uses the asymmetry between the two sides is evident in various sectors, particularly agricultural research institutes. For instance, in the case of the Institute of Rose and Essential Oil Cultures, there are evident issues relating to technology transfers and the protection of intellectual property rights. Moreover, in this particular case, some well-known characteristics of the

Chinese approach to conditionality are on display. These include a lack of transparency and reliance on non-disclosure agreements, efforts to ensure that questions surrounding jurisdiction and legal interpretation are skewed in favour of China, and unclear definitions and applications of technological know-how.

There has been a rise in the number of investigations and legal proceedings related to Chinese entities as they increase their participation in public procurement procedures. While many of these cases are still being investigated or remain pending, this could indicate that there are wider issues in this area that merit further research.

As this paper shows, Beijing appears to have developed an impressively detailed and well-scoped map of its interests across Bulgaria's actors and sectors. This thorough analysis – which covers key local political and administrative figures regardless of the number of people they represent – is used to structure bilateral engagement. Indeed, it has not only been mayors of larger cities, such as Plovdiv, Bourgas, and Varna, who have travelled to China at the invitation of various institutions. For instance, the mayor of the village of Chelopech – which has a population 1,556 – has also been invited.

One of this paper's most important findings is that China extensively reviews opportunities for institutional engagement in Bulgaria in line with its interests and the capacity of Chinese institutions to calibrate their approach to such a fine level of detail. Efforts to engage with multiple actors across Bulgaria are an important part of this process. Moreover, the detailed calibration and implementation of Beijing's cooperation map in Bulgaria point to the existence of a strategic approach that, as noted above, the Chinese ambassador has openly discussed.

Creating social facts on the ground

Much academic writing and other research on China's presence in Europe has emphasised two key dimensions of engagement. The first is elite-level interaction in which Beijing has sought to convince other governments of the value of cooperation with China. The second is the wider institutional framework that Beijing has sought to develop, both multilaterally and bilaterally, to establish legal commitments that have longer-term effects and consequences.

Yet, as this paper shows, there is another significant dimension to China's efforts – one that is pursued at the societal level. China's many subnational activities in the cultural, academic, linguistic, and economic spheres suggest that it has a policy aimed at creating social 'facts on the ground' as its cooperation with Bulgaria expands to a greater number of institutions and individuals. The Chinese ambassador has explicitly spoken of this focus on multiple lines of engagement. It is particularly visible in the widening of Chinese language classes to secondary schools and kindergartens, as well as

the increased visibility of Chinese cultural events in Bulgaria.

This approach is also apparent in the legitimisation of informal regional representatives, as the cases of Dimitrovgrad and Targovishte indicate. China is pursuing the approach alongside its efforts to maintain relations with political entities and public institutions. The approach is complementary – designed to partially compensate for China’s relatively slow progress in generating successful, large-scale ‘projects of entry’ in bilateral relations with Bulgaria.

Conclusion and policy recommendations

China is a geopolitical latecomer to Bulgaria, especially when compared with the extensive legacies and current leverage of Russia and, to a lesser extent, Turkey. As Beijing’s overall diplomatic approach shifted in the 2010s, the country adopted a much more activist stance even as Sofia remained rather peripheral to its regional policy. However, the hubs of Chinese engagement in the region such as those in Serbia, Greece, and Hungary have not prevented China from implementing an ambitious strategy to increase its influence in Bulgaria.

A number of factors have made China’s efforts challenging. These include the complex landscape created by Bulgaria’s membership of the EU; Beijing’s prolonged insistence on various preferential conditions (such as state-to-state contractual agreements, state guarantees, and public procurement exemptions); and a ready-made EU funding framework for large-scale projects in key sectors of the Bulgarian economy. Other local factors have also contributed to the complexity. The well-positioned interests of third actors such as Russia in energy and home-grown lobbies in infrastructure have slowed China’s advance on core Bulgarian economic activities. Insufficient policy consistency and a lack of administrative commitment and capacity on the Bulgarian side have further hindered the process.

However, Bulgaria is one of the EU and NATO member states least likely to support more confrontational policies on China. Sofia has continuously emphasised the cooperative component of the EU’s approach to China – which also focuses on competition and rivalry – and has largely avoided initiatives advocated by the US, the EU, and NATO in areas such as foreign investment screening and critical infrastructure protection agreements.

China has adapted its approach and is now implementing a more nimble and ambitious strategy at both the national and subnational levels. It is expanding its political communication and cooperation beyond its long-standing centre-left contacts, generating legal and institutional cooperative frameworks, and attempting to socialise key actors. Recognising the wider obstacles they face,

Chinese firms have begun to build business partnerships, often as junior players, in sectors dominated by other interests, such as infrastructure and energy. These ‘coalitions of positioning’ are already proving successful in rail infrastructure and waste management.

Beijing is also working to build a Bulgarian constituency of shared interests both across the country and in various sectors. In effect, this multi-track strategy focuses simultaneously on state and society and on the national, regional, and local levels of governance. This form of engagement is particularly clear at the subnational level, as accommodative and transactional attitudes towards China are prevalent among local actors. Bilateral cooperation is most intensive in the areas of agriculture, culture, language training, education, research, and – increasingly – infrastructure and energy. Significantly, however, evidence is emerging that raises questions in a number of areas. These include potential technology transfers in agriculture; technology transfers and recruitment by Chinese critical infrastructure companies in IT research; the implementation of smart city tech and governance projects; China’s presence in local critical infrastructure networks; and a rising number of potential irregularities in public procurement tenders at the subnational level.

