

## WHAT'S NEXT FOR HUAWEI'S SAFE CITY PROJECT IN BELGRADE?

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### SUMMARY

Despite that fact that Huawei's facial recognition cameras in Serbia's Safe Cities network face legal challenges, the implementation of the surveillance system itself is moving ahead, along with the Chinese telecom giant's other operations in Serbia. The introduction of Huawei's Safe City project to Belgrade, is yet another sign of the growing importance of domestic security in China-Serbia cooperation. With the Biden administration showing little interest in countering China's influence in Serbia, the installation of a 5G network in Serbia, in cooperation with Huawei, is now more likely.

### KEY FINDINGS

1. The consolidation of President Aleksandar Vučić and his SNS party's increasingly authoritarian rule, which is focused on maintaining both GDP levels and state (regime) security, and has led to growing economic and domestic security cooperation with China.
2. The implementation of Huawei's surveillance system in Serbia does not worry the majority of the general public, with only small groups of civil society, along with independent media, and NGOs expressing concern.
3. The Serbian leadership's recent efforts to officially introduce regulations on facial recognition cameras seem to be an attempt to legalize law-enforcement practices that are already in place in this regard, rather than to create a legal framework designed for its implementation.
4. By far the only external power able to thwart, at least for the time being, Huawei's growing footprint in Serbia, is the US.

## INTRODUCTION

The capital of Serbia is among the first cities in Europe to be covered by a network of Huawei surveillance cameras equipped with facial recognition technology. Officially, these biometric devices only utilize the “traditional” capabilities of video monitoring. However, activation tools of identification based on physiological and behavioral features are at one’s fingertips. In mid-September 2021, Serbia’s Ministry of Internal Affairs published a Draft Law on Internal Affairs, which gave the police wider powers in terms of using facial recognition cameras. Surprisingly, two weeks later the project was withdrawn and put on the backburner, possibly until the upcoming elections in Spring 2022.

This analysis is based on the recognition of the growing importance of the security partnership between China and Serbia [1], most notably the implementation of a Chinese surveillance system through Huawei Smart Cities in Belgrade, Novi Sad, and Niš. The system’s installation has sparked criticism from local watchdogs [2], and has led some European Union legislators to assess that the project effectively outsources Serbia’s security to Chinese police and security services [3]. The analysis aims to tackle two major questions: How is the Smart City (i.e. its Safe City component) project perceived in Serbia and what are the main drivers behind its implementation? To what extent can the implementation of Safe City be read as a Serbian adoption of China’s domestic security practice?

## SAFE CITIES AND SERBIA’S COOPERATION WITH HUAWEI

Huawei’s facial recognition technology which are at the disposal of Serbian law enforcement, was bought by the Serbian Interior Ministry in 2019; the undisclosed contract is said to cover over a thousand cameras in 800 locations in Belgrade. Although, the Serbian authorities have not revealed the exact location of these cameras in the capital city, an independent investigation from an NGO, the SHARE Foundation, revealed that several hundred of these devices have already been already installed in the streets of Belgrade. The introduction of Huawei surveillance technology in “the development of system ‘Safe and Smart City’ in Serbia” is a part of the Sino-Serbian technological agreement, signed May 2017, which positions the Chinese telecom giant as a “strategic partner” [4].

Serbian authorities have justified the construction of the surveillance system on security grounds. The Huawei cameras are intended to bolster public safety: an improvement in investigating and preventing crime. Although usage of facial-recognition technology in Serbia does not have any legal foundation, the installation of Huawei cameras is still going ahead. Given the fact that details of Serbia's contract with Huawei remain undisclosed, as is often the case in Serbia-China agreements, it is difficult to ascertain how many cameras were in fact purchased from the Chinese tech-giant, though the actual number is likely to exceed the official figure. According to an Interior Ministry document, the city surveillance system will incorporate 8100 cameras, including those on CCTV camera poles (2500), mobile cameras (3500 pieces), dashcams (600) and bodycams (1500) units [5].

