

國立政治大學社會科學學院亞太研究英語博士學位學程

International Doctoral Program in Asia-Pacific Studies

College of Social Sciences

National Chengchi University

博士論文

Doctoral Dissertation

論文題目

Topic

中國和中東歐國家合作的影響 - 通往歐洲的門戶或修正主義的後門?

Impact of Cooperation of China and Central Eastern European Countries -
Gateway to Europe or Backdoor to Revisionism?

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中華民國一〇八年七月

July 2019



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博士論文

A Ph.D. Dissertation Submitted to
National Chengchi University
International Doctoral Program in Asia-Pacific Studies
In partial fulfillment of the requirements for the degree of
Doctor of Philosophy

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中華民國一〇八年七月

July 2019

Acknowledgment

It was several years since I started my long academic journey that is finally coming to an end. During that time, I spent four years in Taipei, two years in Warsaw and three years in Beijing, and I have met many wonderful people from academia, and student and professional side of life, that helped me to be in this important moment. First, I would like to express my gratitude to my advisor, Professor Liu Fu-Kuo who supported me on this path with all its ups and downs. I want to express appreciation also to the IDAS program director Prof. Kuan Ping-yin, who has been guiding me during all-important study moments. Special gratitude goes also to Professor Yuan I, who assisted me with several critical pieces of advice. Without all that help, it would not be possible to be at the final stages of this effort.

Second, I would like to extend my sincere appreciation to all the members of the dissertation committee for their concern, support and involvement: Dr. Chang Chung-Young (Department of Public Affairs on Fo Gunag University) for great advice and communication; Dr. Cho Chung-hung (Graduated Institute of European Studies at Tamkang University) for his constructive and critical approach to the topic; Dr. Tang Shao-Cheng (Institute of International Relations, NCCU) for given trust and interest. I am very grateful for all the efforts and time committed to my journey and raising their stakes in support of my endeavor. Without the help of the aforementioned scholars, I would not be able to write this dissertation.

Third, as a student, I received support and encouragement from many friends and colleagues from IDAS program, as well as the International MBA, which allowed me to find more pleasure and happiness in all the research made during this journey. Among the administration, special thanks go to Evan Berman, the first IDAS director, and program officers including Angel Li, Celeste Lin, Frank Peng, and Betty Chao. They helped me a great deal in all school arrangements, especially in years spend outside of Taiwan. I have also benefited a lot from exchanges with my collogues and classmates, including Jenifer Butler, Aire Kork, Janet Tan, Taro Kurokawa, Juan Uriburu Quintana, Jonathan Spangler, Dean Karalekas, Philippe Cachia, Piotr Kurczewski, Kevin Lin, Moises Lopes de Souza, Jose Guerra Vio, Sebastian Biba, Micheal Tai, Tarco Chang, and all other friends whom I did not list above. Special gratitude goes also to my former NCCU fellow students, Mars Liu, and Constantin Diederichs, who provided their help during all of my visits to Taiwan.

Finally, the biggest debt of gratitude goes to my family. During this long journey, my mother and father spare no efforts in support of my studies, and without their support, this process would never come to the end. I owe them more than I can express on this page, and I hope they will find great joy in my completion of this long process. My gratitude goes also to all other family members and a special little fellow, who accompanied me in this writing in his final moments. A very special word of appreciation goes to my wife, who supported me more than once, and if not, her encouragement I would never be at this stage of my studies, thank you Justyna. I dedicate this work to her.



Abstract

There is an ongoing academic debate over the rise of China, and its impact on the future international landscape. What can be observed in the past two decades, is that China increased its skills to navigate the complex political landscapes of selected states and regional platforms, including localized forms of multilateralism (or so-called multi-bilateralism). These platforms can be claimed to work towards the re-conceptualization of China's rise in Europe, and a larger global scale.

One of the significant grounds of this phenomenon is the engagement between China and Europe. The comprehensive cooperation between China and the EU started over a decade ago in the belief that its strategic engagement with Beijing will influence it on the domestic and foreign policy arena, to the image desired by the European continent. In the past 10 years, the stated relationship was based on the policy of so-called unconditional engagement, which meant nothing more than allowing China to have a chance of making one-sided use of all its liberties and market rules governing countries within the EU. One of the turning points of that relationships was the 2008 financial crisis, which while putting more pressure on Beijing to support the stability of the international governance systems, gave the country (rich in financial means) a chance to increase its engagement with its neighboring countries, and started a new chapter in its political and economic relationships around the globe, including Europe.

Questions asked in regards to these relationships are largely bipolar, and generally depend on the perspective of China and the West. This view, on the European side, poses a degree of fragmentation, largely associated with differences in the conceptualization of understanding of a strategic bilateral relationship, bilateral relationships of individual stakeholders, regional engagement, and the different platforms of implementation of policies on the two continents. Among stated differences, one important issue is how to uphold the necessary level of regional political independence of Europe, and how to accommodate sub-regional engagement of China in line with "building of new international relations of new era" on one side, and the commitment to the Western world order based on the widely accepted values and present form of international governance system on the other.

The second half of 2010's witnessed an increase in cross-regional multi-bilateral (or multilateral) formats, including areas of South-East Asia, Caribbean, Africa, and Europe that are often based on the perception of policymakers in Beijing. They can contribute to the simplification of China's policy implementation in the areas of geographic and political significance to China, especially in the neighborhood regions to its "major-country diplomacy" fronts (Russia, European Union, and the U.S.). One of first of such formats is the Cooperation between China and Central Eastern European Countries, or 16+1¹, which became an important element in the Sino-European landscape.

In a nutshell, this research aims to determine and assess the concepts and structure of stated multi-bilateral 16+1 cooperation, located in the frontline of the West versus East relations. The questions being asked during this research are related to the impact of Cooperation between China and Central and Eastern European Countries, with the application of additional theoretical framework – utilizing elements of the neo-tributary perspective² of international relations – that may help to assess 16+1 role in Chinese revisionism of contemporary international relations. The main research question is what impact the China-CEEC Cooperation generates on the development of the cross-regional EU-China strategic partnership, therefore is it complementary, constitutes a part of the wider sub-regional relationship between European Community and PRC, or perhaps on contrary creates negative impact or no impact at all. The time perspective of the research centered between 2012 (the year of mechanism establishment) and the end of the first quarter of 2019 (8th China-CEEC Summit). The first 7 years before the first mechanism enlargement by accepting Greece as a "full-fledged member"³ t's also the time that ended the "16+1" and started the "17+1" cooperation.

There are three levels of analysis applied in this work, exploring the Belt and Road, 16+1 sub-regional engagement and bilateral relationships within the title process, with the use of theories of complex interdependence, neo-liberalism, ideas of regionalism and thoughts on neo-functionalism. It aims to assess the stake in support of the new international

¹ At the time of writing of this dissertation, the format extended to 17 Central and Eastern European Countries, becoming 17+1. For the use of this research however the timeframe is limited only to pre-enlargement period of stated cooperation before April 2019, when Dubrovnik Summit took place.

² S.Y. Pan, T.-Y. Lo, "Re-conceptualizing China's rise as a global power: a neo-tributary perspective", *The Pacific Review*, vol. 30, no. 1, 1-25, 2017.

³ https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1655224.shtml, accessed April 24, 2019

relations of China and explore the impact of 16+1 process on the EU-China relationship. Since it is discussing an ongoing process, it does not aim at providing a definitive conclusion, but rather streamline the first stage of 16+1 presence.

The first level of analysis streamlines the ideas behind the largest outside platform of external engagement of China, the Belt and Road Initiative (BRI). It draws the shared elements between that initiative and 16+1 explaining the contemporary shifts influencing certain political courses that are discussed over the following pages. The second level is based on an analysis of the 16+1 cooperation mechanism itself from the (multilateral) regional level. It assesses its multi-bilateral nature, and present conditions calling for a new form of sub-regionalization explained in institutionalization pieces of evidence of a discussed cooperation format. The third level touches upon the bilateral aspects of cooperation between China and CEEC's, with the EU implications, to allow in the assessment of the impact on the cross-regional overall relationship. The last part is the analysis of findings from the stated three levels of analysis based on two frameworks, of which one underlines the impact of the 16+1 cooperation and the other one help to contextualize a claimed presence of China's revisionism in Europe. The above steps may also help to evaluate whether any preliminary motives originally existed as the objective of this mechanism and if they serve a wider purpose in the context of the whole Eurasian landmass.

Key Words

China, European Union, Central and Eastern Europe, CEEC's, Regionalism, Identification, 16+1, 17+1, Multilateralism, Bilateralism, Institutionalization, Sub-regional Cooperation, Minilateralism, Europe, Belt and Road Initiative, Power.

List of Abbreviations

[Countries abbreviations not listed below are based on standardized country symbols - standard ISO 3166 - <https://www.iso.org/iso-3166-country-codes.html>]

16+1 Cooperation between/of China and Central Eastern European Countries (*17+1 from April 2019)

17+1 Secretariat – Division in the Department of European Affairs of the Ministry of Foreign Affairs of the People’s Republic of China

ADB Asian Development Bank

AIIB Asia Infrastructure Investment Bank

APEC Asia-Pacific Economic Cooperation

BJC Beijing Consensus

BFPE Belgrade Fund for Political Excellence

BP Berlin Process

BRF Belt and Road Forum for International Cooperation

CASS China Academy of Social Sciences

CEE Central and Eastern Europe

CEEC’s Central and Eastern Europe Countries (16)

CELAC China—Community of Latin American and Caribbean States

CI Confucius Institutes

CPC Communist Party of China

CN China

CZ Czech Republic

EE Estonia

EEAS European Union External Action

EC European Commission

EP European Parliament

EU European Union

EUCCC European Union Chamber of Commerce in China

FOCAC Forum on China-Africa Cooperation

GDP Gross Domestic Product

GP General Procurement

HU Hungary

IMF International Monetary Fund

IT Information Technology

LT Lithuania

P5 permanent members of the United Nations Security Council

PRC People's Republic of China

PL Poland

PM Prime Minister

M&A Mergers and Acquisitions

MERICs Mercator Institute for China Studies

MFA Ministry of Foreign Affairs

MOFCOM Ministry of Commerce of PRC

NPC National People's Congress

SCO Shanghai Cooperation Organization

SK Slovak Republic

UK United Kingdom

UNSC United Nations Security Council

WB Western Balkans

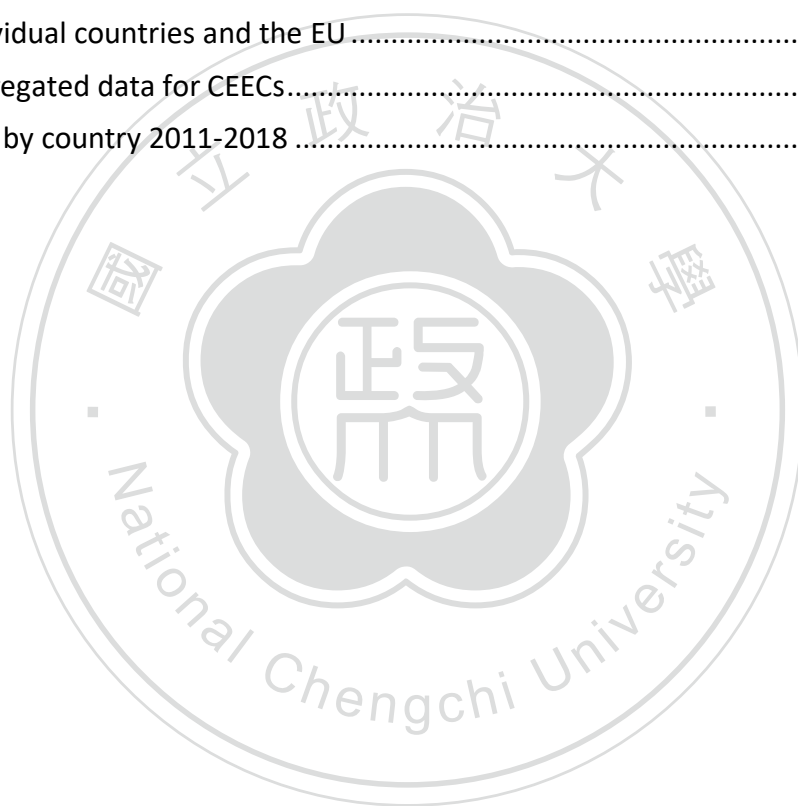
WEF World Economic Forum

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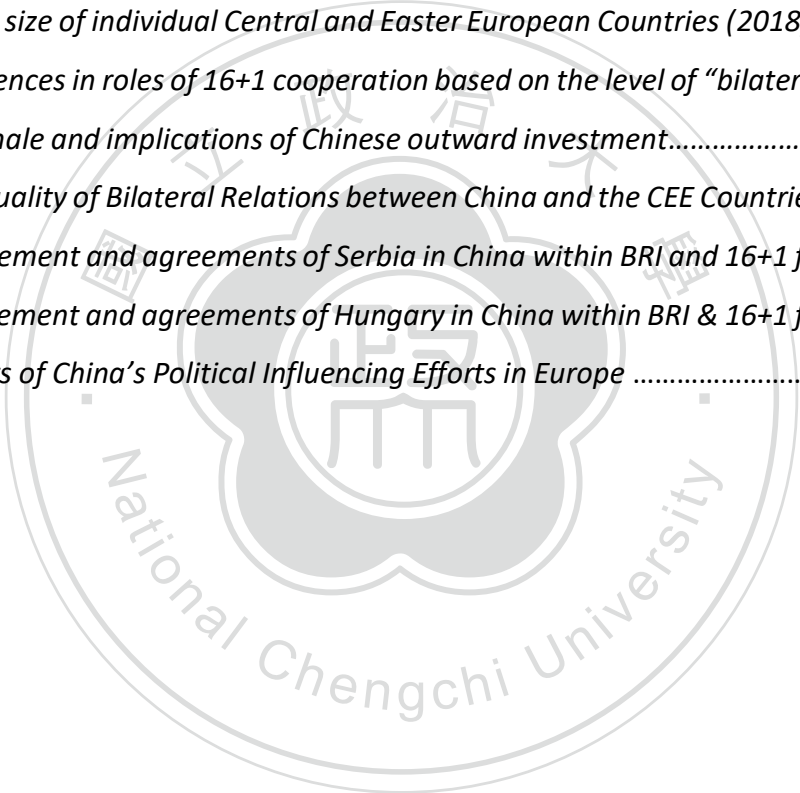
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Chapter One

Introduction and Main Research Perspective

1.1 Initial point of departure

After the collapse of the Soviet bloc in 1989, Central and Eastern Europe (CEE) hasn't been on the forefronts of the PRC foreign policy. China was also at a different point in time, holding a more passive role in global governance and general international affairs. The focus of China's policy was closer towards integrating with the Western institutions, and therefore also the mindset of the West. In fact, until 2004 the portfolio of CEE countries in the Chinese Ministry of Foreign Affairs structure was covered by the Department of Eurasia. It is that year of first EU eastward enlargement that these states were included in the Department of European Affairs.

The European Union started its comprehensive cooperation with China well over a decade ago, in the belief that its strategic engagement with Beijing, which today embodies China-EU Comprehensive Strategic Partnership, will allow it to influence the domestic and foreign policy in this most populated country to the image desired by the European liberal democracies⁴. This time in the 1990s and 2000s was also one of building of closer relationship between Beijing and Western Europe. The EU enlargements⁵ and the 2008 financial crisis re-shifted the attention of China towards region of CEE, which at the start of the present decade knew much less about the 16 CEEC's⁶ than one could expect.

The first formal meeting between of the CEEC's and China occurred one year before the official formation of the mechanism in 2011 in Budapest. It is considered that first

⁴ J. Fox and F. Godement, "A Power Audit of EU-China Relations", *European Council on Foreign Relations*, April, 2009.

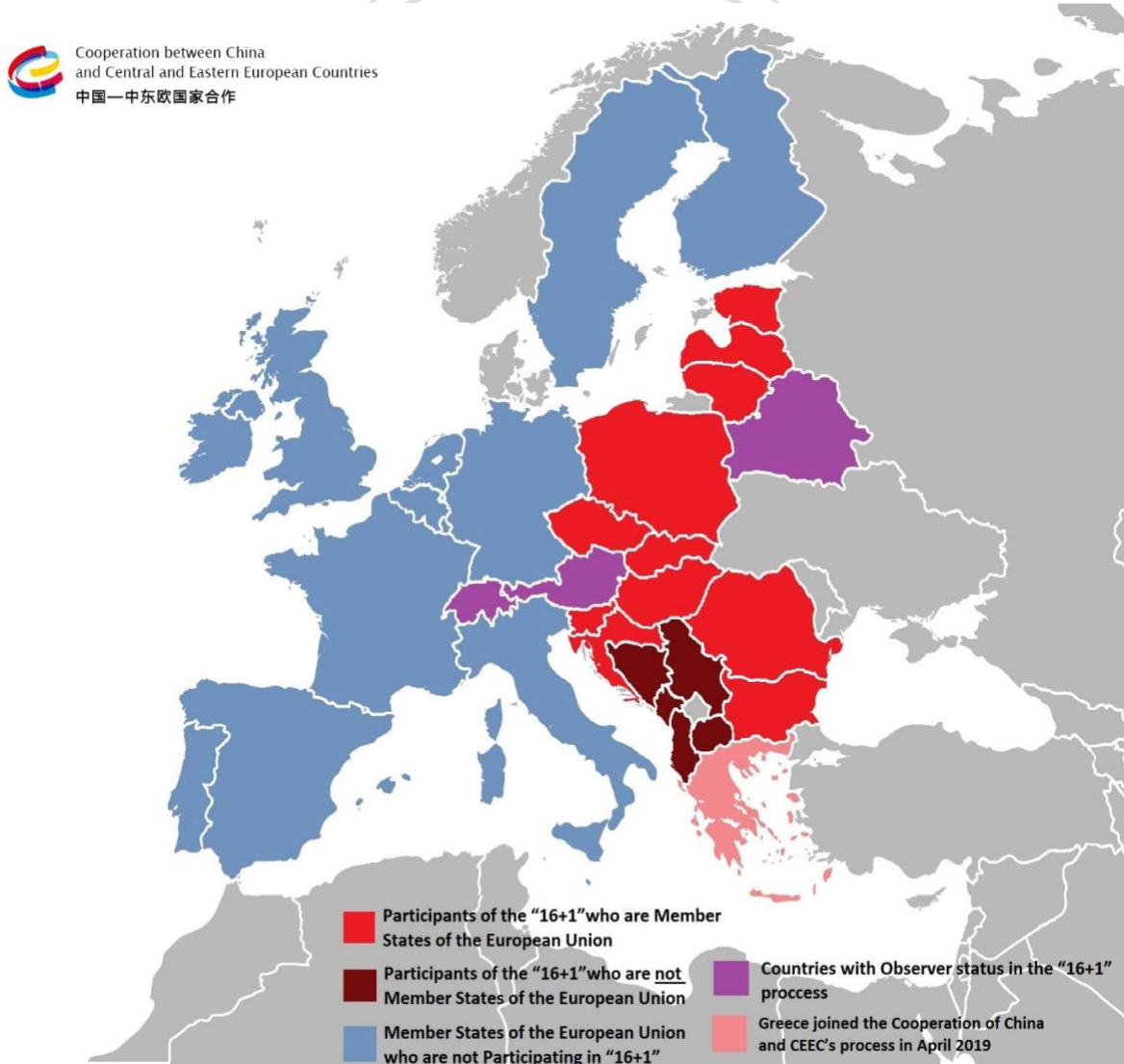
⁵ Three stages of enlargements of (i) the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia (plus two Mediterranean countries of Malta and Cyprus) on 1 May 2004, (ii) Romania and Bulgaria on 1 January 2007, and (iii) Croatia on 1 July 2013. It is worth to note that the several successor states of the Socialist Federal Republic of Yugoslavia have all declared the will to join EU thus is regarded as the "EU candidate states".

⁶ The acronym CEEC's refers to the Central and Eastern European Countries under the 16+1 mechanism, including Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia.

*Due to the work timeframe Greece is excluded in this research.

China-Central and Eastern European Countries Economic & Trade Forum held in Budapest was the initial point of departure in the creation of the discussed process⁷. The following year, a Second China-Central and Eastern European Countries Economic & Trade Forum took place in Warsaw, Poland. The meeting included the participation of leaders of China and Central and Eastern European Countries in Warsaw and then officially started what was then described as “the frame of Partnership” between China-Central and Eastern European Countries. During the same time, China became much more fluent in leveraging between the objectives and goals of the countries with whom it cooperates, including the ability to exploit the differences among certain states.

Map 1. Europe - The geographical distribution of Participants in “16+1” Cooperation*



Source: created by this author from a creative common license map; * as of July 2019.

⁷ PRC’s Ministry of Foreign Affairs, Secretariat for China - CEEC Cooperation, China, http://www.china-ceec.org/eng/msc_1/dsj/t1410559.htm.

In this decade, with what Chinese leadership calls “the backdrop of growing uncertainties” a multipolar viewpoint is becoming more and more visible in the European Union itself. Another important element on the side of the actors are also national goals and strategies, where special attention must be turned to the Belt and Road Initiative (BRI), initiative, which upon beginning of its second 5 years term⁸, evolved into a complex, multidimensional platform of international cooperation, that often places China as a “core leader”. This perception associated with the recognition of opportunities given by the globalization, multilateralism and free flows of trade and investment acts as a main driver for closed political relations with Beijing and connects the BRI with the Cooperation between China and the CEEC’s. The notion of 16+1 being an element to the BRI increases its presence in the latest years to this research, as it was underlined during the 6th Summit in Budapest in 2017, the same year the first Belt and Road Forum in Beijing took place.

For the majority of Chinese scholars, as well as the top Chinese officials including Premier Li Keqiang⁹ (leading the cooperation) the 16+1 mechanism is still considered beneficial and successful. It is a necessary (or expected) assessment, partly embodied in the concepts of the “traditional friendship” of the previous socialist states. That dates back to 1949, when most of the countries in today’s CEE region established diplomatic relations with the PRC as one of the first, just after the Soviet Union. The stated traditional friendship, or “Soviet friendship”¹⁰, acted also as a way to engage with likeminded states within Non-aligned Movement, which apart from stronger political binds provided the substitute for collective security identity, especially *versus* the so-called West. There are many traditional friendship examples set in the years between World War II and the year 1989. In the 1980s, China used that concept to “pursue its political and ideological agenda”¹¹ towards Central and Eastern Europe, which generally played a limited role in its early stages of opening and economic modernization that started 40 years ago.

⁸ Introduced in September 2013.

⁹ Based on the annual inquiries in the Chinese Academy of Social Sciences and the official post-16+1 Summit press releases of the PRC’s Ministry of Foreign Affairs.

¹⁰ A. Roy, *The Soviet Union and the Strategy of Non-Alignment in the Third World*, (Cambridge University Press, 1988), pp. 181.

¹¹ M. K. Gnoinska, “Socialist friends should help each other in crises’: Sino-Polish relations within the Cold War dynamics, 1980-1987”, *Cold War History*, vol.17, no.2, (2017), pp.143-159.

Initially, the Chinese administration didn't place enough attention on European liberal democracies and allegations of implementation of the 'divide and rule' strategy *via* the 16+1 cooperation. After several changes in the European continent including the elections in the UK, France, Germany and Austria, a closing perspective of Brexit, and the shifts in the new administration in the USA, the government in Beijing became more aligned with European integration, globalization and multilateralism¹². As to whether this move was influenced by the general defeat of populists and nationalist in 2017-2018 main European elections goes beyond the scope of this work, but the views of both China and Europe in areas of the economy, climate and security are "politically" aligned as ever before.

In spite of many differences, there are some strong similarities in the assessment of the 16+1 between Chinese and EU perspectives. According to the European Parliament Research Service "*although framed as multilateralism, in practice this format has remained largely bilateral and highly competitive*". What has been underlined in the above-cited assessment is also that the 16 CEEC's have raised a series of concerns during its first 6 years, 10 years into a post-economic crisis that is claimed not be fully addressed.

1.1.1 The issue of shifting international relations in the rise of China paradigm

During his state visit to Russia in 2013, CPC chairman Xi Jinping restarted to point out the need for the creation of a new type of international relations (IR). One year later, the Chinese leadership stated the need to abandon the "*outdated thinking from the age of the Cold War and a zero-sum game and that it is important to keep abreast with the times*". This concept has been slowly built upon over the following years. More about the idea has been stated clearly in the words by the minister of foreign affairs of PRC Wang Yi in June 2016. In his dedicated speech titled "Build a New Type of International Relations Featuring Win-Win Cooperation" the Chinese leadership tries to answer where

¹² Starting from the speech of CPC Chairman Xi Jinping on his appearance in Davos Economic Forum in 2017 – transcript available at: <https://www.weforum.org/agenda/2017/01/full-text-of-xi-jinping-keynote-at-the-world-economic-forum/>.

the IR of the 21st century should lead¹³. The document points to the element ever more evident as a common of all demands for changes, the “trend of times”, where multi-polar world and technological advancement poses challenges to a vision where “*peace, justice, and stability remains a relentless pursuit of all times*”. Above Chinese rhetoric has spilled over on every platform for its international engagement, through what is being formed as a vision featuring win-win cooperation, conforming to the purposes and principles of the UN Charter, sovereignty, equality, and peaceful consultations.

According to the MFA of China, the new international relations oriented toward the win-win cooperation carry also several dimensional shifts, including:

- **Political level** – China taking the leading role in the establishment of partnerships in the interactions with outside partners, which create a new “global partnership network”. It also tends to build a major power relationship featuring the overall stability and balanced development. Multilayered relationships are “branded” on converging interests;
- **Economic level** – a relationship based on the creation of inclusive development. It searches the path aligned with China’s priorities advocating for open, all-round and innovative development across the world, calling on all countries to improve the capacity, environment, partnership and coordination mechanism for development, and contribute their share to the strong, sustainable and balanced growth of the world economy. China has taken an active part in the discussions and cooperation on sustainable development within the UN frameworks as well as the formulation and adoption of the 2030 Agenda for Sustainable Development;
- **Cultural level** – relationships based on mutual learning that adds to the diversity and richness of civilizations. This level includes not only the exchanges but also ideologies, which are pointed to as “*respecting to the choices countries make of their own social systems and development paths and replacing confrontation and conflict among civilizations with exchanges and mutual learning*”.

¹³ Ministry of Foreign Relations of Peoples Republic of China, (2016), “Build a New Type of International Relations Featuring Win-Win Cooperation”; China's Answer to the Question "Where Are the International Relations of the 21st Century Heading", by Wang Yi, Minister of Foreign Affairs of People's Republic of China.

Since the year 2013, when several new elements in the domestic and foreign policy of PRC were presented, the points stated above became a piece of every foreign engagement with China, clearly visible and stated directly on the occasion of every high-level meeting of Chinese leadership after the year 2016.

Table 1. Key elements of the new international relations of China

Objective	Added value	Opposing too
Community of shared future	<p>Follows the evolution of international landscape</p> <p>Shared future in five dimensions:</p> <ul style="list-style-type: none"> • partnership of equality and mutual accommodation • security structure of justice • joint contribution and shared benefits • prospect of openness, innovation, inclusiveness and reciprocity • inter-civilization exchanges 	<ul style="list-style-type: none"> • Colonialism • Imperialism • Hegemonic order • Conflict and confrontation
Common interests	<p>Answers to:</p> <p>Increase in states inter-connectivity and interdependence</p> <p>Growing political will of delivering of development and prosperity</p> <p>Need for holistic approach</p>	<ul style="list-style-type: none"> • “Piece-mental” approach in IR • Escalation of differences • Zero-sum approach
Win-win outcomes	<p>Respects the path independently chosen by a given state including their:</p> <ul style="list-style-type: none"> • enlightened view of its moral responsibility • sensitive to the interests of all sides • strive for win-win outcomes 	<ul style="list-style-type: none"> • “Worshiping the law of the Jungle” in Western IR theories • Winner takes all
Emphasis on cooperation	<p>Answers to:</p> <ul style="list-style-type: none"> • subdued risk of major-power confrontation • development of science and technology • booming regional cooperation 	<ul style="list-style-type: none"> • Beggar-thy-neighbor approach • Alliance-or-confrontation mindset

Source: Adopted by this author from releases of the MFA of China.

To note at the very beginning of this research, the key element in question is that the Cooperation between China and Central and Eastern European Countries commenced one year before that (in 2012), during the last year of leadership of President Hu Jintao and Prime Minister Wen Jiabao. The stated idea of the new international relations with the focus on the stabilizing and presiding role of the “major-country diplomacy approach” tends to support grouping of the areas of its international engagement (often artificially), based on their significance towards the global governance, and international and other elements important to Beijing foreign policy. As argued by Wang J. (2018) due to China’s *“enhanced power position in the international system, Xi Jinping concluded that it is time for China to behave like a major country (power) in all dimensions of international affairs: constructing more norms and discourse, making more initiatives, taking more responsibilities, exercising more influence and providing more public goods”*. It is also due to this argument that Beijing’s foreign policy increases the number of so-called “minilateral” or “mini-multilateral” formats¹⁴, creating clusters based on the strategic objectives and geographical perception of policymakers in PRC, that in a way ought to simplify its (China’s) policy implementation.

The above elements, listed in Table 1., have been built upon over time to become contributors to the idea to create the “community of shared future of mankind”¹⁵. As stated in the speech of Yang Jiechi during the Munich Security Conference, a top Chinese top diplomat at the time of this work writing, there are four principles of thinking and vision encapsulating what China considers as a predominant of support of multilateralism, necessary to *“realize our (all mankind) peoples’ dreams for a better life”*:

- **sovereign equality** – as the most important norm governing state-to-state relations.

¹⁴ The expressions vary among the scholars, but these two are among frequently used by scholars in Europe.

¹⁵ Community of shared future for mankind (人类命运共同体) is a concept emphasized by former president Hu Jintao, and strongly advocated by current President of China Xi Jinping, who takes the large credit in the concept. It refers to the common destiny of all people. As indicated by the keynote speech of Yang Jiechi, Member of the Political Bureau of the CPC Central Committee and Director of the Office of the Central Commission for Foreign Affairs during his speech at the 55th Munich Security Conference in 2019, as the common fundamental interests of people of China and the World, the “community” requires fostering of the new type of international relations, based on the mutual respect, fairness, justice and win-win cooperation, which are the pillars of the creation of the stated community.

- **dialogue and consultation** – as the central element to the pursuit of law-based international relations.
- **the rule of law** – as central to the pursuit of law-based international relations.
- **win-win cooperation** – an essential element for achieving the common (to mankind) development.

In the same speech, the Chinese leadership points to the 15 years of the China-EU strategic partnership, an effort to build the “*partnerships for peace, growth, reform, and civilization*”.

Listed reflection on the shifting IR perspective of China points to the cross-regional relationship, where multilateralism plays a key role. In the case of this relationship (China and Europe) there is one of the early examples of regional minilateral formats is the Cooperation between China and Central Eastern European Countries, established with the involvement of the previous CPC leadership, almost exactly one year before the introduction of the Belt and Road Initiative (BRI) concept¹⁶, and the reemergence of concept of building the new IR. China began to note the significance of the region a bit earlier, which resulted in the first block meeting from their initiative in 2011 in Budapest¹⁷. A year after in Warsaw, Poland, the first Heads of Government Summit was held officially, which started the mechanism. The following summits took place in Bucharest (2013), Belgrade (2014), Suzhou (2015), Riga (2016), Budapest (2017), Sofia (2018) and Dubrovnik (2019), and are expected to continue in China (2020) and again in one of CEEC’s in 2021.

1.2 Literature Review

A large portion of the identification of the Participants within the 16+1 process draws the attention to the perspective of possible contributions to the national development strategies, enhancement of trade and investment as well as connectivity related potential buildup. It is therefore largely associated with the idea of shifting from the realist traditional military power relations based on the search for national security

¹⁶ At first called the Silk Road and Economic Belt (SREB) in 2013 and the One Belt One Road (OBOR) in 2014.

¹⁷ An event referred to by the Hungarian officials and selected experts as the first “zero summit” starting the mechanism.

towards the emphasis on stability, prosperity, and sustainability, with the support of the global governance system that is conducive to the economic development (Bhatty)¹⁸. In fact, in the early 1990s there were some predictions of the rise of additional actors in the international arena, that would start the shifts in the world economic order after 1989 (the beginning of the fall of communism in Europe). Even at the time, they were based on the tri-polarity of U.S.-Europe-Japan relations (excluding China), which shown to be very much correct (Bergsten 1990)¹⁹. The main player driving that contemporary shift is the People's Republic of China, which puts a new sense in the revival on some realist based approaches, causing intensive academic debates on the relevance how to interpret an actor within tested theoretical frameworks, an actor who claims that remarkable changes are required to search for the new mentality, ignoring the realist theories and perceive the rise of power in a mixture of constructivist and neo-functional way. As much as this ongoing phenomenon impacts the stated academic debate, in this work, there is a three-level theoretical approach that is applied within three chapters, utilizing ideas from realism and neoliberalism for the global perspective, neo-functionalism for the sub-regional perspective and economic interdependence for bilateral level.

1.2.1. Concept of sub-regional regional interdependence

The idea of complex interdependence has been developed over a decade earlier by two prominent scholars, Robert Keohane, and Joseph Nye, who have challenged the predominant post World War II realism by underlining the role of transnational actors performing *vis-à-vis* a given state in question. It became the core component of the neoliberal perspective in international relations, making a special run for the tool of analysis of international policymaking. This idea is still valid in many cases when voluntary cooperation between the two states is being analyzed. Furthermore, both scholars argued, that with the enhanced role of a global governance system based in international institutions, it caused a permanent shift in international relations related to interdependence with particular emphasis on economics.

¹⁸ A. M. Bhatty, "Great powers and South East-Asia: Post-Cold War Trends", *Pan Geographic Ltd.*, (1996).

¹⁹ C. F. Bergsten, "The World Economy After the Cold War", *Foreign Affairs*, Summer, (1990).

Interdependence can be also perceived from different levels of analysis like power, multidimensional specifying power relations (either relevant or irrelevant to the overall interdependence), or the distinctions between potential power and actual power, including intentions and motives for cooperation, power costs, power resources and question of reciprocity in the relationship (Baldwin 1980). This complexity, therefore, poses some challenges in the operationalization of researched concepts, requiring additional efforts to do it correctly.

In contemporary international relations, a large portion of relationships and interactions is perceived in the context of interdependence. The general idea of promoting of global order by expanded political and economic ties bring in the theory of liberalism, where it is argued that international politics can no longer be divided into “high” and “low” and that the states tend more often to engage in cooperation than competition. In the economic liberalism, the concept of interdependence states that the expansion of global trade and investment blurs the distinction between domestic economies, individual states and the overall world economy (Nye 1977). It is also important to note, that the idea of complex interdependence may not be a zero-sum game, as it reflects contradictory views of power politics and economic liberalism (this is also a link to the aforementioned idea of the Chinese IR of the new era). Furthermore, it can be stated that according to this theoretical school, the stake of realist military power, and therefore aspects of security (or regional strategic interests), remain significant in spite of growing emphasis on economic interdependence.

The transformation with the increasing play of international institutions present in the 1980s pointed to another theory in international relations, mainly the neo-liberalism, which was dominating the ideology of the leaders of the Western World, UK’s Prime Minister Margaret Thatcher and the U.S. president Ronald Regan. It refers to the important role of international institutions like the World Bank or International Monetary Fund and neoliberal policies, as the best path of development reflected in the Washington Consensus. This consensus became the widely accepted model of economic development based on open trade policies, privatization, and deregulation (Williamson 1989), which has been implemented among others in Central and Eastern Europe in the 1990s.

The need for the additional international standardized global governance can be based on the argument that it is important to understand the ideas of relative gains, which are based on the number of stakeholders, and the degree to which the military context remains relevant (Snidal 1991). Another fault in a non-institutionalized world is to understand the behavior of particular states, which face certain problems when they seek mutual cooperation (Keohane, Martin 1995) – they either worry the other part will be dishonest (as in Prisoners Dilemma) or have problems of coordination towards a collective effort without the unified framework. The institutionalist theory arising from this debate indicates, that *“in a world politics constrained by state power and divergent interests, and unlikely to experience effective hierarchical governance, international institutions operating on the basis of reciprocity will be components of any lasting peace”*²⁰.

The stated international relations theoretical approaches can explain the rationale behind the identification of political course in a given relationship. They can also unwrap why certain countries decide to perceive a more advanced form of enhancement of economic and pro-developmental aspects of interdependence distancing for the risk of growing conflict. A particular role in theoretical debate in this regard is directed to neo-functionalism. It builds on the past research of regionalism and rationale behind it, which initially were developed to theorize the European integration, based on the particular case of European experience (Soderbaum 2011). In further analysis, it is argued that to understand the regionalism it has to be perceived both in exogenous and endogenous perspectives. These two-layered approaches indicate that on one hand regionalism is triggered by the overarching impact of global transformation, and on the other, that it is shaped on the regional level by different actors involved in a given process.

The argument stated by the author points to another element in the analysis of the Cooperation between China and Central and Eastern European Countries, which is its role in globalization as well as shaping the regional interdependence. Based on the theoretical arguments it can be stated, that the 16+1 cooperation combines the two levels presented in neo-functionalism theories on regional integration, performing a role

²⁰ R. O. Keohane, L. L. Martin, “The Promise of Institutional Theory”, *International Security*, Vol. 20, No. 1, (1995), pp. 39-51.

in implementation of the Belt and Road Initiative (utilizing the concept of globalization) and the “grassroots” demand for economic regional integration, largely driven by individual countries participating in the process, with additional demand from non-EU countries.

A discussion about the Western view on a model of economic progress and economic interdependence in this research must touch upon the “alternative” to the Washington Consensus, that addresses the words of critic associated with the flows of the system, often blamed to be the source of the financial crisis in 1997 and 2008. In the year 2004, Joshua Cooper Ramo presented the idea of the Beijing Consensus (BJC), a model with a more casual approach to referring to a unique path of development, that refers to the individual choices and national conditions rather than a strict prescription of the Western alternative. Even back then, Ramo noticed that what was happening in China at the time *“is not only the model for China, but has begun to remake the whole landscape of international development, economics, society and, by extension, politics”*²¹. He also states that the BJC does not refer only to economics, but reach also into the area of politics as well as changes in the global balance of power, which referred to the concept of China’s rise. It also includes the elements of non-interference and self-determination, which point to the peacefulness of the predicted (with no-fault) rise of the PRC. The above idea referred to the remarks presented by the Chinese leadership that influenced the next 2 decades (therefore including the timeframe of this research) branded as a period of “great strategic importance”²².

Another element allowing to asses more complex interdependence is the concept of leverage, that although is not clearly conceptualized in the context of interdependence, it is often substituted with words like influence or ability of its generating (Pavlicevic 2019²³). According to Pavlicevic, the stated ability to influence actions of different counterparts does not exist in a vacuum, therefore it is necessary to try to asses any given relationship in the context referring to other relevant actors and

²¹ J. C. Ramo, “Beijing Consensus”, *The Foreign Policy Center*, (2004).

²² Jiang Zemin Report at 16th Party Congress, PRC, November 18, 2002. https://www.fmprc.gov.cn/mfa_eng/topics_665678/3698_665962/t18872.shtml

²³ A chapter by D. Pavlicevic, “A power shift underway in Europe? China’s Relationship with Central and Esstern Europe Under the Belt and Road Initiative”, in book edited by Xing Li, *Mapping China’s One Belt One Road Initiative*, (2018), Ch. 10, pp. 249-278.

factors. For this study, those additional relationships are the EU as a main regional actor, and the Belt and Road Initiative, which is one of the most significant “influencers” in the sub-regional cooperation mechanism analyzed in this research. He also argues that leveraging happens only in the case when certain influence is projected on any given counterpart involuntarily. In the context of this study, this also requires the mapping of the resources and platforms of projecting of the influence or building the impact in a relationship that results in shifts of interdependence. In this case, these are not only the economic or hard power elements but also soft power ones, that build into more complex regional interdependence.

Table 2. Elements of leverage framework – a tool in interdependence shaping.

Source of leverage	Indicators
Economy An ability to provide or withdrew economic benefits, such as financing, investment, and trade	<ul style="list-style-type: none"> Substantial dependence of CEE on China as a source of finance, investment, and trade
Politics/diplomacy An ability to provide beneficial political arrangements and diplomatic support	<ul style="list-style-type: none"> Substantive integration of CEE into China-favored organizations and mechanisms Consequential support from China on key domestic and international issues
Security An ability to provide beneficial security arrangements and affect counterpart’s security	<ul style="list-style-type: none"> Substantive integration into China-favored security organizations and mechanisms Military capabilities and security presence sufficient to increase or decrease CEEC’s security or alter related perceptions
Soft Power Resources An ability to shape behavior of others through attraction of ideas, institutions, and politics	<ul style="list-style-type: none"> Positive domestic perceptions of China Application of norms and practices associated with China
Context China’s capabilities are greater than the EU’s	<ul style="list-style-type: none"> China outscores the EU on the above indicators
Intention China aims to establish itself as a regional power	<ul style="list-style-type: none"> China’s objectives are to influence internal and external affairs of the CEEC’s and weaken the EU’s position in the region and the EU as a whole

Source: Copied by this author from Pavlicevic (2017) in Xing Li “Mapping China’s One Belt One Road Initiative”, Ch. 10, p. 249-278.

1.2.2 Concept of regional integration

The contemporary international relations have many examples of work explaining different views on regionalism and inter-regional relations. Neo-functionalism as a macro-level theory can provide a coherent explanation of processes leading towards the market and political integration, including institutional changes (Moga 2009; Stone Sweet 2012). According to Stone Sweet, any successful theories of institutionalization are based on the positive feedback or returns of specific institutional arrangements. In the case of neo-functionalism, the creation of a supranational authority can lead to changes in behavior or perception of the actors, who due to these deliverables are willing to expedite some of their resources and policymaking to the supranational level. One of the best available examples of such a process is the creation of the European Community initiated among others by the French Planning Commissioner Jean Monnet and French Foreign Minister Robert Schuman²⁴.

The neo-functionalism theory brought by Ernst Haas in 1958 was based on the studies of integration processes from the Treaty of Paris in 1951 to the Treaty of Rome in 1957. It focused on the processes in making rather than an evaluation of the status in these efforts, that by looking on political parties, trade stakeholders, and individual governments, evaluated the drivers of change that can explain the reasons for observed regional integration processes. One of the most important statements of Haas at that time was that *“major interests’ groups as well as politicians determine their support of, or opposition to, new central institutions and policies on the basis of a calculation of advantage”* (or alternative costs). He also underlined that the acceptance of any voluntary governing scheme is driven not only by ideological and social fragmentation but also by sharing values and mutual consultations. The theory has been later discredited by its own creator, who in 1975 called these theories *“obsolete in Western Europe”* due to lack of practical evidence of institutional movements for further integration associated with the increasing impact of global interdependence – that today is referred to as the *“globalization”* (Haas 1975, Stone Sweet 2012). The idea that the globalization processes will make Europe more fragmented and reduce the drive for

²⁴ EU Pioneers, European Union. https://europa.eu/european-union/about-eu/history/eu-pioneers_en.

further integration didn't materialize in time. Today the EU became a multilayered and multilevel governance entity, where policymaking is distributed among different levels and internal bodies, that performed shared actions based on structured distribution. Based on these arguments it could be also argued, that the same globalization process over the following decade created an un-stated (without any accountable actor) interdependence with emerging economies, which need to uphold it in order to sustain its own economic development.

A new updated form of neo-functionalism was developed in the 1990s by James March, Johan Olsen, and Alec Stone Sweet. It was a derivative of the analysis of institutional dynamics of international politics, and variables being the elements of institutional approaches to politics (March and Olsen 1998; Stone Sweet 2012). According to March and Olsen, an institution can be understood as a stable collection of practices and rules that define appropriate (expected) behavior for a given set of stakeholders in a given situation, where institutionalization refers to "the emergence of institutions or and individual behaviors among them"²⁵. Actors that participate in these processes are (i) the transnational society, (ii) supranational organizations with autonomous capacities to resolve conflicts and develop rules of engagement, and (iii) any normative structures that define the political identity, whether based on collective identity or capacity to mobilize resources or organize interaction frameworks. As argued by the above three scholars, the integration processes do not have to result in shifts of national competences of higher, regional levels, but can have substantial rooms for expansion of selective supranational governance, without ultimate shifts in identification.

An important variable is an identity, which works as the determinant and consequence of integration processes. This might be the level of attachment to a given country or territory, fear of other identities and cultures (Carey 2002), or a more conceptual approach towards identification on what compose a group, what are its attributes and in what way a group differentiates itself (Herrmann, Risse, Brewer 2004). It is argued, that an increase in the individual identities in a region (Europe in that case) does not result in a common identity. This is mostly due to existing diversities in what is

²⁵ J. G. March, J. P. Olsen., "The Institutional Dynamics of International Political Orders", *International Organization*, Vol. 52, No. 4, (1998), pp. 943-969.

considered as the European region. Identity is decisive not only in regional integration but also in multi-level governance frameworks. In the case of this study, similarly as in the case of research made on European integration itself, it may be classified as distribution among European, national, and any other identities, that impact the decision-making processes on any stakeholder level.

The neo-liberal approach can also help to understand the relationship between regions. Although an analysis of EU identity status mentioned above in a way disagree with neo-functionalism – that underlines correlation between institutional changes and changes in identity – there are many elements that can be useful in understanding on how the identification within CEEC's changes, and to what extent it impacts both the enthusiasm of participation in the 16+1 process, as well as the overall China-EU cross-regional relationship. Still, for the use of this research, the application of neo-functionalism may explain why growing economic interdependence within CEEC (sub-regional interdependence) and elements emphasizing identification constitutes the two crucial independent variables.

The most common look on inter-regional links are viewed by the use of many IR theories. From the realists' point of view, they see the interactions as coalitions and alliances (Robles 2008) with zero-sum game characteristics. To anyone who looks at how China develops its contemporary foreign relations, at least officially, that is rather not a preferred approach, which additionally calls for a more institutional perspective. There are many academic works that underline the multidimensional aspects of inter-regionalism, that point to classifications including bilateral inter-regionalism, bi-regionalism or pure inter-regionalism (Zhang 2001²⁶). In the case of the relationship like 16+1, from a normative perspective, it should be perceived as a multi-bilateral relationship, that utilizes an innovative platform of group-to-state dialogue based on structured meetings, centered around the framework of annual summits and cooperation mechanisms in specific policy fields. According to Zhang, the idea of inter-

²⁶ Zhang Yongjin referring in his paper to the following works by J. Gilson, "Concepts of Inter-regionalism," in *Asia Meets Europe: Inter-regionalism and the Asia-Europe Meeting*, ed. by J. Gilson, (Northampton, MA, USA: Edward Elgar Publishing, Cheltenham, 2002); H. Haggi, "Interregionalism: as a multifaceted phenomenon: in search for a typology", in *Interregionalism and International Relations*, ed. By R. Roloff, J. Ruland, and H. Haggi, (New York: Routledge, 2005); J. Rüländ, "Interregionalism: An Unfinished Agenda", in *Interregionalism and International Relations, Asian-European relations: building blocks for global governance?*, (Routledge Contemporary Asia Series, New York: Routledge, 2008).

regionalism can also help to overcome the “discriminatory power balance”, by introducing additional opportunities for small and medium states to influence the decision-making processes. This however requires creation of a non-government actor, that can act as a proxy in balancing of that “uneven” relationship. A natural subject that can be drawn within the 16+1 platform is the Central and Eastern Europe region. The innovative factor in 16+1 cooperation, similarly like in the case of bi-regionalism based in a group-to-group relationship, is that it utilizes the institutional infrastructures provided by each side. In the case of China, such an infrastructure could be seen as the Secretariat for 16+1 Cooperation established in PRC’s MFA, whether on the side of CEE as a region or on the side of individual states there are no such platforms unless we consider the particular areas of cooperation.