Policymakers should begin to address these issues in the following ways:

- Map China’s presence. There is a persistent lack of knowledge and analysis pertaining to China’s presence in Bulgaria. This is noticeable at the level of public institutions but extends deep into the academic, research, and policy community, as well as national and local media outlets. Information on the area held by state institutions is patchy and unaggregated. The National Association of Municipalities, a key actor in local affairs, lacks the interest and the capacity to engage in this endeavour.
- Increase awareness of the issue. Engagement with China is often marginal within central government departments and local authorities. Within the Foreign Ministry, it is mostly viewed as an operational endeavour (rather than a conceptual or policy one). Media coverage of China is factual and predominantly positive. Local institutions are even more distanced from this matter than are national ones. A concerted effort to effectively publicise and communicate China-focused research and analysis would partially address this deficiency.
- Develop a well-defined China policy. Bulgaria’s approach to China is shaped by ad hoc responses, institutional reactions, external pressure from international organisations, and the attitudes towards the country of various individuals and public institutions. This lack of a clear policy leaves considerable room for interpretation, policy free-lancing, inconsistency, and opportunities for Beijing to mould relations according to its own perceptions and interests.

- Establish an infrastructure for policy communication, transmission, and implementation. There are serious deficiencies in this area at the governmental and sectoral levels. Local authorities are largely unaware of Bulgaria's positions and obligations in relation to China, with some using personal channels of communication to consult on various initiatives and activities. The National Association of Municipalities is not systematically engaged in this process either. National business organisations lack timely and detailed information on Bulgaria's approach to China.
- Create capacity at the regional and local levels. With some exceptions, subnational structures of governance lack sufficient expertise and capacity for international cooperation beyond the preparation and management of EU-funded projects. This has created openings for China to exploit the asymmetry in the bilateral relationship. As Bulgarian and Chinese towns and cities seek to create links with one another, the creation of high-quality political, policy, and implementation capacity will be essential.
- Audit cooperation with China. As the geopolitical context of engagement with China shifts, there needs to be a thorough and critical examination of areas of concern. Bulgaria has a series of political, policy, and legal commitments and obligations as a member of the Western alliance. These need to be fully appreciated, communicated, and implemented within the country's institutional framework.
- Build an EU and NATO dimension to subnational cooperation with China. China is seeking to complement its national engagement strategies with robust regional and local initiatives. As the EU and NATO develop their policies on China, there is a growing need to map, analyse, and monitor Beijing's activities at the local level. There is an increasing political awareness within the EU and NATO of this issue, but they are yet to put forward concrete ideas and initiatives in response.

Methodology

The research for this paper was conducted between September and December 2021 using various methods, including desk research and face-to-face and online interviews. The author visited Sofia and seven other cities across Bulgaria for the purpose, conducting 142 interviews with current and former national and local government officials and politicians; heads of state and of private companies; members of business organisations and civil society organisations; academics and researchers; entrepreneurs; journalists; analysts; and consultants.

About the author

Vladimir Shopov is a visiting policy fellow at ECFR. He has a wide range of experience as a policy adviser to Bulgarian ministers and institutions, and as a diplomat during the country's EU accession negotiations. Shopov has provided consultancy and research services to numerous Western companies in a variety of fields. He has been a guest lecturer at European and Asian policy institutes and universities, and is currently an adjunct professor at Sofia University. Shopov has engaged in project work with various policy institutes in areas of Asian affairs, EU studies, soft security, and EU conditionality.

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[1] Conversations in Sofia, October and November 2021.

[2] Conversations in Sofia, Dimitrovgrad and Targovishte, October and November 2021.

[3] Conversations in Sofia, October 2021.

[4] Conversations in Sofia, October 2021.

[5] Conversations in Sofia, October 2021.

[6] Conversations in Sofia, October 2021.

[7] Conversations in Sofia, October 2021.

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[9] Conversations in Sofia, October 2021.

[10] Conversations in Sofia, October 2021.

[11] Conversations in Sofia, November 2021.

[12] Conversations in Sofia, October and November 2021.

[13] Conversations in Kazanlak, November 2021.

[14] Conversations in Troyan, November 2021.

[15] Conversations in Pleven, November 2021.

[16] Conversations in Momchilovtsi, November 2021.

[17] Conversations in Plovdiv, November 2021.

[18] Conversations in Veliko Tarnovo, October 2021.

[19] Conversations in Sofia and Plovdiv, November 2021.

[20] Conversations in Sofia, November 2021.

[21] Conversations in Veliko Tarnovo, October 2021.

[22] Conversations in Varna and Bourgas, October and November 2021.

[23] Conversations in Sofia and Varna, October and November 2021.

[24] Conversations in Bourgas and Varna, October and November 2021.

[25] Conversations in Ruse, October 2021.

[26] Conversations in Bourgas, November 2021.

[27] Conversations in Veliko Tarnovo, October 2021.

[28] Conversations in Sofia, October and November 2021.

[29] Conversations in Sofia, November 2021.

[30] Conversations in Plovdiv, Veliko Tarnovo, Ruse, Varna, and Sofia, October and November 2021.

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