Furthermore, as many local experts point out, despite the lack of legal requirements, the police continue to use biometric identification to invigilate Serbian society on a daily basis. In terms of utilizing the system as a tool for preventing or suppressing political dissent, it is suspected that facial recognition technology was used to identify anti-government protestors in July 2020.

**The introduction of related legislation seems to be an attempt to legally support law-enforcement in this regard, rather than creating a legal framework to start its implementation. One may thus infer that the introduction of Chinese Smart (Safe) Cities is a valuable asset for the consolidation of an increasingly autocratic political system under President Vučić in Serbia.**

### THE PUBLIC DEBATE ON HUAWEI'S SURVEILLANCE SYSTEM

According to the Serbian Interior Minister, Aleksander Vulin, the would-be regulations are intended to legalize the usage of facial recognition technology in order to identify faces and bodies of criminals that would help the police to locate murderers and other serious offenders. However, the proposed project's passage through the Serbian National Assembly, was halted by a personal request from President Vučić, who hinted that the controversial law should not be implemented before the upcoming election, planned for the Spring 2022. Minister Vulin went into more detail, declaring that the draft regulations

were being pulled because the legislation was being allegedly unfairly maligned by the media, NGOs and political opposition, with protests being inspired and financially backed by Western intelligence services [6].

Both of these justifications are debatable. First of all, President Vučić enjoys considerable popular support, and the issue of risks associated with state control of surveillance system, let alone Huawei's involvement in it, are not a cause for concern among the majority of Serbs. Equally hard to defend is the conspiracy theory put forward by the head of the Interior Ministry: concerns raised by human rights activists, NGOs and independent media outlets are shared by a relatively small section of Serbian society. Moreover,

**Serbia's cooperation with Huawei has been developing smoothly in recent years, and there is a widely shared consensus on the local political scene – with a few exceptions – that cooperation with China is an important element for the political capital of the ruling SNS party and others.**

Local NGOs have been warning that the proposed regulations would empower the state to violate the privacy of its citizens. However, their voice in the public debate has not really been heard. When it comes to cooperation with the Chinese telecom, which is increasingly seen as a security threat in many democratic countries, cooperation with Huawei is not seen as a significant hurdle in passing the relevant legislation in Serbia. Questions remain, however, as to who has access to sensitive data, to what extent is there a backdoor threat, and how is this data being used and to whom is it being passed on?

#### **SERBIA AND CHINA'S GROWING DOMESTIC SECURITY PARTNERSHIP**

The developing interactions between the countries' domestic security apparatuses was formally acknowledged in 2009 through a cooperation agreement between the PRC's Ministry of Public Security (MBP) and Serbia's Interior Ministry, signed in Beijing by their respective heads, Meng Jianzhu and Ivica Dačić [7]. Another sign of the growing importance of domestic security in bilateral cooperation was the visit of Meng Jianzhu, in his capacity as a Politburo member and head of the Politics and Legal Affairs Commission of the Central Committee, to Belgrade in September 2017. Meng Jianzhu,

who visited Serbia as Xi Jinping's special envoy, met with President Vučić. This visit highlighted the importance of the law enforcement and security component in the China-Serbia comprehensive strategic partnership that was signed a year earlier [8]. The Safe City project developed in cooperation with Huawei was also discussed during talks between Meng, and Serbian Interior Minister and Deputy Prime Minister, Nebojša Stefanović, who vowed that there would be more cooperation on security [9].

Another milestone in China and Serbia's closer relations were talks held in May 2019 between President Vučić as well as other Serbian officials and CCP Central Committee Member and the then head of the MBP, Zhao Kezhi, who was accompanied by other high-ranking internal security officials, including Meng Yang, Chen Guoping and Nie Furu. During the meeting with the Chinese delegation, President Vučić hinted that Serbia wanted to learn from China's experience in this field, and to strengthen cooperation in internal security and law enforcement [10].

As a consequence, in September 2019, joint Serbian-Chinese police patrols appeared on the streets of Belgrade, Novi Sad and Smederevo, which was officially justified by the presence of Chinese tourists. However, this has also been the case in other parts of Europe with joint patrols being conducted by Chinese officers in Italy and Croatia. Indeed, the numbers of Chinese visitors in Serbia have grown over recent years as a result of a free-visa agreement. However, neither Novi Sad nor Smederevo are tourist destinations. The two cities host Chinese companies and workers, which would suggest that the role of patrols was also intended to monitor Chinese investments and citizens in the area [11].