As has been already stated, the EU represents a kind of a benchmark in establishing the models of regional integration. There are however many elements, explaining initial withdrawal from neo-liberalism in the 1970s, that underlined relatively high divisions within the continent in case of sectors, economies, societies, and development. In some of the CEEC’s it is understood as the “two-speed Europe”, a notion, which carries the potential of reversing some of ongoing integrations processes²⁷. That concept was first introduced as the recognition of concentric circles in Europe in 1989²⁸, based on the idea that it is not easier to reach consensus on particular issues if there are too many parties involved, an argument similar to the one explaining the genesis of minilateralism, where the parties directly involved in some areas of cooperation should be the center of interaction. This notion subdividing the EU based on different criteria (like Euro currency, Schengen area, areas receiving structural funds, etc.) could be applied to analyze other more sub-regionally focused platforms of cooperation.

One of the important projections of symbolic power is the captivity “to make groups, constitute them, or to destroy them”²⁹. The definition of regional identity as a

²⁷ B. Sobotka, “Two-speed Europe is a mistake”, *Politico*, December 6, 2017.

<https://www.politico.eu/article/bohuslav-sobotka-oped-two-speed-europe-is-a-mistake/>

²⁸ M. Mertes, N. J. Prill, “Der verhängnisvolle Irrtum eines Entweder-Oder. Eine Vision für Europa”, *Frankfurter Allgemeine Zeitung*, July 19, 1989.

²⁹ M. Eagleton-Pierce, *Symbolic Power in the World Trade Organization*, (Oxford University Press: Oxford, UK, 2013), page 64.

theater of engagement of China is a case in many platforms analogical to 16+1, like Forum on China-Africa Cooperation (FOCAC) or China—Community of Latin American and Caribbean States (CELAC), but not in the case of CEE. As argued by Vangeli (2018), China created the boundaries of the CEE region (16 states) by exercising its power “*as comprised by countries that only China considers as the part of the region*”. One of the elements that have been reflected in this study multiple times are the references to shared communist past lasting for many decades, that has strong recognition in Chinese leadership until today. It is important to underline the year 1989 that started the fall of communism in the CEE region. Above, together with events in Tiananmen square in 1989 (the first semi-democratic elections in Poland that started that process happened on June 4th, 1989, the same day as the events in Beijing) were one of the most shocking events during the existence of the CCP, and had a large impact on the development of Chinese foreign policy towards the European continent. Still today they are regarded as ones of strong relevance, also in the areas of strategic cross-regional cooperation including security³⁰ or human rights issues³¹. Nevertheless, as reflected by this author, the memories of socialist times in most of the CEEC’s are associated with rather negative feelings and some traumatic experiences, which tend to be ignored and largely underestimated by the Chinese side as the potential destabilizing factor in the creation of a trans-regional common denominator and its successful assessment. An example of these differences in practice was the boycott by some leaders of the CEEC’s of participation in the opening of the 2008 Summer Olympics in Beijing over the events occurring in the region of Tibet³².

Still today, many of the bilateral bonds are associated in China with the reemergence of cross-regional cooperation from the 1980s, and many elements underlined during events celebrating the establishment of diplomatic relations are referring to visits of communist leaders from the years of the Cold War and before. As

³⁰ i.e. EU’s 15-year ban on arms sales to China <https://www.nti.org/analysis/articles/european-union-and-arms-ban-china/>.

³¹ “Statement by High Representative/Vice-President Federica Mogherini on the 30th Anniversary of Tiananmen Square event”, EEAS, June 4, 2019. https://eeas.europa.eu/headquarters/headquarters-homepage/63615/statement-high-representativevice-president-mogherini-30th-anniversary-tiananmen-square-event_en.

³² J. Libellant, “Passing on the Torch”, Slate, April 11, 2008. <https://slate.com/news-and-politics/2008/04/why-are-world-leaders-boycotting-the-opening-ceremony-of-the-beijing-olympics.html?via=gdpr-consent>.

underlined by Szelenyi (2015), the CEEC's project "*proclaimed anti-communists disregard previous irreconcilable differences in favor of the discourse originally developed by China*", which exemplifies the symbolic domination in that region. This logic underlines that China can be regarded as successful in the reemergence of the shared identity of the CEE region doing it on the basis of an ideology that is foreign to Chinese civilization (communism), which have been rejected (officially) by most members of EU, and is unattached from general contemporary European identity. It also brings some elements of that past shared political ideology, like the value of patriotism, religion and traditional family values that constitutes to so-called post-communist neo-conservatives. Contemporary CEE liberal social formation is not sharply formed, and therefore the post-communism does not pose a direct path from communism to liberal democracy, which can be claimed to contribute to still evident traditional bonds with China (Csillag, Szelenyi 2015), and explaining why the traditional friendship argument is still considered of being relevant in the 16+1 cooperation. There is also an argument of satisfactions of the deliverables of the Western economic model, which didn't deliver so far as many results in the CEE region as was expected in the early 1990s. That in a way stimulates demand for development that could be matched with potential Chinese supply (Vangeli 2018).

1.2.3 The re-conceptualization of China-rise

The famous writer Mark Twain once said that "history doesn't repeat itself, but it does rhyme". According to Johnston A. I. (2012), most of the IR scholars researching the transatlantic and European relations do not focus on the lessons learned from the region of East Asia, even though most of them consider that region as the area of special importance. He also points out that the theories of realism and power transition are valid mostly in analysis of the West, and the structural approaches are not considered to fully reflect that region. One of his arguments is that with all the attention attached to the topic of China's rise in case of power transition theory, for most of past two decades it was not been perceived as a revisionist power (or as pointed in 2019 in the

UE strategic outlook on China, a “systemic rival”)³³. Also, in case of other countries, he points to the fact that few if any regional powers move to balance the increasing Chinese influence, while rather choosing to focus on building economic links with the Middle Kingdom, including binding it in existing institutionalized frameworks or partnerships with countries like the U.S. As analysis of views from Kang (2010) underlines, for most of the past millennium East Asian relations were centered by a Sino-centric Confucianism hierarchy. David Kang in his book *East Asia Before the West: Five Centuries of Trade and Tribute* argue, that East Asia was a region with longest “centralized” territorial rule in the World, which include also a larger international system of “non-Confucianized” states, engaged with China in a tributary system of relations.

In his research, Zhang Yongjin³⁴ (2011) points to the early existence of extra-territorial institutions and practices at the time centered around sovereignty, diplomacy, the balance of power and rituals. The concept of external sovereignty meant the ability to engage in international agreements (treaties, wars, diplomatic relations). Diplomacy referred to court visits and conferences as well as the existence of spies and hostages. The balance of power was evident as early as the Warring State period, and played a significant role in the formation of widely accepted norms and behaviors, mostly on moral rather than legal level.

Another important element of formation of the ancient Chinese IR system was the idea of harmonious co-operation and co-existence, which with time helped to create a tributary (or tribute) system of Chinese IR, that expanded to Central and South-East Asia already in the 7th century. According to Zhang, “*the existence and expansion of the tribute system were underlined by basic assumptions of the superiority of the Chinese civilization*”. Furthermore, in describing the practical level of that relationships, he points that the tribute system transformed into institutional complex sustained the co-existence among all of the subject in the Chinese empire, peripheral political communities and eventually the European states. A natural question for all of the above formations is why there is a need for a different approach than in the case of the

³³ “EU-China – A strategic outlook”, European Commission, March 12, 2019.

<https://ec.europa.eu/commission/sites/beta-political/files/communication-eu-china-a-strategic-outlook.pdf>.

³⁴ Y.J. Zhang, “System, Empire and state in Chinese international relations”, *Review of International Studies*, vol. 27, (2001), pp.43-63.

European continent. The answer provided by the stated author, related to the binding hegemonic belief in the moral purpose of the state is directly embodied in already mentioned Confucianism. After the analysis related to the arrival of the Europeans in China and the first political exchanges between China and Europe, he points into incompatibility of the tributary system of China and treaty-based English system imposed on China. The shift in IR present in the 19th century triggered many problems in Confusion based culture, which started to perceive the European regional expansion as the “traditional barbarian invasions” of the past. Another important idea by Lucian Pye cited by Zhang (2001), is that “*China is not just another state in the family of nationals. China is a civilization pretending to be a state*”. The above brief historical background and argument for the explanations of the slow alignment of China into the Westphalian global governance system point to many elements evident in the proposed “Chinese new IR of the new era”. It also shapes the foundation for many intersections of contemporary China with the outside world.

In policy debates and theoretical discourses on the nature of China’s rise, there are two significant dominant analytical perspectives. One is related to the Chinese past experience and European Colonialism, and another to the soft-power concepts connected to post-Cold War international relations (Su-Yan Pan, Lo Tin-Yau 2017). It is therefore necessary to adapt the two approaches to create a more flexible conceptual framework, that would be better in explaining China’s strategic actions at a regional and global level. To achieve this goal, Pan and Lo proposed a “*neo-tributary*” analytical framework for analyzing China’s rising status. The framework is based on four categories of conceptualization:

- *Chinese exceptionalism.*
- *Trade and diplomacy linkages.*
- *Cultural assimilation.*
- *Image building.*

As some elements related to the Chinese exceptionalism and the trade linkages (economic interdependence) has already been touched upon in the above parts (related to the risks of the rising phenomenon), it is important to point to other elements related

to “victimizing” the Chinese nation that create the domestic drive for political transformation and impacting the Chinese Society. It has been widely noticed that in the 1980s and beyond, Chinese authorities used the history of Japanese colonialism for political and diplomatic purposes. It the stated time some references to the regional presence of powers like Germany, France and the United Kingdom were also evident as contributors to the paradigm of two centuries of the humiliation of the Chinese nation. That is only one of the dimensions of the Chinese exceptionalism that can be utilized in understanding the actions and Chinese political drive behind the “rejuvenation of the Chinese nation”, an objective that will be discussed in the following parts. There is also exceptionalism based in Chinese self-identification as the representative of the emerging economies, with significant potential to provide universal development solutions (exporting of the political system), applicable for the majority of states.

In order of connecting the foreign policy objectives of the PRC with some of the liberal schools of IR, one must be recognizing the role of soft-power *vis-à-vis* hard power. Joseph Nye (1990) developed three pillars of soft power, being the political values, culture and foreign policy. These elements, their potential attractiveness, and the progressing impact can help to persuade other actors to engage in more cooperation in the search of common objectives. The common culture was the core of the multi-state system in ancient China, which over centuries reinforced common identity as well as common morality. The main difference that forms the historical experience, clearly not the case in contemporary China, is the fact that in the past five centuries the culture rarely extended beyond the Chinese cultural area (Zhang 2011). The original concept of soft power excluded the financial and economic aspects as it elements (they are nevertheless hard in nature), but from the analysis in this research it is clearly evident that China rewrites the definition of soft power, including new tools like financial aid and investments, often branded as the framework of international (global) public goods, but still carrying their coercive nature. Back in 2007, President Hu Jintao (the same leader who “sign off” the 16+1 platform) in his keynote speech to the 17th NPC of CPC pointed out the value of culture as a vehicle of national cohesion, and the need to *“enhance culture as part of the soft power of our country to better guarantee the people's basic cultural rights and interests, enrich the cultural life in Chinese society and inspire the enthusiasm of the people for progress”*. The use of soft power is widely

applied in IR theories, as a mean of wining battles without firing any shots. It is therefore only logical, that Beijing uses it in more broad ways to project itself into the world stage (Pan and Lo 2015), and enhance its presence in desired regional areas.

Another element explaining the practical applications of neo-tributary theoretical framework is related to the shift in the economic dimension. Based on objectives of the Chinese contemporary political discourse, evident in the analyzed (by this author) releases of bilateral engagements, as well as speeches of Chinese leadership. They point to the increasing value of international norms and the rule of law, with emphasis on globalization based on economic multilateral governance systems, helping in the restoration of once undeniable greatness of China. Since the early 2000s, China began economic expansion to the outside world by becoming an important stakeholder in Asian and European economies, which started to point to a new geopolitical pattern. This pattern, as often argued in the analysis of more realist oriented analytical clusters (i.e. RAND 2018), indicates that a new largely Sino-centric regional and sub-regional order is being formed (with the particular role of the Belt and Road Initiative³⁵).

The aforementioned analysis by this author of the agreements of bilateral visits and multilateral formats of Chinese leadership in the Eurasian landmass (2014-2018) points to the broad commonality, the link between trade and diplomacy. Most of the foreign investment decisions, the market expansion, technology acquisitions, and innovative sectors cooperation transcend into political objectives, together with a growing politicized role of Chinese state-owned enterprises. The so-called dollar-diplomacy, or what some analysts call as a “green development” (referring to the old color of USD banknotes) becomes an important element of an analysis of the general system of Chinese sub-regional cooperation.

Another analogy to the tributary “traditions” in neo-tributary system are the rituals (the fourth element forming the ancient Chinese extra-territorial institution). As pointed by Pan and Lo, the analogies to the ancient rituals in the tributary Chinese system “*are exemplified by PRC-prescribed requirements for foreigners accessing China’s market, higher education and political network, particularly language proficiency*”. A

³⁵ “How are various countries reacting to Belt and Road Initiative”. Carnegie-Tsinghua Center for Global Policy, April 25, 2018. <https://carnegietsinghua.org/2019/04/25/how-are-various-countries-responding-to-china-s-belt-and-road-initiative-pub-79002>.

good example of that is the compulsory year-long Chinese language education for foreign students on government scholarships. Referred to issue brings another connector in reshaping of the relationships between states from the ancient China, where the previously stated Confucian shared identity created a common identity among states. An interesting case of the tools in contemporary China conducive to the reinstating of that concept in today's relationships are the Confucius Institutes (CI), which even though localized in the foreign education institutes, unlike their counterparts from Europe (Cervantes Institute or British Council) are under the ultimate authority of the PRC State Council. The topic of the real role of the CI itself falls outside of the scope of this work, but its political significance is well represented by the requirement for the CI in the U.S. to register under the Foreign Agents Registration Act³⁶.

The role of cultural exchanges and support of general people-to-people exchanges points to the fourth element of conceptualization of the neo-tributary system, the image building. The complete internal and external Chinese propaganda system, as well as political actions, tend to support the image of China as an increasingly responsible and supportive member of the international community, which continue to utilize the ancient virtues of peace and harmony to create the creation of previously mentioned "community of shared future for mankind".

The relation to power in a sense of culture and ability to shape a portrait image of PRC can be supported by the claim that power has three main dimensions (Lukes 2005). The first refers to the ability to win conflicts or projections of influence. The second is the ability to influence elements driving the decision-making processes. The third is the ability to shape the preferences and behavior of other actors. Based on these three classifications it can be argued that China utilizes hard to measure symbolic power rooted in its economic rise and diplomatic activities and utilizing high degrees of creativity to hide its true meanings, and as a result lead its counterparts to misrecognition of ways how Beijing promotes common beliefs present in the global political economy (Vangeli 2018).

³⁶J. Xu Klein, "US lawmakers seek to force Confucius Institutes to register as foreign agents", *South China Morning Post*, March 22, 2018. <https://www.scmp.com/news/china/article/2138313/us-lawmakers-seek-force-confucius-institutes-register-foreign-agents>.

It is also evident in the literature on the subject that an increase in Chinese diplomatic efforts is directly associated with the urge to promote the “Chinese Solution” (more frequently referred to as the Chinese model) in tapping the economic demand, with use of state capitalism, blending selected market mechanisms with overall control by the party and the state. As pointed by some EU think-tanks (i.e. ECFR 2018), in spite of the proclaimed ongoing opening up of the Chinese economy, the political platforms developed under guidelines of president Xi Jinping are examples of using state-owned enterprises (SOE’s) as means of implementation of “hidden” political (domestic) agenda of Belt and Road Initiative, and narrower lateral platforms (like 16+1). In fact, many of post-2013 analysis point to the fact that the Chinese companies are still treated in a preferential way over their foreign counterparts, and that the SOE’s have significant advantages over other economic actors, especially those branded as foreign (ECCC 2019)³⁷. Pointing to these perspectives, apart from linking the research relationship with an overall context of a shift in global IR, underlines also the validity of the three-layered level of the analysis presented in the following parts of this work.

1.2.4 Cross-regional engagement between China and CEEC’s

A large portion of research on 16+1 touches upon realms of economy and investment, which indicates that these are the most important subjects of analysis in the topic. This recognition has also two main focuses, where one looks on the issue as a positive assessment (achievement of results), and the other as a negative assessment (lack of deliverables)³⁸. The level of analysis usually relates to the use of partial statistical data rather than comprehensive politico-economic analysis. There are nevertheless many analogies associated with common elements like historical experiences, the potential conflict with the EU *vis-à-vis* China, the risk of long-term financial obligations, and analysis of the less or more detailed structure of economic interdependences shaping the complex network of the cross-regional and sub-regional partnerships in question.

³⁷ “European Business in China - Business Confidence Survey 2019”, European Union Chamber of Commerce in China, Beijing, 2019.

³⁸ Another duality in methodologies showing general bipolarity of the analysis of the platform.

Cooperation between China and CEEC's support the cross-regional cooperation also in the case of creation of values in which the countries should engage each other. There are four main ways in which 16+1 promotes a "new type of international relations" (Liu 2017)³⁹. The first one is that it's not rejecting third parties and promotes the idea of open and inclusive international relations. The second is adherence to mutually beneficial cooperation, including the handling of differences and divergences. Liu claims, that efforts directed for accession and enlargement in the CEE region led to unbalanced regional development. The 16+1 through "wise and flexible" handling of differences helps to seek out common ground. The third is that it never engages in a zero-sum game, but takes core interests and major concerns into full considerations. This should also include the core interests of the EU. The fourth and last one is that 16+1 creates cooperative platforms through consultations, however, this goal is difficult to fulfill due to global and domestic uncertainties faced by the CEEC's.

The 16+1 cooperation is also an element of cross-regional engagement due to its complementary (or supplementary) aspect of the BRI, "the pragmatic formula without political goals", with the main rationale focused on bringing mutual benefits to all of its participants (Kowalski 2017). There is an interesting perspective on the relationship also on the sub-regional level, where analogies to framing the mechanism into the South-South cooperation are clearly evident. As pointed out by Kowalski, during the visits of Xi Jinping in Poland and Serbia that took place in 2016 expressions were used to "*consolidate traditional friendship, deepen pragmatic cooperation, share the fruits of development (...)*". Furthermore, it directly referred to the sub-regional dimension (CEE) of China-Europe relationship, separating the region from the EU by "*introducing innovations to the practice of relations between China and Europe, establishing a new platform for the South-South cooperation*". There are also more direct references to what may be the very genesis of the 16+1. Kowalski, referring to the language study conducted by Mierzejewski (2013)⁴⁰ points out that during the inaugural speech of Wen Jiabao during the first Summit of the format, the Chinese PM used the particular

³⁹ Z.K. Liu, a key analyst of China-CEEC Cooperation and the Director of Department of Central and Eastern European Studies in Chinese Academy of Social Sciences.

⁴⁰ D. Mierzejewski, *Between pragmatics and Confucian morality – De-ideologization of China's foreign policy in the era of reform*, (University of Lodz Press, Lodz, Poland, 2013).

expression, to “*go forward hand in hand*”, which is usually used by China in regard to developing countries in Africa.

Although this rhetoric is not present in the contemporary academic debate *per se*, it is still evident during the meeting of Chinese and Western European (and the EU) leaders, through the idea that the supplementing of the EU development gap is still on the political agenda of China⁴¹. During the Li Keqiang’s visit to Germany in 2018, the leaders of the two countries discussed the Chinese offer of involving Germany in the process, emphasizing that “*for CEEC that have joined the EU, the 16+1 cooperation can help their economic development and improve the average development level of the EU; for other countries wishing to join the EU, the 16+1 cooperation can help them narrow the development gap, and meet the standards to join the EU at an early date*”. There is also some evidence of the idea of equalizing relations between China and CEEC’s with the use of developing-country mechanisms, with a certain level of official status within the Chinese leadership (Kowalski 2017).

1.2.4.1 Regional stakeholders

The emphasis on economic interdependence in a natural way transfers parts of attention to particular stakeholders in the stated process, which sometimes go beyond the region itself. One of the most important theaters of cross-regional engagement are the Western Balkans (WB) whose population equals the city of Beijing, and therefore lacks in size and influence in comparison to a country like China (Vangeli 2016). It is also a region that experienced a recent, rather traumatic historic experience, that created the term “Balkanization” referring to the irreparable political fragmentation. It has a century-old experience of being in peripheries of two empires, the Ottoman and Austro-Hungarian, that shaped (and in a way continue to do so) the perception of these countries within the continent.

WB is also the region which holds 5 non-EU countries, of which all have EU candidate status, meaning they need (or should) obey similar rules and regulations as other EU Member States (MS) if they do not want to distance themselves from the goal

⁴¹ “Li Keqiang and Chancellor Angela Merkel of Germany Jointly Meet the Press”, PRC MFA, July 10, 2018 <http://fi.china-embassy.org/eng/zxxx/t1576100.htm>.

of joining this grouping. In his paper Vangeli argues, that to properly understand the links of the WB as a stakeholder, it is important to have a good understanding of the post-1989 history. He points out that there is a general agreement about the limited success of the reforms in the Balkans, contrary to some of other countries like Poland or the Czech Republic. Also, in spite of joining of some supply chains networks within the EU, the regional experience significantly impacted during the 2008 economic crisis. There is however quite a big trade relationship, where on average about 2/3 of volume comes from the EU. The moderate development in the past 30 years created a big regional demand for investments and regional support. The more obvious (or natural) sources of capital in the region are the EU, but there is also some economic (and political) presence from Russia and Turkey. Therefore, the EU as a key stakeholder in this region and to the China-CEEC cooperation as well, observe the China-WB relationship closely, trying to increase its connection with these 5 countries. Furthermore, experts from the European side argue that China is not interested in the strategic partnership with the EU in the same way as in the past, preferring to cooperate within its peripheries (the EU), where it unloads its strategies and tools that provide higher dividends than the relationship before the year 2009 (ECFR 2011)⁴².

It is important to point to the existence of special elements of regional cooperation between these stakeholders. In 2014 in Berlin, a funding summit took place that commenced the so-called Berlin Process (BP), similarly like 16+1 is based on annual gatherings (for the period of four years 2014-2018). The initially outline goals of this process, working towards a common goal of the EU enlargement are⁴³:

- *Stepping up regional cooperation.*
- *Resolving outstanding bilateral questions for good neighborly relations.*
- *Strengthening good governance.*

However, misconceptions in the analysis of 16+1 mechanism enhancing the doubts and questions in the topic of this partnership, and create growing negative voices

⁴² F. Godement, J. Parello-Plesner, "The Scramble for Europe", European Council on Foreign Relations, 2011. https://www.ecfr.eu/publications/summary/chinas_scramble_for_europe%20.

⁴³ As indicated in Final Declaration by the Chair of the Conference on the Western Balkans, Berlin 2014 and information note of EPRS, The Western Balkans' Berlin process.

especially in Western Europe with the presiding role of France and Germany⁴⁴. One such misconception is the establishment of the Secretariat in the 16+1 Cooperation in the MFA of China, which by many scholars is considered the measure of institutionalization (Matura 2016, Fallon 2014). Despite this, it is only a Division within the Department of European Affairs, created for the coordination of actions of 24 ministry-level partners within Chinese central administration and other local governments, which are cooperating with the partners from the CEEC's. It is therefore more of an internal liaison office⁴⁵ for domestic use only.

Thinking about EU involvement often points to the largest economies in the region like Germany. Also, in the aforementioned first declaration of BP, it is clearly stated that *"The German Government expressly underlines its support for the prospect of European integration for the countries of the Western Balkans. (...) Germany is aware of its responsibility for a peaceful, stable and democratic future based on the rule of law, and will continue to support the region on its path to this future"*. Berlin, keeping a healthy level of self-restraint still considers the CEE as its closest background and sphere of influence (Matura 2016), which according to the classic power transition theory, puts it in a relationship with China. Germany is not only one of its key trading partners where members of its chain supply have an important status in German reexports to China, but companies from Germany are also one of the key investors in the region of CEE (which explains the increasing role of Germany as the export "proxy"). The strongest relationship next to Germany within the region is the Visegrad Four (V4) group⁴⁶, to whom Germany is one of the most important trading partners. These four countries account also for around 80% of regional trade with China, and an important area of Chinese investment interest. The above numbers in overall economic relationship additionally implicate Germany. As mentioned in the earlier literature review, the mechanism is also a tool in which China tries to engage with major European economies. During the Li Keqiang visit in Germany in 2018, the two leaders discussed the Chinese

⁴⁴ In the majority of European publications Germany is presented as the strongest opponent of the stated cooperation within the EU.

⁴⁵ Based on consultations by this author.

⁴⁶ Poland, Slovak Republic, Czech Republic and Hungary.

offer of involving Germany in the discussed process. This is yet another direct reference to the link existing between the China-CEEC's-Germany "triangle".

Another stakeholder appearing in the available literature is Russia, the huge country bordering China in the East and CEEC's in the West. It has a quite important historical presence in the region, relevant security and political relevance in the EU and domestic politics in the CEEC's, as well as a direct impact on the relationship with China. Due to logistic networks and general connectivity, there are also several geopolitical implications including the pragmatic trade obstacles as i.e. sanctions imposed after the annexation of the Crimea Peninsula in 2014 by Russia. The country has also several unique relationships with particular actors in the region like i.e. Lithuania (Kasciunas 2016). That country is a theater associated with the use of soft power including media platforms influenced by Moscow, and the ambivalent perception of the times when the country was a member of the Soviet Union, which still has some relevance related to its minorities. There is also a large economic dependence of Lithuania on Russia, with Lithuania being the most Russian market dependent exporting country within EU MS.

There are also intra-regional stakeholders with a special role in the researched process, that are often appearing in available literature. One of them is Serbia acting as an important West vs. East proxy, possessing perhaps the best relations with Moscow from all of the CEEC's at the time of this research. As reflected after the visit of Russian President Vladimir Putin in Belgrade in 2019, the Serbian government placed itself in almost "*schizophrenic relationship with Moscow, which can now essentially veto any Kosovo peace proposal, thereby signing a political death sentence for the Serbian leadership*" (the Moscow Times 2019)⁴⁷. In the case of Serbia, there is also much more impact on the relationship of China on the EU integration, and FDI-driven growth (Pavlicevic). This result may cause more outside pressure and scrutiny on the Sino-Serbian relationship, acting as a proving ground of the responsible role that China wants to perform in support of EU integration⁴⁸.

⁴⁷ M. Samoruikov "Escaping the Kremlin's Embrace: Why Serbia Has Tired of Russian Support", *Moscow Times*, January 22, 2019. <https://www.themoscowtimes.com/2019/01/22/escaping-the-kremlins-embrace-why-serbia-has-tired-of-russian-support-a64242>.

⁴⁸ Statement repeatedly expressed during the meetings of PRC's foreign minister Wang Yi and CN Prime Minister Li Keqiang during bilateral exchanges with the EU leaders.

Yet another country with a special relationship with China and Russia (within the EU) is Hungary⁴⁹. One of the examples of that special relationship has been in lockstep with its European counterparts with regards to sanctions on Russia (Atlantic Council 2019). Hungary is also the only EU country that openly supported awarding China the market economy status, and together with Greece, the newest mechanism Participant, attempted to block unanimous position regarding the International Court of Justice arbitration on the South China Sea. According the Laszlo Szabo, former deputy minister of foreign affairs and trade and the HU ambassador to the US, there is also the issue of Ukraine, where if “*Hungary protects the interests of its nationals in Ukraine, it is ethno-nationalist*”, which could have some domestic implications. There is also a personal ambition of the Hungarian leader Victor Orban, to whom maintaining personal relationship with president Putin is also of special importance.

Topics related to the cooperation of two main powers involving Europe cannot be discussed without taking into consideration the North Atlantic Treaty Organization (NATO). It is not often present during the debate on China’s presence in Europe since most of the interactions are covert either within its relationship with the EU or the U.S., but it is a crucial player in regard to military and also political transatlantic relations. Also, in the case of 16+1 cooperation, 13 Participants are members of that organization (14 including Greece)⁵⁰. The alliance is focused on military and security cooperation, and it does not act as a political platform, therefore it is difficult for it to play a direct role towards China, but it is still possible to use it as a platform of exchanges in any security issues, including investments in dual-use technology holders as well as IT networks and other critical infrastructure on European territories.

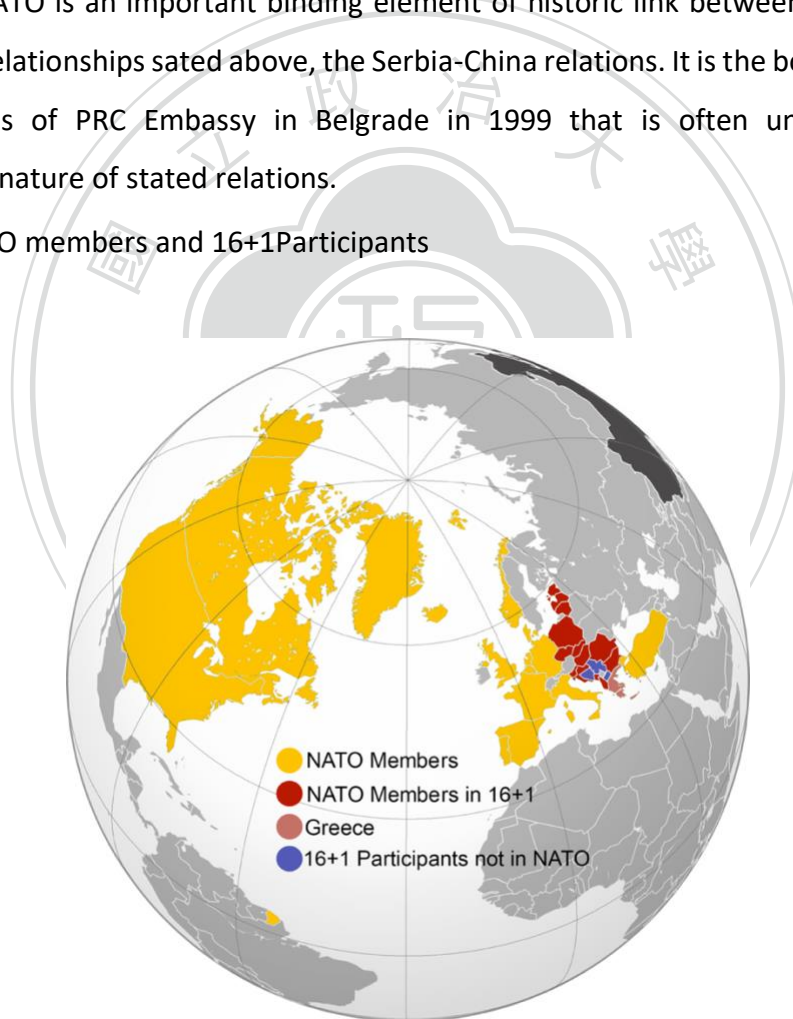
The organization has however some relevance in several areas of cross-regional cooperation in case of infrastructure and investments within the BRI, including port facilities. Another important element is also the proximity in relationships between Beijing and Moscow since Russia is the main “counterpart” to NATO cooperation (Brattberg, Carnegie Europe 2019). Also, here it is important to keep in mind, that many

⁴⁹ <http://abouthungary.hu/hungary-russia-relations/>.

⁵⁰ North Macedonia signed the accession treaty on February 2019 and the process should be completed by the end of 2019. At the time of writing of these work North Macedonia, Serbia and Bosnia and Hercegovina were the only Participants not being the members of NATO.

of the CEEC's are the Eastern flank of NATO. One of marking the new cooperation between the two Eastern powers was the naval drill in Baltic Sea and selective presence of PLA Navy in the Black and Mediterranean Sea's⁵¹. Moscow also as the only country, possesses the highest level of bilateral relationship with Beijing called "comprehensive strategic partnership for coordination for a new era"⁵². This may be an important element pointing attention of the Atlantic alliance toward China. As emphasized by the German foreign minister during the NATO Summit in 2019, "*China is set to become the subject of the 21st century on both sides of the Atlantic (...) China is a challenge on almost every topic. It is important to gain a better understanding of what that implies for NATO*"⁵³. NATO is an important binding element of historic link between one of most important relationships sated above, the Serbia-China relations. It is the bombing by the NATO forces of PRC Embassy in Belgrade in 1999 that is often underlining the exceptional nature of stated relations.

Map 2. NATO members and 16+1Participants



Source: Developed by this author based on the map from Wikipedia (CC).

⁵¹ F.S. Gady, "China, Russia Kick Off Bilateral Naval Exercise 'Joint Sea'", the Diplomat, April 29, 2019 <https://thediplomat.com/2019/04/china-russia-kick-off-bilateral-naval-exercise-joint-sea/>.

⁵² "China, Russia agree to upgrade relations for new era", Xinhua, June 6, 2019. http://www.xinhuanet.com/english/2019-06/06/c_138119879.htm.

⁵³ For NATO, China is the new Russia, <https://www.politico.eu/article/for-nato-china-is-the-new-russia/>.

Another important actor that is often not included in discussions about the CEE region is Kosovo, a country that in February 2008 unilaterally declared independence from Serbia, recognized by only a select group of countries. The above declarations posed mixed reactions among different actors, especially in cases where similar separatist movements are present. It is therefore not surprising that the reaction of the People's Republic of China was quite strong. During the regular press conference two days after the Kosovo declaration, the PRC Foreign Ministry Spokesperson Liu Jianchao's stated that *"the resolution of the Kosovo issue bares on peace and stability of the Balkan region, the fundamental norms governing international relations as well as the authority and role of the UNSC. (...). The unilateral move taken by Kosovo will lead to a series of consequences. China is deeply worried about its severe and negative impact on peace and stability of the Balkan region and the goal of establishing a multi-ethnic society in Kosovo"*⁵⁴. This strong position suggests that China oppose the independence of Kosovo, however in the same press conference the Chinese MFA denied any open declaration of such an opposition. Kosovo is also one of the most important issues that need to be resolved between the EU and Serbia in regard to its future membership in the organization. This territory surrounded by CEEC's can play an important role in the complex political relationship between an already quite fragmented sub-region of the Western Balkans. Another example of the role this country in stated relationships were the consultation of Serbian president Aleksandar Vucic with Ambassadors of Russia and China in Belgrade in 2018, where he asked for support in blocking the move against the formation of a regular army in Kosovo with the notion that *"its allies Russia and China do not recognize Kosovo's statehood"*⁵⁵.

⁵⁴ "Foreign Ministry Spokesperson Liu Jianchao's Regular Press Conference", PRC MFA, February 19, 2008. <http://www.china-un.org/eng/fyrth/t408646.htm>.

⁵⁵ "Serbia asks for China and Russia's help over Kosovo plans to create regular army", AP, December 4, 2018. <https://www.scmp.com/news/world/europe/article/2176391/serbia-asks-china-and-russias-help-over-kosovo-plans-create>.

1.2.5 Gateway to Europe and Backdoor to Revisionism - conflicting concepts

Based on the theories discussed so far, it can be stated, that from the perspective of several schools of thought in the contemporary IR, the most feasible path to development and acceptance of complex coexistence of regional actors is the overall effectiveness of a given system of interaction and its nature or processes within it. That effectiveness is based on the distribution of certain deliverables, nature of power, or creation of interdependence that stimulate multiple (often independent) determinants, shaping any given relationship and order. It may include elements like identification, enthusiasm, potential gains and costs, or shifts arising from transitions of power.

One of the widely recognized aspects of any cross-regional cooperation is the level of regional integration, including the drive for institutionalization or enhancement of cooperation frameworks, that can be reflected in potential gains, predicted increase in regional presence of a certain counterpart, or enhancement in existing networks, contributing to exchanges building the overall proportions of interdependence. In the case of the stated cooperation (16+1), there are several aspects related to the geographical location of CEE, their level of development, the values embodied in historical perspectives, and other elements discussed on the course of this work. They are also connected to the ideas of possible gains and state of interdependence, with an increase in elements related to soft power and building leverage among the 16 CEEC's *vis-à-vis* China. The aforementioned geographical aspect is of special importance in shaping of the ongoing relationship, based on the ideas of cross-regional relations the role 16+1 can play in the regional presence of China, implementation of BRI and overall changes in China-rise. The concept of Central and Eastern Europe acting as the most natural "gateway of Europe" could be underlined as one of few elements shared in both sides of the researched relationship, including its larger cross-regional dimension.

As stated so far, the degree to which 16+1 acts as a framework utilizing the region as the gateway to Europe will be conducted based on the general assessment of the levels and nature of the impact that the platform generates. A large portion of literature and assessments reviewed for this research contain several elements pointing to the non-voluntarily in the stated relationship (as a gateway), and accusations of implementation of "divide and rule" strategy (as a backdoor) underlining the drivers for

change in regional balance, associated with an increased presence of China. This underlined second concept stated in the conditionality presented in this work title, related to the possible revisionist nature of PRC cooperation in CEE, a pragmatic reconceptualization of China rises and aforementioned neo-tributary elements. That includes also the idea presented during several international engagements of China itself. It also emphasizes the Chinese exceptionalism projected by the identity of its government as the representative of the developing world and emerging economies, that by taking a more pro-active role after 2008 has the economic and industrial potential to complement the development efforts of various partners and international organizations⁵⁶.

To better understand the idea of potential revisionist characteristic of China's rise and its projection within the 16+1 process, it may be useful to have a closer look at a few elements underlined in available thought. Revisionism could be defined as an action directed towards challenging or reshaping of something pre-existent. In case of IR, it can be described as the situation where international order is defined as a "*settled rules and arrangements between states that define and guide their interaction*"⁵⁷ that are being shifted in any given way. As it has been mentioned the rise of China is a widely recognized fact, but there are diversified voices referring to its nature and consequences. That ongoing debate is where the revisionism of China can be noticed, under the argument that any institutionalized framework of cooperation with its resources and opportunities enable challenges to the international order (Goddard 2018). Actors who are called revisionist are the ones that build or shape network structures strategically, as a tool for searching power and influence through their ties to other actors. Goddard argues, that actors who are considered revisionist search for institutional frameworks with some degree of leverage to overturn the status *quo*. In case of limited impact of these actions, the same actors are willing to innovate in search of alternative institutional systems. With the claimed declaration of China to build a new international

⁵⁶ The role proclaimed by the PRC related to implementation of UN Agenda 2030 and individual SDG's as well as other environmental related agreements. These ideas have been expressed on several SCO and BRICS Summits, and become an increasing rhetoric evident during more comprehensive exchanges like G20 meetings.

⁵⁷ G. J. Ikenberry, *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order*, (Princeton University Press, 2011), page 12.

relation, unique sets of values in these relations and increased numbers of China-led international frameworks (branded as products of political innovation) like 16+1 and BRI, it can be argued that this country may carry some revisionist objectives embodied in its strategic goals.

It is however still not clear to which extent China wishes to work in the existing liberal system or to reshape the norms present in the current states of cross and sub regional relationships. There are arguments suggesting that PRC tries to embrace more of a *status quo*-oriented approach with a particular emphasis in the global trade regime, being the area where it has gained the most in past decades (Combes 2012). However, that position presents evidence of a lack of will in accepting of commitments and norms that would limit that country or placed it in at any disadvantage, resulting in relatively high concerns over the international governance systems. As a result, it could be understood as a selective revisionist power, and as a counterpart that recognizes the international order and rules-based system, but does not accept all of its existing elements with particular focus on those emphasizing the U.S. hegemony (Glaser 2019)⁵⁸. The above arguments point to the relevance of the question included in the topic of this volume, that could be addressed by streamlining the ideas evident in different levels of China present in Europe. The nature of stated changes based on the determinants of voluntarism in the 16+1 framework reflected within its effectiveness, together with any additional elements presented in this work may help in the assessment of Chinese political rationale within 16+1 and BRI.

1.2.6 Summary of the conceptual state of Cooperation between China and Central and Eastern European Countries

There are limited studies looking at the involvement of cooperation mechanism that interfere (catalyze, synergize or even create havoc) in the wider comprehensive strategic cross-regional interdependence. The key to answering the research questions of this work relates also to the wider policies of the relationship in the study (regional dimension of the EU and China) measuring the impact in internal politics, external

⁵⁸ B. Glaser, "China as a Selective Revisionist Power in the International Order". A report of a seminar presentation by at the ISEAS – Yusof Ishak Institute, January 2019.

actions, and future policy developments, as well as influencing the system of global governance.

Most of the available research focuses only on national perspectives, which builds on the argument, that the 16+1 mechanism is a quasi-institution, which acts as a set of bilateral relationships of China with 16 CEEC's. To correctly examine the issue of individual identification and undertaking the attempt to assess the impact of 16+1 on the relationship of EU and China a more comprehensive analysis is required. The available analysis is largely conducted on the think tank levels or sub-regional experts (either in EU or Asia studies) and ought to serve the supportive argument of pre-stated hypothesis for the policymakers and analysts, and therefore often carries a certain degree of bias. The topic of 16+1, and the wider scope of engagement of the EU and China, is generally bipolar, with the views of high effectiveness and complementary *versus* a vehicle of implementation of unilateral policy objectives under the form of new rules of international relations, and by that influencing to a certain degree the political and economic sub-regional coherence. Since most of the key factors lay within the documents issued within the framework of 16+1, they are highly interconnected with the external policy documents, also related to UE and its exclusives competences.

1.2.6.1 Historical perspective

Central and Eastern Europe is a region where many countries who were first to recognize People's Republic of China are located, nine of which celebrate the 70th anniversary of the establishment of aforementioned relations in the year ending this research (2019). This fact is often underlined at the opening remarks of the Chinese leadership, pointing to the long tradition of friendly relations with the PRC, a proof of good bilateral contacts, understanding, base for trust and drive for mutual cooperation⁵⁹. It could be therefore assumed that countries in the region of CEE should somehow enjoy special, or even preferential conditions to enhance their bilateral and regional engagements. This is also an element emphasized in the part touching on main regional

⁵⁹ Based on the analysis of the press releases of bilateral meetings of Chinese and CEEC's leaders.

actors. It is assumed by all sides that Participants share an old, constant⁶⁰, and strong traditional friendship with Beijing. This relationship lasted in the 1980's and 1990's until present, in times when most of the states discussed went through economic and political transformations, including the military conflicts.

There are many opinions regarding the importance of the CEE region in Chinese political discourse. It is largely agreed, that regional identity (under the notion of presence of such universal cognition) is associated with the communist heritage, that as touched upon in parts related to regional identity was interrupted with events in 1989 and 1991. However, the last decade of the 20th century cannot be described as insignificant in the sub-regional perspective (Kowalski 2017). It was that time, when premier Li Peng while on his official visit to Romania (1994) announced the alignment of the Chinese regional policy (for CEE) with the Five Principles of Peaceful Coexistence⁶¹ and readjusted the relationship with the region undergoing transition processes. China continued to project itself as a “mini-Middle Kingdom” within sub-regional economic-political blocks (Lam 2015). China, as a Non-aligned country that does not wish to enter into alliances⁶², “*has been active in nurturing business and geopolitical groupings with varying degrees of cohesion*”⁶³. It is also important to signal the role of advanced and complex infrastructure plans, which are important determinants of different regional and ex-regional actors and elements of a contemporary world with an increasing presence of Xi Jinping’s BRI.

As indicated by Martin Hala (2010), the ideological and political landscape has changed dramatically during 1989 to 2009. In his opinion that change is connected with

⁶⁰ This notion does not recognize the decision to abandon socialism and to strive towards inclusion in the Western value system of majority of the CEECs, and persistent views of few other countries on their efforts to actively join the EU integration process.

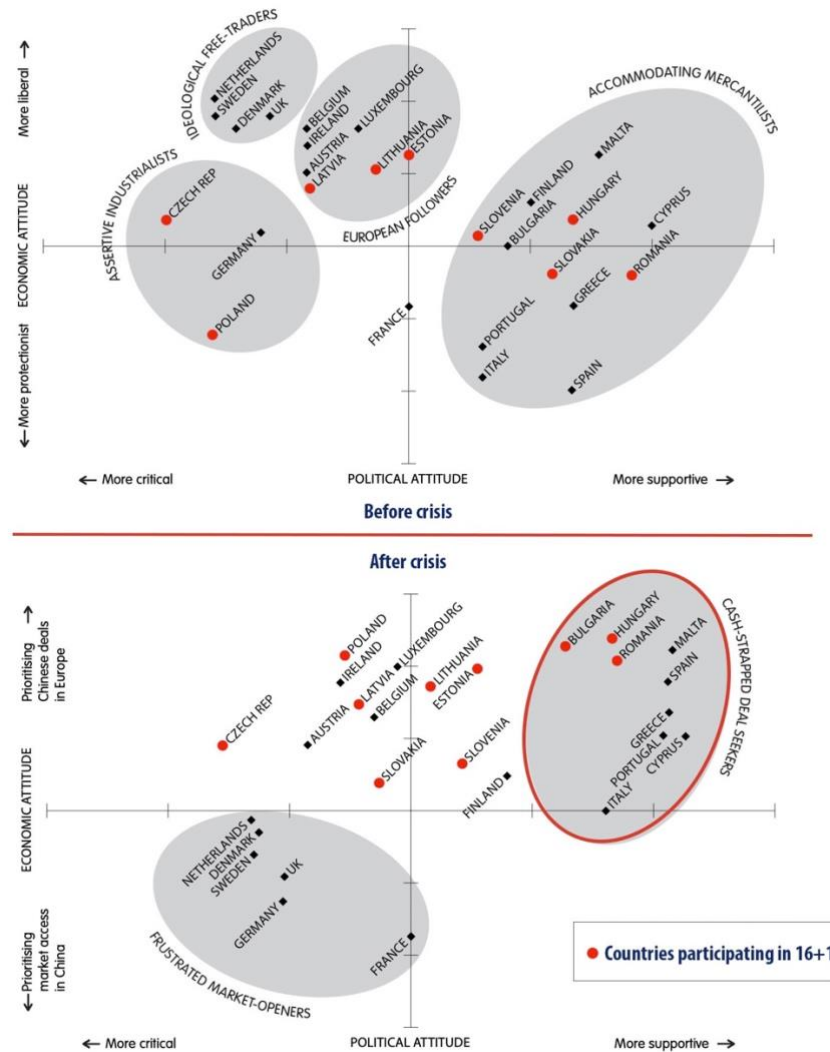
⁶¹ The Five Principles of Peaceful Coexistence were originally conceived by India’s first prime minister, Jawaharlal Nehru, and China’s first premier, Zhou Enlai, in 1954. They are: (i) mutual respect for each other’s territorial integrity and sovereignty, (ii) mutual non-aggression, (iii) mutual non-interference in each other’s internal affairs (iv) equality and cooperation for mutual benefit and (v) peaceful co-existence. After Mao Zedong declared that China has finally stood up after a century of humiliation in 1949, these sets were placed as a base Chinese independence, largely different from the domination realism of IR. the Diplomat, June 26, 2014; <https://thediplomat.com/2014/06/reflecting-on-chinas-five-principles-60-years-later/>.