November 2019 saw Smederevo, where China's Hebei Stell (HBIS) steel mill is located, host a joint China-Serbia anti-terror police exercise with 180 policemen from both countries participating. The political significance of this event was underlined by the presence of President Vučić, Ambassador Chen Bo and the then vice-premier and Internal Minister Stefanović, who said that Serbia wanted to learn from the bigger and the stronger. According to information from the PRC Embassy in Belgrade, the joint anti-terrorist exercises were also observed by Wei Zheng, Deputy Director of the Public Security Administration of the MBP [12]. This MBP unit, is responsible for guiding the establishment of special police units, and handling "major mass security incidents and

public security incidents" [13], or in other words public protests, which in the context of the China-Serbia "steel friendship" may be read as an element that would strengthen President Vucic's drive to consolidate his increasingly authoritarian power.

### THE FUTURE OF SERBIA'S COOPERATION WITH HUAWEI

In September 2020, Presidents Vučić and Trump signed a non-binding agreement on the security of 5G networks. Although China was not named explicitly in the document, its provisions excluding "untrusted providers" of 5G network, albeit in a non-binding form, were clearly aimed at Huawei. As a result, the 5G auction in Serbia, which originally was scheduled for autumn 2020, then put back to Spring 2021 (officially due to the Covid-19 pandemic) has still not taken place.

Less than a month after meeting President Trump, the leader of Serbia met with China's top diplomat and Politburo member Yang Jiechi in Belgrade. During the talks Vučić tried to downplay the significance of the Washington declaration by suggesting that Huawei's commercial prospects in Serbia had not been affected. President Vučić stated that Serbia would not give in to any pressure exerted by these two powers. He went on to say that being resistant to such pressure was the best litmus test for the excellent cooperation of Serbia-China cooperation [14].

A similar argument about external pressures is currently being used by Serbia's Interior Minister with regard to Belgrade's Safe City project co-implemented with Huawei. At the same time, Prime Minister Ana Brnabić, as a pretext to again postponing the 5G auction, suggested that existing 3G and 4G infrastructure may initially need to be upgraded. Moreover, in October when China's Foreign Minister Wang Yi came to Belgrade,

**President Vučić praised China for its cooperation in innovation, modern technologies, and AI, thanks to which "Serbia can keep pace with the most developed countries in the world" [15]. Such a statement can be read as further proof of Serbia's unceasing cooperation with Huawei in projects such as 5G.**

At the same time, there is a lack of interest in Serbia by the current US administration, which may be sensed from the inactivity of the Development Financial Corporation (DFC)

branch in Belgrade, a tool envisioned to counterbalance Chinese influence in the developing world. One can therefore infer that works on 5G implementation with Huawei are still in motion, and the subsequent declarations of senior Serbian officials are seen as a delaying tactic. Consequently, the Washington agreement seems to exist only on paper. The lack of action is also illustrated by the delayed relocation of the Serbian embassy from Tel Aviv to Jerusalem.

## CONCLUSIONS

Despite the fact that the draft law on Internal Affairs, whose passage through the National Assembly has been delayed by Serbia's leadership, the ongoing development of Huawei's surveillance system with facial recognition technology in Serbia's Safe City system continues to proceed. Even if the Chinese telecom giant were to be excluded from the 5G auction, which at present does not seem likely due to the US' decreasing interest, this decision will probably not impede other projects that have recently been carried out by the Chinese telecom giant in Serbia. In March last year, Huawei launched the City Data Center in Kragujevac, and opened an IT innovation center in Belgrade in August 2021, while recently, with the active support of Serbia's Ministry of Education, Huawei is developing cooperation with local polytechnics. So against this backdrop, the Safe City project in Belgrade, which is being implemented without legal concerns, reflects the close cooperation between Belgrade and Beijing, especially where domestic security is concerned.

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