⁶² China possess only one alliance-like agreement with DPRK, the Sino-North Korean Mutual Aid and Cooperation Friendship Treaty signed in 1961.

⁶³ W. W.L. Lam, *Chinese Politics in the Era of Xi Jinping: Renaissance, Reform, or Retrogression?*, (Routledge: 1 edition, 2015), page 202.

the collapse of communism, and the hectic transformation inspired by the Western values and liberal economic approach. After the years of relative stability, the 2007-2008 years of economic crisis enhanced the common negativity in an economic environment which catalyzed the flaws in each country's own development model.

Figure 1. EU Members states attitudes to China before and after the 2008 economic crisis.



Source: Adopted by this author from ECFR policy brief "The Scramble for Europe", 2011.

Those years also brought back the attention of many of the CEEC's towards China and vice-versa. Hala claims, that the post-crisis narratives of the EU in the 2010s created new opportunities to the rising East flank of the EU, which "voluntarily" engaged into regional grouping that restored the past "divide" between West and East. This argument is based

on the concept of rapprochement of the traditional old friends, driven by perspective of possible gains. It could be regarded as important element of all the processes leading to establishment of 16+1 mechanism back in 2012. In his analysis, Hala goes even further, suggesting that an outcome of Chinese diplomatic efforts to usher the “Globalization 2.0.” is to help in the internationalization of what is known as “China (development) model”.

According to the research conducted in 2017 (ECFR) aiming at assessing of the Chinese power levels within Europe, the post crisis presence presents evidence of selective economic and political involvement in the EU characterized by a “cherry picking” strategy, focusing primarily on China’s own strategic objectives. The major difference that happened over the last decade, when such a study was first conducted by the same scholars, is that PRC is already well established in Europe, while the continent “*seeks its engagement with China on peacekeeping and support for fragile states, but at best these actions happen only side by side and not jointly*”⁶⁴. The reactions to that shift in China’s power projection caused the EU to turn towards a more realist engagement, increasing the emphasis on reciprocity and an introduction of new rules, including those directed towards the screening of investments. It is crucial to underline, that the ECFR findings point not to the rise of protectionism in Europe, but rather a shift in rules of engagement (not directed towards the confrontation). It also directly points to the argument, that based on the evolvement of the China-EU relationship, it may be claimed that 16+1 is a tool of implementation of the “divide and rule” strategy in practice, and that the support of the EU integration of China on official level is only normative in its function.

1.2.6.2 Bipolarity in analysis

On the Chinese side portions of research are being streamlined with the scholars’ network showing the extra-territorial (out of China) concentration of critique and leadership of Chinese Academy of Social Sciences, which together with other Chinese government think-tanks is rather positive in assessing of 16+1 cooperation mechanism, by building mostly on evidence of its pragmatism in singular cases and among selected stakeholders. The European (and Western) side of the research tend to focus on

⁶⁴ F. Godement, A. Vasselier, “China at the Gates – a New Power Audit of EU-China Relations”, European Council on Foreign Relations (2017), p. 8.

economic aspects, where the majority of analysis is based on quantitative data expressing the scope of trade and investment in relation to the so-called “addressing of the demand for development”, and partial analysis of official language, building an argument around created data clusters. It is also directed into proving proofs of the most debated hypothesis like i.e. that it’s a successful implementation of the “divide and rule” practices or strategy. Therefore, it can be considered valuable to have a more comprehensive assessment of the concepts associated with the bipolarity of the relationship between CEEC’s and China, as well as the EU, that would streamline existing selective conceptualizations of the 16+1 framework.

In spite of the significant time since the establishment of this mechanism (more than 7 years to the time of this writing), there is still no consensus on the format purpose, which becomes one of the key interests both in China, the EU, but also other actors in international relations like USA, Russia or even Australia. Within the past four decades of advancement in Chinese development, there was a significant decrease in Chinese knowledge and engagement with the Central and Eastern Europe (CEE), the region that was among the first to recognize the People’s Republic of China government⁶⁵ and sharing the socialist post World-War Two “traditional friendship”⁶⁶. Establishment of the mechanism, referred to by some scholars (at its early stages) as “the newly open window of opportunities”, can be considered as a tool to build a European hub for further economic expansion of China. Evidence of an increase in CEEC’s role related to European Union are evident, as well as materializing idea of the land Belt and maritime Road connecting China with the European continent. This argument underlines, that the stated comprehensive view should involve also the EU-China cross-regional relationship.

1.2.6.3 Multipolarity in analysis

The lack of agreement in largely bilateral debate is also present within the region itself, which isn’t homogeneous due to international obligations and varieties in domestic demand, levels of development and internal core interests. Therefore, except

⁶⁵ Year 2019 is a year of 70th anniversary for 9 out of 16 CEEC’s.

⁶⁶ In the year 2019 almost half of the members of 16+1 will celebrate to 70th anniversary of the establishment of diplomatic relations with PRC.

the cross-regional role of Europe-China interactions, the mechanism has a more local impact, enhancing the cooperation based on the so-called national areas of specialization. The mechanism function by organization of events and meetings, mainly in areas of economy, investment, finance, connectivity, agriculture, science and education, both at central and local levels.

As indicated in the cooperation mechanism mid-term agenda between 2015-2020 *“associations on sectoral cooperation serve as pillars of 16+1 sectoral cooperation. The role of existing associations will be brought into full play, and the establishment of new platforms will be encouraged when conditions are ripe”*⁶⁷. These actions are viewed by some scholars as somehow superficial mode of progressing institutionalization⁶⁸, are in a way driving the intra-regional competitiveness to generate influence in selected areas of cooperation. That cooperation may include those areas, which from the view point of the EU can be seen as interfering in exclusive competences of that organization, i.e. in areas customs and trade in services⁶⁹.

One of the sources on how China sees the European Union in its foreign policy is indicated in the China’s Policy Papers on the European Union published in April 2014⁷⁰ and 2018⁷¹, which gives a clear set of priorities as well as indicates the tone and alignment of the rules of engagement and shifts the strategic approach of Beijing *vis-à-vis* the so-called Western order. These two documents can serve as a key to unlock the answer to the question on why the China-CEEC Cooperation is critical to China and will be discussed in the following parts in Chapter 5. From the European perspective, the crucial documents derive from the formation of the comprehensive strategic partnership of China and the EU, which include EU-China 2020 Strategic Agenda for

⁶⁷ “The Medium-Term Agenda for Cooperation between China and Central and Eastern European Countries”, Suzhou, China, November 24, 2015.

https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1318038.shtml.

⁶⁸ M. Kaczmarek, “China on Central-Eastern Europe: ‘16+1’ as seen from Beijing”, Center for Eastern Studies, April 15, 2015. https://www.osw.waw.pl/sites/default/files/commentary_166.pdf.

⁶⁹ An example here can be the cooperation of Serbia (non-EU) and Hungary (EU) in case of customs, as in section 3., “Deepening Practical Cooperation in Trade, Investment and Connectivity”, paragraph 10 of Sofia Guidelines document. PRC MFA, July 9, 2018.

https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2649_665393/t1577455.shtml.

⁷⁰ “China's Policy Paper on the EU: Deepen the China-EU Comprehensive Strategic Partnership for Mutual Benefit and Win-win Cooperation”, PRC MFA, April 2, 2014.

https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/wjzcs/t1143406.shtml.

⁷¹ “China's Policy Paper on the European Union”, Xinhua, December 18, 2018.

http://www.xinhuanet.com/english/2018-12/18/c_137681829.htm.

Cooperation⁷², EU Council Conclusions EU Strategy on China⁷³, what is the EU answer to developments of BRI, namely “Connecting Europe & Asia: The EU Strategy”⁷⁴, and published in 2019 EU-China Strategic Outlook⁷⁵. Similarly, to the case of China and its documents related to the strategic partnership, also this document emphasizes the focus of cross-regional engagement, and which areas are the most critical to development.



⁷²“EU-China 2020 Strategic Agenda for Cooperation”, EEAS, November 23, 2013. https://eeas.europa.eu/delegations/china_en/15398...

⁷³„Council Conclusions EU Strategy on China”, EEAS, January 13, 2017. https://eeas.europa.eu/delegations/china_en/18539/...

⁷⁴ “Connecting Europe & Asia: The EU Strategy”, EEAS, September 19, 2019. <https://eeas.europa.eu/headquarters/headquarters-homepage/50699/...>

⁷⁵ “EU-China Strategic Outlook”, EC, March 12, 2019. <https://ec.europa.eu/commission/publications/eu-china-strategic-outlook...>

Chapter Two

Research Design

This study utilizes a mixed-method approach which is based on qualitative data from primary sources including the speeches, communiques and government issued documents, the academic level analysis of the thoughts presented with the think-tank, research institutes and policy papers of relevant stakeholders. It also utilizes exchanges with scholars and the diplomatic community during open academic debates and thematic events held in Taipei, Beijing and Warsaw during the time leading to creation of this work. Furthermore, the research is based on three main levels of analysis, reflected in the following chapters. First, the exploratory phase is based in empirical analysis of BRI and 16+1 and conceptualize the stated platforms in the cross-regional relationship. It helps to look into China's and EU's strategic approach to the region, and assesses whether it supports the shift in the cross-regional relationships, and supports the shift in conceptualization of China's rise. Once these elements have been identified, they can contribute to the creation of the theoretical conception of the relationship between the variables under study.

Based on the literature review, it can be stated that there is a real need for streamlining already available knowledge to create a blueprint for further assessments of the China-CEEC cooperation in the following years, helping to conceptualize future idea of embodiment of 16+1 into the broader idea of utilizing the Chinese political and economic rationale in the European region. Next, the second deductive phase of the study build on the three layers of assessment of impact of Cooperation between China and CEE to find and elaborate on the common elements, and connect it within the theoretical framework. Once the quantitative and quantitative part of research are completed, common elements are combined together to evaluate the conditionality of the main question included in the title. Finally, a condensed concluding chapter is presented.

2.1 Research timeline

The timeframe of this research is set between April 2012 and April 2019, which are the dates of the 1st and 8th Summit of Cooperation between China and Central Eastern European Countries. The main focus aims to evaluate the existing impact of 16+1 with references to BRI in their first five years (respectively). However, it uses references to documents and public statements issued until July 2019. This extension is based on the argument of a retroactive characteristic of available public data, which usually refers in its origins and motives to the pending and completed assessments associated with occurrences prior to their issuance.

Figure 2. Research timeline - 1st to 8th 16+1 Summit (April 2012 to April 2019)



Source: Proposition of this author.

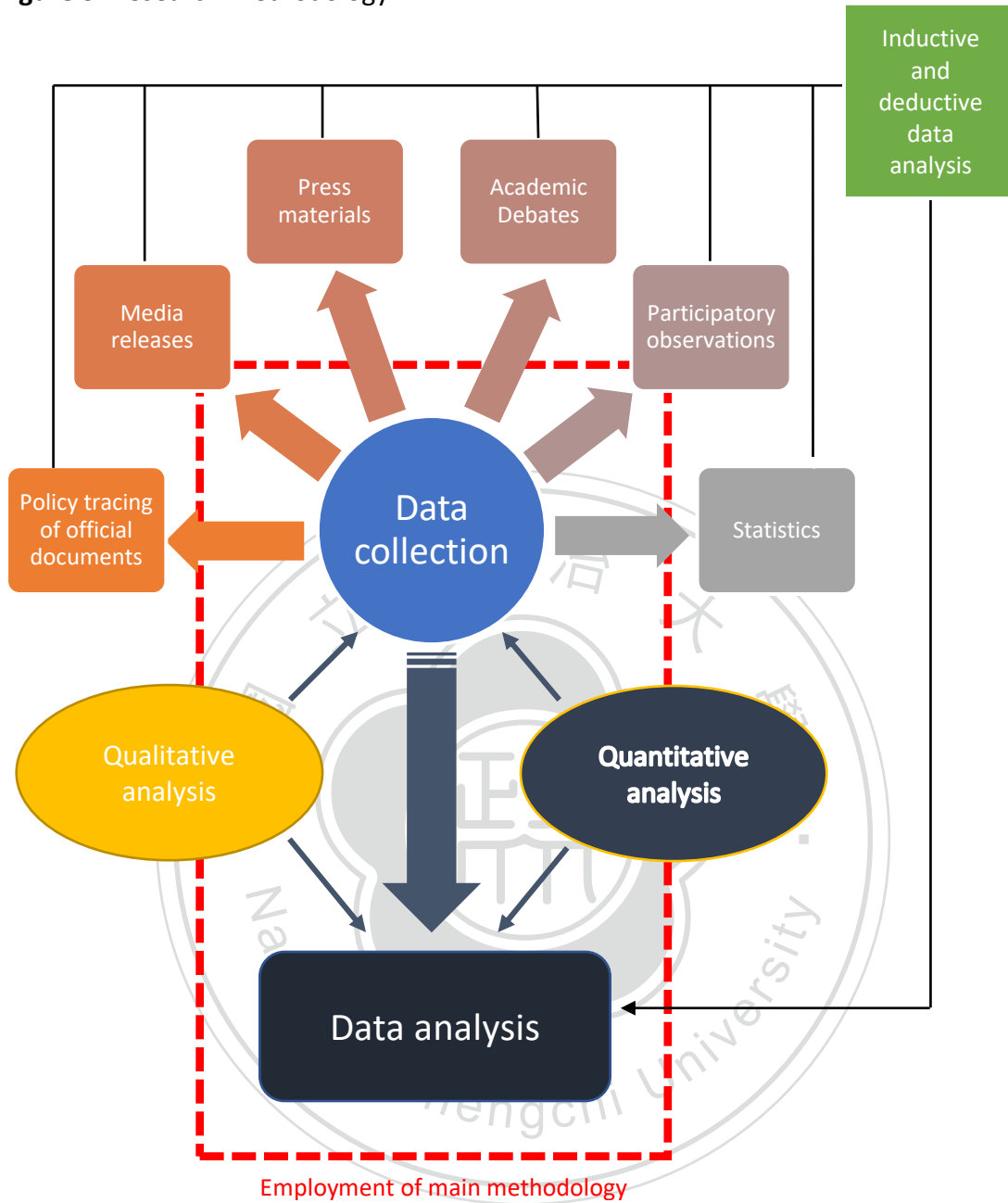
The timeframe proposed above has also a more pragmatic characteristic, referring to the first enlargement of Participants in the researched process, that shifted the 16+1 cooperation to 17+1. Also, for that reason this research refers only to the time prior to stated enlargement, referring purely to the 16+1 cooperation between 1st and 8th Summit.

2.2 Methodology and Data Analysis

This dissertation offers two main research questions, including the assessment of the impact of the 16+1 process on the cross-regional cooperation of China and the EU, and the role it is playing in building new international relations that may have a more global impact. It utilizes the theories of interdependence and neo-functionalism in a sub-regional perspective, touching on drivers of institutionalization. The other questions relate to the elements evident in the stated cooperation mechanism testing the values and norms of regional presence referring to the concept of the so-called rise of China. An attempt to answer the questions above may help in placing the 16+1 cooperation mechanism in the context of the new Chinese international relations, that arguably focus on revisionism of the overarching of the cross-regional relationship. The research attempts to localize the relationship links to better determine the constantly evolving approach of Beijing in regard to the European continent, as well as the level of intentionality.

The source of empirical data resources of the stated Chinese international relations include government issued documents, speeches made by the leadership of each of 17 countries during their official foreign visits and political engagements, press elaborations, non-structured inputs from relevant stakeholders, as well as main think-tanks within China and EU. It will also build on other official documents including the keynote speeches of Chinese leadership, reports delivered to National People's Congress, strategic and programming documents and contemporary analysis conducted on the think-tank levels. The above assessments can help to connect the ongoing debate on how diplomacy (based on international theories) understands the distinguishing of inter-regional interactions in terms of multilateralism, bilateralism and unilateralism, as well as its different drivers, and thus help to map the base framework for further research of the key research question - how the China-CEEC cooperation impacts the wider cross-regional relationship between Europe and China.

Figure 3. Research Methodology.



Source: Proposition of this author.

It is important to note, that official communications, especially in the case of political systems centered around one party are hard to validate, and cannot be treated as reflections of real pragmatic intentions of a given counterpart. Therefore, this research utilizes other primary and secondary quantitative data to help measure and interpret the economic interdependences in the region.

Furthermore, the research process may help streamline the available knowledge on the topic, to explain what are the main differences between what Beijing calls “the

new rules of international cooperation” and what the so-called West interprets as revisionism in contemporary international order. Analysis of the sources of differences in how the cooperation between Central and Eastern Europe (CEE) Countries and China is classified, based on existing theories of international relations may contribute to fund for further research and analysis into the concepts and constructs related to the dissertation title question – the measure general impact. As a base for the regional context explanation, the historical perspective of the sub-regional presence of China in CEE and the shifts towards the Western European countries are also discussed.

Based on the definition of multilateralism developed by Keohane in 1990, multilateralism becomes institutionalized when enduring rules emerge (Bouchard, Peterson 2011). However, modern multilateralism differs from the concepts stated two decades ago, which corresponds to growing importance of non-state actors, that being the state enterprises, cultural institutions, NGO’s and international organizations. As argued by Naim (Foreign Policy 2009)⁷⁶, a more contemporary form of multilateralism is called as “minilateralism”, where parties seek to develop cooperation only between the states that are involved in the particular issue. It means nothing less than a country with less relevance in a given area should not have the same stake in the influencing of a given relationship as the country directly involved in it. With use of that perspective it may be more feasible to assess the stakeholders, being yet another argument underlining the complex connections within the studied hypothesis.

2.2.1 Level of analysis and Operationalization

To properly translate the relationship between the sub-regional interdependence, identification of participants and regional institutionalization into measurable form, several steps need to be addressed in the following research. The first is to explain the genesis and localize the most comprehensive definition of what the “16+1” cooperation is. To achieve this result, a three-layered analysis of the theoretical framework based on the theories of interdependence and drivers of institutionalization with inclusion of “neo-tributary” elements of China-rise will be utilized in the chapters three to five. The

⁷⁶ S.M. Walt, “On minilateralism”, *Foreign Policy*, June 23, 2009. <https://foreignpolicy.com/2009/06/23/on-minilateralism/> .

analysis will be based on the empirical data including the primary sources provided by the administrations of Central and Eastern European Countries and China, and the EU, including the bilateral and multilateral statements and guidelines for action, as well as personal surveys of the scholars and diplomatic community acting in the core of the researched relationship.

This dissertation consists of three levels of analysis with a top down (by geographical outreach) order:

- **Economic and political interdependence** as a bilateral level in the relationship between the two sides subjected to this research, impacting the identification of the European stakeholders
- **Neo-liberal and constructivist approach in assessing the identification** as a middle level of analysis, impacting the sub-regional dimension of cooperation
- **Assessment the shift in China presence in Europe** and the role of the Belt and Road Initiative as a global, overarching level of analysis.

First, in the third chapter the detailed deliberation on the concept of Belt and Road Initiative is provided. This analysis includes the research in conceptual transition of what was a concept of “One Belt, One Road” back in 2013 to the Belt and Road Initiative (BRI) in 2019, which after completion of its 5 year still remains the least clearly define entity of multinational engagement with China. The dispute in explanations and definition of what is BRI, what are its objectives and aim, which are directly influencing the first 5 years of the 16+1 mechanism existence.

Forth chapter will continue in the top-down direction focusing on the assessment of the China – CEEC Cooperation in the years 2012-2018 on the cross-regional and sub-regional level, within the theoretical framework of the neo-functionalism theory and the questions of identification, which is largely related to the European Union. The chapter will aim to explain the discourse in the perception of its role from the Chinese and European side. There are few examples of comparative and complex analysis of the 16+1 mechanism researching the possible synergic dimension of Sino-European “bilateral” engagement.

The fifth chapter will evaluate bilateral dimensions of China presence in CEE in division of five major areas of cooperation, namely investments, connectivity, finance, and people to people exchanges within the time frame from 2012 until the mid-2019 when the Dubrovnik Summit (2018) took place. Important goal of this study is to define what are the key elements of Chinese engagement in the region in relation to Beijing domestic and international policies (also drawing from the BRI and 16+1 theoretical framework), and what pragmatic role this engagement the cooperation mechanism plays in the sub-regional dimension. Furthermore, this assessment helps to conceptualize the idea of embodiment of 16+1 into the broader idea of possibility of creating the demand for building of Belt and Road Initiative and China's "community of shared future for mankind" in the European continent. It also allows to understand the multidimensional characteristics of the mechanism based on the actors with whom China engages in its sub-regional interactions. By drawing on available sources identifying the unique characteristics of the 16+1 combining both EU and non-EU countries, it also refers to the exclusive rights of the European Union in relation to activities considered to be of vital importance both to China and the CEEC's, with relevance to strategic positions of the two powers, EU and China. Operating within the limits of the respective competences and obligations influence the essentials of the economic relationship, which transfers to the BRI, creating suspicions within the EU and its Western European member states and create legal, political and security barriers for Chinese foreign direct investments of China.

The sixth and final chapter combine elements of empirical analysis from the chapters 3 to 5, that should allow to draw certain conclusions on the main question to what is the aim and effectiveness level of 16+1 in the context of China engagement with the European region, as well the role in the wider global perspective related to building of the concept of "new international relations". It will also allow to test, if the 16+1 can be considered as one of the first "cluster diplomacy" mechanism acting as a tool in the neo-tributary re-conceptualization of China rise as a global power.

2.3 Key Research Question & Hypotheses

Many elements of the following research are based on ideas from international political economy and international relations theories, which can act as a guideline in analysis of intergovernmental approaches, allowing to decode the regional cooperation framework based on the theories explaining interdependence, regionalism and institutionalization. It will also utilize the elements of so-called neo-tributary theoretical framework for further analysis of researched relationship. It is widely evident in the available literature, that one of the best ways to catalyze any collective action is to work towards institutionalization of selected processes, which in case of the particular research question possess additional obstacles. There are still several existing gaps in research in the field of newly drawn international relations of China, which causes difficulties in assessment of empirical reality with the use of available international relations theories. Based on the available literature it can be assessed, that this new Chinese IR utilizes deferent concepts selected from many available perspectives. Similar ideas have been drawn in the past as well, like in case of famous scholar Max Weber, who argued that there is no specific system that would be capable of reflecting the reality. The idea placed in this research, that both of the key elements in the relationship of China and Europe are largely depended on the 16+1 and Belt and Road Initiative, causes them to become ever larger carriers of the IR of new-era”.

Based on the review of literature and some initial empirical analysis it is possible to draw to several initial conclusions:

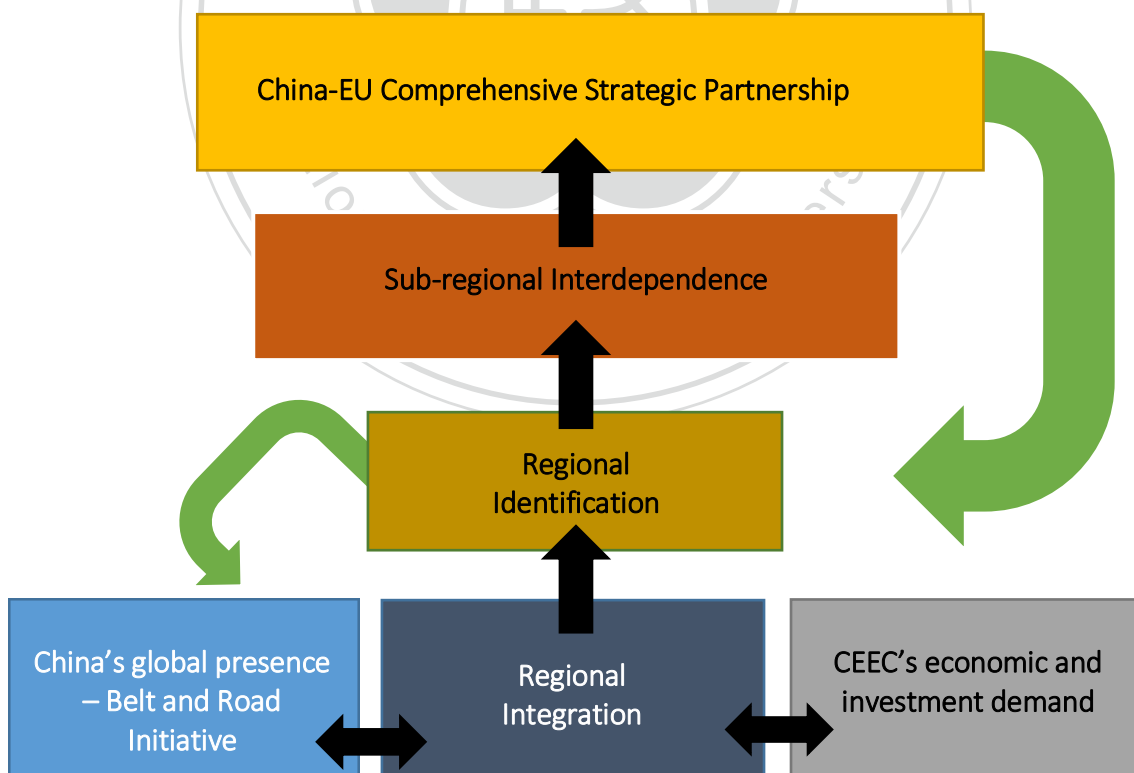
- ✓ When the additional power enhances its presence within a giver regional area, it initiates the transition in regional demand for structural aid and reform, no matter the current state of its presence.
- ✓ The aforementioned shifts result in changes in regional identification, which enhance the disproportions in regional efforts, causing changes in the balance of power and/or values within a certain geographical area resulting in changes of identity.

- ✓ The changes in the regional identification result in creation processes providing new elements impacting regional interdependence (with the outside power), which in result impact the overarching regional order, that may impact the discourse of cross and sub-regional partnerships.
- ✓ As a result, any preexisting regional powers are forced to follow the shifting relationship to fill in the gaps arising for increase interactions between the regional actors.

RQ1: *What is the impact the China-CEEC Cooperation generates on the development of the sub-regional EU-China comprehensive strategic partnership?*

RQ2: *Is the China-CEEC Cooperation an element of building of new international relation norms by China?*

Figure 4. Main research proposal.



Source: Proposition of this author.

H1: The China-CEEC Cooperation performs a conducive role building the relationship between People's Republic of China and European Union.

H2: The China-CEEC Cooperation performs an unfavorable role building the relationship between Peoples Republic of China and European Union.

H3: The China-CEEC Cooperation performs a conducive role only in building the relationship between Peoples Republic of China and less developed countries in the policies of the European Union.

H4: The China-CEEC Cooperation performs an unfavorable role only in building the relationship between Peoples Republic of China and the "major countries" leading the policies of the European Union.

H5: (Null Hypothesis) There is no impact of China-CEEC Cooperation on development of relationship between People's Republic of China and European Union, and no impact on new international relations norms.

Each of the above hypothesis has been stated in order to test theoretical concepts behind the relationship of the Independent Variable sub-regional interdependence that will be conceptualized in three different levels in chapters 3 to 5, based on the Dependent Variables of regional institutionalization driven by the shifting identification of regional stakeholders against the regional China presence.

- **Independent variable:** sub-regional interdependence

The relationship where empirically observed shifts in foreign policy behavior in the overarching relationship of China-Europe are being formed

- **Dependent Variable 1:** identification

Based on empirical data relationship with China and the European Union is largely dependent on the identification of each of the participants in the context of European

Community vis-à-vis partnership with China and acceptance of developing norms of the new IR approach.

- **Dependent Variable 2:** regional institutionalization

Relationship between the 17 parties that dependent on the political and economic objectives control the demand for institutionalization of cooperation processes/ The multileveled process observed by the re-conceptualization efforts undertaken by China in three main perspectives – bilateral, sub-regional and global.

The research should also allow to utilize the concept of neo-tributary elements evident in contemporary Chinese international relations adopted from the theoretical framework developed by Su-Yan Pan and Joe Tin-Yau Lo (2017), which may allow to better understand the rationale behind of the so-called new international relations of new era.

Dependent on which countries or organizations are involved in this mechanism, it is regarded to include different areas, utilize a diverted form or act as a vehicle of different levels of engagements *vis-à-vis* China. Since the mechanism is largely dependent on Chinese counterpart (a Chinese driven mechanism), it can be difficult to localize the elements of impact on the cooperation mechanism that would also allow to act as a tool of evaluation. The situation is more complicated on the European end, where not only there are different views on what is 16+1 among the EU and its individual Member States, but also among the administrations of chosen Participants, scientific and academic institutions, as well as neighborhood countries. The regional identification is therefore an essential element of the mechanism evaluation, which in result is an important determinant of the political and academic will of engagement with China and other partners, both in the region of CEE and wider Europe.

The willingness to engage actively on the level of 16+1 cooperation is not an element to be easily measured in this type of study, however by utilization of proposed theoretical framework the type a level of stated impact may be analyzed.

2.4 Definition and Conceptualization

It is important to define and conceptualize research elements (16+1, BRI, elements of bilateral interactions) as precisely as possible if they are to be of any use in assessment of the relationship being researched. This is especially true for the impact on EU-China relations being the sub-regional interdependence. To make this study feasible, the impact on the EU-China relations is defined as the level of awareness or recognition to which extend the mechanism is a multilateral or bilateral, to wheatear it delivers on promises and expectations, and what is (if any) the related impact on exclusive rights and obligations of EU member states. In addition, this study is different from other related to “lateral” engagement utilizing theories of interdependence and neo-functionalism or simply exploring the international relations theories touching on regionalism categorizing diplomatic interactions based on quantity-based analysis – unilateral, bilateral, minilateral or multilateral and even supranational. Of course, the classification stated above extends beyond already widely accepted categories introduced by Keohane (1990) that bilateralism is based on two, and multilateralism at least three (or more) states or stakeholders.

Moreover, it is not clearly stated how to test ideas in what is often referred to as multi-bilateralism. To clearly define that and put it in the context of this study, it may be useful to draw the two boundaries that can define it, with use of different levels of analysis, namely bilateralism and multilateralism (also in case of external and internal actor classification). In case of the latter, the majority of theorists in international relations employ the quality-based definition – more than two means many. A bit more to that has been developed by Ruggie⁷⁷, that suggests the for something to be regarded as multilateral, it need at least three features: indivisibility (associated with socially constructed public good), generalized organizing principles, and diffuse reciprocity. These three dependent variables in stated lateral relations are connected to opposition to discrimination and preferential bilateralism. Furthermore, for a platform to be multilateral, it needs to clearly oppose “differentiation on a case-by-case basis

⁷⁷ J. G. Ruggie, “Multilateralism: The Anatomy of an Institution”, *International Organization*, 46(3), (1992), pp. 561-598.

according to power or individual preferences” (Weber 1992)⁷⁸. In another words, the pre-stated rules must be seen to apply to all countries.

Another dimension of conceptualization of the main research question is defining of the lateral aspect of 16+1, which by contrast is centered on preferentialism and objectives on case-by-case basis. An example of multilateralism that has been researched in the context of the region is the case of the policy of the USA in Asia-Pacific, when it engaged with deferent states to create so-called “hub-and-spokes” network, being based mostly on bilateral treaties. The third and last dimension here is unilateralism, which is now the one and most opposed by China on the international area. The unilateralism is a policy, in which the powerful state disrespects multilateral norms and adopts self-centered foreign policy (Wedgwood 2002)⁷⁹.

The three stated and generally recognized “literalsms” of international engagement have all been present in today’s foreign policy of Peoples Republic of China, and are clearly visible in almost all documents issued after the first Belt and Road Forum in Beijing in 2017, and even more in the first half of the year 2019⁸⁰. The key element is therefore to analyze the different dimensions of engagement of 16+1 and try to match them with the elements of the Chinese new international relations implemented, which reflect the new rules and basis in which any given state should engage with Beijing, helping to explain some political rationale of the PRC. In contemporary state it refers to multiple elements defining unilateralism, and in case of 16+1, it is also relevant in case of how bilateralism and multilateralism are presented, creating a new “blending dimension” aiming towards what in this research is regarded as minilateralism (or multi-bilateralism) – a puzzle in the bigger grand strategy of international diplomatic and sectoral interactions.

Apart from the elements influencing regional and national identification, the important analytical background arises from two other realms of theoretical work – interdependence and regionalism. On the issue of sub-regional interdependence, most of the 16+1 research available refers to the economic interdependence, which in case

⁷⁸ S. Weber, “Shaping the Postwar Balance of Power: multilateralism in NATO”, *International Organization*, Vol. 46, No. 3, Summer, (1992), pp. 633-680.

⁷⁹ R. Wedgwood, selected works on unilateralism in multilateral systems, 2002.

⁸⁰ The new outlook of PRC on the EU, BR2, EU-China, 16+1 Summits, and President Xi Jinping state visit in March 2019 in 3 European countries.

of both classic and modern trade theories define trade as an increasing of welfare by exploitation of comparative cost advantages and economies of scale. These theories could be relevant also due to the idea of a “shared future for mankind” which in its essence builds on the idea of mutually beneficial cooperation aimed at creation of general welfare. However, both trade and economic interdependence varies largely based on the regional characteristics of less developed regions of the so-called “South”, and therefore have less potential to exploit comparative cost advantages and economies of scale in the researched sub-region of Europe. The latter again points to the connector with the Chinese proposed Belt and Road Initiative. For the aim of this work, the interdependence is analyzed also as political and cultural, to provide a more comprehensive conclusion. The ideas of regionalism embodied in the research elaborated in literature review indicate, that the regional integration may help less developed regions to become more advanced, which draws a line to another element in the relationship, namely the European integration, a process which still is not completed, and may achieve different dynamics in areas differentiating in the levels of development. It is also largely relevant in case of the 5 non-EU candidate countries in the region, as well as the direct impact to that integration by Chinese engagement with the CEEC’s.

This research touches upon homogeneity of the identification as a determinant of regional cooperation both in CEEC’s, within cross-regional EU relationships and well as wider global engagements with PRC. Based on the available research it could be stated, that dominant theoretical views are based on the domestic political objectives, and therefore are largely correlated with the demand for development, including advancement in the economic bilateral relationship with China. There are however many parallels in the available thought on the topic, that should be examined in more multidimensional assessment, leading in efforts to determine if the researched impact is purely pragmatic.

2.5 Validity

As stated in the previous section there is a big potential in a streamlined approach toward creation of clear-cut concept of engagement between China and CEEC's, not only for the future analysis of the cooperation mechanism itself but also further discussions on the relationship between European Union and China. The following research utilizes the advantage of the geographical placement of the author, the city of Beijing, which is the one of the central points of the relationship in question as well as the core of the 16+1 cooperation. It therefore allows for better access to primary the secondary data and relevant stakeholders in the research area, that can provide a valid input into conducted analysis, as well as the multidimensional analysis based on the most comprehensive qualitative data. The presented research design allows to place the existing analytical framework related to Chinas regional cooperation in the context of the process of 16+1 cooperation in its first 8 years, including drawing complex connections between various elements evident in BRI, 16+1 cooperation and selected bilateral relations.

Apart from the efforts directed towards assessment of impact of the Cooperation between China and Central and Eastern Countries, the study tries to establish the degree and nature of revisionism in norms and values projected within the stated cooperation mechanism, to answer if the research relationship as an element in a bigger context of China rise, as well as regional dimension of the creation of the new IR as perceived by Chinese leadership. Since both elements included in the two research questions are the elements of ongoing processes, they are not directed to answer the question indefinitely, but to underline the areas evident in the researched timeline, that may be helpful to predict directions in which the 16+1 cooperation will evolve, and the nature and characteristic of the evident shifts in China-preferred framework of contemporary international relations.

Chapter Three

Cross-regional impact of China's Belt and Road Initiative

The Belt and Road initiative (BRI) was first presented as a concept on September 7th 2013. Since that time, it became one of the most spoken about initiative/project in the past decade. However, in spite of more than five years of its presence, its constantly enlarging geographical outreach, and progressing time-frame, it reflects great inequalities in its perception, which are evident not only in foreign counterparts to China but also the initiative "source" country itself. Based on the literature review and consultations conducted with relevant counterparts in Beijing⁸¹, what tends to be viewed as an official narrative largely dominating the Chinese side, BRI is a long term (planned for many decades) initiative, based on the endeavor to progress on the trans-regional integration of Asia, Europe, East Africa and Middle East. It is anchored around a Sino-centric network of land (the Silk Road Economic Belt) and maritime (21st century Maritime Silk Road) logistic connectivity links. The two aforementioned elements (land and sea) are the very elements of the Belt and the Road.

The validity of mentioned perception is projected by potential of the BRI, associated with the goals of the domestic development policies of the PRC – one of the centennial goals of rejuvenations of the Chinese nation⁸² – as well as the external policies shared with other states. The latter correspond to the enormous needs in infrastructure on the Eurasian continent mass. That demand according to predictions of the Asian Development Bank (ADB) reaches as much as 8 bn USD (2018)⁸³. According to the ADB, only the Asian continent demand for infrastructure in the years 2016 to 2030 reaches 26 trillion USD (1,7 trillion USD annually). It is also twice more than the estimates

⁸¹ Bilateral exchanges based on participation in academic debates were conducted by this author in Beijing on the course of year 2016-2017.

⁸² One of the key priorities in the President Xi Jinping administration. It has been emphasized in Xi Jinping's report at 19th CPC National Congress (appears there 30 times), where he states in opening remarks: *"Never forget why you started, and you can accomplish your mission. The original aspiration and the mission of Chinese Communists is to seek happiness for the Chinese people and rejuvenation for the Chinese nation. This original aspiration, this mission, is what inspires Chinese Communists to advance. In our Party, each and every one of us must always breathe the same breath as the people, share the same future, and stay truly connected to them. The aspirations of the people to live a better life must always be the focus of our efforts. We must keep on striving with endless energy toward the great goal of national rejuvenation."*

⁸³ "Meeting Asia's Infrastructure Needs", Asian Development Bank, February, 2017. <https://www.adb.org/publications/asia-infrastructure-needs>.

from 2009, and the large stake of closing of the gap in that demand is associated with the PRC. According to this institution there is an urging need for regulatory and institutional reform to make infrastructure more attractive for investors in the private sector. This argument together with the large financial need for assistance, creates an interesting vacuum, which will have to be filled in the short to medium time-perspective, especially on the initial political obligations level.

There is also an important disproportion in perception of the BRI present in the trans-regional dimension, with “some geopolitical implications”. In case of the so-called West, BRI is mostly associated with economy (that naturally leads to the question of interdependence) and its derivative, the connectivity. There is also a growing conviction, that if BRI should be perceived as a strategy of global or cross-regional range, it acts in pragmatic perspective as a vehicle for battle of principles between the EU and China, where market-oriented model competes with the state-led alternative (Makocki and Nechev 2017).

According to the white paper issued by the PRC in 2015, the BRI aims to promote the connectivity of Asia, European and African continents and their adjacent seas, and establish and strengthen partnerships⁸⁴. The publication touches briefly on the issue of its framework presence, where it is described as an “*ambitious economic vision of opening-up of and cooperation among the countries along the Belt and Road*”. It states also, that the background behind the implementation of the BRI is based on complex and profound changes in the world. The above, based on the argument of close economic connections of China and the World economy courses the need for China to stay committed to policy of “*opening-up, build a new pattern of all-round opening-up, and integrate itself deeper into the world economic system*”. According to NDRC (China) the initiative is the tool of achieving of these objectives, stated in fulfillment of several cooperation priorities:

- *Synergy potential* – all participating countries possess their own advantages, that can create synergies.

⁸⁴ “Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road”, PRC National Development and Reform Commission, First Edition, 2015.
http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html

- *Facilitation of connectivity* – construction of international trunk passageways and infrastructural networks, on basis of respecting each other's sovereignty and security concerns.
- *Construction of cross-border optical cables and other communications trunk line networks.*
- *Enhancement of customs cooperation.*
- *Expansion of trading* – including improvement of trade structure, exploration of new growth areas of trade, and promotion of trade balance.
- *Division of labor and distribution of industrial chains.*
- *Financial integration* – internationalization of CNY, expansion of risk and crisis response mechanisms, and cross-regional cooperation with use of dedicated funds.
- Building and enhancing of *People-to-people bond*.

The areas stated in the documents, and the sole fact that the initiative is governed by National Development and Reform Commission, what in itself stresses BRI presiding economic dimension.

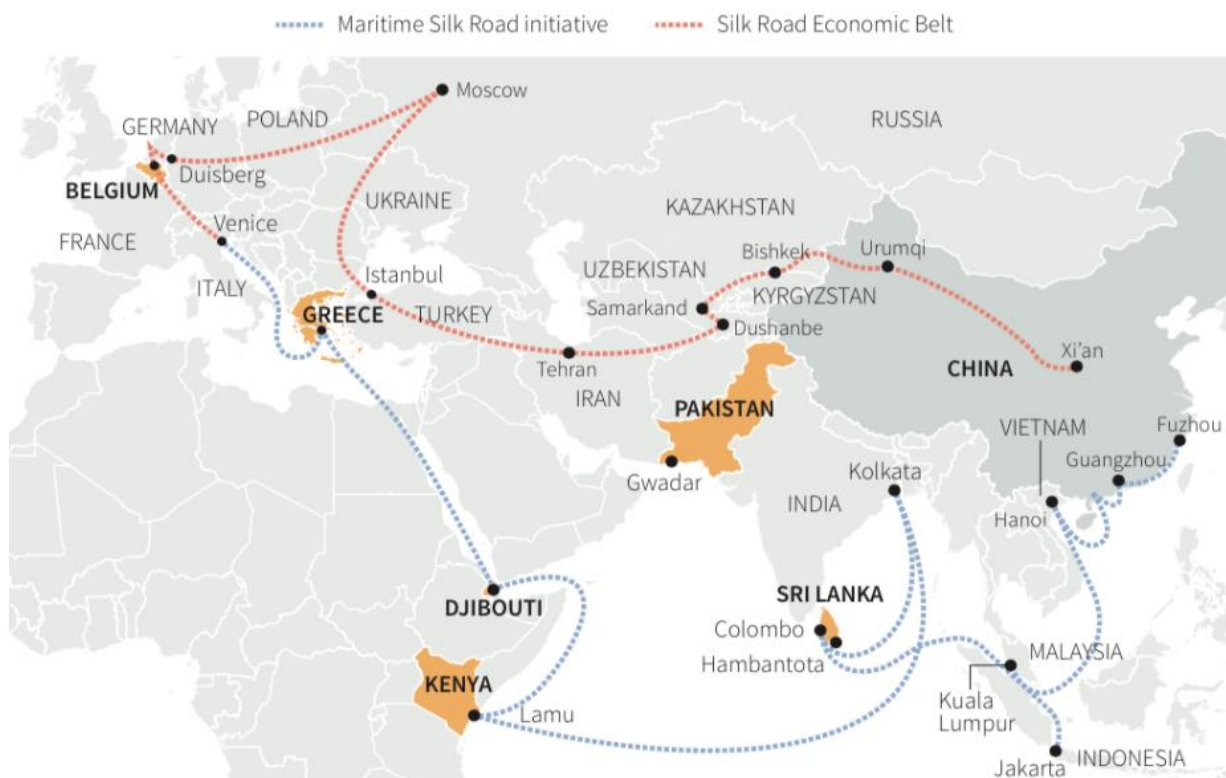
So far, stated descriptions of the BRI are only a small element of the overall picture, therefore to grasp a better vantage point it may be helpful to define it by combining the stated arguments, that BRI is a national project of the PRC, with implications within its foreign policy with the international outreach. With a top down approach, the following part conceptualize and define the 3 basic dimensions of the BRI to help in finding of its shared elements in the 16+1 cooperation, and the impact on bilateral relations of the particular European states:

1. *Internal policy*
2. *Foreign policy*
3. *Geopolitical impact*

3.1 The evolution of the initiative

The narrative and multidimensional character puts this platform of international cooperation in the center of almost all political leadership meetings, as well as majority of multilateral platforms with the active participation of China. Similar characteristics are visible among the scholarly communities and think-tanks. As indicated in the previous parts, the initiative in spite of the 6 years of presence, and two dedicated forums (BRF in Beijing in 2017 and 2019) still haven't allow to clearly state the primary goals or objectives, which are being adjusted slightly towards justification of elements stated above. What is evident from the published sources, this actions also refer to the domestic purposes of the BRI existence, and based on the analysis conducted by this author there is a negative correlation between the depth of analysis and the conceptualization of the BRI itself. The following part will try to streamline the evolution of the available perceptions of the BRI in the first five years of its presence.

Map 3. Belt and Road Initiative initial geographic outreach



Source: Copied by this author from Reuters.

The BRI idea has been presented for the first time (called back then as a New Silk Road) during the speech of the Chairman Xi Jinping on the Nazarbayev University in the capital of Kazakhstan, still within the first 6 months of his presidency. At that time, the Chinese president did not state any objectives, underlining mostly, that is aimed towards *“forging of closer economic relations, deepen cooperation and extend development space of Eurasia”*. He also presented five key areas of the New Silk Road:

- *Political communication.*
- *Enhancement of trade exchanges.*
- *Connectivity.*
- *Monetary exchange aiming at internationalization of local currencies.*
- *People-to-people exchanges.*

The analysis of this very first blueprint speech on Belt and Road allows to localize constantly present factor, which may be also a key to why it is called the Belt and Road Initiative instead of “Belt and Road Project” or “Belt and Road Strategy”. In case of the first, it would require clearly stated time-frame (or perspectives), in case of the latter, it would require a clearly stated objectives or deliverables. Above disparities in the conceptualization and the broad outreach of BRI caused a surge of interest of actors in almost all possible areas (academia, local governments, associations, central administration, universities and state-owned companies) to organize at least one event branded as the Belt and Road element (Carnegie Moscow Center 2018). In fact, even the Chinese leadership starts to “undercut” the structural integrity of the BRI classification, what has been evident in the description provided by state counselor and minister of foreign affairs of PRC Wang Yi before the 2nd BRF in 2019 – *The ‘Belt and Road initiative’ (BRI) is not a geopolitical tool but a platform for cooperation* – using the same expression as to the 16+1 cooperation itself.

The described conceptual state, even though referring to the broad timespan, has become more streamlined with the evolution of the initiative itself. So far, there have been three changes in the initiative, reflected by the name:

- Silk Road Economic Belt (SREB) – 2013;
- One Belt one Road (OBOR) – 2014;
- Belt and Road Initiative – 2015.

The most important year was the 2015 (when it received its present name), which has been associated with the fact of taking over the control of its supervision by the National Development and Reform Commission (NDRC), so-called super resort or super-ministry, which gave it the desired level of “gravity” as well as marked it with emphasis on economic and development priority and reform.

An important role in the “internationalization” of BRI has been played by the shifts in the international areas, which were partly associated with the change within the economic and foreign policy of the United States under the presidency of Donald Trump, changing the landscape in the Asia Pacific⁸⁵, and impacting the wider cross-regional relations (with the important role of the European Union). The USA “shift out” of the Asia-Pacific region and more visible anti-globalization rhetoric allowed China to take the leading position in case of the defending of the globalization and inclusion in this trends of the developing states, multilateral world order with the UN at its core. It included also advocating for economic global governance based on WTO, that until now is not perceived as the threat to the fundamental integrity of international system⁸⁶. These opportunities allowed to further straighten its element of global exceptionalism. Therefore it can be argued, that due to the stated differences in perceptions of the “current international situation” and crisis management mode in domestic governance⁸⁷,

⁸⁵ “Why Trump’s withdrawal from the TPP is a boon for China”, South China Morning Post, re-published from Bloomberg News, 24 January, 2017. <https://www.scmp.com/news/world/united-states-canada/article/2064927/why-trumps-withdrawal-tpp-boon-china>.

⁸⁶ M. J. Mazarr, T. R. Heath, A. S. Cevallos, “China and the International Order. Santa Monica”, RAND Corporation, 2018. https://www.rand.org/pubs/research_reports/RR2423.html.

⁸⁷ S. Heilmann. (ed.), “China’s Political System”, Mercator Institute for China Studies (MERICS), published by Rowman Littlefield, 2017.

China was able to catalyze its shift toward the frontline of international governance systems *vis-à-vis* the so-called West, which as indicted briefly before considered the Belt and Road mostly as a “economic project”, and playing with the synergies has not been regarded as high priority in the timeframe of this study⁸⁸.

Another important year in the evolution of the BRI is the year 2017, when the first Belt and Road Forum took place in Beijing, followed by the 19th Party Congress, where new blueprints of the international policy has been drafted, including further streamlining of the role that Belt and Road could play in their objectives implementations. In the report of president Xi Jinping addressing the progress of China’s diplomacy in the past five years, the leader draws a direct connection between policy objectives and the initiative itself:

“We have made all-round efforts in the pursuit of major country diplomacy with Chinese characteristics, thus advancing China’s diplomatic agenda in a comprehensive, multilevel, multifaceted way and creating a favorable external environment for China’s development. We have jointly pursued the Belt and Road Initiative, initiated the Asian Infrastructure Investment Bank, set up the Silk Road Fund, and hosted the First Belt and Road Forum for International Cooperation (...). China champions the development of a community with a shared future for mankind, and has encouraged the evolution of the global governance system.”

This year, apart from some adjustments in case of internal and foreign policy of the CPC allowed to draw the paths for enhancing of the PRC’s role towards the mixture of upholding and reforming of the economic global governance, as well as representations of the developing world with the help of other multilateral groupings like BRICS, Shanghai Cooperation Organization (SCO), Forum on China-Africa Cooperation (FOCAC), the so-called South-South Cooperation and even Asia-Pacific Economic Cooperation (APEC)⁸⁹. China, a country that claim around 30% of input in global GDP growth, tends to underline the backdrop of crisis, in which the issues of slow economic recovery, faulty economy, increase in protectionism and anti-globalization, and unilateralism are on the rise, and the weaker economies need to be addressed or

⁸⁸ Based on analysis of strategic and program documents by this author.

⁸⁹ Based on analysis of this author of speeches and government issue documents is reflected in the guiding role taken by the Chinese leadership in multilateral gatherings, as well as emphasis on preferred steps progressing the development of all bilateral relationships of China in the past years.

protected, with a strong international voice (of China). According to official press releases, the first Belt and Road Forum for International Cooperation (BFR) that took place in May 2017 brought around 100 agreements, from which many similarly as stated in the aforementioned text involved non-major actions in non-development areas. Nevertheless, the strong overall support displayed by China to the developing world, including Africa won the support of many world Leaders, including the United Nations Secretary General Antonio Guterres who recognized the complementarity of the BRI with both UN 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change (Xinhua, MFA of PRC, 2019)⁹⁰.

The trends present over the past years have evidence of a shared element, being the attempt to gain support for the Chinese understanding of the stated “crisis state of the world economy”, which apart from the obvious references to the foreign and domestic economic policy of the USA (biggest world economy) were largely accepted⁹¹ in the meetings of several forums and platforms, directed especially to the developing states:

▪ **Xi Jinping Keynote Speech on APEC CEO Summit in Manila in 2015:**

“Against the backdrop of multiple challenges in the world economy, the Asia-Pacific economy is also confronted with many immediate and potential difficulties and risks. (...) Facing the dangerous rapids and shoals in the world economy, we must steer the giant ship of the Asia-Pacific in the right direction”.

▪ **Xi Jinping Keynote Speech on Opening Ceremony of the G20 Summit in Hangzhou in 2016:**

“The world economy is now in profound adjustments and moving along a twisted path to recovery. It stands at a crucial juncture where new growth drivers are taking the place of old ones. (...) Currently, protectionism is rising; global trade and investment are sluggish; the multilateral trading regime faces bottlenecks in development, and the emergence of various regional trade arrangements have led to fragmentation of rules. Complex geopolitical factors and regional hot-spot issues as well as global challenges such as political and security conflicts and turmoil, refugee crisis, climate change and terrorism have all affected the world economy with consequences that cannot be overlooked”.

⁹⁰ “Xi Jinping Meets with Secretary-General of the United Nations (UN) António Guterres”, PRC MFA, April 26, 2019. https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1659272.shtml.

⁹¹ The acceptance refers to the underlining of key notes of Xi Jinping speeches, or are expressed in declaration and communiques, which are negotiated, and therefore agreed upon by the parties being listed as its sides/signatories.

▪ **Xi Jinping Keynote Speech on World Economic Forum in Davos in 2017:**

“At present, the most pressing task before us is to steer the global economy out of difficulty. The global economy has remained sluggish for quite some time. The gap between the poor and the rich and between the South and the North is widening. The root cause is that the three critical issues in the economic sphere have not been effectively addressed.”

▪ **Join Communiqué from 1st BRF in Beijing 2017:**

“We further recognize the challenges that the world economy faces. While it is currently experiencing modest recovery, downside risks remain.”

▪ **Xi Jinping Keynote Speech on Shanghai Cooperation Organization Summit in Qingdao (2018):**

“While unilateralism, trade protectionism and backlash against globalization are taking new forms, in this global village of ours where countries' interests and future are so interconnected, the pursuit of cooperation for mutual benefit represents a surging trend”.

▪ **Xi Jinping Keynote Speech on FOCAC Summit in Beijing in 2018:**

“Hegemony and power politics persist; protectionism and unilateralism are mounting; war, conflicts, terrorism, famine and epidemics continue to plague us; security challenges, both traditional and non-traditional, remain as complex and interwoven as ever”.

▪ **Xi Jinping Keynote Speech on BRICS Business Forum in Johannesburg in 2018:**

“We are witnessing major changes unfolding in our world, something unseen in a century. This is a world of both opportunities and challenges for us emerging markets and developing countries”.

Above negative, crisis like rhetoric has been evident already during the 17th NPC Congress, when president Hu Jintao referred to the profound changes in the current situation. Still this message was not as negative in its nature as the citations listed above. Building of general acceptance of the backdrop of global economic development have great potential in recruitment of additional support towards common implementation for the BRI, and other sub-regional cooperation platforms of overlapping characteristic.

But returning to the clearly stated frame for assessment of BRI deliverables, additional fault in the contemporary assessment or management of the initiative can be observed, namely the ability to create and implement the measures of “success” achieved in its first completed five years of implementations. Those deliverables that

has been localized are often selected from the bilateral arrangements and reflect a wide spectrum of cooperation, which often doubtfully correspond to these associated with the Belt and Road Initiative policy objectives. On the list of the BRI deliverables in years 2013 and 2018 (Appendix 1. – the selected list related to the CEEC's and relevant international institutions) one can find great variety from the international committees and consultative bodies and international agreements, through local and expert exchanges.

It can be also observed, that the list provided by the Chinese authorities in case of the 2nd BRF is much less structured (also enclosed in Appendix 1). The list excludes multiple events conducted under the BRI badge including side seminars of cultural event, beauty contests and emission of postal stamps, but points to some commonalities associated with the initial objectives given by the NDRC to the BRI, evident in the segmentation of the list itself:

- ✓ *Synergize Connectivity of Development Policies and Strategies*
- ✓ *Deepen Project Cooperation for Infrastructure Connectivity*
- ✓ *Expand Industrial Investment, Enhance Trade Connectivity*
- ✓ *Enhance Financial Cooperation, Promote Financial Connectivity*
- ✓ *Invest More in People's Livelihood, Deepen People-to-People Exchange*

Similar case refers to the key areas of cooperation within BRI, namely connectivity and classification which projects are implemented within the BRI framework, and which are not. Lack of the clearly stated rules in this regard also allow for casual links. A good example it still the construction of the China-Pakistan Economic Corridor, which was branded as the core projects under the BRI begun in the past decade (before 2010) few years before the Belt and Road Initiative and its author Xi Jinping's presidency.

The first five years of the BRI development, including its constantly forming concept attracted over 100 countries participation, materialized into over 120 agreements referring to the development of the BRI in as general or in selected realm of cooperation. According the briefings by the Ministry of Foreign Affairs of PRC, China opened in the time 82 foreign areas of economic cooperation, which brought almost 30bn USD in investment. In spite of this impressive numbers, it is a widely shared view

among scholars and international community, that the actual role in mentioned actions of the BRI itself it's hard to measure. It is only until mid-2019, when China decided to streamline the idea themselves, trying to develop a set of rules that will aim at better definition of Xi Jinping's "signature policy" (Bloomberg 2019)⁹².

3.2 Chinese perspective on the Belt and Road Initiative.

Belt and Road Initiative may be claimed to act as one of the three pillars of implementation of 13th five-year plan, next to coordinated with its development of the Beijing-Tianjin-Hebei area as well as Yangtze River Economic Belt. For a significant portion of the Chinese audiences and thinkers, BRI seems to be treated a development strategy, which has at least two dimensions, domestic and foreign. If regarded as a development strategy of China, it would make it also one of very few developmental strategies of China that would be directed towards foreign territories.

The internal dimension of the BRI is mainly associated with peaceful "rejuvenation and unification" of all China, which is considered by many as the main goal of the author of the initiative, president Xi Jinping himself. The cross-dimensional characteristics of its elements result in one of the most comprehensive networks of partners through the dedicated sections of central administration in Beijing, governments on regional and municipal levels, education institutions and autonomous regions.

⁹² "China Moves to Define 'Belt and Road' Projects for First Time", Bloomberg New, April 3, 2019. <https://www.bloomberg.com/news/articles/2019-04-03/china-moves-to-define-belt-and-road-projects-for-first-time>.

Map 4. The railway corridors connecting China and Europe (2017).



Source: Institute of Comprehensive Transportation, NDRC.

A visible element connecting the core area of cooperation within BRI and the domestic development, and other social related policies, is the development of logistic links and wider connectivity between the main industrial areas and cities in the coastal China with the interior, including Xinjiang and Inner Mongolia. These areas are acting as a gate to the neighboring states in Central and Southern Asia, as well as European Continent. According to the official press release referring to the cited earlier speech of president Xi Jinping in Kazakhstan, the idea of creating of broader mutual cooperation within Eurasia among other aims at opening up *“the transportation channel from the Pacific to the Baltic Sea and to gradually form a transportation network that connects East Asia, West Asia, and South Asia”*. During the same speech, there is a reference to over 1700km of shared borders with Kazakhstan, as well as the story of a citizen of Xinjiang region, that suffered due to lack of development. Above elements also direct the attention to the domestic aspect of the initiative related to the interdependence based on cross-border connectivity.

Actions of the above nature are often claimed by the Chinese MFA⁹³ (and other government representatives addressing the issue of changes occurring in Xinjiang after 2016) as those that allow to narrow the developmental gap with the Eastern China and reduce poverty and increase income of local households, which in result help to stop

⁹³ MFA had 3 rotating spokespersons at the time of this research.

“three evil forces of extremism, separatism and terrorism” and instabilities in society and economy. BRI under the stated justification gain lots of official endorsement in society. It is claimed also to perform a side action allowing the ruling CPC to legitimize its actions, and validate the argument, that the peaceful development and prosperity could be achieved only thanks to the socialism with Chinese characteristics of the New Era⁹⁴.

Furthermore, based on the literature available at the time of this study, it can be argued that BRI acts as an element of interconnected strategic approach of China aimed at the future development of the country. This may be one of the main arguments behind intentions to place BRI next to the development strategies of other countries on the path of economic belt and maritime road. It is also important to note, that this action is often referred to as the “co-building”, emphasizing the shared nature of the initiative, which may be a direct reference to claims of Chinese leadership to call it an international public good, and underline the view of Wang Yi of being a platform for cooperation.

In spite the fact that BRI can be regarded as an entity in making, from the Chinese point of view it has to be fully coherent with Chinese model of international relationship, which build mainly on the rules of mutual trust, mutual respect, noninterference in internal affairs, and search for mutually beneficial cooperation and win-win results. The aforementioned qualities make the conditions present in the timeframe in question (2013-2017) resulting in necessity of treating BRI as a “cooperation initiative” or even a “concept of cooperation”, which drifts into more inclusive mindset, away from the general definitions of strategy, project or initiative. This would also mean that China cannot allow itself to dictate to other partner countries how to formulate its development goals and strategic objectives, which in order to succeed in cross-regional projects has to be taken into account. That can explain the recent to this study emphasis on synergy building.

At the same time, as indicated by what is often referred to as the increase in international assertiveness of PRC, BRI imposes some preconditions among the Chinese elites. Likewise, a country which partners up in “shared development” of the Belt and Road, in practice cannot engage into very comprehensive critic or review of the projects, which is immediately treated as sharing of misinterpretations and false accusations

⁹⁴ As stated by Xi Jinping in his report to the 19th NPC in 2017.

towards China⁹⁵. This paradigm could be interpreted as a strong empirical evidence in support of the argument of the neo-tributary characteristic of the new IR. The above conditionality once more points into a set up where the cooperation should be based and motivated on the sincere desire for mutual benefits, without interfering by the third countries (especially ex-regional powers)⁹⁶.

Another element necessary to better understand the Chinese perceptions on the BRI is the concept to which this author referred in the past parts, namely of idea of “*Community of Shared Future for Mankind*” constantly underlined by CPC Chairman Xi Jinping. That concept became the “tank-engine” for the building of the new international relations of new era, as well as main concept for almost all actions of China in relations to the outside world. According to the arguments presented by the Chinese administration during official communication after year 2013, it is a new vision of the World order by China, which aim at addressing of today’s challenges, with the leading role of the Belt and Road Initiative. Based on the available literature it can be argued, that among motives for the creation of this new approach in China is the notion that for the past 40 years of opening and growth, when China largely gained from the global governance system becoming one of its biggest beneficiaries. Now, when it is more often viewed as a developed country by the outside world⁹⁷, and during the Chinese leadership promotion of idea of globalization and economy in a flux, China stands ready to defend the global GDP growth, including needs and demands of the developing countries that will allow to sustain peace and build a beautiful world of shared future for mankind⁹⁸.

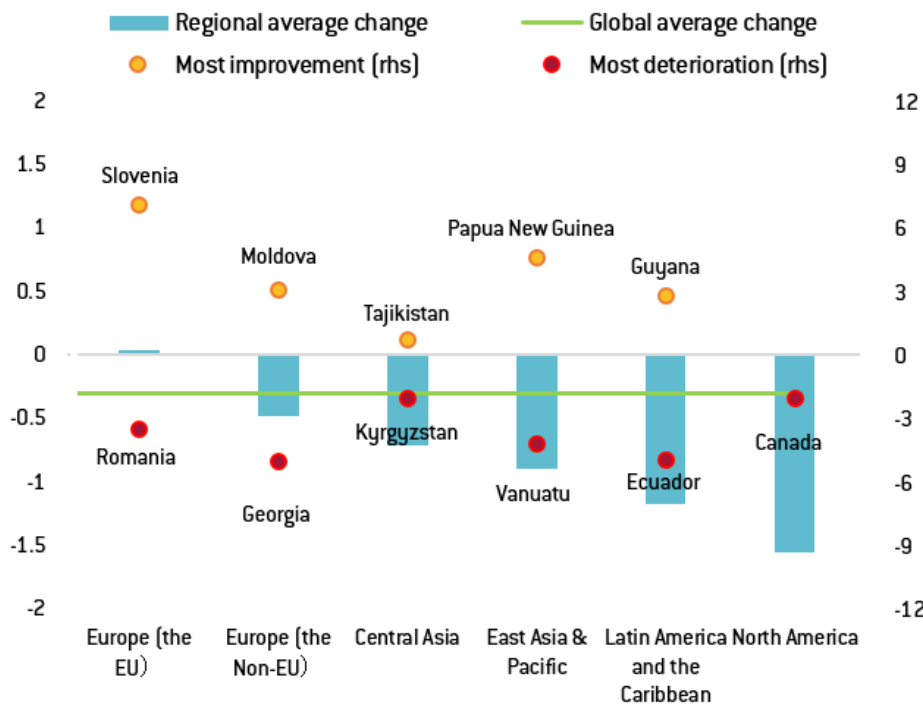
⁹⁵ Based on analyses of the MFA of PRC regular press conferences between 2016 and 2019.

⁹⁶ To uphold the Five Principles of Peaceful coexistence creates conflict with the need for stronger presence of China in the global governance and international community.

⁹⁷ This argument is an element of the EU critic, used in the strategic documents discussing its relationship with China, especially on the economic and investment areas, where several discriminatory practices are still evident. Also, Chinese administration uses argument of its developing character to postpone relevance of selected international obligations, as evident i.e. in the forum of WTO in regard to general procurement.

⁹⁸ “Communication key to shared future for mankind”, *China Daily*, May 3, 2019.
<http://www.chinadaily.com.cn/a/201905/03/WS5ccb6174a3104842260b98f4.html>.

Figure 5. Average Change of the image of BRI across region over time (Jan 2017 – Jan 2019) *.



Source: Included from the research by Garcia-Herrero, Xu Jianwei, 2019, see footnote 101.

The argument stated above is a linking point to the support of many leaders representing the multilateral forums⁹⁹, winning support among many developing countries and the United Nations¹⁰⁰. It is also why BRI can be perceived as an ideological or even geopolitical, since it openly aims at reshaping of the Western build international order (formulation of the new IR), and therefore impact the long-expected reforms of the global governance systems as well as UN and WTO. However positive the image in the official rhetoric, there are more evidence to the worsening image of the BRI among key global actors (Bruegel 2019)¹⁰¹.

The dimensions mentioned so far point to multidirectional framework, overarching the elements of Chinese domestic and foreign policies. One of the most noted dimensions of the domestic front of BRI its in role in “building” sustainability into

⁹⁹ Projected during the events like Belt and Road Forum, FOCAC and SCO, where in the initial paragraphs of delivered documents and statements there is a direct indication to parties present, and therefore endorsing the stated inside concepts.

¹⁰⁰ As the endorsement of the UN Secretary General cited in the previous part of this work.

¹⁰¹ A. Garcia-Herrero and J.W. Xu, “The next step of the Belt and Road Initiative: Multilateralisation with Chinese characteristics”, blog post, Bruegel, April 18, 2019. <http://bruegel.org/2019/04/the-next-step-of-the-belt-and-road-initiative-multilateralisation-with-chinese-characteristics/>.

economic and financial sectors. Most arguably, the BRI acts as a platform to unload the financing and excess capacities¹⁰² of China (including steel and aluminum) into rather undeveloped countries, that by upgrading of their own production capacities and connectivity can act as a catalyst for the progress and opening of the less developed countries. This “spill-over effect” can arguably bring the most added value to the Chinese economy, creating what this author calls a collateral improve to the members of the so-called South-South Cooperation, and support of the realization of the Sustainable Development Goals of the UN¹⁰³. It may also be the very reason, why instead of the initially stated geographical scope of the BRI being the Eurasian land mass, Middle-East and Eastern Africa, it also includes other African countries, as well as wider Asia-Pacific and Southern America¹⁰⁴. As pointed by Bruegel think-tank (2019), the objective of the Belt and Road Initiative seems to have evolved from economic-oriented goal of facilitating export of China’s capacity to a soft power tool strongly associated with infrastructure projects of strategic significance.

Coming back to the last of the five areas mentioned by H.E. Xi Jinping during his speech in Kazakhstan in 2013, they also refer to soft power and the people-to-people exchanges. Years 2018-2019 point to several other cases of China becoming ever more focused on underlining of its cultural and civilizational values and qualities. In doing that it often refers to its 5 millennia long history, on which extensive contacts were undertaken *via* the ancient Silk Road. This argument, as pointed out during the exchanges conducted with this study is one of the few (if not only) elements in the minds of CPC leadership capable of placing China on equal footing with the Western countries (civilization), the civilization that until these time in history was mostly responsible for the global governance structure, rules-based trade systems and majority of the multilateral institutions. It can also help to unwrap the reasoning behind placing everything that doesn’t fall within the set of aforementioned new Chinese rules of

¹⁰² “How will the Belt and Road Initiative advance China’s interests?”, Bruegel, Center for Strategic and International Studies (2019). <https://chinapower.csis.org/china-belt-and-road-initiative/>.

¹⁰³ The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership”.
<https://sustainabledevelopment.un.org/?menu=1300>.

¹⁰⁴ This is the “theater” characterized by biggest demand for capital and investment in connectivity.

international relations as a zero-sum game or Cold War thinking – as it was already established, the mindset opposite the one presented by the Belt and Road.

The argumentation about the civilization similarly to the economic development plays a role in rooting of the CPC governance and legitimize the party actions. This rhetoric, while increasing since 2016, help to underline the *“coherence of the centuries old culture with the socialism with Chinese characteristics”*, where one can point to links between cultural validity of sustaining of traditions with the respect to diversity, voluntarism and comfort associated with the virtues of peace and harmony. That still has some relevance, both to streamlining of the concept of BRI as well as impact on the China – Europe relations where the values of the West and Christianity are often discredited internally, and the actions described in the literature review part connected with restoration of the Chinese domestic identity naturally segregates people on both sides on “us” and “them” (from the described in this part Chinese perspective). This thinking can also be applied to the understanding of the Chinese need of the reforms in the international environment, that could also be seen as efforts to institutionalization of new Chinese-led entities, where segregation of group of countries in homogeneous clusters (like UN or WTO) doesn’t support the implementation of the Chinese domestic agenda or foreign cooperation objectives. Therefore, in-line with arguments mentioned in the literature review, there is clear empirical evidence of the idea to reformulate the realist and neoliberalist theories to establish norms that support the development desired by China on the trans-continental and global level, pointing to some elements of tributary historical elements.

The above assessment points to the idea of collateral improve that the BRI performs from the perspective of China allows to draw links to the Cooperation between China and Central Eastern Countries itself. Due to case-by-case inclusion of each project in logistics and infrastructure under the umbrella of Belt and Road, the right to brand a particular action within the initiative often corresponds with the preconditions of declaration of political support and recognition of rules and values in the third countries to the initiative, China, or even the president Xi Jinping himself. This fact, reflected in several examples of state visits of president Xi can be interpreted as yet another (next to examples for included in the literature review) of the tributary approaches to Chinese international relations. Analyzing of the outcome list included at the end of this volume

([Appendix 1.](#)) underline the most frequent presence of two of the CEE countries, namely Serbia and Hungary. Serbia in context of BRI, emphasize descriptions of “historical connection” associated by socialism as a form of socio-political order (BFPE 2018¹⁰⁵). Serbia also remembers, that China, as one of UNSC P5 didn’t recognize the “unilaterally declared” independence of Kosovo. As indicated by BFPE in reciprocal gesture, Serbia has openly expressed its position in favor of the Chinese side in the territorial disputes that China has in the South China Sea, as well as on the territory of Tibet and Xinjiang. This kind of declaration surely support the ambition of that country to become the major partner of China in Western Balkans.

3.3 Western perspective on the Belt and Road Initiative.

Idea of bridging the viewpoints of the West present through the European continent is one of the main positions on many scientific institution’s desks. Due to the same shifts that the Chinese side often points to, also here the opinions within the European community is quite divided. One of the most visible common elements can be the general Western perspective on the Belt and Road. Therefore, to first localize that view, it may be worth to look on the “two middle powers”¹⁰⁶, namely the USA and Russian perspectives.

The Belt and Road in case of USA has gained some attention in the past five years mostly due to the impact it has on the Indo-Pacific region, as well as the brought financial consequences putting some projects sustainability in question¹⁰⁷. As often underlined by the think-tanks present in the circles of Washington, the BRI is viewed as a foreign policy project that signal the departure from the era of so-called “hide and bide” to the new era of foreign relations “with Chinese characteristics”, where the long-term global engagement of Beijing is emphasized. This view is of course the more moderate one,

¹⁰⁵ S. Vladislavljev, “Serbia’s position towards China and China’s presence in the Western Balkans”, opinion, Belgrade Fund for Political Excellence, August 28, 2018. <https://en.bfpe.org/serbias-attitude-towards-china-and-chinas-presence-in-the-western-balkans/>.

¹⁰⁶ The two parties that have the most significant impact on development of relationship of China and Europe. The argument of European Union acting as a proxy in the persisting USA-China conflict in the years 2018-2019 is also increasingly present in the Chinese centered scholarly environment.

¹⁰⁷ Pakistan and Sri Lanka.

especially next to claims by former US secretary of state Rex Tillerson of BRI being a geopolitical endeavor for global domination and manifestation of “predatory economics”¹⁰⁸.

That global engagement of China has two basic dimensions, the North-South axis (the developed world) and the South-South axis (the developing world). Chinas conceptualization of the latter is driven “*by the insecurity about the stability at home and around China periphery*” (RAND 2018). Of course, the most essential is the China itself, which encompasses Taiwan and South China Sea¹⁰⁹. The next layers consist from the Central Asia and neighboring states and routes to countries in South-East and South Asia, the Asia-Pacific basin and lastly everything else. Although it can be argued that this segregation missing Europe, Russia within the key circles of developing states cooperation, it can be also argued that in case of the BRI the priorities and so-called “crown projects” often refer to the areas in the stated order, where Beijing tends to increase legitimacy for its global influence, and secure its investments and communities conducting ever-growing economic activities on the foreign territories.

Central Asia, a place where the BRI has been first announced, has a significant importance since this is a territory that apart from Russia is the main path in developed connectivity links. It is recognized, that the region gained more attention at the early 1990’s just after the collapse of the USSR. Many of interests nevertheless developed already after 2010, when the domestic stability and national unity (the urge to rebuild the position of China after two centuries of humiliation) in Western China became a priority¹¹⁰. BRI in case of this region also requires additional alignment with other regional “elements”, namely the idea of building the Eurasian Economic Union and enhancement of cooperation within the Shanghai Cooperation Organization, another strongly supported platform of regional cooperation gaining growing economic and developmental characteristics since the year 2013.

¹⁰⁸ E. Tamkin, R. Gramer, “Tillerson Knocks China, Courts India Ahead of South Asia Trip”, blog, Foreign Policy, October 18, 2017. <https://foreignpolicy.com/2017/10/18/tillerson-knocks-china-courts-india-ahead-of-south-asia-trip/>.

¹⁰⁹ “At the Dawn of Belt and Road – China in the Developing World”, RAND Corporation, Santa Monica, 2018. https://www.rand.org/pubs/research_reports/RR2273.html.

¹¹⁰ As stated by Xi Jinping during the 19th NPC of CPC, 2017.

Table 3. *The positive and negative aspects of BRI – Western perspective*

Positives	Negatives
The project enhances the infrastructure development and promote global connectivity, driven by a genuine demand for the deliverables of the BRI, especially in the area of global infrastructure	The project case-by-case often “no strings attached” financing poses risk for corruption and lack of sustainability
It results in the comprehensive engagement solutions, which enhance exchanges and people-to-people contacts	The lack of universal rules-based investment offered and realized by China poses risks of sovereignty threats and export of sub-standard practices.
It supports the development of many smaller emerging countries, which is conducive the other multilateral efforts.	Lack of transparency poses risk of mis-assessment by the USA and likeminded countries, and promotion of values inconsistent with the present world order
It supports Chinese efforts to establish values of transparency, fairness and sustainability	The large geographic outreach of the BRI means that it will have to bring additional geo-political implications
Contributes to closing of the global development gaps, creating a West-East axis of common cooperation	Promotes the initiative as an international public good that has no hidden meaning or additional costs causing misinterpretations in investment risk assessments

Source: Adopted by this author for the materials by Carnegie-Tsinghua Center for Global Policy.

Although BRI is being found as an important contributor to the development of multimodal transport and connectivity¹¹¹, it also brings discussions on concerns surrounding the Chinese credit lines and linkages to the unstable geographical areas with the failed states and ungoverned spaces¹¹². This argument is largely related to the

¹¹¹ L. Hui, C. Rohr, M. Hafter and A. Knack, “China Belt and Road Initiative – Measuring the impact of improving transportation connectivity on the trade in the region”, RAND Corp., 2019. www.rand.org/pubs/research_reports/RR2625.html.

¹¹² C. P. Clarke and M. Salskog, “The Little-Known Security Gaps in China’s Belt and Road Initiative”, RAND Corp. February 19, 2019.

thesis that “*none of the strategic drivers – economic, energy and international security – operates in a vacuum*” (RAND 2019). However relevant is that claim falls outside of this research, but it can be widely agreed though, that the more interest a given country has abroad, the more responsibilities to protect, or risk of losing of control¹¹³ there might be. The above further validate the linkages between the Chinese national goals and the increase in international engagement, resulting in more critical and less unconditional assessment of the initiative by the American analytical circles.

It may be worth to stop for a while in the area connecting China and Europe, which largely influence how Western countries see the initiative. As already established, the key element the Chinese new type of IR and all of its policy tools are the so-called shared benefits or win-win cooperation. As the Central Asia and Russia note in its regional analysis the significant potential in transportation of both “sub-regions” look mostly into connectivity and trade. The two areas are largely associated with overlapping spheres of interests and the fact, that Russia is where shortest and safest (insurance wise) logistic connections to the European continent exist. Therefore, it is worth to look on Russia, a stated earlier power “in the middle”, impacting other members of the BRI. At the early stages, Moscow looked into BRI with some degree of suspiciousness, but after the increase tensions related to annexing of Ukrainian Crimea Peninsula in 2014 and imposing of economic sanctions on the country, it started to notice the potential (Carnegie Moscow Center 2019). There is also another element bringing the two powers together, namely the shared picturing of the U.S. as a common rival. Furthermore, there is an opinion that China unlike Russia doesn’t want to run for “superpowership” or any dominance in the European region¹¹⁴.

One of the best summaries that has been introduced to this author was that the interesting part of the relationship of the two countries is “the China is number one, but doesn’t want to be one, and Russia wants to be number one, but it isn’t”. The above

<https://www.rand.org/blog/2019/02/the-little-known-security-gaps-in-chinas-belt-and-road.html>.

¹¹³ This argument is a basis for further cooperation with China on the fight against the three forces of separatism, extremism and terrorism, which focuses mainly in the region of Central Asia and Chinese Western regions.

¹¹⁴ P. Haenle, D. Trenin, A. Gabuev, T. Valášek, D. M. Baruah, Y.J. Feng and B. Ma, “How Are Various Countries Responding to China’s Belt and Road Initiative?”, Q&A by Carnegie-Tsinghua Center for Global Policy, April 25, 2019.

<https://carnegietsinghua.org/2019/04/25/how-are-various-countries-responding-to-china-s-belt-and-road-initiative-pub-79002>.

sentence, even on first glance seem simple, points to the issue of power-transition conflict where none of the countries see one yet (at least in official political discourse). This explains a lot in the sub-regional (North Asian) approach to BRI, where China emphasizes the necessity of finding of synergies with the Eurasian Economic Union (EEU), that is a top priority for Russia. It is also important to note, that in both of this “initiatives”, there are same countries present like i.e. Armenia and Belarus. The bilateral relationship of Russia and China in context of BRI is therefore one of the test fields or proving grounds of how China’s new IR system should look like – *“The essence of the Sino-Russian relationship can be summarized thus: Russia and China will never be against each other, but they will not necessarily always be with each other”*¹¹⁵.

A power in the middle in regard to the BRI, sharing the same values of the Western economic model is India, one of the countries that within first 6 years still hasn’t decided to join the effort. New Delhi tends to consider BRI as a tool of China to expand its strategic leverage in the region (Baruah 2019¹¹⁶). So far that country is still trying to bandwagon with the West for their presence in the South and South-East Asia.

Another relative change impacting the cross-regional cooperation caused by the Belt and Road is the understanding of its investments. By looking at the list of deliverables at Appendix 1, it can be noticed that many of the investment type achievements are largely bilateral in nature, partly related to private business but mostly Chinese SOE’s. Furthermore, there are evidence of many government-led efforts to introduce screening mechanisms for the Chinese investments¹¹⁷. This shift in Western approach toward China is mostly associated with the idea, that Chinese (brown) investments, and overall flexibility in industrial and macroeconomic policy in China are not a threat only to the foreign companies operating in China, but also those back in Europe, both in CEEC’s and the Wester parts (Tomas Valasek, Carnegie Europe 2019). Also, Europe is slowly becoming focused on economy, which means that it may focus

¹¹⁵ D. Trenin, “Russia, China are key and close partners”, opinion, *China Daily*, June 5, 2019. <http://www.chinadaily.com.cn/a/201906/05/WS5cf6f85da3105191427010c6.html>.

¹¹⁶ D. M. Baruah is a non-resident scholar with the South Asia Program at the Carnegie Endowment for International Peace.

¹¹⁷ J. Xu Klein, “It’s not just the US: around the world, doors are shutting on Chinese investment”, *South China Morning Post*, September 14, 2018.

<https://www.scmp.com/business/banking-finance/article/2163974/its-not-just-us-around-world-doors-are-shutting-chinese>.

not only on control of its internal competitiveness, but also a common approach to the external cross-regional competition.

As emphasized in the part of literature review, China did not look for practical strategic partnerships in the region before the formation of 16+1 or the BRI. In 2011 there was empirical evidence of China's enhanced activities in European peripheries, which slowly started to build on the segregations in perceptions of China in the EU. The few views of the countries and regions that are reflecting the Western IR system (and developmental models) point to many misinterpretations in the BRI, which have significant and comprehensive impact also beyond the traditional "Atlantic" relationships. There are also stronger views on the dual purposes of the BRI presented by the Western scholars and expert, especially in areas of strong Chinese influence like Australia and New Zealand. They are directed to the economic core of the initiative, explaining that it is simply the extension of "going out" policy from Jiang era, that encourage the public-private partnerships between Chinese SOE's and communist associated capitalists in China and overseas. The aim of that actions is to acquire global natural resource assets and seek international infrastructure projects¹¹⁸. It is also worth to note, that these voices often come from experts from outside of economic and financial background, including those looking on the soft-power actions. Yet another analogy to the concept of neo-tributary relationship, where the formation of China-centered economic and strategic blocks (like BRI and 16+1) are just one of the elements – next to i.e. making the foreign actors to serve Chinese objectives and forming of global multi-platforms of communications – of reshaping the global perception of China (Brady 2017), which may support transformation of accepted and applicable international norms. It can be therefore argued, that BRI is not based only on political and economic objectives, but is also taking another approach on what EU tried before, namely projecting its values with economic potential, or socialize Europe with China with its own spillover effect on global order (Callahan 2018)¹¹⁹. Yet again next analogy to Europe

¹¹⁸ A.M. Brady, "Magic Weapons: China's political influence activities under Xi Jinping", conference paper from "The corrosion of democracy under China's global influence", Arlington, Virginia, USA. 2017. https://www.wilsoncenter.org/sites/default/files/for_website_magicweaponsanne-mariesbradyseptember2017.pdf

¹¹⁹ Chapter titled "China's BRI and the EU-China relations" in the book by S.-T. Bjornar, Y. Wrenn, L. Lanteigne, M. Lanteigne, *China and Nordic Diplomacy*, (Routledge Focus Series, Routledge, 2018).

come from the recommendations of EU think-tanks for consolidation of EU-China united policy. In similar way one can perceive the BRI, which by unifying the playing field in home and abroad created new economic-political-normative networks (Pieke 2016, Callahan 2018) working towards a degree of revisionism.

3.4 The 16+1 Cooperation as a Belt and Road hub.

As explained in the previous parts, the BRI is a very large endeavor to address different goals and objectives, associated with the historical connection of the ancient Silk Road. As connector of Asia (China) with Europe, it has a strong play in the sub-regional character of the China-CEEC relationship. The link between the two regions has been underlined by the initiator of BRI at its speech of creation in Kazakhstan (Xi), where he mentioned that the initiative aim *“to open up the transportation channel from the Pacific to the Baltic Sea and to gradually form a transportation network that connects East Asia, West Asia, and South Asia”*¹²⁰.

There are also other arguments referring to the above relationship in brother cross-regional level (Europe-China). PRC with its BRI aim to project its economic potential into normative power by creation of interesting links, since it's based on similar structures and objectives as in the case of the EU (Callahan 2018). Even that it isn't often recognized by the governments of the CEEC's, many experts and scholars analyze the 16+1 as an element of the BRI, referring to it even as the element of BRI¹²¹. It is also important to keep in mind aforementioned soft-power element, which based on the speeches of Xi Jinping (2014) underlines that connectivity is not only understood as a physical infrastructure but also a “highway” of influencing of global ideas, norms and rules. Those areas are a strong element of people-to-people exchanges, that are advocated in every occasion by the Chinese leaders on their bilateral meetings and multilateral remarks. Other elements pointing to links between BRI and 16+1, including

¹²⁰ “President Xi Jinping Delivers Important Speech and Proposes to Build a Silk Road Economic Belt with Central Asian Countries”, September 7, 2013.

https://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpfwzysiesgjtfhshzzfh_665686/t1076334.shtml.

¹²¹ G. Kolodko (former Polish Deputy PM and Minister of Finance), interview, Global Business, CGTN, 2019. https://www.youtube.com/watch?v=gDEplyim_IA.

shared financing base in form of funding from AIIB and Silk Road Funds are also among them¹²².

Coming back to the origin of geographical dimension of BRI, it is well established in available literature that initiative acts as a unification of previously stated, non-aligned Chinese policies related to regions of Black Sea, Mediterranean Sea, Baltic Sea and Eurasian landmass. The direct link between BRI and 16+1 in context of maritime connectivity was drawn in 2016 during the 5th China-CEEC Leaders Meeting in Riga. In the guidelines document issued during that summit, it states that *“leaders (...) reaffirmed their support for the cooperation initiative involving the ports at the Adriatic, Baltic and Black Sea and along the inland waterways”*. Even more evident reference to the connection between the two “platforms” has been underlined during the following 6th 16+1 Summit in Budapest, where Estonia, Lithuania and Slovenia have signed memorandums of understanding *“to promote the Belt and Road Initiative, signaling that all 16 Central and Eastern European countries have agreed to align with the initiative”*¹²³. More reference to this link are also visible in the 2019 Dubrovnik Guidelines for China and CEEC’s cooperation, where it is stated that all of the Participants *“reaffirm their commitment to deepening their partnership for peace, growth, reform and civilization”* and *“recognize the importance of the Belt and Road Initiative and the EU Strategy on Connecting Europe and Asia and welcome forging synergies between them”*. However, beyond this few references, there is not much more political declarations on the multi-bilateral front linking the two.

To draw the most significant connections between 16+1 and BRI it is important to list attributes that are common in both cases. Based on the literature review it can be stated, that both are China-led, both are geographically specific, and both are overlapping and impact similar target areas. Also, both may be seen as a vehicle of promoting of Chinese values and principles of international cooperation. They also utilize similar if not the same Chinese-led financial tools. They are of course not strongly alike, since BRI is more of a project or strategy, whereas the 16+1 is a process of sub-regional, partial (to BRI) interaction. The synergetic character of shared geographical

¹²² Both are appearing on occasions of 16+1 and BRI cooperation events and issued documents.

¹²³ Y.Q. Hu, “3 final CEE countries align with Belt, Road Initiative”, *China Daily*, November 29, 2017. http://www.chinadaily.com.cn/world/cn_eu/2017-11/29/content_35117825.htm.

space, acting as the “gate to Europe” suggest however the argument of 16+1 being an element of the BRI. The concept of the significance of CEE region in connecting Europe and China was underlined before BRI, and arguably is of a the most added value in the relationship that could be “an upgrade” in international exposure of CEEC’s. The same additional exposure, as underlined during elaboration on two conflicting views points on what BRI is, can bring more unwelcome outcomes like higher political costs for its members.

To answer the question of impact of the Cooperation between China and CEEC’s and the successes in implementation of BRI it must be once more stressed, that the larger project is mainly directed to help developing states in closing the gap towards the West. There is strong empirical evidence, that the Chinese leadership perceives the CEE region as a grouping of developing states, which taking the characteristic of Chinese academic system is strongly reflected in the work of Chinese scholars as well as friendly research institutes in the CEE region itself. It is also important to note, that still at the time of this study, none of the two platforms included regional-rivalry countries.

3.4.1 Connectivity - connecting 16+1 cooperation and the BRI

It has been already discussed, that as indicated by president Xi Jinping and other Leaders and institutions addressing the topic of BRI, the most important element is extending of infrastructure and other elements of connectivity, with the notion of Chinese pro-verb saying “build the road and the people will come”. It is this approach to sustainability (or disputed lack of it) that worked the economies of scale in China, and is assumed by CPC to be applicable to other geographical areas where opposite empirical evidence of successes is present - i.e. port of Piraeus in Greece and port of Hambantota in Sri Lanka.

Generally speaking, the most universal definition of connectivity is the ability and ease with which destinations may be reached from potential points of origin¹²⁴. Another more comprehensive understanding could be, that it is the availability of transport that enables people and goods to reach a range of destinations at a reasonable generalized

¹²⁴ “Understanding the theory of international connectivity”, Oxera Consulting Ltd., April, 2010. <https://www.oxera.com/wp-content/uploads/2018/03/Theory-of-international-connectivity.pdf>

cost. The stated cost doesn't include the one of its initial creation (connectivity infrastructure). Since the stated definitions point directly to civil use, it can be also conceptualized down to narrower, so-called non-military infrastructure, which consist of facilities and systems serving different units of aforementioned "destinations", thus being countries, regional actors, transportation hubs, power plants, education institutions and others. There are also other facilitators of the traffic, like financial institutions, law enforcement or governmental control systems that comprise a "soft" element of infrastructure¹²⁵.

Another interesting argument refers to the role of infrastructure as the power projection of China's economic strength (Andrijauskas 2016). It is also connected to the historical experiences of China, where infrastructure and trade roots played a significant role in soft and hard power projections. Since its early stages, the BRI promotes three independent causes that relate to its power projecting by mixing soft and hard elements in connectivity, namely the (i) Chinese traditional culture and its universality, (ii) Chinese successful economic model and (iii) national power that impacts "softer manifestations" within complex index of countries overall strength. This argument can be simplified into another common element of 16+1 and BRI, the increase in international (or regional in case of 16+1) reassurance of China role supporting the revival of its global status and impacts the state of the "new international relations of new era".

Arguably, the above assessments and opinions can be all aligned around the historical argument of traditional friendship and the mean of enhancing of regional development. Mentioned here goals (revisionist in nature) are posing a strong empirical background to assume that from the Chinese perspective 16+1 and BRI are (or should be) fully aligned. They both ought to serve the same purpose. This can be also explained by the analogies in assessment attempts of the deliverables of the two, which are evident in the lists enclosed in appendixes one and two, summarized below in Table 4.

¹²⁵ As a support element necessary for any infrastructure systems to operate. The internet of things and 5G technologies will also revise the scope of the elements fitting in the stated definitions.

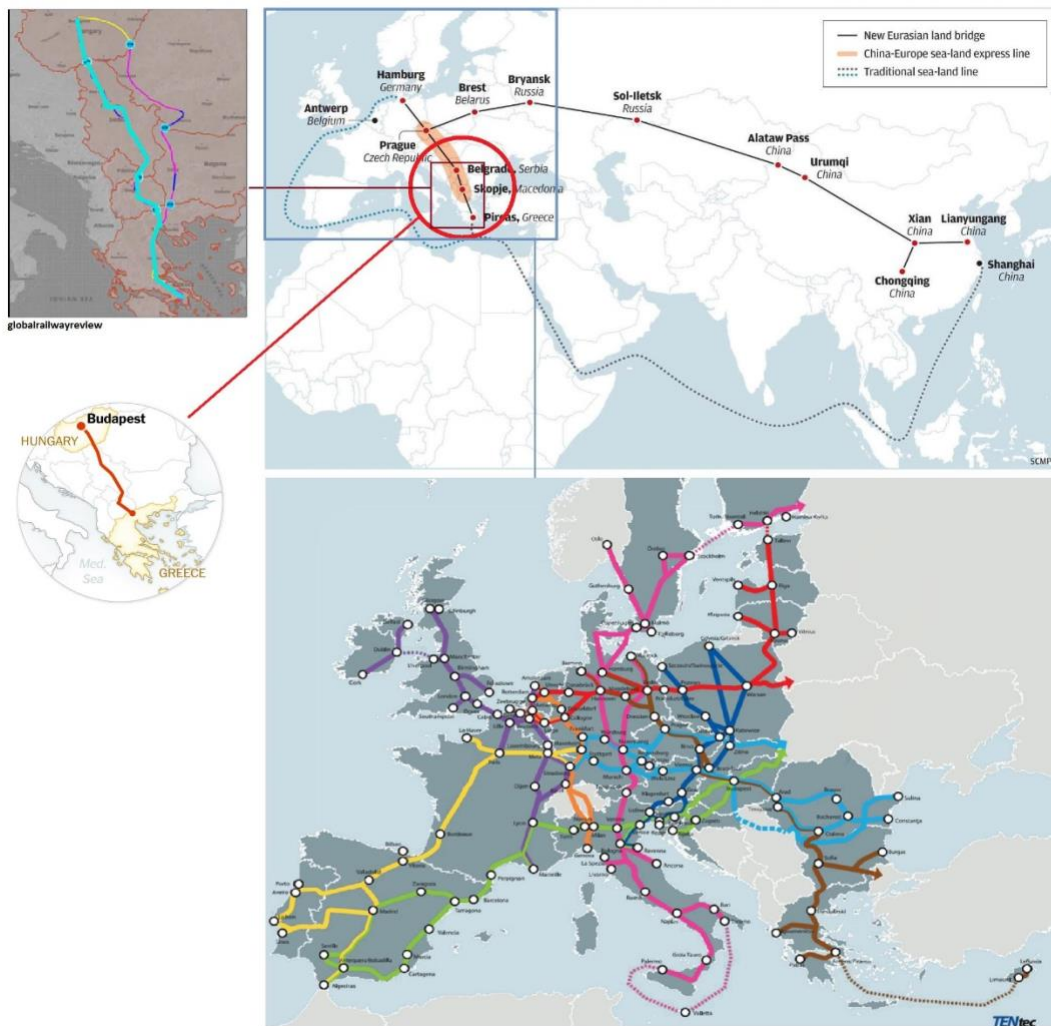
Table 4. Similarities in assessment criteria of 16+1 and Belt and Road Initiative

Segregation of deliverables of BRI 2013-2017	↔	Segregation of deliverables of 16+1 2012-2017
Synergize Connectivity of Development Policies and Strategies	↔	Establish Policy Communication Platform
Deepen Project Cooperation for Infrastructure Connectivity	↔	Enhance Connectivity
Expand Industrial Investment , Enhance Trade Connectivity	↔	Promote Economic Cooperation and Trade
Enhance Financial Cooperation , Promote Financial Connectivity	↔	Improve Financial Cooperation Framework
Invest More in People's Livelihood, Deepen People-to-People Exchange	↔	Strengthen Cultural and People-to-people Bonds

Source: Adapted by this author from list of achievements of BRI published by NDRC (2017; BRF in Beijing) and MFA (2017 16+1 Summit in Budapest) of PRC; see Appendixes 1 & 2.

As presented in the above Table 4., the points used to assess the results of the first 5 years of the Belt and Road initiative by two separate institutions, the NDRC (for BRI) and MFA (for 16+1) are essentially the same, with the difference, that in case of BRI (these sets were published 5 months earlier) they are referring to different aspects of the connectivity. This in fact also proves the point, that not only the two platforms are intended (by China) to serve the same goals, but the whole concept of connectivity can be regarded as a shared denominator, extending much further than pure physical connectivity (or hard connectivity).

Map 5. Sea-Land Express Line, and Trans-European Transport Network (bottom right)



Source: Adapted by this author from the maps published by (from the right) SCMP, NYT and Global Railway Review¹²⁶ and European Commission¹²⁷.

Yet another analogy between the two platforms, reflecting the European side is connected to the political relationship of China of certain stakeholders discussed in the part of literature review, and builds largely on the concept of connectivity. It is related to one of the corridors called “Sea-Land Express Line” connecting the Greek port of Piraeus and capital of Hungary, Budapest.

It is this corridor, that becomes a major project connecting the links of Trans-European Transport Network of the EU and the pragmatic results of the 16+1 and BRI.

¹²⁶“One Belt, One Road...but how to choose the best route?”, *South China Morning Post*, September 23, 2016. <https://www.scmp.com/business/global-economy/article/2022090/one-belt-one-roadbut-how-choose-best-route>

“The Port of Piraeus – Opportunity for Railways in South East Europe?”, September 8, 2016. <https://www.globalrailwayreview.com/article/29672/port-piraeus-railways-south-east-europe/>.

¹²⁷ Infrastructure - TEN-T - Connecting Europe. https://ec.europa.eu/transport/themes/infrastructure_en.

The link between the two platforms may be focused in the future in its internal element, the Belgrade-Budapest railway, which since early existence of 16+1 is branded as a key connectivity project, playing an important part of BRI. States leading the cooperation in the transport line, namely Hungary, Serbia (and Greece from 2019), are also the 3 parties that openly advocate for the overarching character of BRI in 16+1, which is evident both in Guideline documents from the 16+1 summits, and may be considered as the key contributors behind the initial drive of these countries to become the first to officially join the 16+1 format¹²⁸. It can be important element connecting the two platforms of engagement due to the enlargement of mechanism by Greece in 2019, and repeated declarations by Hungarian Prime Minister about the aligned objectives of Hungarian interests and BRI during the meetings on the sidelines of 16+1 Summits¹²⁹.

The future possible perspectives stated above have limited chances to be realized, due to the limited development of the general land connectivity in the research period. This is especially relevant in case of block trains, which in the first five years of 16+1 cooperation were used mostly in one-way direction, and would not be a feasible way of transport if not the Chinese governments subsidies¹³⁰. According to estimates from CSIS, these subsidies can go as much as 5000USD for a forty-foot equivalent container unit¹³¹. Stated rail connections that are in operation are not as significant as it may be expected, by accounting of only about 0,9% of overall traffic between China and Europe (compared to 0,8% in 2007), bringing the baseline for comparison within the first five years of 16+1 and BRI close to zero.

¹²⁸ According to the information issued by MFA of China, Hungary was the first CEEC to sign the cooperation document with China on Belt and Road in 2015, followed in the same year by Poland, Serbia, Czech, Bulgaria and Slovakia.

https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1272109.shtml,

<https://www.scio.gov.cn/32618/Document/1457008/1457008.htm>.

¹²⁹ *"The One road, one belt initiative is fully in harmony with Hungarian interests"*, citation of Prime Minister Victor Orban, 2019:

<https://dailynewshungary.com/orban-one-belt-one-road-initiative-in-line-with-hungarys-interests/>.

¹³⁰ Citation - "worth the estimated \$1,750 per TEU in subsidies that China is currently pumping into them". W. Shepard, "Communication key to shared future for mankind", Forbes, March 22, 2018.

<https://www.forbes.com/sites/wadeshepard/2018/03/22/the-hidden-economic-rationale-of-china-europe-rail/#4c1c3ee940d1>.

¹³¹ J. E. Hillman, "The Rise of China-Europe Railways", CSIS, March 6, 2018.

<https://www.csis.org/analysis/rise-china-europe-railways>.

Map 6. China-Europe Rail Routes and Frequency (2018).



Source: Copied by this author from CSIS – Reconnecting Asia.

The only way to change the trends described in this part, and enhance the possibilities of building the synergies between domestic strategies of individual CEEC's and Chinese BRI is to work towards two-way balanced traffic, which calls for significant improvement in Chinese procedures related to market access, but also eliminations of subsidies that hide the existing disadvantages related to costs of particular logistic routes. Only in this case there could be a possibility to enhance the existing potential for development of existing tracks, with the perspective of delivery on China promises of further opening that would allow for balanced trade development not evident so far. There is also an aspect of customs paid by the goods entering the EU, but also this topic tends to enhance competitiveness among logistic hubs, also outside of the CEE¹³².

¹³² "Germany's 'China City': how Duisburg became Xi Jinping's gateway to Europe", the Guardian, 2018. <https://www.theguardian.com/cities/2018/aug/01/germanys-china-city-duisburg-became-xi-jinping-gateway-europe>.

Chapter Four

Conceptualizing the Cooperation between China and Central and Eastern Europe

The six years (2013-2019) in which the development of both the BRI and the Cooperation between China and Central Eastern European Countries could be observed shown increasing frictions in relationships of China with EU. Same timeframe was the time when several of conceptual shifts in how Beijing interacts and perceives the outside world can be localized. The relationship with the significance on engagement of Beijing with so-called “North” could, to anyone who visited Beijing, be compared to the rings of the Beijing city itself, which surround the Zhongnanhai¹³³ with each one increasing the distance to the center, but by the same time extend its outreach significantly. In this comparison, the EU with the Western European members are placed within the 2nd ring, closer to the center than the CEEC’s, which would be somewhere outside of the 3rd ring. From the Western perspective, 16+1 is rather a loosely defined multilateral cooperation mechanism, in which even the word “multilateral” is not widely accepted among its individual Participants¹³⁴. From the Chinese perspective, it seems to be still in a developmental stage, with mixture of high-level political dimension and limited pragmatic insights. At the same time the obvious regional demand for the pragmatic outcomes and economic deliverables of the mechanism is what concerns the EU, the sphere of financial, political, and cultural aid is considered to be the main element of the so-called “divide and rule” strategy in EU.

4.1 The three main perspectives of the 16+1 Cooperation

To try to bridge all the elements pointed out thus far into this research, it may be useful to look into the discussed relationship following logic of the BRI, the shifts in the way China re-engages the World, and the economic and political deliverables. These can center around three levels, that in case of understanding of the relationship in question can also act as levels

¹³³ The center of CPC and home to the PRC leadership.

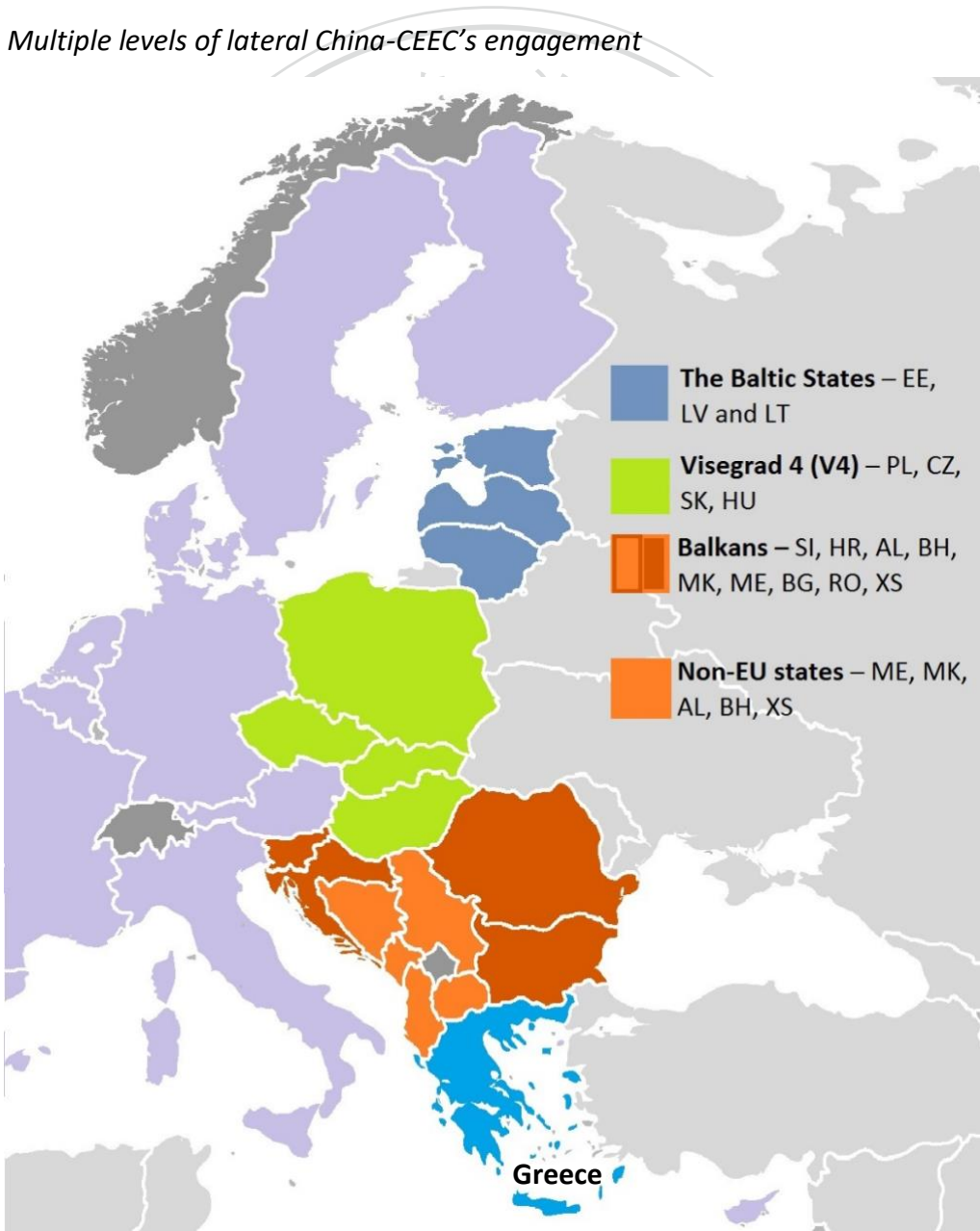
¹³⁴ Based on consultations of this author.

of analysis. Levels of political, economic and BRI dimensions of looking on the 16+1 process, can be utilized as lenses for further discussions.

4.1.1 Political dimension – explanation of multiple levels of China-CEEC’s engagement

To whether the discussed cooperation format moves beyond “nominal” multilateralism is largely depended on involvement of each participating state, together with their level of political willingness in the regional context. There are several approaches to look on the issue of “lateralness” of this partnership framework.

Map 7. Multiple levels of lateral China-CEEC’s engagement



Source: Created by this author from a creative common license map.

These, among others, can be based on the geography, political obligations and competences, development, and cultural and historical backgrounds. Although there are strong voices from the EU that China doesn't allow any subgroupings within the 16+1 that would undermine its leadership (Godement 2017), the platform (China) began to recognize the geographical differences in potential, just after the Riga Summit in 2016¹³⁵.

Based on above general "subgroupings", and discussed arguments in literature review, this author developed the following approaches, that can help to discussed the format and tackle differences in individual perceptions. This approaches as a derivative of the already present subgroupings of identifications visible in the Central and Eastern Europe (based on history, economy, geography and others). Due to "specific national conditions" impact their industrial capacity and overall development they differ in the potential and preferred sub-regional (China-CEEC) and cross-regional (China-EU) cooperation, and influence the identity "state" in the research relationship (*excluding Greece):

- **16+1** – the mechanism is a platform of engagement of 16 CEEC's and China; nominal multilateralism;
- **16x (1+1)** – the mechanism is a platform of sixteen bilateral relations of each CEEC and China;
- **(11+1) +(5+1)** – the mechanism is a platform of engagement of 11 EU countries and 5 non-EU (yet candidate) countries;
- **(3+1) +(4+1) +(9+1)** – the mechanism is a platform of engagement of three Baltic states, four Visegrad states, and nine Balkan states.
- **(11/28+1) +(5+1)** – the mechanism is a platform of engagement of 11 out of 28 EU countries and 5 EU candidate countries (non-EU) with China.

In spite of the above differences in the political dimensions of 16+1 cooperation, political relationship is where format achieved the most. Today many of the 16 CEEC's have "lifted" their diplomatic relations to the strategic partnership status, and the political relations and mutual political understandings are on their best levels¹³⁶. The political dimension is also

¹³⁵ Exchanges of this author in Shanghai, 2016.

¹³⁶ This argument is often presented at the beginning of the bilateral exchanges of leaders of the PRC and CEEC's.

one of the key drivers for the mechanism creation, embodied in the losses in mutual political and economic understanding that decreased during the 1990's and 2000's.

Table 5. *List of specialized cooperation platforms of 16+1 process*

Leading Country/ Location	Name of action/platform
Albania	China-CEEC Youth Development Center (TBC)
Bosnia and Hercegovina	China-CEEC Veterinary Science Cooperation Center (TBC)
Bulgaria	China-CEEC Global Partnership Center (NGO think-tank)
	China-CEEC Association on Promoting Agricultural Cooperation
	China-CEEC e-Commerce Logistics Hub and Pavilion for Agricultural and Other Products
Czechia	China Investment Forum
	China-CEEC Civil Aviation Forum
Croatia	China-CEEC SME Coordination Mechanism
Estonia	
Hungary	China-CEEC Inter-Bank Association
	Customs clearance facilitation cooperation mechanism for the China-Europe Land-Sea Express Line (with Chinese, Hungarian, Serbian, Macedonian and Greek Customs)
	China-CEEC Association of Tourism Promotion Agencies and Businesses
Latvia	CEEC-China Secretariat on Logistics Cooperation
Lithuania	China-CEEC Fintech Coordination Center
Montenegro	China-CEEC Environmental Protection Cooperation Mechanism
North Macedonia	China-CEEC Coordination Center for Cultural Cooperation
Poland	China-CEEC Coordinating Secretariat for Maritime Issues
	Contact Mechanism for Investment Promotion Agencies
	China-CEEC Business Council (SME)
Romania	China-CEEC Energy Projects Dialogue and Cooperation Center
Serbia	China-CEEC Association on Transport and Infrastructure Cooperation
Slovakia	China-CEEC Virtual Technology Transfer Center
Slovenia	China-CEEC Coordination Mechanism for Forestry Cooperation
China	China-CEEC Think Tanks Network
	China-CEEC Library Union
	China-CEEC Higher Education Institutes Consortium
	China-CEEC Music Academy Union
	China-CEEC Arts Creation and Research Center
	China-CEEC Association on the Promotion of Health Cooperation
	China-CEEC Hospital Cooperation Alliance and China-CEEC Public Health Cooperation Mechanism

Source: Compiled by this author based on the Guidelines documents and summary (listed in [Annex 2](#)).

Core of the pragmatic political cooperation within the mechanism are the annual Summits of Heads of Governments. The highest working level meetings are the National Coordinator¹³⁷ Meetings, which according the first ever Midterm Agenda for Cooperation (for years 2015-2019) issued in 2015 in Suzhou should be conducted twice a year. As indicated by the above document, there are also quarterly working meetings between the 16+1 Secretariat in Chinese MFA and the Embassies of individual CEEC's in Beijing, where progress on implementation of the guidelines is discussed. There are also many areas of individual "presidency" based on topics and particular interests, which aim at enhancing the multilateral aspects of cooperation in the given real of cooperation under leading role of the hosting country.

The above list (Table 5.) shows the distribution of interests of particular Participants, which in a way can be regarded as a "survey" of political interests within the format from its multilateral perspective. It is also reflecting the "tricolor" characteristic of the division of the region of the CEEC's, which had been drafted in the parts above (*vide* [Map 7](#)). Since it is widely accepted argument that these platforms are highly China-led process, it is also arguable that areas where China is willing to share the coordination with other countries, and which are the areas fully under the control of the Chinese counterparts. Even by brief analysis of the above list it can be noted, that majority of centers located in China are directed for people-to-people exchanges and cultural bonds. There is of course disruptive relevance of this actions to which category of lateral relationship of CEEC's and China they refer. By analysis of the achievement list of the platform listed in [Appendix 2](#), it can be also noticed that there is quite high degree of intra-regional center of cooperation between China, Serbia and Hungary, with particular references to the Sea-land Express line described at the end of chapter two, with already evident presence of Greece ([since 2015, in position 34](#)).

¹³⁷ National Coordinators: on Chinese side is the Deputy Foreign Minister responsible for European Affairs, and on the side of CEECs the Ministers, Deputy Ministers or Director Generals of Departments in ministries responsible for international affairs with Eastern Asia.

4.1.2 Economic dimension – the middle perspective

The Economic dimension is one of the key elements of the analysis of the China-CEEC cooperation mechanism, mainly associated with the demand and supply sides of the cooperation needs in the region, pointing to the aftermath of the 2008 economic crisis. It is also the main dimension referred to by the Western Europe scholars as the “silver bullet” to the goal of transparent and sustainable economic development.

Encouragement for closer relationship of some CEEC’s with China, as presented by the Chinese leadership may be linked with demand for new sources of development, which after the 2008 economic crisis in Europe was also a position among other countries like the so-called PIGS¹³⁸ grouping. The stated crisis was also a strong contributor to the growing interest of China in CEE and *vice-versa*, becoming an element potentially bridging China with the EU¹³⁹. The above notion points to what lays perhaps among the main misconceptions of 16+1 today, that is its aim, deliverables, and role, both nationally (to each of its participants), regionally and from the unilateral perspective of China.

The cooperation mechanism is centered in the crossroads of what Samuel Huntington called a border of Western and Orthodox Christianity¹⁴⁰ (concept rejected by Xi Jinping during the Civilization Forum in Beijing in 2019, where referred to this concept being a “huge mistake”¹⁴¹), a border of European Union with its eastern neighbors, area of frictions of the two sides of the Cold War, and a region, that through many centuries experienced shifts and instability related to its geographical (in)significance and comparatively low level of industrialization and development. This unique legacy, as pointed in the literature review, brings the attention of many stakeholders from and outside of it, that in a natural way introduces multiple concepts of what is the 16+1, and where does or will it lead too.

An important determinant for stated cooperation refers to how Beijing classifies the CEEC’s in case of development needs, which link the regional significance as an element of the so-called developing “South” or the developed “North”. More differences (between EU, 16

¹³⁸ Portugal, Italy, Spain, Greece.

¹³⁹ Invitation to cooperate with China on addressing the demand for development in CEE region for first offered to Germany during the visit of chancellor Merkel in Beijing.

¹⁴⁰ Or Western and Orthodox Civilizations.

¹⁴¹ “Xi Jinping Attends the Opening Ceremony of the Conference on Dialogue of Asian Civilizations (CDAC) and Delivers a Keynote Speech”, PRC MFA, May 15, 2019.

https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1664312.shtml.

CEEC's and China) reflect to what extent to the 16+1 project China's diplomacy priority pattern of "South-South" cooperation in the cross-regional relationship, that could also contribute to support claims of practical segregated regionalism. It has been already established, that China's interest in CEE region is associated with the geographical location and logistic potential to access Western Europe, where *"the implementation of BRI in the CEE resembles China's policy in Africa and Latin America"*¹⁴². The question which is debated frequently in this context is whether China considers CEEC's and the gateway to Europe, or adapts more of the backdoor approach.

As indicated on various occasions by the Chinese leaders in the years 2016-2018, the main potential for cooperation as well as conduciveness of 16+1 to the UE development and integrations (on Chinese side) is the possibility to address the demand for structural aid and developmental gaps between new and old EU members, in which the Western European states should take an active role, "hand in hand" with China. That help and support, largely associated with financing opportunities provided by PRC has influenced how the EU and other Western observers view Beijing engagement in the region, as well as how positive or negative it is. The "no strings attached" financing provided by China and the characteristics of the investment model offered in the first eight years of 16+1 significantly limited the possibilities for successful projects within the 11 EU states, mostly due to lack of understanding (proclaimed by China in this timeframe, but with some opposing evidence) of the general procurement procedures within the EU, as well as the questions of sustainability of the projects (mostly in case of financing).

As stressed in one of the briefings to the EU Parliament on the 16+1, *"empirical evidence shows that China-CEEC trade had actually jumped prior to 2012, whereas afterwards it increased at much slower pace, with Chinese exports to CEEC's expanding much quicker than CEEC exports to china, thus generation an unbalanced trade that is heavily tilted in favor of China"*¹⁴³. This assessment is reflecting the lessons learned from the shifts in the trade

¹⁴² B. Kowalski, "China's foreign policy towards Central and Eastern Europe: The "16+1" format in the South-South cooperation perspective. Cases of the Czech Republic and Hungary", *Cambridge Journal of Eurasian Studies*, April 2017.

<https://www.veruscript.com/api/files/e6b66e59-1a85-11e7-b3ad-0242ac110002/download>.

¹⁴³ "China, the 16+1 format and the EU", European Parliament, September, 2018.

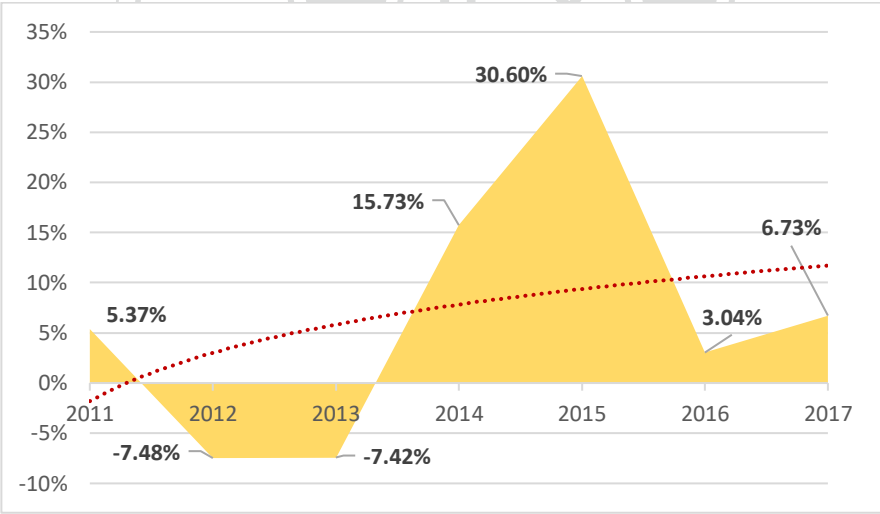
[http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/625173/EPRS_BRI\(2018\)625173_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/625173/EPRS_BRI(2018)625173_EN.pdf).

development, which point that the increase in trade is the same or even smaller¹⁴⁴ in years 2012-2017 than before the 16+1 and BRI were created.

By analysis of trade flows between individual CEEC's and the EU28 with China during years 2010-2018 (2017 for non-EU countries; Eurostat, WITIS 2019) one can see that there is absolutely no correlation in trade before or after establishment of 16+1 platform or creation of concept of BRI. Furthermore, it can be argued, that in many cases years 2013-2017 are the time when instead of development of more balanced trade exchanges with China, the deficit of almost all CEEC's, and EU28, increased. The most balanced trade as well as positive effects can be seen in Bulgaria (individual figures are listed in [Appendix 3](#)).

With the assessment of the flows presented in the below Table 6., it is possible to note the differences in the statistics of China and Europe, exclusion of re-exports from other EU members in which chain of supplies CEEC's have a significant role, as well as e-commerce trade, which is largely undervalued (due to taxation) but in case of small CEEC economies can have significant impact in further extension of that deficit.

Figure 6. *Dynamic and trend of trade deficit as % change year-on-year [2010-2017]*



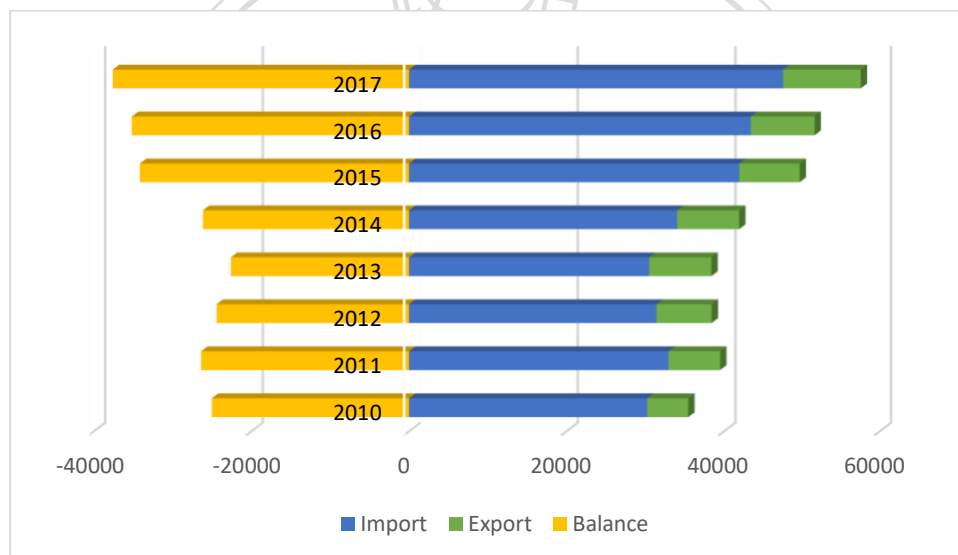
Source: Developed by this author based on EUROSTAT and WITS.

According to the press releases of Ministry of Commerce of PRC on the occasion of Dubrovnik Summit (2019), the bilateral trade between China and CEEC's see steady growth, where bilateral trade reached 82.23 bn. USD in 2018 (21 percent year-on-year). China's exports to the CEEC (59.19 bn. USD) expanded by 19,6%, while imports expanded by 24,6% to

¹⁴⁴ See previous footnote.

23 bn. USD. This release indeed shows the trade growth, but also underlines the 40% gap in trade balance on the side of CEEC's which narrowed by modest 5%¹⁴⁵. During the visit of Minister of Foreign Affairs of PRC in Warsaw in 2019, his Polish counterpart pointed out that "both sides agree, that the biggest challenge in Sino-Polish relations remains the unbalanced trade"¹⁴⁶. In case of Poland, the largest economy in the format, in 2018 according to Polish statistic office two-way trade totaled 33 bn USD, out of which only 2,5 bn were Polish exports (28bn USD deficit grown further 14% year-on year). This is another empirical evidence, that there is almost no progress in search towards the balanced trade relationship, which on the current level can be already called a political obstacle, and has been officially signaled both in Sofia and Dubrovnik Summits (already in early 2018).

Figure 7. Trade of 16 CEEC's and China 2010-2017 – Import, Export, Balance (million EUR)



Source: Created by this author based on data from EUROSTAT and WITS.

There are also interesting links associated with analysis of the voting patterns within the EU Structures associated with the trade relationships. As proved by Matura (2019), there is also no evidence that would suggest there is any link between China receiving political favors from CEE EU MS and trade. Furthermore, there is a pattern suggesting that countries that present better political relations with China are experiencing considerably slower development of export. This means there is also no correlation between the political support of CEEC's and the trade benefits as well.

¹⁴⁵ „China, CEEC see steady trade growth”, China Daily, April 6, 2019.

<http://www.chinadaily.com.cn/a/201904/06/WS5ca85931a3104842260b4a69.html>.

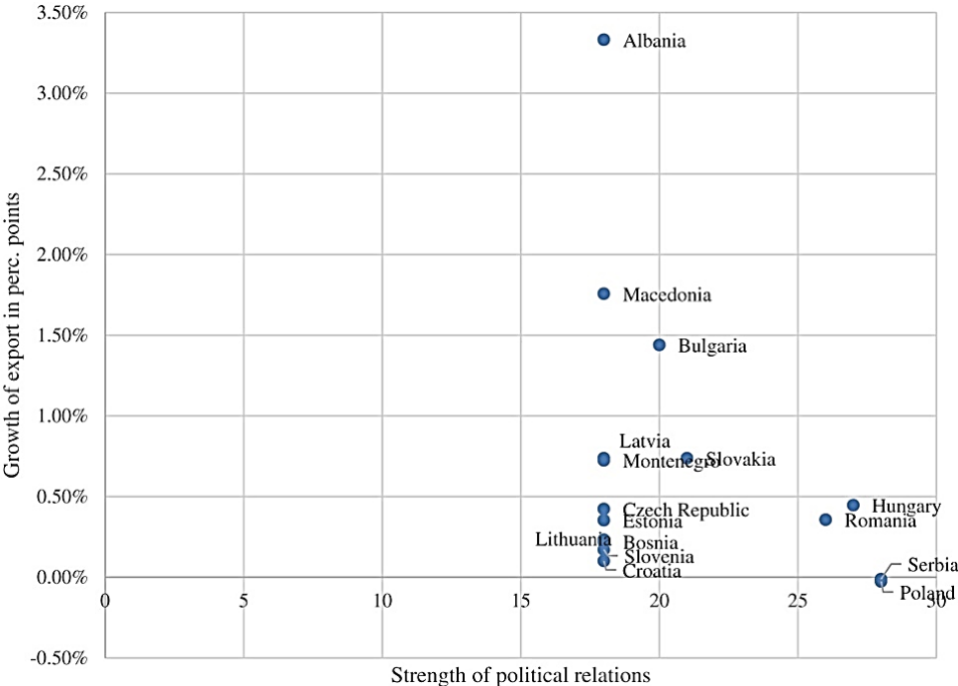
¹⁴⁶ Polska Agencja Prasowa (PAP), in Polish: <https://www.pap.pl/aktualnosci/news%2C480594%2CCzaputowicz-wyzwaniem-w-relacjach-polsko-chinskih-brak-zrownowazonej>.

Table 6. Trade flows and dynamics of trade between China and CEEC's (in millions of EUR)

Country/ Region	Import	Export	Balance	Bal. %	Import	Export	Balance	Bal. %	Import	Export	Balance	Bal. %	Import	Export	Balance	Bal %	Import	Export	Balance	Balance %
	2010				2011				2012				2013				2014			
Poland	6933	1233	-5700	-82	7432	1333	-6099	-82	7968	1366	-6602	-83	8469	1589	-6880	-81	10558	1683	-8875	-84
Czech	6929	918	-6011	-87	8313	1199	-7114	-86	6965	1302	-5663	-81	6281	1446	-4835	-77	7156	1542	-5614	-78
Hungary	6559	1177	-5382	-82	6189	1239	-4950	-80	5495	1396	-4099	-75	5169	1435	-3734	-72	4813	1408	-3405	-71
Romania	2548	308	-2240	-88	2527	390	-2137	-85	2086	384	-1702	-82	1972	498	-1474	-75	2354	567	-1787	-76
Slovakia	2014	971	-1043	-52	2223	1491	-732	-33	2418	1348	-1070	-44	2468	1596	-872	-35	2476	1374	-1102	-45
Serbia	904	5	-899	-99	1070	12	-1058	-99	1082	15	-1067	-99	752	10	-742	-99	1173	15	-1158	-99
Slovenia	934	106	-828	-89	1045	111	-934	-89	912	168	-744	-82	1081	169	-912	-84	1131	215	-916	-81
Bulgaria	493	187	-306	-62	678	293	-385	-57	758	595	-163	-22	767	651	-116	-15	865	533	-332	-38
Lithuania	430	27	-403	-94	451	57	-394	-87	531	67	-464	-87	565	88	-477	-84	666	102	-564	-85
Croatia	1085	28	-1057	-97	1152	39	-1113	-97	1157	37	-1120	-97	956	57	-899	-94	443	51	-392	-88
Estonia	336	112	-224	-67	555	203	-352	-63	596	101	-495	-83	575	99	-476	-83	606	139	-467	-77
Bosnia and Hercegovina	334	3,7	-330,3	-99	396	4,2	-391,8	-99	418	4,2	-413,8	-99	452	5,1	-446,9	-99	692	7	-685	-99
Latvia	220	28	-192	-87	301	46	-255	-85	362	50	-312	-86	342	86	-256	-75	355	107	-248	-70
North Macedonia	216	96	-120	-56	255	91	-164	-64	292	123	-169	-58	275	77	-198	-72	325	69	-256	-79
Albania	218		-218	-83	247	43	-204	-83	242	41	-201	-83	227	79	-148	-65	286	62	-224	-78
Montenegro	87	0,1	-86,9	-100	102	0,7	-101,3	-99	130	4	-126	-97	137	3,6	-133,4	-97	132	2,5	-129,5	-98
EU 28	283931	113453	-170478	-60	295055	136414	-158641	-54	292122	159463	-132659	-45	280119	166328	-113791	-41	302501	176311	-126190	-42
	2015				2016				2017				2018							
Poland	13087	1819	-11268	-86	14076	1721	-12355	-88	16316	2060	-14256	-87	17972	2115	-15857	-88				
Czech	10528	1671	-8857	-84	9624	1734	-7890	-82	10539	2137	-8402	-80	13161	2188	-10973	-83				
Hungary	5150	1262	-3888	-75	5308	1422	-3886	-73	5611	1578	-4033	-72	6463	1501	-4962	-77				
Romania	2883	525	-2358	-82	3440	614	-2826	-82	3789	737	-3052	-81	4406	645	-3761	-85				
Slovakia	2720	1019	-1701	-63	3138	1137	-2001	-64	3077	1211	-1866	-61	2867	1352	-1515	-53				
Serbia	1379	22	-1357	-98	1526	22	-1504	-99	1516	52	-1464	-97	1571	67	-1504	-96				
Slovenia	1459	294	-1165	-80	1321	460	-861	-65	1436	562	-874	-61	1778	531	-1247	-70				
Bulgaria	969	536	-433	-45	1040	468	-572	-55	1110	679	-431	-39	1317	748	-569	-43				
Lithuania	725	102	-623	-86	709	123	-586	-83	823	179	-644	-78	864	189	-675	-78				
Croatia	525	70	-455	-87	596	76	-520	-87	707	125	-582	-82	816	133	-683	-84				
Estonia	625	135	-490	-78	642	167	-475	-74	688	218	-470	-68	691	185	-506	-73				
Bosnia and Hercegovina	558	14	-544	-97	587	14	-573	-98	569	183	-386	-68								
Latvia	417	110	-307	-74	403	122	-281	-70	440	146	-294	-67	491	152	-339	-69				
North Macedonia	351	127	-224	-64	400	44	-356	-89	370	51	-319	-86								
Albania	332	47	-285	-86	389	57	-332	-85	347	59	-288	-83								
Montenegro	211	8	-203	-96	197	19	-178	-90	209	6	-203	-97								
EU 28	351045	204909	-146136	-42	352279	189505	-162774	-46	375374	200351	-175023	-47	393957	209000	-184957	-47				

Source: Compiled and calculated by this author based on data from Eurostat and WITS; data in USD adjusted to EUR by average annual exchange rates.

Figure 8. Strength of Political Relations (2014) Compared to Change of Export Dependency vis-à-vis China (2009/2014)



Source: Copied by this author from Matura (2014).

4.1.3 Belt and Road dimension – the overarching perspective

As described in literature review and discussed in following Chapter 5, there are some empirical evidence to the commonalities referring to investments and role of involvement of large Chinese state-owned enterprises. That SOE’s activity is mostly related to buildup of industrial capacity and connectivity, and have significant impact on EU-China relationship. Although the 16+1 summit in Budapest in November 2017 signaled passing milestone, in which all of the 16 CEEC’s have signed cooperation agreements on cooperation in BRI with China (all of which are not legally binding), there is yet no agreement to weather 16+1 should be attributed as the element of BRI. Also, lack of agreement on what the BRI is, and what is its main propose, especially in the Western Europe (so far only Portugal, Italy and Luxemburg signed an MoU’s on BRI with China in 2018 and 2019) requires to mind the presented conceptual nature of both BRI and 16+1 to find the common elements. There are many shared measures of analysis, including shared objectives, common geographical area, and presentation of same often bilateral only achievements as the outcomes of both the initiative and the platform.

Much of security and economic dimensions are associated with the creation of the idea to connect Europe and Asia with land economy belt and maritime silk road which in years 2013-2016 evolved to the Belt and Road Initiative. This points to shared objective of support of development in the region, which as said earlier is considered (by CPC) as conducive to the EU overall development and integration processes. The long-term debt and adherence to EU tender procedures, including the EU candidate 5 Balkan countries also isn't without the cross-regional impact. Therefore, it could be argued that 16+1 cooperation acts not only as a mean of cooperation of the 17 stakeholders participating in the format, but also as the proxy toward an overarching trans-continental cooperation between Asia and Europe.

4.2 China-CEEC's Cooperation - South vs. North misconceptions

Establishment of the mechanism, referred to by some scholars as „the newly open window of opportunities” at its early stages was considered as a new tool to build a European hub for further economic expansion of China. But in spite of the significant time since establishment of this mechanism, there is still no consensus on the format purpose. Among the most widely agreed is the assumption, that within the past four decades of advancement in Chinese development, there was a significant decrease in the knowledge and engagement with the Central and Eastern Europe (CEE), the region that was among the first to recognize the People's Republic of China government and sharing the socialist post world-war two “traditional friendship”¹⁴⁷. Certainly, there is also a play in the increase of CEEC's related to its role in the European Union, as well as materializing of idea of the Belt and Road connecting China with the European continent.

Encouragement for closer relationship of some CEEC's with China, due to demand for new sources of development after the 2008 economic crisis in Europe was also a strong contributor to the growing interest of CPC in CEE and *vice-versa*, becoming an element potentially bridging China with the EU¹⁴⁸. The above notion points to what perhaps lays among the main misconceptions of 16+1 today, that are its aim, deliverables and role, both nationally

¹⁴⁷ In the year 2019 almost half of the members of 16+1 will celebrate to 70th anniversary of the establishment of diplomatic relations with PRC.

¹⁴⁸ Invitation to cooperate with China on addressing the demand for development in CEE region for fist offered to Germany during the visit of chancellor Merkel in Beijing.

(to each of its participants), regionally, and from the unilateral perspective of China. The cooperation mechanism is centered in the crossroads of border of European Union with its eastern neighbors, area of frictions of the two sides of the Cold War, and a region, that through many centuries experienced shifts and instability.

Among already stated misconceptions, one refers to how Beijing classifies the CEEC's in case of development needs, so whether the region is an element of the already mentioned developing "South" or the developed "North". Also, here there are different views (between EU, 16 CEEC's and China) to what extent the 16+1 reflects the China's diplomacy priority pattern of "South-South" cooperation, but there is convincing evidence of this perception mentioned in Chapter One. At the same time, China interest in CEE region is associated with the geographical location and logistic potential to access Western Europe, where "the implementation of BRI in the CEE resembles China's policy in Africa and Latin America"¹⁴⁹.

The lack of agreement is present also within the region, which isn't homogeneous due to international obligations, demand for and level of development, and other core interests. Therefore, except the sub-regional role of Europe-China interactions, the mechanism has a more local impact, enhancing the cooperation based on the so-called national areas of specialization (presented in the above section touching on political dimension). The mechanism functions by organization of events and meetings, mainly in areas of economy, investment, finance, connectivity, agriculture, science and education, both on central and local levels. Many participating states host sectoral cooperation centers and secretariats. Until the end of 2018 more than 30 of such platforms of official exchange has been established, including maritime cooperation in Warsaw (2017)¹⁵⁰, logistics cooperation in Riga (2015)¹⁵¹, agriculture in Bulgaria (2015)¹⁵², culture in Macedonia (2018) and inter-bank association in Budapest (2017)¹⁵³. Only Estonia didn't engage in any specialized area of cooperation during the time of this writing.

¹⁴⁹ B. Kowalski, "China's foreign policy towards Central and Eastern Europe: The "16+1" format in the South-South cooperation perspective. Cases of the Czech Republic and Hungary", *Cambridge Journal of Eurasian Studies*, April 2017. <https://www.veruscript.com/api/files/e6b66e59-1a85-11e7-b3ad-0242ac110002/download>.

¹⁵⁰ China-CEEC Coordinating Secretariat for Maritime Issues, <http://ceec-china-maritime.org/>.

¹⁵¹ CEEC-China Secretariat on Logistics Cooperation
<http://www.ceec-china-logistics.org/en/about-us/info/>.

¹⁵² "China, Bulgaria sign declaration on setup of China-CEEC Agricultural Cooperation Demonstration Zone", May 25, 2017. http://www.china-ceec.org/eng/zdogjhz_1/t1465133.htm.

¹⁵³ <http://abouthungary.hu/chinacentral-and-eastern-european-countries-inter-bank-association/>, accessed on 2018-11-05.

As indicated in the first 16+1 Mid-term Agenda “*associations on sectoral cooperation serve as pillars of 16+1 sectoral cooperation. The role of existing associations will be brought into full play, and the establishment of new platforms will be encouraged when conditions are ripe*”¹⁵⁴. These actions viewed by some scholars as somehow superficial mode of progressing institutionalization¹⁵⁵, are in a way driving the intra-regional competitiveness for influence in selected areas of cooperation. That cooperation includes those areas, which from the view point of the EU can be seen as interfering in exclusive competences of that organization, i.e. in customs and trade in services¹⁵⁶.

4.2.1 The Westward view of 16+1

On the side of Chinese scholars, as well as the leading Chinese officials including presiding role of PRC Premier Li Keqiang¹⁵⁷, the 16+1 mechanism is still considered beneficial and successful. Among the best sources of what does the Chinese side think about the first stage of cooperation within the 16+1 are the publications and analysis of the Chinese Academy of Social Sciences, branded as “the second-track activities” platform of 16+1¹⁵⁸, organizing the annual 16+1 Think-Tank Network Conference¹⁵⁹ with a leading role in assessment and research about the mechanism.

According to the China-CEEC Think Tanks Book Series published by CASS in years 2017-2018 reflecting the achievements of the 16+1 cooperation so far, the mechanism has four major dimensions of successes, which are:

1. *Enhancement of bilateral cooperation.*
2. *Support of sub-regional cooperation development.*
3. *Conductivity to development of EU-China relations.*
4. *Platform of promotion of Belt and Road Initiative.*

¹⁵⁴ “The Medium-Term Agenda for Cooperation between China and Central and Eastern European Countries”, Suzhou, China, November 2015. https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1318038.shtml.

¹⁵⁵ M. Kaczmarek, “China on Central-Eastern Europe: ‘16+1’ as seen from Beijing”, Center for Eastern Studies, April, 2015. https://www.osw.waw.pl/sites/default/files/commentary_166.pdf.

¹⁵⁶ An example here can be the cooperation of Serbia (non-EU) and Hungary (EU) in case of customs, as in section 3. “Deepening Practical Cooperation in Trade, Investment and Connectivity”, paragraph 10, Sofia Guidelines document. https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2649_665393/t1577455.shtml.

¹⁵⁷ Based on the annual inquiries in the Chinese Academy of Social Sciences and the official post 16+1 Summit press releases of the PRC’s Ministry of Foreign Affairs.

¹⁵⁸ F. Godement and A. Vasselier, “China at the gates: A new power audit of EU-China relation”, European Council on Foreign Relations, December, 2017. https://www.ecfr.eu/page/-/China_Power_Audit.pdf.

¹⁵⁹ 16+1 Think-Tank Network Conferences. <http://www.16plus1-thinktank.com/>.

The first dimension of enhancement bilateral relations is the most obvious and easy to analyze. Except the main event of the annual Summits of the Heads of Governments, mapping the short time steps with the Guidelines documents, there are several lower levels of exchanges. The main difference in the perception of Chinese analytical thought is that these multilateral elements mentioned in the parts above are often classified as one of the stated here bilateral political relationship. Except the National Coordinators meetings¹⁶⁰, the quarterly exchanges of Secretariat for China-CEEC Cooperation¹⁶¹ and CEEC Embassies in Beijing, there are also ministerial meetings in format main areas of interest being held in areas such as trade, transport, agriculture, culture etc. The network of interaction created by the mechanism undeniably is an added value in enhancement of bilateral cooperation, but it can be argued to which extend this refers to the lowest category of lateral relationship between CEEC's and China.

It is also evident in the exchanges with Chinese scholars that they consider China-CEEC mechanism to act as introductory platform to “new quality” of cooperation on local level, a dimension explained as based on the criteria of size or economic relevance, which is often underlined by leaders of CEEC's during meetings with Chinese Leaders¹⁶². This pose an additional interest in cooperation on the local level, where cities like Ningbo and provinces like Hebei or Heilongjiang are interested and in taking a leading role¹⁶³. The trade value of CEEC's only with the city of Ningbo is said to have reached 2.92 billion USD in 2017 (twice the trade volume of China and Slovenia). Furthermore, the development of local cooperation allows China to shape the friendly and positive image within the region more directly, which also enhances the development of local projects. An example of that are relations between cities named as the ends of constantly developed China-Europe rail connections, i.e. Chinese cities of Suzhou and Chengdu with Polish cities of Warsaw and Lodz, Changsha and Budapest or Yiwu and Riga. It also gives what some officials from CEEC's consider of big importance,

¹⁶⁰ On the levels ranging from ministers to directors of the department.

¹⁶¹ An entity on the division level within the Department of European Affairs in the PRC's Ministry of Foreign Affairs, which represents the Chinese side and acts as an intermediary between the CEEC's. The institution deals with communication and coordination of cooperation work between China and Central and Eastern European countries, the preparatory meeting of leaders, preparation for economic and trade forum, and the implementation of those outcomes. http://www.china-ceec.org/eng/msc_1/mscjj/t1411097.htm.

¹⁶² i.e. during the visit of the president Kersti Kaljulaid of Estonia in Beijing in September 2018 - http://www.xinhuanet.com/english/2018-09/18/c_137477149.htm; In most of cases the market size of individual countries in CEE matches that of the Chinese cities, far exceeded by individual provinces.

¹⁶³ “Ningbo prospers from CEEC's continuing, dynamic cooperation”, China Daily, June 6, 2018 http://www.chinadaily.com.cn/cndy/2018-06/06/content_36334807.htm.

namely the recognition of individual states outside major cities, and additional media coverage in the PRC. There is yet a question of nature of this cooperation to be treated as bilateral, when all of the events in which these counterparts interact are conducted in the form of multilateral forums and conferences.

The above disputable bilateral dimension results also in inter-regional competition, visible among countries with greater demand for structural development and infrastructure. Being one of the elements of claimed by Brussels to be implementation of “divide and rule” strategy in Europe, is what in Beijing is calling “playing of an increasingly positive role”. To put the above into perspective, one of more active countries in this regard is Serbia, which landed several major Chinese investments in infrastructure (so-called friendship bridge), energy (Kostolac power plant) and industry. A crown example of the latter is a success story of Smederevo Steel Plant takeover by Chinas HBIS Group being referred to as key example of the “win-win” and mutually beneficial cooperation with China¹⁶⁴, becoming Serbia’s 2nd largest exporter in under 2 years. Government in Belgrade is also the first in CEEC’s to grant a visa free movement for China. Looking on the above relationship, and others like Montenegro (highway project with 809 million EUR credit form China’s EXIM Bank¹⁶⁵) it can be noted, that the demand for development is mostly concentrated in the South of the CEE region.

There is yet another interesting case of proactive role. Hungary, an EU member often mentioned together with Serbia in relationship with China due to the 16+1 mechanism flagship project of Belgrade-Budapest railway, a key element of already introduced Sea-Land Express line. That project with limited yet “significant¹⁶⁶” annual progress is estimated to take anywhere from 250 to 2500 years before starting to make profit¹⁶⁷. The story of Hungary’s commitment to cooperation with China, theoretically limited by the EU membership, has

¹⁶⁴ As said during the meeting of Serbian and Chinese presidents in September 2018 in Beijing – Aleksandar Vucic: Smederevo steel plant served as a strong evidence that the Belt and Road Initiative contributed to an increase of jobs and economic growth in Serbia.

¹⁶⁵ According to some EU officials can be the next Chinese debt trap; also called “a highway to nowhere” - <https://www.reuters.com/article/us-china-silkroad-europe-montenegro-insi/chinese-highway-to-nowhere-haunts-montenegro-idUSKBN1K60QX>.

¹⁶⁶ In spite of limited progress, the sentences of welcoming important progress made by China, Serbia and Hungary on the Belgrade-Budapest railway has been mentioned in 16+1 Guidelines document of Suzhou (2015), Budapest (2017), Sofia (2018), and Dubrovnik (2019).

¹⁶⁷ N. Miller, “Why are they giving us the money?’ Behind China’s plans to 'rescue' a decrepit rail link”, The Sydney Morning Herald. June 20, 2018.

<https://www.smh.com.au/world/europe/why-are-they-giving-us-the-money-behind-china-s-plans-to-rescue-a-decrepit-rail-link-20180606-p4zjwk.html>.

several many “firsts” that undoubtedly enhance the political relationship with Beijing. Among them, are already mentioned first documents on joint support to BRI, first BRI working group, first enhancements in financial sector including issuing of so-called “panda ponds” and first CEE RMB clearing bank. There are also other “first” countries in the 16+1 cooperation, i.e. Poland that had the first summit and has the largest portion of trade exchange (over 30 billion USD in 2018). But it is mostly Serbia and Hungary that are regarded as primary supporters of the cooperation within 16+1. This also blends the idea of bilateral relationship, pointing to “cherry picking” partnerships and some intra-regional competition for the “highest tribute” in the China-led process.

That interesting relationship and its bilateral aspect point to next two dimensions, the sub-regional cooperation and the support of development of EU-China relations. The 2008 economic crisis thought many of the CEECs that the openness and presence in single EU market except opportunities brings also dependency, that some scholars refer to as a dark side of high integration¹⁶⁸, also in regard to other issues present it today’s Europe. That perception in a way enhanced cross-regional hopes that the unique combination of traditional friendship of the region and Beijing, potential of huge domestic market in China, CEE demand (for investment, infrastructure, energy) and low-cost economic environment (compared to Western EU) will bring fast tangible results that so far in majority of the region have not materialized.

As explained in the previous text, there is a long idea of the “world in crisis” concept intended to carry the message of “lack of driving forces in world economy”, “backdrop of globalization and multilateralism” and “international challenges”, which emphasize the need to counter that negative trends. That rhetoric is much more present in other China led and China-centered formats, like BRICS (Johannesburg Declaration¹⁶⁹), Shanghai Cooperation Organization (Qingdao Declaration¹⁷⁰) and FOCAC (Beijing Declaration¹⁷¹). It is also an important element of engagement of China with European region. This relationship is

¹⁶⁸ References in the book of A. Polyakova, *The Dark Side of European Integration*, (Ibidem-Verlag, UK ed. Edition, August 15, 2015).

¹⁶⁹ “BRICS Summit Johannesburg Declaration”, China Daily, July 27, 2018.
<http://www.chinadaily.com.cn/a/201807/27/WS5b5a7e22a31031a351e90845.html>

¹⁷⁰ SCO Qingdao Declaration, June 10, 2018.
http://www.jukkarannila.fi/docs/SCO_Qingdao_Declaration_2018.pdf.

¹⁷¹ FOCAC Beijing Declaration, point 12. <https://www.tralac.org/documents/resources/external-relations/china-africa/2148-focac-declaration-of-the-beijing-summit-4-september-2018.html>.

connected with advancement in integration of supply chains also in cross-regional dimension. The aforementioned “emergency mode” of recovery recognized by China, and its will to switch to high-quality growth and domestic consumption based economic growth translates its need of support actions with outside world. The context of financial crisis (lasting for the past 10 years) acts as catalyst for improved relations with Europe, an element of globalization and name card of economic powerhouse as an offer toward the developing world. It is also associated with Chinese President Xi Jinping signature concepts for China’s foreign policy, to create a “community of shared future for mankind” (expression not endorsed yet in any of EU or 16+1 documents so far), in which China-CEEC Cooperation is claimed to act as a “pivot” in support the development of EU-China relations¹⁷². Therefore, it can be argued, that 16+1 states the recognition by the Chinese leadership as a mechanism of implementation of EU-China strategic partnership and “reciprocal” cross-regional cooperation, the initial aim behind European strategic engagement with China two decades ago¹⁷³.

Another important element to Chinese perspective of the role of 16+1 is the supportive role in European integration. An area here is the demand for development in CEE region (including sub-regional inequalities), with the incentive that all 16 CEECs have some sort of cooperation agreement with China of co-implementation of BRI. As emphasized during the visit of premier Li Keqiang in Berlin, days after the completion of the 7th 16+1 Summit in Sofia, “for other countries wishing to join the EU (WB5¹⁷⁴), the 16+1 cooperation can help them narrow the development gap”¹⁷⁵. That new approach of China could be very well understood as nothing more but invitation to the EU to join China in support of European integration, not the other way around. Sofia Summit was also the first to which the invitation was issued also to Germany and France, but the leaders of these countries did not join¹⁷⁶.

The last dimension often presented in the Chinese view towards the 16+1 cooperation mechanism is its role and support in joint development of the BRI. All 16 CEECs are included

¹⁷² As stated in Sofia Guidelines preamble: “The Participants underline that 16+1 Cooperation constitutes an important part of and a positive complementary to the relationship between China and the EU and that they are ready to work together, through this format and in line with their respective competences and existing commitments to ensure that China-EU relations continue to develop in a balanced way”.

¹⁷³ 2018 was the year of 20th EU-China Summit; Joint Statement: https://eeas.europa.eu/printpdf/48424_en.

¹⁷⁴ Western Balkans 5 consisting of Albania, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia.

¹⁷⁵ “Li Keqiang and Chancellor Angela Merkel of Germany Jointly Meet the Press”, PRC MFA, June 10, 2018. https://www.fmprc.gov.cn/mfa_eng/topics_665678/lzlc070510/t1576100.shtml.

¹⁷⁶ B. Kowalski, “16+1+1: Beijing wants Germany to align with its strategy in Eastern Europe”, Sinopsis, July 20, 2018. <https://sinopsis.cz/en/1611-beijing-wants-germany-to-align-with-its-strategy-in-eastern-europe/>.

in the BRI, and due to the geographical significance of the region can act in different, yet complementary areas of connectivity. Except the platform of communication for top leadership and other relevant stakeholders of that initiative, it acts as a foundation building mechanism interconnecting Europe and China. As a “gateway to Europe”, 16+1 plays a promoting role of people to people connectivity, which is a key element of Belt and Road next to physical and institutional connectivity¹⁷⁷.

4.2.2 The Eastward view of 16+1

Initially, Chinese administration didn't place enough attention of European liberal democracies and allegations of implementation of divide and rule strategy *via* the 16+1 cooperation. After several changes in European continent including elections in UK, France, Germany and Austria, closing perspective of Brexit, and the shifts in new administration in the USA, government in Beijing became more aligned with European integration, globalization and multilateralism¹⁷⁸. As to whether this move was influenced by the general defeat of populists and nationalist in main European elections (2017) goes beyond the scope of this research, but the views of both China and Europe in areas of economy, climate, security is aligned as ever before, which in result should signal great potential for political and economic consensus¹⁷⁹.

In spite of many differences there are also some similarities in assessment of the 16+1 between Chinese and EU perspectives. According to the European Parliament Research Service “*although framed as multilateralism, in practice this format has remained largely bilateral and highly competitive*”¹⁸⁰. What has been underlined in the above assessment is also, that the sixteen states 7 years after the mechanism and 10 years after the economic crisis raised series of concerns that has not been addressed. In the document of Sofia Guidelines (2018) we can find new language, that emphasizes both the need to review and assess the to

¹⁷⁷ As in point 10 of the Joint Communique of the Leaders Roundtable of the Belt and Road Forum for International Cooperation. May 2017.

¹⁷⁸ Starting from the speech of CPC chairman Xi Jinping on his appearance in Davos Economic Forum in 2017 – transcript available at: <https://www.weforum.org/agenda/2017/01/full-text-of-xi-jinping-keynote-at-the-world-economic-forum/>.

¹⁷⁹ During the meeting of Xi Jinping and Angela Merkel in June 2019 in Osaka G20 Summit, the Chinese leader recalled only “basic consensus” between the two states.

¹⁸⁰ “China, the 16+1 format and the EU”, European Parliament, September 2018. http://www.europarl.europa.eu/thinktank/de/document.html?reference=EPRS_BRI%282018%29625173.

date achievements and the mechanism itself, as well as emphasize the need for reciprocity in investment market, more balance in trade and possibilities of participation in tenders mainly in infrastructural projects. This is one of the biggest proofs, that the CEEC's are becoming more cautious of the goals of cooperation and the necessity to cooperate within the scope and obligations associated with the EU membership. In fact, it could be argued that the scope of cooperation in the bilateral summits between China and major EU economics like France and Germany touches upon same list of topics, yet it does not find the same assessments from the side of EU as interfering.

To weather there is a rationale behind this dual assessment of cooperation of China within the EU, the issue of competitiveness within the CEE region (and EU) does influence how 16+1 impact the perception of EU, changing the identification of individual states and the overall cross-regional relationship of China and the EU. It is based on some preliminary research results that indicates *"cooperation intensity with China is generally correlated with negative attitudes towards the EU, the importance attached to national interest and the recognized need of developing balanced relations with significant actors on the world stage (...and...) lower levels of cooperation intensity with China correspond to euro-optimist stances"*¹⁸¹. The optic by which the Western Europe members observe the 16+1 cooperation is often based in the presumption of "cash-starved eastern Europe" .The claim that the Chinese bidders don't participate in the bids within the EU was a common element of the negative assessment of the mechanism, until January 2018, when China Road and Bridge Corporation won a bid in construction of Peljesac Bridge in Croatia with 80% of funds coming from the EU¹⁸². It is also common to underline that China doesn't accept the counterweights to its views towards certain formats. An example of that action can be not only lack of recognition to competences and obligations of 11 EU CEEC's, but also towards other groupings within the CEE region, like in example Visegrad Four, which is claimed to be regarded by Beijing as subversive (although in literature review arguments were signaled of aware Chinese opposition to CEEC regional political strongholds). The conclusion arising from the above

¹⁸¹ I. M. Oehler-Şincai, "The 16+1 Process: Correlations between the EU Dependency/Attitude Matrix and the Cooperation Intensity with China", Institute for World Economy, Romanian Academy, September 2017. <https://16plus1.files.wordpress.com/2017/12/info-cctb-paper-september-2017.pdf>.

¹⁸² There was an early example of cooperation in Poland, which due to lack of understanding of European legal and economic conditions caused cancellation of Chinese company Covec in building of a highway in this country. <https://www.reuters.com/article/poland-euro2012-china/poland-cuts-chinese-firm-from-road-key-to-euro-2012-idUSLDE75C1D520110613>.

draws a Europe-wide picture of 16+1 being a China-led and China-centered mechanism creating real competition to the EU, especially in case of funding and projects.

Table 7: CEEC’s cooperation intensity in the 16+1 format and position as regards the EU

Cooperation intensity in the 16+1 format	Country	Position towards the EU
Active participants ('champions', 'leaders')	Czech Republic, Hungary, Poland, and Serbia	All are euro-sceptic and all are China’s strategic partners
Ambitious partners	Bulgaria, Latvia, Macedonia, Romania and Slovenia	Most are euro-optimists/ euro-moderates (Bulgaria is euro-sceptic)
Followers	Croatia, Estonia, Lithuania and Slovakia	Euro-optimists/euro-moderates
Laggards	Albania, Bosnia-Herzegovina and Montenegro	Euro-optimists/euro-moderates

Source: Copied by this author from the materials of the European Parliament Research Service.

Other doubts of the coherence of the EU are related to the rules of engagement, present mostly in mentioned before South-South cooperation, namely the five rules of peaceful coexistence, loose institutionalization pattern with proceedings based in voluntarism and inclusiveness, and “no strings attached” financing, without conditionality of financial and environmental sustainability¹⁸³. It also underlines, that the limited deliverables are titled in favor of Beijing or being in line of long-term geopolitical goals, which includes projects under the BRI. In spite of all these allegations, EU is present during main 16+1 events as an observer, and due to strong representation in the mechanism (11 out of 16 in 2018 and 12 out of 17 in 2019) has an important practical say in the final outcome documents of the format. It refers also to proxy of EU strategy for China, which since 2016 outlines key principles and rules of engagement like reciprocity (which since Sofia Summit is listed among the rules within 16+1 as well). More of these similarities will be discussed at the end of next chapter.

The strongest mismatch of EU and China over 16+1 is therefore Western Balkans in which since 2007 EU invested over 8.9 billion EUR, and is destination of the Berlin Process started in 2014, setting the action plan for the development of the region. It is also a front of

¹⁸³ “China, the 16+1 format and the EU”, European Parliament, September, 2018. http://www.europarl.europa.eu/thinktank/de/document.html?reference=EPRS_BRI%282018%29625173.

a bigger play for Chinese investment, which due to PRC lending practices pose a long term financial risk, including the whole EU - this the location of proclaimed 10 billion USD in investment, largely reflected in contracts for land infrastructure.

4.3 Political Elements and Values of 16+1 Cooperation

One of elements evident with the research conducted by this author is the state of political relationships. It is an important element within the overall sub-regional relationship, and basis of many bilateral relationships of particular CEEC's and China. As discussed during the literature review as well underlined in this chapter, it is also the area of politics that carries important commitments, political values and cooperation goals that has been constituting to the 16+1 cooperation until year 2019. Among the important claims present in majority of available analysis there is certain level of conviction that this China-led mechanism is a pragmatic form of promotion of Chinese norms and values, including the Five Rules of Peaceful Coexistence as a baseline of PRC's international relations. It acts therefore as a platform for implementation of the view of Beijing on how the international relations of the new era should look like, and by these actions unload its strategic objectives including those going beyond the sub-regional dimensions (like i.e. the BRI).

According to the preamble of the Medium-Term Agenda for Cooperation between China and Central and Eastern European Countries (2015), *"the annual 16+1 Summit plays a guiding role in 16+1 cooperation by drawing up annual guidelines, identifying key deliverables and resolving outstanding issues in the course of cooperation in a timely fashion"*. It can be therefore stated, that the Guidelines for China – CEEC's cooperation released annually during every annual Summit, are the main political document announced by the attending Heads of Governments, which is also the most comprehensive document, requiring extensive coordination and consultation during its drafting. Apart from stating the aforementioned key deliverables, objectives and issues of pragmatic cooperation, it also in its initial parts underline the strategic objectives and values, that all the Participants must follow in cooperation under the 16+1 framework. It therefore can be used as a good tool to map the presiding and most emphasized values and elements, that can allow to find further analogies in cross-regional strategies, as well as analyze the changes in the nature of the most important elements and objectives from the beginning of the mechanism until the time of this research.

Based on the analysis of the Guidelines documents from the seven annual Summits summarized within the below Table 8. (below), there are several important elements to be underlined. In the first three years of 16+1 cooperation, there was a clear emphasis on solidifying of friendship and deepening of partnership, with presiding Chinese values of mutual respect, mutual benefits and equality aimed for creation of common development based on national needs. It could be described as the initial stage, where the cooperation has been conducted towards creation of regional drivers supporting the enthusiasm and identity based in reaffirmed political statements. The first Chinese Summit in Suzhou, where the first Mid-term Agenda plan has been published, as underlined in the theme of that event started a new stage, with several changes in the emphasized values and goals. Among the new elements were the emphasis on complementary character of the mechanism, that included the idea of developing of synergies between the EU, including the Chinese strategic idea of cross-regional partnership for peace, growth, reform, and civilization. Another element of change was to signal, that the format does not aim to substitute the bilateral relationship (is not intended to become a platform of bilateral relationships of CEEC's and China), but to complement them in search on the areas of sub-regional cooperation. It also affirmed commitment of respect of all Participants towards sovereignty and territorial integrity.

The following Riga Summit has been more balanced in political declarations, however the situation changed in the Budapest Summit, where another new element has been introduced, underlining the connections to BRI and the 1st BRF in Beijing, with largely extended values and principles. Apart from all the important elements evident in the BRI rhetoric and overall Chinese foreign interactions referred to the elements of newly re-emphasized international role of Beijing in the areas of global governance and economic development. It could be therefore argued, that in light of previous Summits declarations and larger context of the Chinese presence during World Economic Forum in Davos, the Belt and Road Forum and new political changes related to the 19th CPC National Congress are an evidence of further efforts directed toward aligning of Chinese political discourse in the sub-regional platform of 16+1, and in a way partially the larger cross-regional engagement of China and the EU.

Table 8. Values and Commitments of 16+1 Cooperation (2013-2019)

Reaffirm commitment to	Acting on the basis of	Cooperating for
Bucharest Guidelines – 2013		
Theme – “Win-Win Cooperation for Common Development”		
<ul style="list-style-type: none"> • Solidifying traditional friendship, strengthening political mutual trust, deepening practical cooperation, enhancing people-to-people and cultural exchanges and promoting all-round development • Conforming to the respective features of development and cooperation needs 	mutual respect, equality and mutual benefit	<ul style="list-style-type: none"> • Benefit of development in all the countries, their peoples as well as world peace and stability, while offering useful experience for countries with different civilizations, systems and levels of development to live in harmony with one another and develop hand in hand.
Belgrade Guidelines – 2014		
Theme - “New Driving Force, New Platform and New Engine”		
<ul style="list-style-type: none"> • Deepening their partnership for peace, growth, reform and civilization based on the principles of equality, respect and trust 	equality, mutual benefit and win-win cooperation	<ul style="list-style-type: none"> • Benefiting their countries and peoples, achieving common development and prosperity, and promoting peace and stability
Suzhou Guidelines and Mid-term Agenda – 2015		
Theme – “New Beginning, New Domains, New Vision”		
<ul style="list-style-type: none"> • Implementing the Mid-term Agenda in light of their respective realities, needs and priorities, through equal-footed consultations, capitalizing on each other's complementarities and win-win cooperation. 	mutual respect for sovereignty and territorial integrity and understanding of each other's development choices	<ul style="list-style-type: none"> • Advancing in important national and regional projects. • Instead of substitution of existing bilateral cooperation mechanisms or platforms to complement and reinforcing them to enhanced and expanded cooperation • Developing of synergies with major EU initiatives and plans and contribute to partnerships for peace, growth, reform and civilization.
Riga Guidelines – 2016		
Theme – Connectivity, Innovation, Inclusiveness and Common Development		
<ul style="list-style-type: none"> • Forging an efficient, practical and lasting 16+1 Cooperation, as well as to developing synergies between 16+1 Cooperation and the EU-China Comprehensive Strategic Partnership 	openness, inclusiveness and mutual benefit,	<ul style="list-style-type: none"> • Enhancing existing cooperation and fostering cooperation in new areas

Budapest Guidelines – 2017

Theme – “Deepening economic, trade and financial cooperation for win-win development”

- Enhancing coordination, exploring innovative ways of cooperation and building a lasting partnership in the 16+1 framework
- Cooperating within the Belt and Road initiative of China through consultations and shared benefits

willingness, fairness, transparency, inclusiveness, reciprocity and mutual benefit within the applicable norms of international law, and principles of openness, inclusiveness and mutual benefit

- Further development of synergies between the Belt and Road initiative and important initiatives such as the Investment Plan for Europe, as well as development plans of respective countries
- Elevating ties to a higher level

Sofia Guidelines - 2018

Theme – “Deepening open and pragmatic cooperation for inclusive prosperity”

- The principles of mutual respect, mutually beneficial cooperation and building an open world economy, making economic globalization more dynamic, inclusive and sustainable.
- Develop cooperation in the spirit and according to the principles of the UN Charter.

willingness, transparency, inclusiveness, reciprocity, fairness and mutual benefit, consultation and cooperation, within the applicable norms of international law, laws, regulations and respective competences

- Contribute to the achievement of the Agenda 2030 for Sustainable Development
- Ensure that China-EU relations continue to develop in a balanced way
- Implement the Belt and Road cooperation MOUs that they signed to bring more results to this cooperation

Dubrovnik Guidelines - 2019

Theme – “Building new bridges through openness, innovation and partnership”

- Uphold the UN Charter and international law, the three pillars of the UN and transparency, inclusiveness, fairness, justice and pragmatism
- Fight corruption and bribery in all their forms
- Promote economic globalization
- 16+1 constitutes an important part of Europe-China relationship and complements the EU-China Comprehensive Strategic Partnership
- Deepening their partnership for peace, growth, reform and civilization

fair and just environment and a level playing field for foreign companies doing business in their own countries

upholding the principles of mutual respect, mutual benefit and fair competition

- To promote economic globalization, help realize the Agenda 2030 for Sustainable Development, and encourage full implementation of the Paris Agreement
- To jointly support development of a sustainable and open world economy, and a rules-based multilateral trading system with the World Trade Organization (WTO) at its core

Source: Compiled by this author based on the Guidelines for 16+1 Cooperation issued in the years from 2013 until 2019.

This trend is also evident in the two following summits, where further emphasis on the role of 16+1 in supporting of cross-regional strategic relationship of China and the EU, and declarations of utilizing of the platform to cooperate within the framework of BRI has been stated. There are other elements of the Chinese vision of direct links between Chinese-EU and 16+1 cooperation included in the Dubrovnik Guidelines, with emphasis of partnership for peace, growth, reform and civilization with the Participants, without the emphasis of its base cross-regional dimension. Year 2018 and 2019 has also stated objectives related to the international order and the need to follow the rule based order and multilateral trading system, that again in the larger view of the China-US trade conflict present at the time of this study could suggest to the efforts of Beijing to build support towards its vision of the new IR, as well as other important values. It is important to note, that in spite of emphasis on fair environment for foreign companies, the document from the 2019 Summit does not use the rule of reciprocity which has been underlined in all of the previous years.

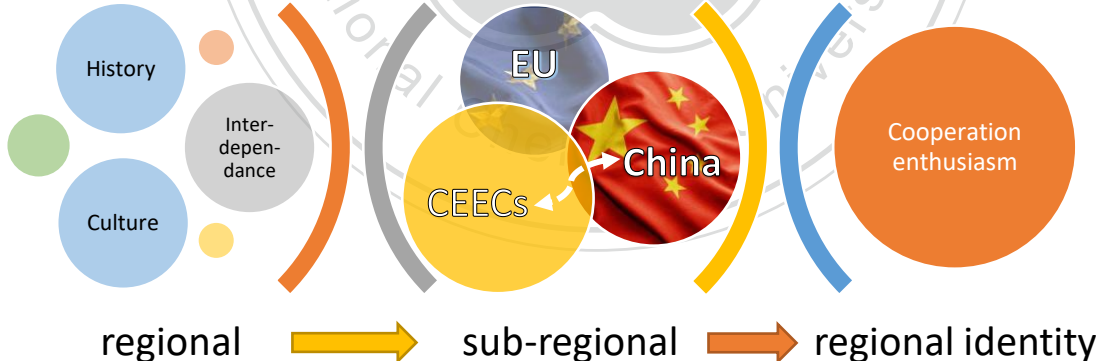


Chapter Five

China’s cooperation with the Eastern European Countries

Due to favorable traditional conditions for bilateral relations, the relationships between China and each of the CEEC’s is considered to have a special potential for development. Since December 1978 when China started to open itself into the world and build a new future, each of the CEE states has been in a very different place than it is today, not only politically but also economically, in case of law, alliances, global governance and adherence to particular values of international engagement. After the year 1989 many of the CEEC’s decided to switch to market economy, accept the rules-based governance and trade order and align their policy with West, including joining the European Union in 2004. All these shifts resulted in diverse distribution of political sub-regional concepts, that are largely aligned with bipolarity of more liberal eurocentrism and more conservative nationalist approaches. These two main “directions” impact also how the region perceives engagement with China beyond the bilateral level, with some additional implications for the European Union.

Figure 9. Elements of regional identity resulting in cooperation enthusiasm.

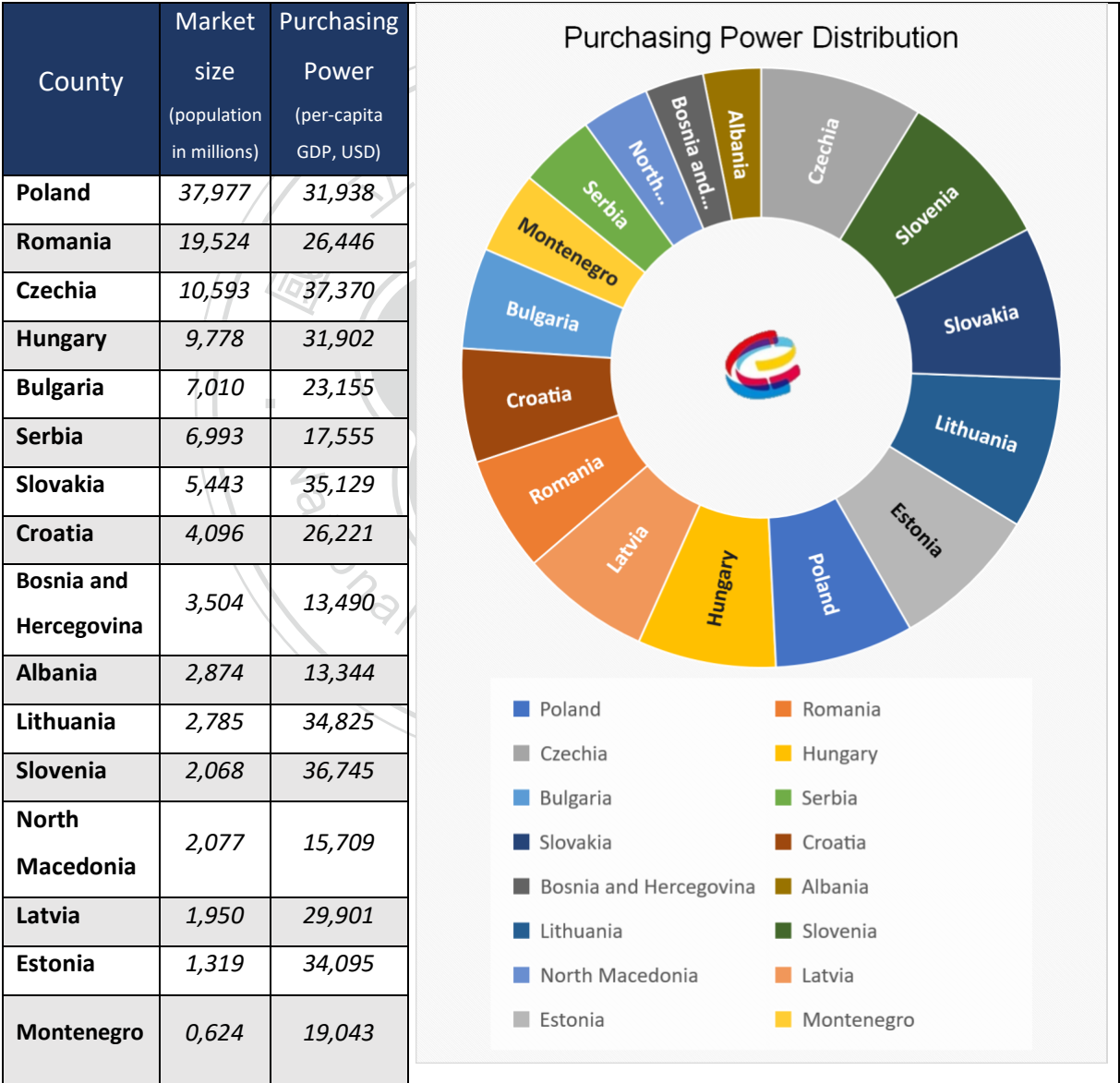


Source: Compiled by this author.

As it has been already described, there are several elements that impact the regional identity of individual Participants of the cooperation mechanism, that by interaction of China and CEEC’s with partial engagement of EU influence the general enthusiasm for cooperation within the format, and analogically the BRI. That enthusiasm as described in the literature review is often associated with the size of individual economies within the region (CASS). As

discussed so far there is little evidence of such a correlation. Furthermore, classifications based by the sizes of economy is relatively misleading, and can be related more to the BRI type of large investment projects that require significant economic backbone to handle the “lend and build” type of infrastructure involvement of Chinese SOE’s. However, as we can see in the below table, although the market sizes are quite diverse, the purchasing power of the particular economies among the 11 EU member states is relatively even, and this is where large investment projects so far are rather limited.

Table 9. Market size of individual Central and Easter European Countries (2018).



Source: Compiled by this author based on data by IMF.

This together with elements discussed in Chapter 4. of lack of correlation between 16+1 and BRI existence and moves towards more balanced trade adds further negativity towards Chinese positive sub-regional assessments.

Table 10. Differences in roles of 16+1 cooperation based on the level of “bilateralism”.

Role of 16+1		
<ul style="list-style-type: none"> Remains largely bilateral and highly competitive Not fully aligned with respective competences and obligations of Participants 	Enhancement of bilateral cooperation	<ul style="list-style-type: none"> Head of Government Summits – once a year National Coordinators Meetings – twice a year 16+1 Secretariat and CEEC’s Embassies quarterly meetings Ministerial and expert level conferences and meetings
<ul style="list-style-type: none"> Acts as a platform of local implementation of BRI Use the advantage of CEE regional „consensus” Acts as an alternative to EU rules for public markets and infrastructure CEE as a station on the way to Europe Limited synergy between the trans-regional strategies and policy 	Support of sub-regional cooperation	<ul style="list-style-type: none"> Inherited from China’s previous experience in promoting of regional cooperation (ASEAN, AU, CELAC) – multilateralism a pillar Enhancement of regional cooperation – an innovative enrichment of regional cooperation – including the local level
<ul style="list-style-type: none"> Engagement of the 16 CEEC’s may increase their leverage with and within the EU Limited loans and investments in the EU. Increased influence among the EU candidates <p>-----</p> <ul style="list-style-type: none"> Financial support for the BRI 	Conductivity to development of EU-China relations	<ul style="list-style-type: none"> Improvement in trans-regional transport Explorations of the market potentials in the CEEC’s – „the demand for development” Better „soft environment for trade” – i.e. customs inspection and quarantine
	Platform of promotion of Belt and Road Initiative	<ul style="list-style-type: none"> All 16 countries are included in the BRI An important policy communication platform for BRI Promotion of interconnectivity between EU and China – Eurasian corridor and Land Sea Express Line Infrastructure construction cooperation with the EU Financial support for the BRI
Multilateral focus; pro-European approach	↔	Nation-focused; bilateral approach

Source: Adopted by this author based on literature review and resources of EU Parliament and CASS.

Dichotomy presented in Table 10. summarizing different roles of 16+1 mechanism is further complicated by the fact, that each of the states have their own implications in the areas of politics, economics, sustainability as well as the respective competences and obligations

towards international organizations, including the exclusive competences of the EU. This author argues therefore, that to properly understand the added value of the mechanism and the role it plays in the sub-regional relationship with Europe it's necessary to have more holistic look on the question of lateral relationships of the CEEC's in particular emphasis on the bilateral dimension.

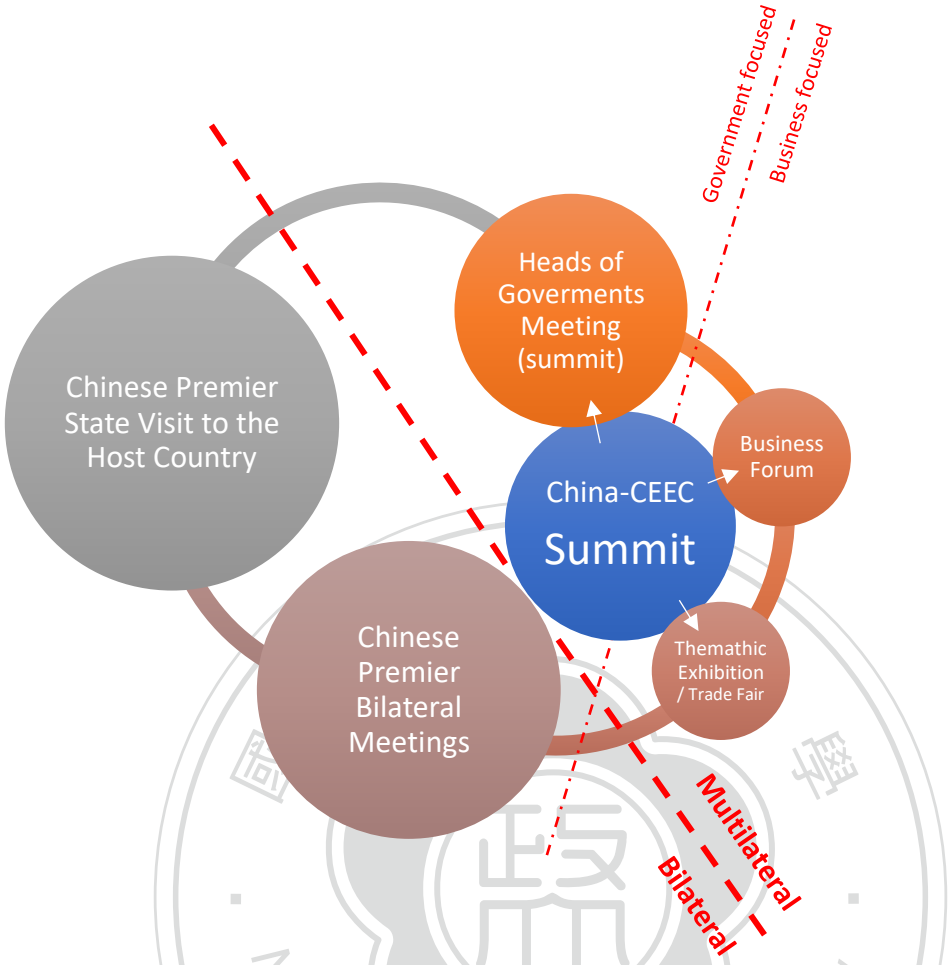
5.1 The question of lateral relationships

Among one of the aims stated in the previous parts analyzing multitude of engagement of China with CEEC's, one that still haven't been analyzed thus far is the role for enhancement of bilateral relations. However, due to large diversities within the individual Participants, it is hard to generalize impact of the mechanism to which it enhances the bilateral relationships, keeps it unchanged or even diminish it. Commonly presented elements of stated enhancement are the annual summits, national coordinators meetings, and other official expert meetings (ministerial and sectorial). In all of these levels, especially the summits and ministerial conferences, the highest added value are the sidelines, where bilateral meetings happen. From the perspective of Chinese leadership, there is a tendency to describe the 16 CEEC's as one entity. This rhetoric was also an element of bilateral discussions of Chinese premier Li Keqiang during his exchanges in Germany the EU, whereas cited in earlier parts, he invited other partners to join the "trilateral" cooperation with China and CEEC's¹⁸⁴. However, from the theoretical and nominal perspective, the mechanism, based mostly on stated annual summits of Heads of Governments has a significant portion of multi-bilateral elements. This in a way points to the opposite side of sub-regional enhancement, where the relationships are largely bilateral and highly competitive.

It has been emphasized multiple times during the exchanges of this author, that the element of the bilateral meetings with Chinese premier on the sidelines of the main summit are the main driving force for the high-level participation in many of the platform events.

¹⁸⁴ "16+1 cooperation open and transparent: Chinese premier", Xinhua, May 25, 2018. http://www.xinhuanet.com/english/2018-05/25/c_137204267.htm.

Figure 10. General Structure of 16+1 Summits.



Source: Compiled by this author based on conducted research and academic exchanges.

For many of smaller economies, if not the annual summits and different ministerial meetings it would be not be possible to sustain the high-level exchanges, which in a way cluster individual bilateral relationship together, including these classified as 2nd highest level – comprehensive strategic partnership. There is a tradition of the Chinese premier state visit to the host country just before or after the summit, which also can contribute to intra-regional competitiveness, and creates additional incentive towards organizing of the Summit¹⁸⁵ and other events within the 16+1 framework.

As presented above, the main elements consisting of the annual summits are centered around the Chinese Premier rather than the Summit itself or other elements of multilateral or business focused activities. This in a way underline the competitive character of this mechanism that further points to its China-centered characteristic, that could be interpreted

¹⁸⁵ According to the rules stated in the 1st Midterm Agenda of 16+1 cooperation, every 5th Summit is taken place in China – 2015 in Suzhou and 2020 (to be decided).

as the element in the larger creations of Chinese exceptionalism in the cross-regional and global relationships. It also supports the argument of shifting characteristic of China rise in the region. It could be stated, that if a given CEEC does not participate in the summit or other mechanism government exchange, it would in a way waive the possibility to engage in bilateral high-level dialogue. If that would be the case, this multilateral behavior of China possesses additional analogies of the neo-tributary characteristics of Chinese new IR, where presence in 16+1 can be associated with the ritual that need to be undertaken, including the alternative costs arising from sub-regional competitiveness and intra-regional overlapping objectives.

5.2 Investments - towards bilateral interdependence

For more than a decade Europe has been the main recipient of the Chinese ODI. Europe is also major source of investments in China, which often are used as a 'business card' of the Chinese reforms and opening policies (i.e. BASF and BMW investments in 2018¹⁸⁶). The special potential of China in case of foreign investments is related to the enormous quantity of foreign reserves, that impel China to engage in investment activities abroad¹⁸⁷, and the industrial chains and market size for domestic attractiveness. This is what has been underlined also as the reason behind choosing China as a source of some investments in CEEC's, which as already stated refers to "no strings attached" financing and bids offered by Chinese SOE's¹⁸⁸. There is also an importance of facilitators of the investment, that in case of China are associated with

¹⁸⁶"BMW becomes first global brand to take control of Chinese venture. German car giant spends US\$4.1 billion to increase its stake in Brilliance China Automotive by a quarter to 75pc"; "The US\$10 billion German chemical complex that could tip the balance in China's trade ties allowing German chemical giant BASF to build and fully own its plant in China could bring Beijing support from Berlin in the trade war with the US". <https://www.scmp.com/business/companies/article/2168063/bmw-becomes-first-global-brand-take-control-chinese-venture>.

<https://www.scmp.com/news/china/economy/article/2154707/how-german-companys-us10-billion-chemical-complex-china-could-tip>.

¹⁸⁷ S. Filippov and T. Saebi, "Europeanisation Strategy of Chinese Companies: Its Perils and Promises", Economic and Social Research and Training Centre on Innovation and Technology, UNU-MERIT Working Papers, Maastricht. 2008. <https://cris.maastrichtuniversity.nl/portal/files/1260353/guid-e7c953a3-5094-4fb1-b8bb-074795931fc6-ASSET1.0>.

¹⁸⁸ "China's AIIB to offer loans with fewer strings attached – sources", Reuters, September 2, 2015.

<https://www.reuters.com/article/us-aiib-china-loans/exclusive-chinas-aiib-to-offer-loans-with-fewer-strings-attached-sources-idUSKCNOR14UB20150901>;

"China offers Africa billions, 'no strings attached", September 3, 2018.

<https://www.dw.com/en/china-offers-africa-billions-no-strings-attached/a-45333627>.

the government itself. Chinese enterprises driven by potential of internationalization are willing to enter into more capitalist markets, however in case of China it is not purely market driven process, but rather “strategy orchestrated by Chinese government”¹⁸⁹.

Table 11. Rationale and implications of Chinese outward investment

Drivers of investment	Facilitators of investment
<ul style="list-style-type: none"> ▪ Dangers of Operating in an increasingly competitive and complex domestic market, and decreasing profit margins ▪ Potential to complement cost advantages of domestic production with differentiation advantages overseas. ▪ Necessity to access and secure advanced technology and expertise. ▪ Acquisition of internationally recognized brands. ▪ Access to entrepreneurial and managerial skills and know-how. 	<p>Strong governmental support for internationalization:</p> <ul style="list-style-type: none"> ▪ financial incentives ▪ non-financial support ▪ institutional support ▪ information provision ▪ access to state supported scientific and technological research
Perils of Chinese investment in Europe	Promises of Chinese investment in Europe
<p>Chinese companies under the strong political influence of the Chinese government; Europe potentially exposes itself to the political leverage from Beijing.</p>	<p>As a rule, Chinese investors acquire businesses in financial hardship, those who would go bankrupt and lead to job cuts and decrease of the tax base. Chinese may revitalize them.</p>
<p>By acquiring assets in Europe, Chinese companies may get access to latest technologies and know-how. In the situation, when most Chinese companies are not familiar with the European IPR regime, European companies stand to lose their core technologies to the Chinese competitors.</p>	<p>Favorable investment treatment of Chinese companies in Europe would enhance opportunities of European companies in the Chinese market (reciprocal investment treatment)</p>

Source: Adapted by this author from Filippov Sergey and Saebi, Tima (2008).

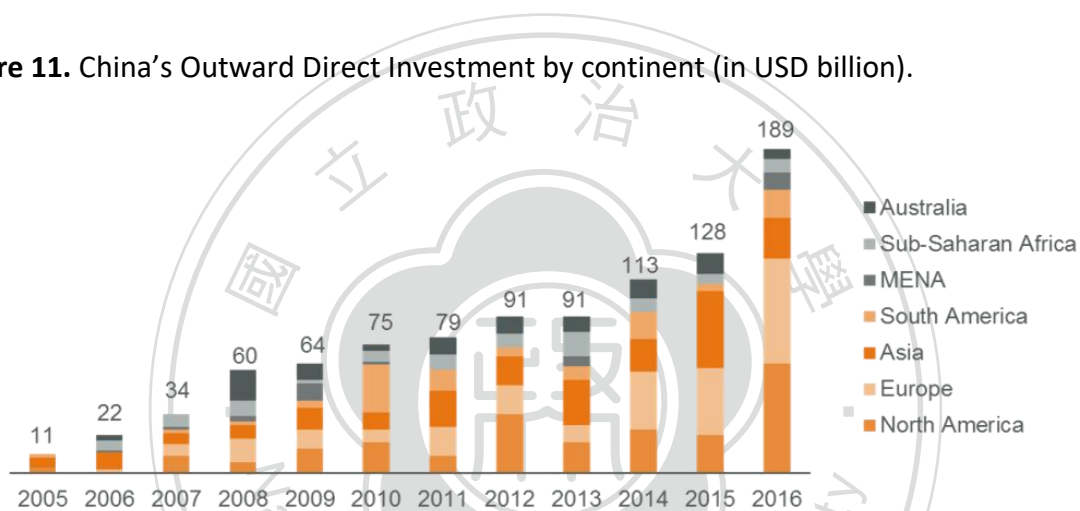
Therefore, the internationalization of Chinese businesses (seen as foreign investments) can be treated as a policy instrument aimed at larger integration and stake in the globalization

¹⁸⁹ See footnote 188.

processes. Apart from the elements in presented in the Table 11., there are some implications towards the expectation of the region, that due to existence of special sub-regional cooperation platform (16+1) may produce higher expectations for more easy and preferential access to government led (Chinese) investments. It is still important to keep in mind the drivers of investments, which whether posted by the business or by the leadership of the government, are associated with the additional factors also listed in Table 11.

As already pointed out in this chapter, after several years of the China-CEEC cooperation there are evidence of China trying to engage more actively with the EU in cooperation including 16+1 platform.

Figure 11. China’s Outward Direct Investment by continent (in USD billion).



Source: Copied from Apricum, based on data from China Global Investment Tracker and Ministry of Commerce of PRC¹⁹⁰.

This is also the case related to another individual EU MS like Germany or France. As said by Li Keqiang during the visit of German chancellor in Beijing in 2018, that “16+1 cooperation, (...), is an important part and beneficial supplement of China-Europe relations. It is conducive to the common development of China and the CEE countries, a more balanced development of Europe, and the European integration process. (...) China and Germany should combine their complementary advantages with the development needs of the CEE countries in order to explore third-party market cooperation”. This declaration was one of the first strong signals sent by the Chinese leadership to the European region underlining, that the need for balanced development of the EU can benefit from Chinese presence, and therefore the region should engage in the cooperation rather than bandwagon against it. There are also other voices,

¹⁹⁰ „Why China’s international investment strategy can spell good news for growing cleantech companies”, Apricum, April 12, 2017. <https://www.apricum-group.com/why-chinas-international-investment-strategy-can-spell-good-news-for-cleantech-companies/>.

saying that “new repositioning of 16+1 towards Germany and the rest of EU signals profound worries in Beijing that the initiative in its present form might be doing more harm than good to larger Chinese interests in Europe”¹⁹¹.

A more direct reference to this additional engagement was expressed by Ye Bin, deputy director of legal division of CASS, who in one of his interviews (2018) suggested that “it is unfair it suggest the 16+1 cooperation is an attempt to divide Europe, considering the countries possess the competence to attract foreign direct investment from countries outside their region. (...) To reduce criticism 16+1 cooperation could be extended to 16+2, to upgrade the EU’s status from observer to member”¹⁹². Although this expression is based on two mistakes, namely misunderstanding of the EU as an external entity to the process (11 CEEC’s are the EU and EU is 11 CEEC’s) and treating its parties as Members (not Participants), it underlines the point, to which the Chinese scholars share the enthusiasm of complementarity of 16+1 with EU integration processes. It can be also important in the context of regarding investments as a tool of party and state, where the CPC regards them as a strategic national issue¹⁹³.

Increasing aspect of internal competitiveness within CEEC’s and assessments discussed so far point towards another element of Chinese cooperation and regional presence, namely the investments. Although some of project are cross-border in nature, like discussed Sea-Land Express Way or the highway build in Montenegro, majority of investments are made on bilateral level. Therefore, it could be argued that the political goal of securing new investments, including ones that would not be accepted by the EU due to sustainability criteria (EU is still the largest source of investment in the CEE region) can be regarded as important force pushing the cooperation forward. This push includes also the political will, or stated before enthusiasm for cooperation based on the alternative costs of industrial and connectivity progress, especially in the Southern part of the region, where smaller and less wealthy countries of the discussed format are located. Similar conclusions have been drawn in the policy brief to the

¹⁹¹ B. Kowalski, „16+1+1: Beijing wants Germany to align with its strategy in Eastern Europe”, Sinopsis, 2018. <https://sinopsis.cz/en/1611-beijing-wants-germany-to-align-with-its-strategy-in-eastern-europe/>

¹⁹² J.J. Ma, “China’s investment in CEEC surpasses \$9b”, *Global Times*, June 2, 2018. <http://www.globaltimes.cn/content/1105189.shtml>.

¹⁹³ The argument presented by Brown and Wood regarding international investments has been further underlined in during the so-called trade war of China and the US in years 2018-2019, when the CPC actively defended the interests of never-the-less privately-owned company Huawei over the investments in the 5G networks. [http://www.xrg-china.com/bro/XRG_C-ODI_REPORT_\(October_2009\)_\[EXTRACT\].pdf](http://www.xrg-china.com/bro/XRG_C-ODI_REPORT_(October_2009)_[EXTRACT].pdf).

EP, where 16+1 is described as *“an attractive tool for China to increase its political influence on CEEC’s, as it is one of China’s main platforms to push its BRI vision forward”*¹⁹⁴.

All these again underline to the idea of enthusiasm, which is the one of criteria impacting the successful implementation of overall China trade and infrastructure within BRI¹⁹⁵, and therefore requires from the Chinese administration to uphold or manage the levels of disappointments within Europe. The role of 16+1 in this process can be significant, and that would mean, there is a significant second bottom-line to the purpose of Chinese engagement with CEEC’s related to perception directed revisionism. One of the measures of regional satisfaction can be assessed based on the materialization of investments in the region. As indicated by Yu Yuantang, deputy director general of Department of European Affairs in Ministry of Commerce of PRC, investment of China in the region exceeded 9 billion USD (2018, up from 8 billion USD in 2017¹⁹⁶), covering sectors machinery, telecommunications, new energy and agriculture. In assessment of this number it is important to keep in mind that initial promises of investment from the Chinese side has been estimated 12,7 billion USD. There has been also a dedicated fund established in 2016 to provide up to 10 billion for infrastructure projects, but until the end of 2017, there has been no projects funded from its resources¹⁹⁷.

Above numbers underline still quite high gap between the potential, deliverables and expectations. The 9 billion figure is also associated with the high cost’s infrastructure and energy projects, which against direct the attention to the BRI key areas. Only few of them, like nuclear power upgrades in Romania (8 bn USD)¹⁹⁸, highway in Montenegro (900 MN USD), Belgrade-Budapest railway (3,2 bn USD) already exceed the stated numbers, often described as *“significant progress in bilateral cooperation under the framework of the Belt and Road”*¹⁹⁹. These investments are based on loans, which mean that most of the invested capital will in fact return to Chinese economy. Also, majority of the remaining Chinese ODI in EU are so-called brown investments in form of mergers and acquisitions (M&A’s). As emphasized in the official communication of Chinese leadership, the CEE region is not regarded as the region for

¹⁹⁴ “China, the 16+1 format and the EU”, European Parliament Research Service, 2018, (PE 625.173).

¹⁹⁵ See footnote above.

¹⁹⁶ “China, CEE countries see steady trade, investment growth”, Xinhua, June 6, 2017.
http://www.china-ceec.org/eng/sbhz_1/t1468063.htm .

¹⁹⁷ S. Babones, “China's Bid To Buy Eastern Europe On The Cheap: The '16+1' Group”, *Forbes*, November 27, 2017.
<https://www.forbes.com/sites/salvatorebabones/2017/11/27/chinas-bid-to-buy-eastern-europe-on-the-cheap-the-161-group/>.

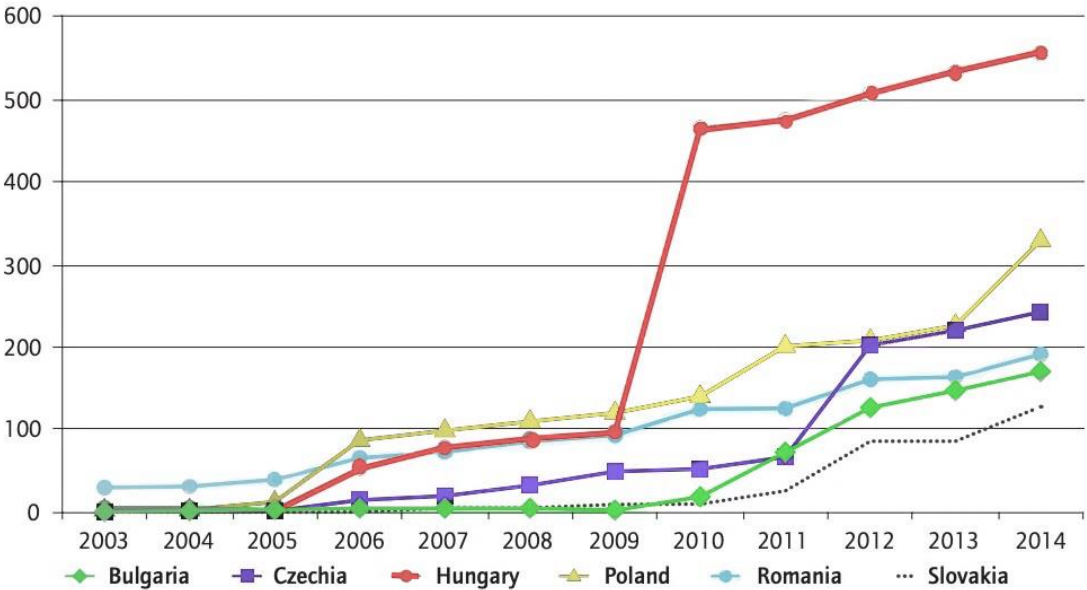
¹⁹⁸ Romanian, Chinese companies sign deal on continuation of nuclear power plant project, 2019,
http://www.xinhuanet.com/english/2019-05/08/c_138043485.htm.

¹⁹⁹ See footnote 192.

potential “shopping spree” of Chinese investors like in case of other Western European countries. This can further emphasize BRI elements in Chinese investment presence in CEEC’s.

As presented in Figure 12., there has been some evidence of early investments as early as 2003, but the overall increase happened during the crisis of 2008, with particular increase in investments in Hungary. The rest of the main CEEC’s economies witnessed rather stable and moderate growth in investments. As discussed in the literature review, this was also the time of increased presence of China in many developing countries, and “return” to once placed on the side area of traditional friendship. It was also the time of some changes in internal and external politics in China. It is worth to note, that the growing trend or the reorientation towards the region happened before the 16+1 and BRI were created, becoming another mark of limited impact of both stated frameworks of cooperation.

Figure 12. China outward FDI stock in selected CEEC’s 2003-2014 (million USD).



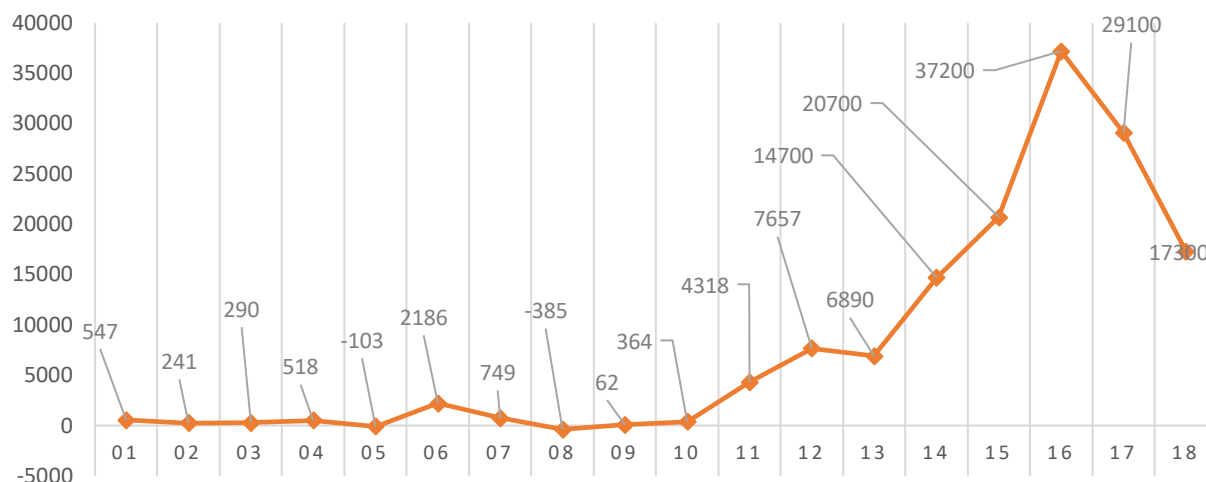
Source: Copied for the research by McCaleb and Szunomar based on data from CEIC China Premium Database.²⁰⁰

A similar trend can be seen in regards to overall investments in Europe in the same time, where there has been a shift in a year 2010 and another one in the year 2013. This however can be associated with overall “go-out” policy of China rather than particular

²⁰⁰ Chapter in a book edited by J. Drahokoupil, *Chinese investment in Europe: corporate strategies and labour relations*; <https://core.ac.uk/download/pdf/159127056.pdf>.

cooperation framework of China with outside partners. Out of all total Chinese investments only 5% end up in the CEE region²⁰¹.

Figure 13. China's ODI in the EU - 2001-2010 (EUR millions)



Source: Eurostat and MOFCOM.

Presented numbers reflecting the distribution and trends in regional investments, together with arguments regarding characteristics and drivers of this economic activities show limited correlation between particular cooperation frameworks and actual enhancement of investment flows. Some analysis point to the role of demand for screening mechanism of investments that are connected with increase of Chinese investment in years 2013-2017, of which majority were M&A's. This may indicate that the decrease in Chinese FDI in associated with smaller participation of SOE's, which in 2010 amounted for 80-90% of all investments, to drop to around average 50% in years 2016 to 2018 years (MERICS 2019²⁰²). If that would be the case, then there would be a higher impact of legal environment on the policy backed investments and SOE's activities than the one based in hopes and potential of dedicated sub-regional platforms or other bilateral qualities like enthusiasm or friendship.

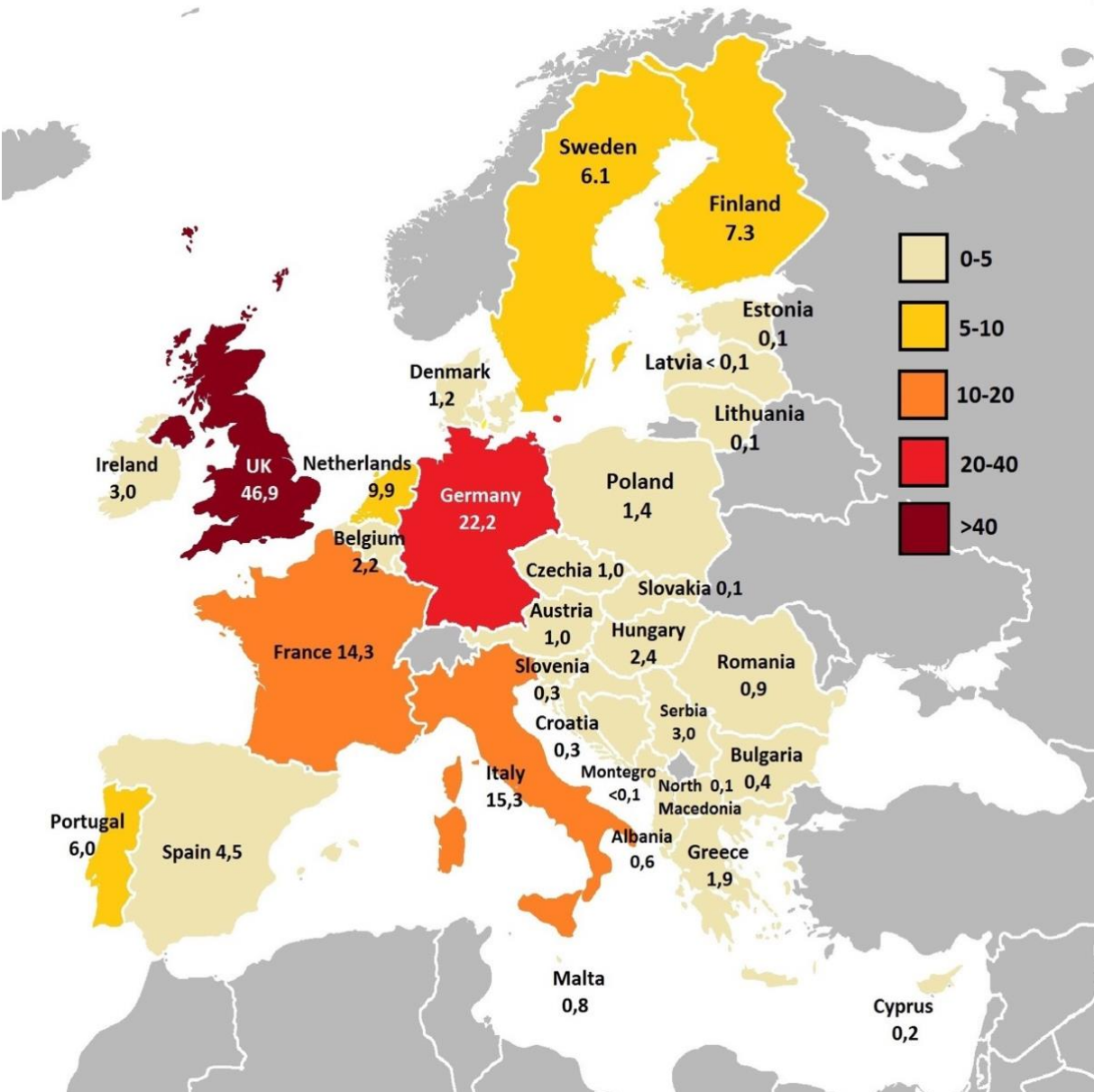
As can be noticed on the map presented in the following page, there is relatively even distribution of accumulated Chinese investments in CEE (not including the infrastructure loans), where political objectives as these included in Chinese strategies like "Made in China

²⁰¹ In Polish - <https://www.pap.pl/aktualnosci/news%2C480594%2Cczaputowicz-wyzwaniem-w-relacjach-polsko-chinskih-brak-zrownowazonej>.

²⁰² T. Hanemann, M. Huotari and A. Kratz, "Chinese FDI in Europe: 2018 trends and impact of new screening policies", MERICS, 2019. <https://www.merics.org/en/papers-on-china/chinese-fdi-in-europe-2018>.

2025” have little interest. The whole discussion about the defensive stance toward investments can however drive them to other areas and countries with more enthusiastic posture toward Chinese capital. That could explain the number of accumulated investments in Hungary and Serbia, which are the top two destinations for investments among CEEC’s. This in a way could be another theater related to sub-regional competitiveness, where investments could be thought of as rewards for following the “rules of engagement” preferred and underlined by Chinese leadership.

Map 8. Chinese FDI Transactions in Europe by country – 2000 to 2018*



Source: Adapted by this author from MERICS/RHG²⁰³, *Based on data by Rhodium Group, National Bank of Republic of North Macedonia. Data for Albania, Serbia and Montenegro based on estimates obtained by the author.

²⁰³ See footnote above.

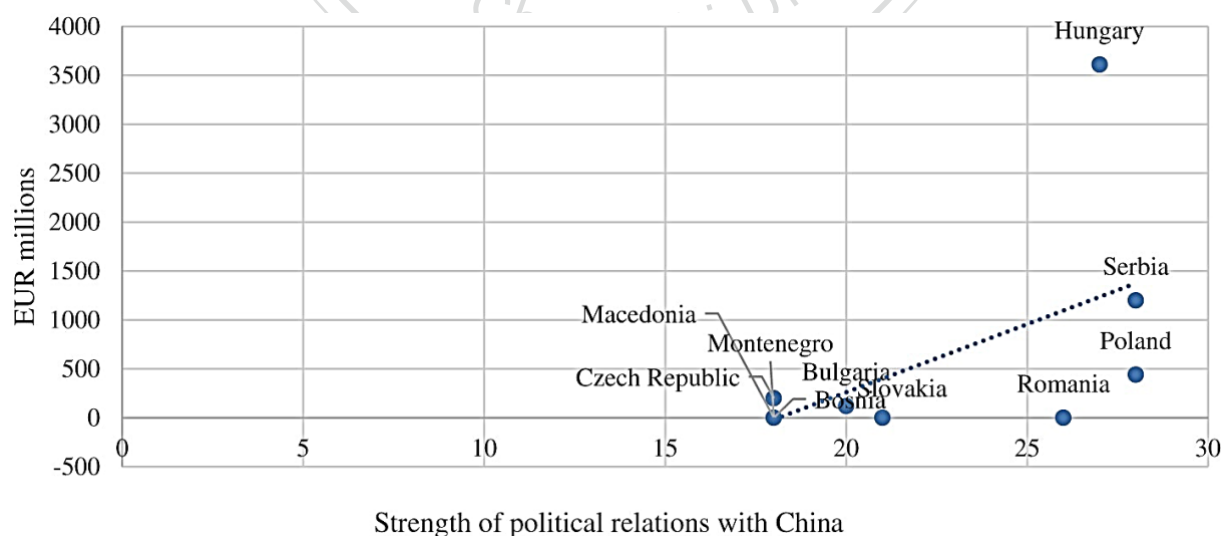
The increased number in investments has also some evidence in available analysis based on quantitatively measure friendliness towards China (Matura 2019)²⁰⁴.

Table 12. The Quality of Bilateral Relations between China and the CEE Countries.

Rank	Country	Score	Political environment	Economic environment	Social environment	Bilateral relations	Rating
1	Poland	88	24	18	18	28	Very good
2	Hungary	79	20	16	16	27	
3	Czechia	78	24	18	18	18	
4	Slovakia	77	24	16	16	21	Good
5	Romania	76	18	16	16	26	
6	Serbia	76	18	14	16	28	
7	Estonia	70	20	16	16	18	
8	Latvia	70	20	16	16	18	
9	Lithuania	70	20	16	16	18	
10	Croatia	68	20	14	16	18	Not bad
11	Bulgaria	67	18	14	15	20	
12	Slovenia	66	20	12	16	18	
13	Montenegro	65	18	14	15	18	
14	Macedonia	65	18	14	15	18	
15	Albania	64	17	14	15	18	Not
16	Bosnia & Hercegovina	62	15	14	15	18	good

Source: Liu Zuokui (2014) 'The Analysis of China's Investment in V4', in Current Trends and Perspectives in Development of China-V4 Trade and Investment", <http://16plus1-thinktank.com/1/20160105/1018.html>. Table uses criteria available in rating agencies for sectorial environment assessments.

Figure 14. Chinese Investment in CEE Countries compared to Strength of Political Relations.

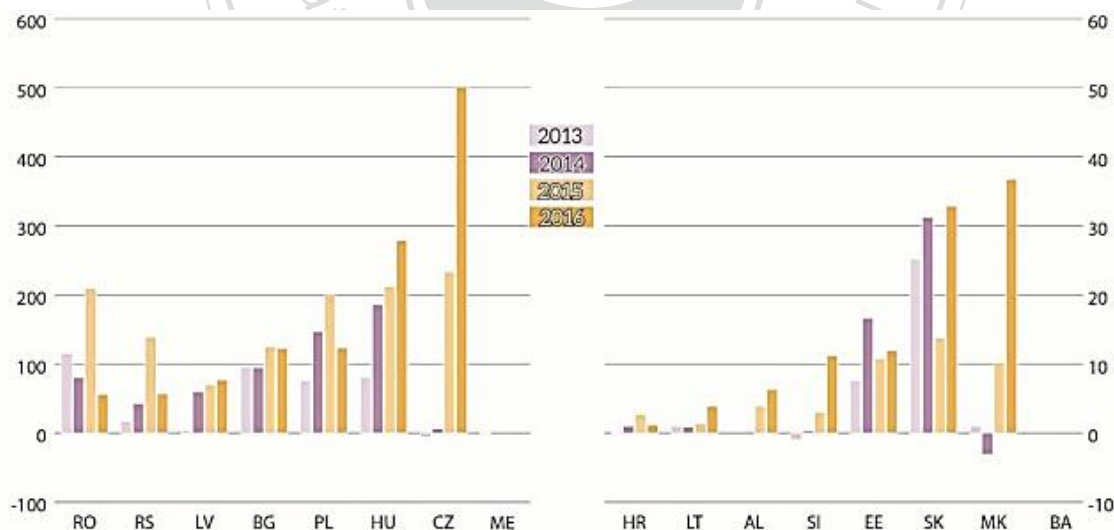


²⁰⁴ T. Matura, "China-CEE Trade, Investment and Politics", *Europe-Asia Studies*, 71:3 (2019), pp. 388-407.

Source: Copied from Matura (2018) based on Liu (2014) and China Global Investment Tracker of Heritage Foundation, 2015, available at: <http://www.heritage.org/research/projects/china-global-investment-tracker-interactive-map/china-global-investment-tracker-interactive-map>. Note: The data above exclude construction contracts, as those do not fit the definition of FDI.

Based on the Table 12. presenting the positive political attitude towards Beijing and available statistical data in investments flows it can be argued, that unlike in case of trade, there is a positive correlation between level of political relationship and the amount of investment. As seen on the presented figures, the number one destination in CEEC's is Hungary, where the largest Chinese diaspora is located and the most pro-Chinese attitude within the EU MS (next to Greece) can be observed. But as presented in the Figure 15., there is an important spike in investments in Czechia, which is often explained by the shift in attitude towards China after president Milos Zeman became a president of this country. During the state visit of president Xi Jinping in Czechia in 2016, the first state visit of Chinese leader since the two countries established bilateral relations, the Czech president underlined that *"the Czech Republic is a reliable partner of China within the EU, and is willing to give full play to its role and influence, so as to make its own contributions to promoting the EU-China relations, and CEEC-China relations"*²⁰⁵. It is around that time, when the above-mentioned increase in investments can be observed.

Figure 15. Chinese FDI stock in the CEEC's - 2013 to 2016 (million EUR).



Source: Copied by this author from European Parliamentary Research Service (2018).

²⁰⁵ Xi Jinping Meets with President Miloš Zeman of the Czech Republic”, PRC MFA, March 29, 2016. https://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpdjkjxgswbfmgcxdsjhaqfh/t1351743.shtml.

Stated above arguments and correlations, with the argument that the Chinese investment practices are based on political directions, can underline the two layered cross-regional investment disproportion – the first being CEEC’s low portion of investments in overall Europe, and the second being relatively large investments in selected few CEEC’s – which push towards increased risk of further enhancement of competitiveness on bilateral level within CEE and EU, resulting in higher risk of divisions within the continent.

5.2.1 The case of Serbia

To understand the role of investments in bilateral dimensions of the 16+1 cooperation better, it is worth to have a closer look on two cases, important also in the context of cross-border (also in case of the EU) regional cooperation. One of the most discussed case of bilateral cooperation in CEE is the case of Serbia, country that not yet being a member of the EU has a bit more freedom in engaging with China, and significant role in the regional politics and security implications.

An important element explaining the background of that relationship has been outlined during the state visit of president Xi Jinping in Belgrade in 2016, where he underlined that *“traditional friendship between our two countries and peoples has stood the historical test amid the changes of the international landscape and our respective national conditions, and become even stronger”*²⁰⁶. This expression referred not only to socialist links, but also to the NATO bombing of Chinese Embassy in Belgrade, which still 20 years later the Chinese side refers to on occasions as a “barbaric missile attack”. Xi Jinping noting that *“the Serbian people, with an indomitable spirit, have revived time and again in history like the phoenix nirvana, which the Chinese people admire very much”* hailed the “all-weather friendship” and “special brotherly bond” between China and Serbia. These words, not seen that often during the regional visits of Chinese leadership elsewhere, underline the special character of the political state of bilateral relation between the two countries.

Country, which possess the comprehensive strategic partnership with China based on stated “all-weather friendship” resulted in quite high investment stock, becoming the largest in the CEE. The stated visit happens already prior to some large-scale investments like i.e. Chinese-Serbian “friendship bridge” over the Danube River and China Machinery Engineering

²⁰⁶ “President Xi kicks off historic visit to Serbia with emphasis on friendship, peace”, Xinhua, June 18, 2016. <http://en.people.cn/n3/2016/0618/c90883-9074078.html>.

Corporation 715 million USD contract to build the 350MW unit at the Kostolac thermal power plant. Another “milestone” in bilateral relations is the story of Chinese takeover of Železara Smederevo steel mill, which bought by less than 46 million EUR became the second largest exporter in the country just in few years, saving around 500 jobs and investing around 300 million EUR into the business. That example is the most outspoken one in any engagements related to economic investments (M&A) in CEE region with presence of Chinese and Serbian counterparts.

There are many other examples of special economic and political links in bilateral relationship of the two countries centered around Serbian part of the river Danube. Two countries signed several agreements in various areas, which are largely focused on infrastructure and industrial capacity building, including industrial park, metro construction, highways and bilateral and trilateral frameworks for economic and investment cooperation.

Table 13. Involvement and agreements of Serbia in China within BRI and 16+1 frameworks

List of agreements branded within BRI
Loan agreements on the modernization and reconstruction of the Hungarian-Serbian Railway Line for Belgrade Center-Stara Pazova Section
Loan agreements on telecommunication project with Telekom Srbija of Serbia
Memorandum on Determining the Action Plan on Agricultural Trade and Investment
Cooperation agreements on inspection and quarantine
Cooperation agreements on Joint Initiative on Strengthening Standards Cooperation and Building the Belt and Road
Memorandum on Determining the Action Plan on Agricultural Trade and Investment
Cooperation agreements with the export credit agencies
List of agreements and achievements branded within 16+1
China, Hungary and Serbia - Interdepartmental Memorandum of Understanding on Hungary-Serbia railway cooperation projects
China-Hungary-Serbia - establishment of Joint Working Group on Infrastructure Cooperation
Chinese, Hungarian, Serbian, Macedonian and Greek Customs - Customs clearance facilitation cooperation mechanism for the China-Europe Land-Sea Express Line
Memorandum of Understanding on Jointly Building the "Belt and Road"
Agreement for the establishment of a joint venture company for Hungary-Serbia Railway
Commercial contract for the Belgrade Center-Stara Pazova Section of the Hungarian-Serbian Railway Line and Memorandum of Understanding on financing cooperation
Interdepartmental Memorandum of Understandings on enhancing cooperation for Internet Silk Road to promote information connectivity
Currency swap agreement
Other agreements with China:
Memorandum of Understanding on Cooperation for the implementation of the Road Construction Project around Belgrade on the E70 / E75 motorway and the freight roundabout railway

General Agreement for the reconstruction and modernization of railroad sections on Corridor 10, section Belgrade-Nid-Presevo-state border	
Memorandum of Understanding on the establishment of the Working Group for Investment Cooperation	
Memorandum of Understanding on cooperation in connection with the implementation of the project Belgrade Metro	
Agreement on development of Serbian-Chinese industrial park in Borca	
List of events held in Serbia within 16+1 framework 2012-2019	
Name	Year
4th China-CEEC National Coordinators' Meeting was held in Belgrade, Serbia	2014
2nd meeting of the China-Hungary-Serbia Joint Working Group on Infrastructure Cooperation	2015
Launching ceremony of the Serbia Section of the Hungary-Serbia Railway	2015
5th meeting of the China-Hungary-Serbia Joint Working Group on Infrastructure Cooperation	2016
3rd Working Group Meeting on Cooperation in Facilitating Customs Clearance Among Chinese, Hungarian, Serbian and Macedonian Customs	2016
1st China-CEEC Cultural and Creative Industries Forum	2016
1st China-CEEC Cultural Heritage Forum	2017
5th China-CEEC Education Policy Dialogue	2017
4th meeting of the China-CEEC Higher Education Institutes Consortium	2017
2nd China-CEEC High-Level Conference on Forestry Cooperation, the 2nd meeting of the liaison group of China-CEEC coordination mechanism on forestry cooperation and the China-CEEC Forestry Research Cooperation Seminar	2018
3rd China-CEEC Transport Ministers' Meeting	2018
China-CEEC Qigong Health Forum	2018
3rd China-CEEC Capital Mayor's Forum	2019
Annual meeting of the Dance Culture Alliance	2019
4th China-CEEC Conference on Innovation Cooperation	2019

Source: Compiled by this author based on data from appendixes 1 and 2 and portal of Government of Republic of Serbia.

As can be noticed in the Table above, majority of the deliverables within the claimed achievements of BRI are aligned with those of 16+1, and refer to pragmatic agreements aimed at execution of projects in areas of infrastructure and industrial capacity, or are related to the financial aspects of that implementation. The events held within the 16+1 framework in Serbia on other hand are centered around the cross-border facilitation of the Sea-Land Express line, which can be treated as direct interference in exclusive competences of the EU in case of Hungary and Serbia, and the soft-power events enhancing the cultural assimilations and image building of China in the CEEC's. That evidence in a way confirm that there is a positive correlation between the active political engagement in Chinese led-platforms and efforts towards enhancement of cultural exchanges and the level of investments. In assessment of that relationship it is however important to keep in mind, that the Western Balkans as

described in Chapter 4 is the area of infrastructure and capacity building focus, in which China has a significant experience, what makes it a key area of cooperation of the BRI. The notion additionally explains the political value of Serbia among Chinese leadership, that can be used as the example of many positive results arising from both the BRI and 16+1.

5.2.2 The case of Hungary

Hungary, as the second largest regional receiver of Chinese investments is also often described as the main “ally” of China in the EU and CEE region. As elaborated in literature review, it is an important stakeholder in cross-regional relationship of China, impacting creation of coherent and united standpoint of EU towards Beijing, including earlier references to positions of Budapest towards stated South China Sea or Belt and Road shown. One of the cornerstones of bilateral relationship of China and Hungary the policy announced in 2010 by prime minister Victor Orban indicating “Opening to the East”. Although it is not directed towards China in particular²⁰⁷, there is a significant connection drawn to its role in enhancement of bilateral relationship, which as in case of other elements of successful cooperation (from Chinese perspective) has to be associated with the Belt and Road initiative. During his visit to Budapest before the 16+1 Summit in 2017, the Chinese premier Li Keqiang emphasized the role of *“strategic alignment of the China-proposed Belt and Road Initiative with Hungary's Eastern Opening policy”* and that Belt and Road Initiative and 16+1 cooperation have put the two countries' economic and trade cooperation on a fast lane, with progress made in the areas of investment, finance and others²⁰⁸. As signaled many times by the Hungarian side, the above statement is in line with the objective where *“Hungary is the bridgehead of China's economic expansion in Europe”*²⁰⁹. Stated references have much relevance if the development of Sea-Land Express Line and other TEN-T extensions are considered, utilizing Belgrade-Budapest railway under development during this study, a link which may become an important logistic path leading towards Western Europe.

²⁰⁷ During visit of Hungarian PM Victor Orban in Saudi Arabia in 2014, he underlined that „Hungary is a gateway for the West from the eastern perspective”. <https://dailynewshungary.com/hungary-gateway-for-west-from-eastern-perspective-says-orban-in-saudi-arabia/>.

²⁰⁸ “Premier Li vows to bring China-CEEC cooperation, China-Hungary ties to new high”, Xinhua, November 26, 2017. http://www.xinhuanet.com/english/2017-11/26/c_136780275.htm.

²⁰⁹ „Hungary is the bridgehead of China's economic expansion in Europe”, Hungarian Government, November 24, 2015.

<https://www.kormany.hu/en/ministry-of-foreign-affairs-and-trade/news/hungary-is-the-bridgehead-of-china-s-economic-expansion-in-europe>.

Hungary (and likewise Serbia) is a country with one of the highest levels of “selfishness” (bilateralism) in the stated mechanism, which further underlines the two-way characteristic of its presence in sub-regional cooperation. Budapest is also one of very few capitals, that is openly accepting that both 16+1 and BRI are highly interconnected, and supplement or complement the EU-China relationship as well as two-way contacts. As indicated during the visit of PM Orban and chairman Xi in Beijing in May 2017, “China and Hungary will jointly draft and implement a plan to cooperate on Belt and Road construction, and prepare for the establishment of a center to promote China-Hungary cooperation in this aspect”, an agreement that further underlines the will of the two countries working together, which in practice means turning Hungary into a sort of a “hub” of China in the CEE region.

Table 14. Involvement and agreements of Hungary in China within BRI and 16+1 frameworks

List of agreements branded within BRI	
Memorandum of Understanding on Jointly Formulating China-Hungary Cooperation Plan	
Memorandum of Understanding concerning SME cooperation	
Memorandum of Understanding on Joint Funding to Research and Development Projects	
Memorandum of Understanding on Establishing the China-Hungary Cooperation Center under the Framework of Bilateral Cooperation Plan of the Belt and Road Initiative	
Bilateral Action Plan on Digital Silk Road Cooperation	
Memorandum of Understanding on Strengthening Cooperation in the Postal and Express Delivery Services in Response to the Belt and Road Initiative	
Established the Belt and Road Energy Partnership (one of 28 members)	
List of agreements and achievements branded within 16+1	
Facilitation of customs clearance cooperation	
Interdepartmental Memorandum of Understanding on Hungary-Serbia railway cooperation projects	
Memorandum of Understanding on Jointly Building the "Belt and Road" Initiative	
Agreement on the development, construction and financing cooperation of the Hungary Section of the Hungary-Serbia Railway	
Agreement for the establishment of a joint venture company for Hungary-Serbia Railway	
Memorandum of Understanding on financing cooperation	
Cooperation agreements on quality inspection	
Memorandum of Understanding on nuclear energy cooperation	
Bank of China set up a branch in Budapest (2015 - authorized as the first clearing bank for RMB business in the CEE region)	
Chinese RMB and Hungarian forint dual-currency debit card with Union Pay	
Memorandum of Understanding with Hungary Budapest Stock Exchange in Beijing	
1 billion RMB panda bonds issued	
Formal member of Asian Infrastructure and Investment Bank	
List of events held in Serbia within 16+1 framework 2012-2019	
Name	Year
1st China-CEEC High-Level Conference on Tourism Cooperation	2014
3rd meeting of the China-Hungary-Serbia Joint Working Group on Infrastructure Cooperation	2015
Launch ceremony of the Year of Promotion of China-CEEC Tourism Cooperation	2015

1st meeting of the Consultative Board of the China-CEEC Association on Promoting Agricultural Cooperation	2015
1st China-CEEC Literature Forum	2016
2nd Working Group Meeting on Cooperation in Facilitating Customs Clearance Among Chinese, Hungarian, Serbian and Macedonian Customs	2016
China-CEEC Political Parties Dialogue	2016
1+3 Seminar on Customs Valuation of China-Europe Land-Sea Express Line among Chinese, Hungarian, Macedonian and Serbian Customs	2017
6th meeting of the China-Hungary-Serbia Joint Working Group on Infrastructure Cooperation	2017
10th China-CEEC National Coordinators' Meeting	2017
6th Summit of China and Central and Eastern European Countries	2017
China-CEEC Association of Traditional Chinese Medicine establishment	2017
3rd China-CEEC Health Ministers' Forum	2017
China-CEEC Traditional Chinese Medicine Center establishment	2017
China-CEEC Think Tanks Network Conference	2017
Martial Arts on the Silk Road" training sessions	2017
2nd China-CEEC Spokespersons Dialogue	2018
China Brand Show (Central Eastern Europe)	2018
4th Dance Summer Camp (with HR)	2018
1st China-CEEC Central Bank Governors' Meeting	2018
2nd Customs Cooperation Forum	2018
4th China-CEEC Cultural and Creative Industry Forum	2019

Source: Compiled by this author based on data from Appendixes 1 and 2.

The deliverables within BRI and 16+1 of Hungary, similarly like in case of Serbia show, that majority of them are bilateral and trilateral in nature (mostly with one another – Serbia and Hungary), sometimes including the same elements in both lists. In case of events organized by Hungary, there is also high concentration of these focused on cultural bonds and Chinese image building in Europe, including Traditional Chinese Medicine. There is also a strong focus on banking and finances, which may be directed to underline the will of being on frontlines of Chinese presence in the region, as well as creation of better bilateral framework for economic and investment relationship. Above indications, together with the high level of overall investments in the country also support the argument of some correlation between the bilateral political relationship and overall economic presence of China, with high emphasis on additional accommodation of Chinese soft power projections.

There are many similarities reflected in the two cases presented above. However, it is also important to note the very different structure of legal limitations and obligations arising from the membership of Hungary in the EU. The case of Hungary, also reflected in previous parts is among the most commonly presented examples of impact of China presence in regard

to EU unity. According to the research published by AMO²¹⁰, there are several indications of the materialist, economic and financial focus discourse presented in Hungarian media, omitting majority of issues often reflected by the Western European media outlets. The above characteristic of presented information's could additionally emphasize the potential deliverables and could also explain why China is perceived in special way in Hungary, sometimes presented as the alternative to the European Union, especially in case of finances.

5.3 Bilateralism in sub-regional political activities

It has been emphasized on more than few occasions in this text, that the 16+1 cooperation mechanism is largely bilateral with strong leadership of Chinese side enhancing the sub-regional competitiveness. Among the arguments presented are these underlining the casual connection between the political involvement, development of trade, and stronger ones related to presence of Chinese investments. The stated competitiveness characteristic of the sub-regional relationship is also reflected in large portions of high-level engagements within the format, mostly bilateral in focus. By analysis of almost all of bilateral meetings on the levels of presidents and prime ministers in bilateral setting (1+1) by this author (in years 2014-2019), a conclusion might be drawn of certain "tributary" nature, where the CEEC leader meeting with his Chinese counterpart has to express some degree of assurances of upholding the necessary (though unmeasurable) levels of mutual trust, mutual respect and will of development of mutually beneficial cooperation. A pattern of this exchanges can be drawn, related to declarations of political support towards both the 16+1 and BRI. Analysis of some cases of investments in the region also suggest that this declaration have a degree of impact on economic presence of China on bilateral level with each of CEEC's, that is less visible in the smaller states.

The bilateral dimension of the annual summits often consumes the whole high-level dialogues between the countries. This practice is also evident in the number of visits of Chinese president and premier in CEEC's, which is rather limited to the presence in engagements within 16+1 framework. This, as said earlier is one of the added values for smaller Participants, especially in Baltic and Balkan regions, but can also be a negative aspect

²¹⁰ I. Karásková, T. Matura, R.Q. Turcsányi and M. Šimalčík, "Central Europe for Sale: The Politics of China's Influence", Association for International Affairs AMO, National Endowment for Democracy, 2018.

of larger economies like the V4 states, which limit their practical implementation of comprehensive strategic partnerships to sidelines of 16+1 summits and additional events promoting the Chinese idea of foreign relations, like Summer Davos Forum in North East China or the biannual Belt and Road Forums.

Based on the above analysis and arguments a conclusion may be drawn, that many of the CEEC's, and in a way other stakeholder outside of this sub-region, are "forced" to participate in Chinese-led and China controlled efforts, with limited control on the sectorial areas institutionalized within national centers and secretariats.

5.4 Cultural assimilation and image building

For European societies and majority of liberal democracies, as in case of 16 CEEC's, the key element of assessment of authoritarian influence or revisionist practices is the ability to uphold and execute the power of critical debate. This was especially relevant in post 2013 years, when as many scholars and politicians in Europe underline, there is a growing mismatch between values of community building and neo-liberalism, resulting in comeback of realism. There is a whole important argument in cross-regional engagement to this end, whereas as stated at the very first paragraphs of this work the engagement of the EU and China was initially based on conviction that with time, that as a free-rider of liberal values China will become aligned with Western ideologies. It could be summarized, that at that time, around 3 decades ago, EU could view itself as a revisionist force, that can help to transform China with use of Westphalian qualities and Western development model. The last decade expressed sort of a mirrored image of that concept, where China is a counterpart that largely increases its presence in Europe, not mentioning its closest neighborhood and wider Southern hemisphere.

One of the cornerstones of this "game" are activities impacting the cultural assimilation and overall image building, which as partially concluded in above section of the text can bring some cooperation results, including economic and structural development. There are three main levels of this activities²¹¹:

²¹¹ T. Benner, J. Gaspers, M. Ohlberg, L. Poggetti and K. Shi-Kupfer, "Authoritarian Advance: Responding to China's Growing Political Influence in Europe", GPPI/ MERICS, 2018.
http://www.gppi.net/fileadmin/user_upload/media/pub/2018/Benner_MERICS_2018_Authoritarian_Advance.pdf.

- *Political and economic elites.*
- *Media and public opinion.*
- *Civil society and academia.*

Each of these elements has different potential impact on Chinese regional presence, but one being the most universal denominators is the bilateral nature of this relations, utilizing the minilateral exchange mechanism to enhance the spillover effect from more to less supportive partners and stakeholders. This effect can have stronger in the grassroots circles, where partners further from the central governments are easier to influence²¹². The argument stays relevant also in case of the highest level of political elites, especially in smaller states and local governments, where common vision governing bilateral relationships is naturally less grounded.

It has been emphasized on various occasions during the literature review and in earlier chapters, that the general position of Chinese administration toward the mechanism is that it is based on bilateral relations (Liu Zuokui 2017). This argument is rooted in conditionality that good bilateral relations will result in better cooperation quality, and achieve further progress. The minilateral elements of the summit, as well as multilateral format of lower meetings like National Coordinators meetings and working meeting between MFA of PRC and CEEC's Embassies in Beijing provide a framework for mutual consultations and coordination, promotion of synergies and localize new areas of cooperation. Relatively high competitiveness among the CEEC's and correlation between the quality of political relations with China are not supporting that arguments. There is also little evidence of such cooperation, apart from the exchanges centered around the Serbia-Hungary logistic routes, that have been mentioned already several times. With comparing of the Guideline documents in the earlier parts of this work it can be found that they are building on each other, underlining the increasing needs rather than providing actions related to achieved results. This can also be regarded as a long-term survey of minilateral exchanges, that reflect limited enhancement of bilateralness within the framework.

Among other examples of enhancement of bilateral dimension within the framework is the increased number of strategic partnerships that materialized over past years; however, it is not possible to associate this as an outcome of 16+1 unless it is considered to be exactly the set of 16 bilateral relationships with China (16*1+1 dimension). One of added values can

²¹² Based on consultations of this author.

be associated with the local cooperation level, which is an additional innovative element of the discussed framework. It is often underlined by stakeholders of the process, that exchanges on local levels allow to bridge the sub-regional cooperation with relevant provinces and regions²¹³. This can be of high added value, especially with smaller CEEC's that would not be able to materialize extensive local contact due to limited resources and weaker "diplomatic muscle" (especially compared to Western European States). Also, here the leading role may be associated with Serbia, Hungary but also Czechia, where the China-CEEC Association of Provincial Governors has been launched.

5.4.1 Stakeholders in cultural and people-to-people exchanges

Mutual understanding and trust, as well as cultural and people-to-people contacts are among most important contributors to development of friendly bilateral relations within 16+1 cooperation. They are also present in many other regional Chinese platforms like BRI, FOCAC, Shanghai Cooperation Organization and any bilateral relationship of China. This relationship is largely influenced by other non-governmental stakeholders like cultural institutes, non-governmental organizations, individuals (including ex high-level officials) and experts, which act as influencers in the social dimensions of discussed relationship.

One of most discussed examples of creation of cultural assimilation are Confucius Institutes (CI), Chinese language centers set in partnerships between foreign and Chinese universities which are under direct control of Ministry of Education of PRC. They are well known for its role in increased language promotion and platform of cultural exchanges, that enhance mutual understanding and friendship with foreign counterparts. Each CI performs also individual roles in education, that may be unique to each individual institute. They also organize study tours to China. Among most common controversies is the selectivity in which these institutions portray China, which result in limited understanding, and more fragmented knowledge about that country. Nevertheless, they are regarded as important stakeholders in development of bilateral relationships, teaching experts and professionals that engage in the pragmatic cooperation projects. The two opposite assessments of role of CI are also reflecting the bipolarity of analysis of bilateral engagements of China in CEEC's. The framework supports

²¹³ Based on consultations of this author with selected local authorities from CEEC's.

in great majority only these activities that draw a favorable picture of China or introduce other gifts of the Chinese culture like traditional Chinese medicine TCM.

Table 15. China’s Political Influencing Efforts in Europe are Driven by Various Actors and Draw on a Wide Range of Tools

ARENA	TOOL	KEY ACTORS
Political Elites	<ul style="list-style-type: none"> • Building political leverage through economic investments and aligning with leaders willing to break EU unity • Providing political elites with an alternative model to liberal governance and European cooperation • Marginalizing critical voices within foreign administrations and supporting China-friendly officials or former top-level politicians • Putting dissenting governments into the “freezer” 	<ul style="list-style-type: none"> ✓ Ministry of Foreign Affairs ✓ International Liaison Department of the CCP ✓ United Front Work Department of the CCP and Overseas Chinese ✓ Affairs Office of the State Council ✓ Ministry of Commerce ✓ SOEs and private companies
Media and public opinion	<ul style="list-style-type: none"> • Spreading China’s official view and creating subtle dependencies by using newspaper supplements as vehicles • Turning European media into instruments of fostering friendship by promoting media cooperation agreements • Using the lure of the Chinese market to encourage (self-) censorship in film, art, and academic publishing 	<ul style="list-style-type: none"> ✓ Central Propaganda Department ✓ State Council Information Office ✓ Ministry of Culture ✓ Foreign Languages Office of the CCP (also known as the China International Publishing Group) ✓ Party-state media (Xinhua, People’s Daily, CGTN, China Daily, Global Times, etc.) ✓ Film studios
Civil Society and academia	<ul style="list-style-type: none"> • Setting up research exchange mechanisms and think tanks in Central and Eastern Europe to • influence perceptions and agendas • Funding knowledge production in Brussels and deploying European pro-China lobbyists to • boost Chinese views on critical issues in EU-China relations • Investing in and shaping academic programs • Mobilizing student organizations to pressure • Western European universities on critical issues 	<ul style="list-style-type: none"> ✓ Ministry of Education ✓ Chinese Academy of Social Science ✓ Other state think tanks (e.g., CICIR, CCCWS, DRC) ✓ Confucius Institute Headquarters (Hanban) ✓ United Front Work Department of the CCP ✓ Overseas Chinese Affairs Office of the State Council

Source: Copied by this author from Benner Thorsten, Gaspers Jan, Ohlberg Mareike, Poggetti Lucrezia, Shi-Kupfer Kristin (2018) *Authoritarian Advance – Responding to China’s Growing Political Influence in Europe*, Mercator Institute for China Studies, Global Public Policy Institute.

Another important lobby stock belongs to retired experts and former leaders, whose involvement can vary from participation in political events and seminars or being employed

for consulting companies or even SOE's. These may be one of less politically recognize form of cultural assimilation, but these group of people often have large political stock and can impact (also in positive aspects) or disrupt the unity within certain political circles or individual counterparts. An example in regard to mentioned above TCM role in image building is the foundation of the Central and Eastern European Federation of Chinese Medicine Societies, co-initiated by Chinese medicine groups from countries and regions including Hungary, Poland, Romania, Czech Republic, Latvia, Slovenia, and registered in Hungary in 2017²¹⁴. Its main aim is to *"promote the exchange and cooperation of Chinese medicine in Central and Eastern Europe, and to serve the local people's health care"*. Although it has no official endorsement from most of countries listed above (due to legal recognition of science-based medicine only) it is the former Hungarian prime minister Peter Medgyessy who has been appointed as its permanent Honorary President.

The above group of people can be associated with other forms of exchange in cultural assimilation being the cooperation in the field of social sciences, that can enhance bilateral and regional cooperation. In case of 16+1, an important form of that cooperation is performed by China-CEEC Think-tank Network, which conducts annual conferences for scholars researching different aspects of 16+1 and BRI, and publish volumes of articles and analysis, which has also contributed to this research. Stated network, based on the China-CEEC Think Tanks Exchange and Cooperation Center established during the 16+1 summit in Belgrade, Serbia (2014) is supervised by CASS with active support of PRC MFA, which provide funding for research projects run by this government think-tank. In the official information, it is indicated that this entity *"uphold the principles of mutual establishing, mutual sharing and mutual beneficial cooperation, absorb domestic research capacity to create the two-track think tank platform under the framework of 16+1 cooperation, promote exchange and cooperation between think tanks from China and Central and Eastern Europe, reinforce the intellectual foundation of the 16+1 cooperation, boost the research of 16+1 cooperation(...)integrates think tank exchange, policy consultation, field study, joint research, personnel training to serve the development of China-Europe comprehensive partnership and 16+1 cooperation and promote China-CEEC close cooperation in economic, social, political, and cultural fields. It also helps to strengthen China's two-track diplomacy with the CEEC and serve*

²¹⁴ "Central and Eastern European Federation of Chinese Medicine Societies established in Budapest", Xinhua, March 5, 2017. http://www.xinhuanet.com/english/2017-03/05/c_136102493.htm.

the “The Belt and Road” Initiative.”²¹⁵. An interesting element underlining the link between 16+1 and BRI has also been stated in this official communique.

The form of exchange introduced above increase the positive science synergies in research. It also reflects moderate critic, which can be a key element to comprehensive scientific discussions. There has been more than few cases of scholars with critical approach to Chinese political involvement in Europe and beyond, which have been denied visas to travel to China if their work fall out of line of officially perceived rhetoric²¹⁶. This practice, referring also to foreign students in China²¹⁷, result in increased presence of pro-Chinese scholars and publications, which further enhance cultural assimilation and understanding of Chinese vision of different aspects of bilateral and regional cooperation.

5.4.2 Role of cultural assimilation in support of regional competitiveness

As can be noticed the part reflecting to image building has also quite a high presence of the same two countries that “champion” the 16+1 cooperation. The same countries also show leading role in numbers of official high-level engagements. By looking on the lists of achievement stated in Appendix 2, it can be noticed that both Serbia and Hungary are where many of the mechanism influencing the cultural assimilation has been established. The same countries are the one that most openly adhere to all the elements of new international relations of China. There are also other cultural related initiatives centered in this region, like cultural secretariat established in North Macedonia and youth center that is planned to be open in 2019-2020 in Albania. The increased competitiveness of this sub-region of CEE underlines some analogies to neo-tributary elements in international relations of China, that result in more favorable view of Chinese leadership on countries that can result in higher economic incentives. This phenomenon also decreases the levels of unity within the “block”, that have further implications towards cross-regional assessments and overall relationship.

²¹⁵ Chinese Academy of Social Sciences, January 11, 2016. <http://16plus1-thinktank.com/4/20160111/1097.html>.

²¹⁶ Based on experience of this author, who on several occasions could not participate in academic events due to cancelation of presence of scholars from Germany and Australia that were not granted visa to China.

²¹⁷ “German student’s visa not renewed in China ‘after human rights film’”, Euro News, August 12, 2018. <https://www.euronews.com/2018/08/12/german-student-s-visa-not-renewed-in-china-after-human-rights-film->

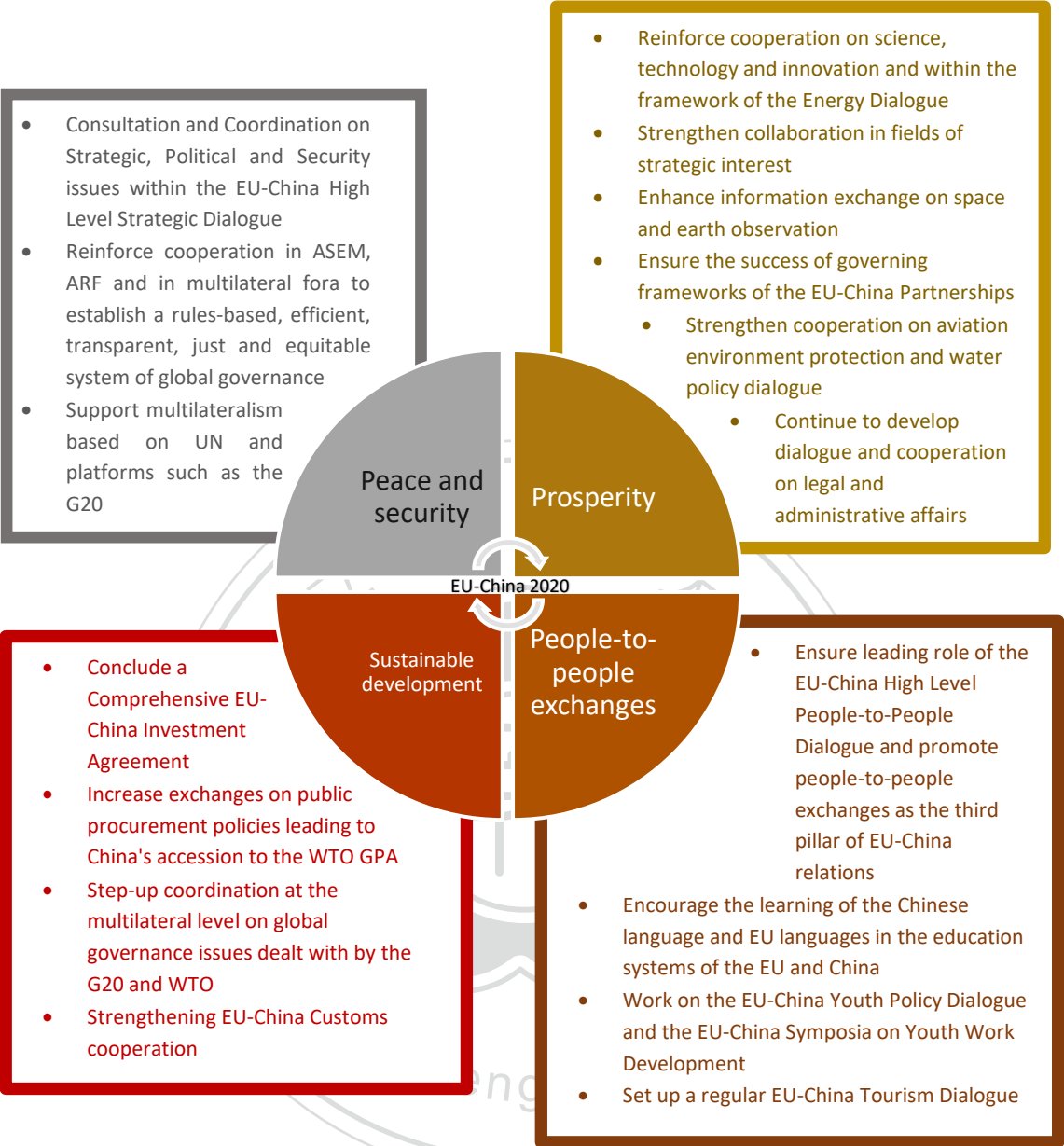
5.5 Cross-regional strategic intentions

To have a better understanding in bilateral dimensions of 16+1 cooperation it is important to analyze the strategic objectives reflected in relevant documents of China and EU. The above argument is based on the logic, that 11 of 16 CEEC's (12th since 2019) are inseparable part of the EU, especially in regard to several aspects of cooperation that include exclusive competences of that organization (i.e. customs, common market trade aspects, trade in services and others). This points to another dimension of analysis of 16+1 cooperation, which has been stated previously as “(11+1) +(5+1)” and more cross-regional take of “(11/28+1) +(5+1)”. Useful tools of such assessment are the strategic documents consisting of comprehensive assessment of key areas of two-way engagements and policy suggestions. They also refer to extra-regional implications, and therefore serve as the survey of other political and global policy shifts that are relevant to cross and sub-regional cooperation platforms.

Main areas of strategic relationship between EU and China listed in Figure 16. covers four main categories formulated to answer the “*profound and complex changes (...; and) share responsibility for promoting peace, prosperity and sustainable development for the benefit of all*”²¹⁸. Actions included in them forming the Agenda 2020 (going beyond those listed here) were to be reviewed and reported annually during the EU-China Leaders Meetings. As can be noticed in context of previous discussions, many areas and goals of this strategic relationship cover similar cooperation platforms like 16+1, which explains comments regarding the need for enhanced coherence within all of the EU MS. This is another argument that brings the relationship discussed in this part into the “picture” of 16+1 cooperation, resulting in higher validity of arguments about implementation of “divide and rule” strategy of China on European continent.

²¹⁸ “EU-China 2020 Strategic Agenda for Cooperation”, EEAS, November 23, 2013, https://eeas.europa.eu/delegations/china_en/15398/EU-China%202020%20Strategic%20Agenda%20for%20Cooperation.

Figure 16. Main areas of EU-China 2020 Strategic Agenda for Cooperation (2013)



Source: Compiled by this author based on the EU-China 2020 Strategic Agenda for Cooperation.

As every strategic agenda, since 2013 it has been updated with several adjustments. On the European side, EC issued two updates in the form of document for a new EU strategy on China (2016) and strategic outlook (2019²¹⁹), and on China side two policy papers (2014²²⁰)

²¹⁹ 2016 - Elements for a new EU strategy on China; 2019, EU-China – A strategic outlook. http://eeas.europa.eu/archives/docs/china/docs/joint_communication_to_the_european_parliament_and_the_council_-_elements_for_a_new_eu_strategy_on_china.pdf <https://ec.europa.eu/commission/sites/beta-political/files/communication-eu-china-a-strategic-outlook.pdf>.

²²⁰China's Policy Paper on the EU, "Deepen the China-EU Comprehensive Strategic Partnership for Mutual Benefit and Win-win Cooperation", April 2, 2014.

and 2018²²¹). Stated documents underline mutual objectives and challenges arising in contemporary bilateral relationships. The main argument for relevance of this documents on the EU side is that is representing shared views of the whole European community, since the processes in case of foreign relations in this grouping are largely retroactive to individual national stands. It is also important to mind that there have been some time gaps between the time when Chinese MFA prepared the answer to the strategies of the EU (in case of China the earlier strategic document has been published in 2003), which also reflect the potential comprehensiveness of changes allowing for debate and overall assessment on regional level. Comparative overlook on the main areas of this two sets of documents can be helpful to tackle the aforementioned shifts in bilateral cross-regional strategic thinking on global, sub-regional and bilateral level.

5.5.1. Chinese strategic approach to the EU

The first strategic document reflecting the objectives enlisted in the EU-China Agenda 2020 was published in 2014, when the cross-regional strategic partnership entered its second decade, one year into presidency of Xi Jinping and creation of BRI. This was also the time of conceptualizing of a new era, and the conviction of China that the first strategic documented published in 2003 has been already implemented. The document suggests it its first parts that there is an important opportunity that calls for consolidation of comprehensive strategic partnership, arising from “tremendous changes” including deeper multi-polarity and globalization, enhancement of cultural diversity, IT applications and increasing role of emerging markets and developing economies. Most of these elements have relevance from the optic of China, which underlines the unilateral need for development (or building) of new models of global governance that would accommodate tremendous changes occurring in (or with) China.

The first strategic comprehensive document of China introduces also an element of new “China’s EU policy of New Era” of partnership for peace, growth, reform and civilization (indication present also within 16+1 Guideline documents from Sofia and Dubrovnik). The

https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/wjzcs/t1143406.shtml.

²²¹ China's Policy Paper on the European Union, http://www.xinhuanet.com/english/2018-12/18/c_137681829.htm.

strategic classification from the side of China has been divided into different categories than the EU-China Agenda 2020, and consist of eight main areas of cooperation:

- Political Field.
- Economy and Trade.
- Urbanization.
- Fiscal policy and Finance.
- Industry, Agriculture, Transportation, Science and Technology and IT.
- Climate Change, Energy, Environmental Protection, Water Resources and Maritime.
- Education, Culture, Press, Publication and Youth Exchange.
- Social and Health policy and Judicial and Administrative systems.

The most complex and comprehensive is the political cooperation files, that introduces eight additional objectives:

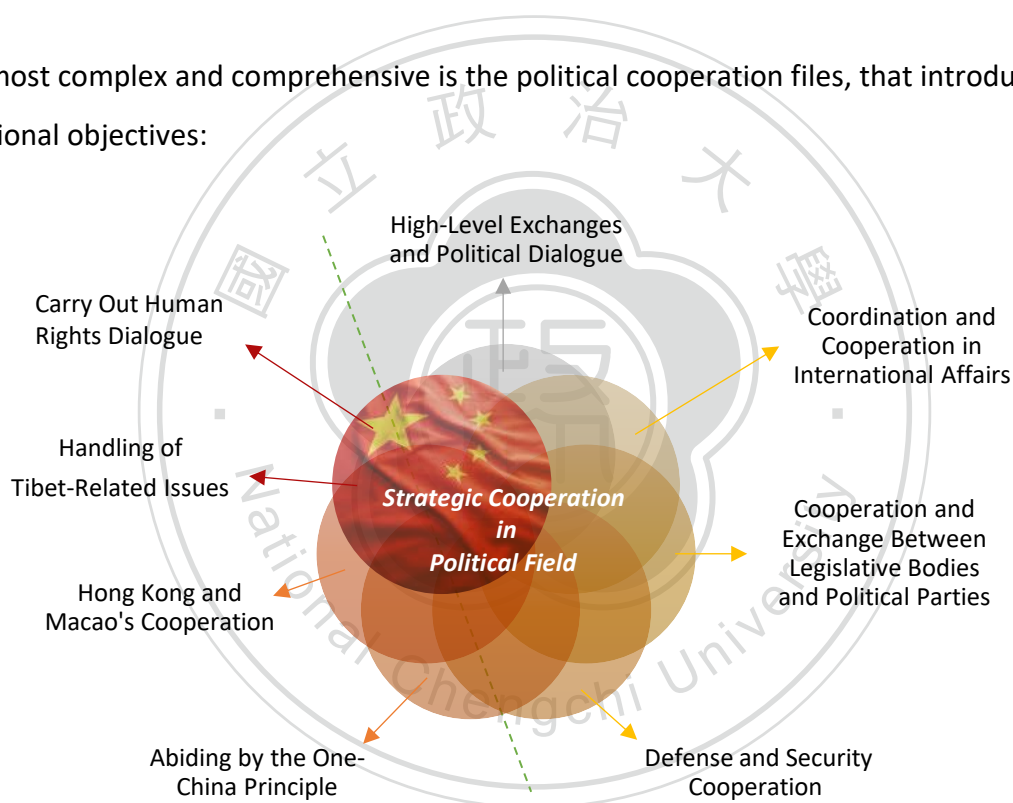


Figure 17. Elements of China’s strategic cooperation with the EU in the field of policy (above)
 Source: Adapted by this author based on the strategic policy paper document of MFA PRC (2014).

Several commonalities between Agenda 2020 and Chinese approach are included in first four goals (in the figure above on the right from the green line), whether remaining four refer to the rules that should be included in carrying out of that cooperation. Two interesting points are the overall goal to “safeguard the victory of WWII” (which cannot be clearly interpreted unless referring purely to postwar international order) and clear indication in point 3 that “Communist Party of China is ready to further deepen exchanges with political parties of

European countries, political groups of the European Parliament and regional organizations of political parties in Europe in the spirit of "going beyond ideological differences and pursuing mutual understanding and cooperation", with a view to establishing a multi-tiered and multi-channel mechanism for cooperation and cement the political foundation of China-EU relations". The above statements underline who are the main subjects of all cultural assimilation and image building activities carried by the CPC and therefore the government (formula of 1+X meaning there is only one counterpart in both elements 1 and 3).

Figure 18. The Guiding Principles of China-EU Relations (China, 2018)



Source: Adapted by this author based on the strategic policy paper document of MFA PRC (2018).

In the updated version of the Chinese policy paper on the EU four years later, we can observe a major polarization in the rhetoric presented by the MFA. It states, that the 3rd such document only four years after the previous one (not 11 years like in the case on the first two) has been "based on past achievements and in keeping with the times", with indication on exactly same elements like in year 2014. The main upgrade is reflection on the agreement between president Xi Jinping (the only individual mentioned in the whole document) on consensus of building the "China-EU partnership for peace, growth, reform and civilization" underpinning that in this relationship (as a strategic one) EU must adhere to all four principles, for the first time listed individually. The stated document touches on China-led platforms and their potential contribution, underlining that acceptance of this platforms (meaning active participation) requires to follow several principles of the new international relations. It also

points to the unique role of the BRI that *“as an important global public good from China (...) follows the principle of consultation and cooperation for shared benefits, upholds openness, inclusiveness and transparency, observes international rules and market principles, and pursues high quality and high standards tailored to local conditions”*.

It is one of very few elements that draw any connection to 16+1. The document presents also much stronger rhetoric, where majority of elements are listed in the form of specific measures *“to deepen the China-EU Comprehensive Strategic Partnership in the new era and promote greater development of China-EU relations”*. It could be therefore considered to be acting as an effort for streamlining of the objectives stated in 2014, emphasizing the *“trying times”* and conceptualization of BRI as a global public good, that is the only measure that can bring tangible result in the time of *“crisis”*.

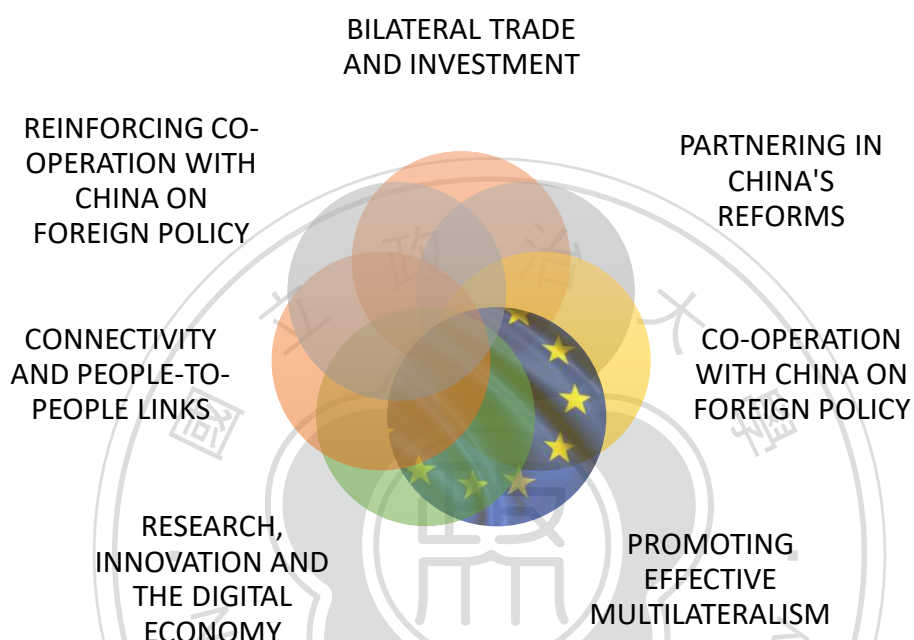
5.5.2. EU strategic approach to China

According to EEAS (2016), the joint communication on elements of EU strategy towards China aimed at setting out a policy framework for the bilateral engagement with China for the five years' time perspective (until 2020). It also underlined that two sides representing two out of three largest economies have changed significantly since last such a communication has been published in 2006 (*“EU-China: closer partners, growing responsibilities*). Among main drivers of change it underlines the *“going global”* policy directed for increased role and influence in contemporary system of global governance. It has also been underlined, similarly as in case of domestic elements of the BRI discussed in Chapter 3, that PRC need to restructure its own social and economic model to be based on high quality growth and increased domestic consumption²²². Among the challenges listed in that document are China's increasing external engagement of and global influence, domestic structural economic slowdown, acceleration in economic, social and environmental re-balancing, lack in progress of introduction of more market-driven economy and *“authoritarian response to dissent in undermining efforts to establish the rule of law”*. The EU seen also its role in helping China in its own reforms leading to open, sustainable and inclusive growth model. The relationship should be based on reciprocal benefits, pragmatic, principled and practical, both political and

²²² Although in the EU words it that model has been described as *“unsustainable”*, which could be an indication that China itself recognized its faultiness.

economic, China's assuming responsibilities in line with rule-based international order, and with emphasis on promotion of human rights. The EU upholding the One China policy underlined their will to maintain links with Hong Kong and Macao (based on implementation of Once Country, Two Systems) and develop relations with Taiwan. The role of US as important counterpart has also been emphasized.

Figure 19. Elements of EU's strategic cooperation with China in 2016



Source: Adapted by this author from Joint Communication to the European Parliament and the Council on elements for a new EU strategy on China, June 22, 2016.

The document with much more extensive analysis and assessments of shifts and changes that in case of Chinese strategy (touching only on the areas of political cooperation), as well as clearly defining the steps necessary to be taken on the side of China, underlines the complex cross-regional and global landscape. It also refers to many areas of cooperation being the elements of 16+1 cooperation. The cooperation mechanism annual guidelines point to many areas of cooperation that are fully aligned with the one of the EU, or due to EU competences may be discussed only within the EU platforms, which in case of only partial membership among Participants of 16+1²²³ limits the pragmatic utilization of that mechanism.

Among the most important statements underlined in the more recent edition of EU strategy (2019), China should not be regarded as a developing country, and it has already

²²³ 11 out of 16 before April 2019.

become a global actor with leading technological power. It underlines, that this increase in economic power and political influence should be reflected in greater responsibilities for upholding (not building or changing) the ruled-based international order, with reinstated emphasizes on reciprocity, non-discrimination and openness. It also limits the recognition of widely announced reform during the year 2018 in which the 40th anniversary of opening-up has been widely celebrated²²⁴.

Although the outlook underlines the basis stated in the 2016 strategy on China, it explicitly states that *“China is, simultaneously, in different policy areas, a cooperation partner with whom the EU has closely aligned objectives, a negotiating partner with whom the EU needs to find a balance of interests, an economic competitor in the pursuit of technological leadership, and a systemic rival promoting alternative models of governance”*. The document, calling for seeking of more balanced policy approaches underline the need for full unity within EU MS. That argument is also where the first official strategic reference to the China-CEEC cooperation appears, stating that *“cooperating with China, all Member States, individually and within sub-regional cooperation frameworks, such as the 16+1 format, have a responsibility to ensure consistency with EU law, rules and policies”*. As already stated, similar expressions have been already included in the past mechanism guidelines, where i.e. in 2017 in Budapest refer to the importance that China attaches to the China-EU partnership²²⁵. Similar statement has been included in the following Sofia Guidelines, where it is stated that all Participants will cooperate *“in accordance with the laws, regulations and respective competences of each other and EU standards and policies for EU member states and candidate countries”*. Placing that reference in the updated outlook, given its retroactive nature and in spite of wide recognition, could be interpreted as a shortage of internal trust among EU MS, but also shortage of achievements of goals in cooperation of EU with China related to reciprocity and issues of transparency.

²²⁴ “Highlights of Xi's speech at a conference celebrating 40 years of reform, opening-up”, Xinhua, China Daily, December 18, 018. http://www.chinadaily.com.cn/a/201812/18/WS5c1854a7a3107d4c3a001612_1.html.

²²⁵ “The Participants maintain that 16+1 cooperation constitutes an important part of the cooperation between China and Europe as a whole. The Chinese side reaffirms that it attaches great importance to China-EU comprehensive strategic partnership, (...) EU member states and candidate countries within the 16 CEEC’s are committed to the advancement of EU-China Comprehensive Strategic Partnership and EU-China Agenda 2020 , including actively promoting practical cooperation in the framework of the EU-China Connectivity Platform, in the Investment Plan for Europe and supporting the conclusion of an ambitious and comprehensive Agreement on Investment between the EU and China”.

5.6 Growing Chinese political influence in Europe

Objectives of cross-regional strategies touch upon many areas of bilateral relationships of particular EU MS, including growing presence of China in case of economy, culture and politics. It is present in particular in CEE region, which underlines complex identification differences resulting in internal (in Europe) divisions and increased competitiveness. There are several empirical evidences introduced in this study suggesting that selected political elites are willing to align with Beijing on elements stated in EU's strategy on China, and therefore can be regarded as disrupting the overall unity. In some think-tanks, there is a conviction that *"by leveraging the success of its economic model without political liberalization, Beijing appeals to illiberal elites and Eurosceptic leaders in some parts of Europe in frequent high-level exchanges among diplomats and heads of government"*²²⁶. There is also a group described in the part related to cultural assimilation efforts, that rewards the China-friendly politicians with foreign trips and visits to China, as well as offer employment in European offices of Chinese SOE's.

A good example of such a dissonance is Czechia, where the friendliness of the president Milos Zeman (elected in 2013) reflects very different discourse from that present before years 2015, and 2016 when he paid a state visit to Beijing²²⁷. The stated meeting branded by PRC Central Compilation & Translation Bureau as *"a new era in China-Czech relations"*, was not build on internal consensus within Prague administration, underlining at the time the need for increase mutual political trust. In some assessments of Czech foreign policy, there has been indication of political dissonance, suggesting that *"Far East agenda strongly focuses on the individual policy of President Zeman outside the policy of the Government and the Ministry of Foreign Affairs when the President, specifically in the case of China, pushes the limits of the pro-Chinese course despite a strong consensus against it"*²²⁸. In year 2015 a shift in Czech priorities has already been noticed, with increased number of high-level visits, which has been

²²⁶ "Authoritarian Advance", MERICS, GPPI, 2018.

https://www.merics.org/sites/default/files/2018-02/GPPI_MERICS_Authoritarian_Advance_2018_1.pdf

²²⁷ M.R. Liu, "A new era in China-Czech relations begins", article in China Daily, March 28, 2016. http://www.chinadaily.com.cn/opinion/2016-03/28/content_24126735.htm.

²²⁸ R. Fürst, "The Far East in the Czech Foreign Policy", chapter in "The Czech Foreign Policy: IIR Analysis", 2015. <http://www.dokumenty-iir.cz/CZP/2017%20%282015%20EN%29/Kapitola%2014%20D%C3%A1ln%C3%BD%20v%C3%BDchod.pdf>.

interpreted as signal of growing interest of China with Czechia²²⁹. In 2017 there are more evidence in the shift of Czech foreign policy objectives, when Prague attempts to forge a closer relation of China based on strategic partnership established in 2016²³⁰.

Although stated levels impact refers to larger regional dimension of cooperation, politically they are bilateral in nature, referring to China's engagement with individual countries in CEE (or EU), whether by investment offerings, economic opportunities or providing of enhanced political exposure with invitations to multilateral gatherings and bilateral high-level visits. Stated visits often "produce" additional elements building the stock of deliverables (also only these potentials or not feasible in short timeframe). That further enhances existing interdependences and offer new drivers for increased sub-regional cooperation. It is especially important in regard to relatively fast progress in creation of new semi-institutionalized platforms of sectorial cooperation, or even doubling some already existing areas (i.e. SME's cooperation in Poland and Croatia).

Significant role in division can be also observed within regional investments. It is one of the main areas emphasized in the updated economic outlook, together with overall increase of Chinese economic presence in the EU. The need for creation of universal measures for control of foreign investment is ongoing during this study, and also in that case there are several examples of lack of coherence in approach towards China²³¹. One of such examples are projected by the newest Participant in the discussed mechanism. Potential attractiveness of Chinese investments in bilateral relationships in CEE can also explain the claim introduced by the EU that China is the systemic rival, introducing different alternative model of cooperation into the region. EU, since its early cooperation with Beijing aims for partnering in reforms towards widely accepted global rules and regulation within governance. The issues like economic sustainability, transparency, open procurements, general "good-governance" and liberal economic reforms are not regarded as the precondition to Chinese offer in economic and political cooperation.

²²⁹ V. Dostal, J. Eberle, "Agenda for Czech Foreign Policy 2015", Association for International Affairs AMO, p. 58, 2015. https://www.amo.cz/wp-content/uploads/2015/12/amocz_agenda2015_en.pdf.

²³⁰ V. Dostal, T. Jermanova, "Agenda for Czech Foreign Policy 2017", Association for International Affairs AMO, p. 44, 2017. <https://www.amo.cz/wp-content/uploads/2017/05/Agenda-for-Czech-Foreign-Policy-2017.pdf>.

²³¹ "EU countries back investment screening plan with China in mind", Reuters, December 6, 2018. <https://www.reuters.com/article/us-eu-china-investments/eu-countries-back-investment-screening-plan-with-china-in-mind-idUSKBN1O42F3>.

Chapter Six

Conclusion

6.1 Cooperation between China and CEEC's role in cross-regional relationship

First, the 16+1 cooperation should be defined as an ongoing process, with Participants that are conducting cooperation within it on a voluntary basis. It also means it should be seen not as a set of bilateral relationships, nor a platform constituting a part of China – EU relationship, but kind of a dual-track approach that aims at enhancing of existing and searching for new areas of cooperation, only within respective rules and regulations of each Participant. The three level analysis presented in previous chapters shown, that from its pragmatic side the first 8 years 16+1 process did not mature to the desired form, emphasized among others in 2016 with the issuance of the Riga Guidelines. This view seems to be ignored with more constructivist and institutionalist approaches, which dominate the Chinese views on that platform. Such misinterpretations increase the perceiving of shared elements within overall EU-China relations. As reflected in a few of guidelines for China-CEEC cooperation, these doings are directed towards implementation of “China-EU partnership of peace, reform, growth and civilization” introduced into Chinese foreign policy in this decade. This approach misinterprets the voluntary and supportive character of the discussed platform, and leads to many conflicting assessments and misconceptions of its role, including strategic enhancement level in case of the region, limiting the pragmatic deliverables. It can be also regarded as the test field of some of the other sub-regional practices re-applied from the cooperation of China with developing countries and regions like i.e. Africa. The platform that tries to utilize what Chinese leadership sometimes calls an “innovative policy approach”, with a high degree of certainty increases its presence in Europe. So far, stated limited deliverables of that cooperation have underlined several gaps in regional assessments, impacting diversified identification of individual Participants and their enthusiasm, but also the existence of several misconceptions from the Chinese perspective, including conditions defining the region, based on historical and geographical determinants.

Second, as pointed during this research, 16+1 is considered by its “frontrunners” as a set of 16 bilateral relationships of CEEC's with China, utilizing selective inclusions of deliverables purely bilateral in nature, and in many cases not related to the 16+1 mechanism. The scope of some of the documents may also suggest, that they are a result of long

negotiation processes, especially in case of agricultural trade, listed as an important trading area in annual Guidelines. Furthermore, it can be argued that some of such deliverables are provided for the Summits intentionally, to be presented within the framework underlining the success nature of the mechanism. There are however few casual empirical evidences of any relevance to these deliverables being the result of presence of the mechanism.

Third, it has been also underlined that there is no correlation between 16+1 cooperation and an increase in trade, including the negative correlations that could be associated with the enhancement of connectivity links, delivering results opposite to those expected on the European side of the stated relationship. The growing deficit within the overall EU market also points, that the arguments of co-shared trade benefits from other regional countries acting as manufacturing hubs in EU chains of supply are also disputable. The situation is slightly different in the case of investments. In this regard there are some evidence of a positive correlation between political attitudes and investment presence, that are associated with political support from the Chinese side. Stated conditionality however underlines a negative impact of the 16+1 cooperation, where pragmatic business-driven deliverables tend to be highly politicized, enhancing sub-regional competitiveness, and therefore projecting the negative impact on overall, China-EU relationship. Overall investment stock, which is usually used to validate the successfulness of the cooperation, does not indicate the differences in sizes of particular economies, which in case of large economies like Poland being one of the top investment beneficiaries compared to overall stock is very limited. From the neo-functional point of view, the drive for institutionalization of the sub-regional cooperation is fragmented, and at the current stage should not be regarded as successful. It is of course difficult to establish the general regional scope, but even from the multi-bilateral perspective, it shows limited deliverables, which naturally should limit the enthusiasm of individual countries utilizing the China-CEEC process.

Fourth, from a cross-regional perspective, there are many connecting points of China-EU strategic relationship reflected in the 16+1 cooperation. Based on analysis of 16+1 cooperation guidelines and strategic documents from the EU (and partially from China), these elements are full of partial complementarity. There are also dozens of exchange mechanisms created under the framework of China-EU cooperation, which is being duplicated by the similar sub-regional platforms of cooperation within the CEE region. This is one of that arguments evident in the EU, pointing to the implementation of divide and rule strategy,

especially based on the argument of upholding political and economic cooperation without presence of all EU MS. It is however important to note, that this shared element can be connected with the lack of internal trust in a cross-regional relationship and within the European region itself, which results in attempts to include additional assurances of complementarity between China regional presence and intra-European development efforts. The above rationale generates additional negative results, which instead of enhancing cross-regional trust and application of rules and norms increase disparities between different stakeholders of the discussed partnerships. Stated comparative analysis in Chapter 5. points to the complementarity of objectives embodied in EU-China Agenda 2020 or joint statements from the EU-China Summits to the Guidelines of 16+1 Summit. However, conducting such an analysis has rather casual relevance as a pragmatic assessment of cooperation objectives coherence, since the same administrations contributing to one-third of the EU member states are also constituting to two-thirds of the Participants of the 16+1 cooperation. It is one of the least recognized elements within Chinese political leadership, but also its scientific circles, that the EU, even though being an active observer of the process is not an external party to the 16+1 cooperation but its integral part. Lack of recognition of that argument has been also underlined by the offers of CPC leadership to invite other EU countries to join the trilateral cooperation with the CEEC's. It therefore should be seen as a support platform, which naturally needs to be well aligned with the overall cross-regional relationship, especially due to intensions of remaining 5 CEEC's to join the EU. According to conducted analysis, this could be the main factor resulting in political frictions and limited deliverables impacting the creation of sub-regional interdependences.

Five, the existing structure of economic interdependence can underline another aspect of 16+1. The process is intended to act as a platform for promoting balanced regional development. As communicated during visits of Chinese premier Li Keqiang in Europe, the Chinese side rationale is that it addresses the development gaps within Europe, helping in European integration. That approach, based on conducted analysis if claimed to act in a supportive role, is concentrated mostly in the Southern parts of CEE region where the less wealthy and less developed countries are located, and due to past military conflict in the Balkan region lacks in infrastructure and industrial capacity. It is not easy to determine yet if there is any impact the 16+1 mechanism in this area of cooperation. As pointed in the part discussing the investments of China in CEEC's, there are many evidences underlining the links

between high levels of political relationships with the Chinese leadership and increased overall investment stock.

The idea of enhancement of balanced growth in the European continent however utilizes the internal disproportions already present in certain sub-groupings, such as the Baltic States, V4 countries and Balkan regions. The pragmatic dimension of Chinese presence in that region, with non-aligned (with the EU) financial tools additionally disrupts the natural (neo-functionalism based) integrations processes, especially in non-EU member states, where extensive debts can distance the regional integration in a long-term perspective. Most of the investments referred to in this research are located outside or at the peripheries of the EU. It is among most strongly emphasized elements behind limited evidence of shortage in deliverables. The Chinese model of development through investment, that work well in regions like Africa does not work properly in the CEE region. Analysis of the political rationale of CPC behind that implementation can also be associated with “forcible” creation of CEE region according to Chinese perceptions, where in some cases there are no shared elements of any common sub-regional identity (i.e. between overall objectives of North Macedonia and Estonia). The faulty historical rationale background, ignoring the tremendous changes that many of CEEC’s being EU MS undergone in past 30 years also created a further systemic gap between the two (seventeen) sub-regional partners. It can be claimed, that the platform “*put forward by China has been constructed on the basis of the national conditions of the 17 states and concrete requirements from these countries*” (CASS 2017). The board analysis was undertaken so far by several scholar communities and this author point with multiple empirical evidence, that the mechanism does not match these conditions, and “Chinese characteristics” is associated with participation in that cooperation mechanism are limited to few political relationships, that do not contribute to creation shared regional identity and strong drive for further institutionalization.

Finally, an element that intensified connectivity cooperation within CEE region is the BRI. 2017 marked the year when all countries joined this Chinese-led initiative, where 16+1 is regarded as an important contributor to “bridging Europe and Asia”. In the case of synergies between the two platforms however, the majority of connectivity projects are in fact included in the cross-European level of EU-China Connectivity Platform²³², and the roots of Trans-

²³²“EU-China Summit: Rebalancing the strategic partnership”, EC, April 9, 2019.
https://ec.europa.eu/transport/themes/international/news/2019-04-09-eu-china-summit_en.

European Transport Network²³³. Stated projects must follow the EU rules and regulations, especially in case of bidding processes, which by default are not compatible with most commonly offered PRC investment models of “lend-and-build” type of investments. Some changes in this regard could be seen with examples like Croatian Bridge constructions, which may become the first completed Chinese infrastructural project in EU and CEEC, after the failed investment in Poland in 2011²³⁴. 16+1 became a regular platform of high-level consultation, which may be utilized to progress on BRI initiative. As discussed in Chapter 3., there are no evidence (or shared agreement) among the 16 Participants stating that 16+1 is regarded as an element of BRI. The China-CEEC’s secretariats for cooperation areas related to BRI like maritime cooperation in Poland or logistics in Latvia also do not present such a practical form of dual-platform approach. As stated during previous parts related to Chinese rationale behind the BRI, the initiative goes far beyond connectivity as well as other usual elements understood as a contributor to economic interdependence. Among them, soft elements of infrastructure can be mentioned including the people-to-people exchanges and knowledge sharing. These elements however point to change in the elements of theoretical and political landscape.

Among the few successful aspects of the cooperation mechanism are the areas of local and people-to-people cooperation that enhanced the levels and scale of cooperation as well as a number of mutual visits. As a platform of multilateral engagement opportunities it provides multilevel mechanisms of exchange, that allows for the building of common understanding, resulting in better bilateral involvement of local and provincial governments. It is important to underline, that China has decreasing levels of regional autonomy, which makes this level a more pragmatic dimension for achieving deliverables. It also allows to search for sectorial and area-specific objectives, but so in that case there are no evidence of sub-region wide drive for cooperation, that may be connected with yet non-existing common regional identity. Links to identity can be noticed within several regional sub-groupings like Western Balkans, Baltic States, V4 countries, or these connected with bodies of water, like Baltic, Black and Adriatic Sea’s. This several fragmented identities however once more lead to increase in sub-regional competitiveness, which so far shown a little drive for 16+1 associated regionalism and institutionalization. In practice, the mechanism concentrates on cooperation

²³³ “Infrastructure - TEN-T - Connecting Europe”, EC. https://ec.europa.eu/transport/themes/infrastructure_en.

²³⁴ J. Cienski, “Poland to China: you’re fired”, Financial Times, 2011. <https://www.ft.com/content/77f1d8c3-d258-3760-b035-6edee87cb6c2>.

in areas bordering with the EU, which pushes some of the Participants in a position of increase in political costs of 16+1 exchanges within the European Community.

6.2 Cooperation between China and CEEC's role in contemporary international relations.

First, as pointed during the research, China is showing many elements of projecting its strategic narrative in CEEC's, with strong interconnections to the cross-regional and global perspectives of EU-China relations and BRI. In doing that, China places a strong emphasis on its role in international society and international institutions, as a reference to the overall global governance system. It often refers to general elements of Western global governance, with selective adherence to details embodied in certain frameworks legal or practical. This result in the "cherry-picking" approach in pragmatism referring to norms, rules and values, which is a direct definition of revisionism stated in the part of literature review. PRC underlines the role of UN Charter but does not refer to any particular elements beyond the general rhetoric, like i.e. in case of Dubrovnik guidelines, where it points to the three pillars of the UN²³⁵ without naming them. Cooperation mechanism however tend to emphasize different values close to China, that are present in any declaration to which CCP is a counterpart. In case of the stated Guideline, in the same sentence it is underlined that all the Participants reaffirm their commitment to "inclusiveness, fairness, justice and pragmatism", values aligned more to Chinese rhetoric. In case of another important value of cross-regional relationship, the level-playing field, it is connected with two additional key values referring to Chinese strategic course, "mutual respect, mutual benefit and fair competition". In addition, the stated Guidelines emphasizes the cross-regional relationship of "building the partnership of peace, growth, reform and civilization" from the Chinese strategy on EU, but there are also important missing parts of the baseline of EU engagement with China, like in example mentioning's of the word reciprocity present in the previous years of 16+1 work.

In case of the previous Sofia Guidelines (2018) the not included in 2019 word of reciprocity, has been incorporated around values of willingness, transparency, inclusiveness, fairness, and mutual benefit. In the document from Budapest (2017) in addition to the above elements, it is also stated, that the values are the answer to "the backdrop of instabilities and

²³⁵ Peace and Security, Human Rights and Development.

uncertainties of the World”, that emphasizes the Chinese strategic rationale even stronger. By analysis of the guideline documents, together with provided references to strategic elements of China-EU relations and political discourse of the CPC leadership, presence of successful desire of projecting of the new Chinese norm and values of international relations into the CEEC’s bilateral relationships may be underlined, with much different balance than in case of the documents from the EU levels. The Guideline documents, as the main documents “guiding” the 16+1 cooperation play also an important role supporting the BRI, by openly endorsing the commitment of CEEC’s into conducting the cooperation based on bilaterally signed Memorandums of Understanding. It is important to note, that MoU’s as non-binding documents refer to the existence of agreement at a given point in time, that in case of constantly evolving the scope of the interaction, and impacted by the significant shifts in international environment may decrease in direct relevance toward the 16+1 efforts.

Second, due to many imbalances in relationship within CEEC’s, evident also in case of values and rules of cooperation emphasized directly in strategic and guiding documents, growing regional presence of China can be exposed. As a dominant actor in the two Chinses-led regional platforms, it causes the shifts in its presence of another pre-dominant actor, the EU, which as underlined in all studies touching on power-transitions places China as a new systemic rival. It further validates the conclusions present in a majority of recent analysis of this relatively new phenomenon, that the 16+1 cooperation constitute a part in overall impact of PRC among EU MS, that decreases the common identity in support of internal divisions, and enhances regional competitiveness. This impact on shared identification is also relevant in presented values, especially among individual regional political elites, that can be seen in presented and accepted, especially within the 16+1 cooperation framework.

Apart from economic and political interactions that have been discussed in the previous parts, there are also elements leading the systemic rivalry, that projects a shift in identities of sub-regional and individual regional actors. They often go beyond the classic theoretical frameworks, including schools of realism, liberalism and institutionalism. The reason for above can be associated with relatively large differences (or high level of selectiveness) of interpretations of norms and values, as well as the general crisis like rhetoric and references to national conditions. These may further legitimize the desired understanding of normal power within Europe by emphasis on Five Principles of Peaceful Coexistence and mutual benefits and win-win results. This however requires another important area of impact

that refers to social interactions, which are more values sensitive, and project the pragmatism of the proclaimed by the CPC demand for new international relations of new era. As most of presented in this research evidence shown, that large portion of impact of China on the region is reflected in rhetorical level, not present (at the time of this work) in domestic politics of individual CEEC's, that continue to adapt various neo-liberal policies of which many leads toward further European integration processes. That argument additionally points to relatively large proportions of soft elements in shaping of the analyzed sub-regional relations.

Third, there are several evidences in the pattern of China's rise, but they do not draw direct conclusions to Chinese rationale and structural realism or power transition theories. This is valid mostly in explaining the reactions of the outside world influenced by the rising Chinese presence in the world, but also within the European continent. One of many reasons for the stated gap in rationale understanding may be associated with an undervalued impact on soft power elements, that create interdependences and support common sub-regional identification resulting in some degree of enthusiasm, yet still relatively fragmented. They are hardly measurable and do not generate almost any positive correlations among key cooperation areas like trade, investment or connectivity. On the contrary, they can be regarded as vehicles of Chinese revisionism.

As underlined during this research, many elements of Chinese political and diplomatic efforts build on the idea of common destiny, cultural and civilization bonds, as well as people to people exchanges. There are many variables in creation of mutual trust and mutual respect, the two important pillars of how China wishes to conduct international relations. In case of the 16+1 cooperation, this are the elements led by China within the framework, which are also largely concentrated in the area of strongest enthusiasm for the stated sub-regional cooperation in Southern part of CEE. Assessment of the impact of China from this perspective however could be misleading, as the understanding of soft power in today's China has some coercive elements, including the more evident ideas of cooperation conditionality of "voluntary" participation in China-led and China-centered activities, that improve perceptions of China in all three levels of analysis applied in this study.

Four, as underlined in initial literature review, most of international relations theories do not utilize the historical experiences of China, that due to restoration effort of Chinese identity, both domestically and in the international environment could be contribution to differences in rationale leading to presented misconceptions in major China-led platforms.

Based on the analysis of political and strategic elements of China with particular role of the BRI, it can be argued that PRC portrays itself more and more as a great power, that wants to take a more active role in shaping of many important global processes, including the governance system and upholding of further globalizations. The emphasis of the need to abandon the outdated realism and Cold War thinking and the ideas of a zero-sum game to perceive a community of shared future for all mankind, together with proclaimed readiness to become a leading driver of development among emerging economies and the goal of rejuvenation of Chinese nation (based on the idea of evident Sino-centrism) could be summarized as attributes explaining the contemporary Chinese exceptionalism. This is especially relevant in regards to Eurasian regional centrality. Among most visible means of the motives stated above are the investments and promise of enhanced trade and connectivity that may generate increased wealth. As pointed in several examples, especially in case of investments, there is a positive correlation between the economic benefits and diplomatic linkages reflected in how China is perceived and how “aligned” is the interaction based on the stated identification frame. Important is also the role played by the Chinese SOE’s, that tend to act as a practical proxy of stated cooperation. Above statement could be regarded as one of the evidences after the stated China exceptionalism, pointing to another element in the so-called neo-tributary perspective of Chinese new IR, the inter-linked character of trade with diplomacy.

Finally, an important area determining the relationship with China presence in 16+1 and BRI is the one connected to soft-power elements of cultural assimilation and image building efforts, as a form of respect and adoption of customs embodied in a given level of integration. These can be regarded as pragmatic elements of Chinese revisionism in Europe. Above efforts directed toward building of China-led common identity, increasing the enthusiasm of cooperation and helping to implement the political and economic rationale of CPC leadership that impact the practical areas of sub-regional cooperation and result in wider cross-regional relations. It also helps to create a view of China as an international stakeholder pursuing the social and political harmony. That again points to some analogies embodied in the historical concept of Chinese past tributary-based system of international relations. There are several evidence of reactive system of Chinese international responses not included in this work, that mobilize and utilize complex international resources managing any forms of critic or negative assessments of Chinese international actions, that also change the landscape

forming the enthusiasm and image of PRC, and increase the bias in utilization of contemporary theories of international relations.

The stated analogies to the neo-tributary theoretical framework, that as pointed by Pan and Lo aim at advancing of understanding how China engages with outside world in forming of favorable relationships can help to understand several underlined analogies evident in the above research. It can also help to understand the idea of the China-led platforms helping in consolidation of regional recognition of influence and identity creation, where enthusiasm for cooperation acts as a tribute paid to the Chinese side in support of desired economic and cooperation deliverables. The stated influence in case of sub-regional relationship of China and CEEC's has also some additional aspect related to predominate presence of other regional power, the EU. As argued by the realist theories, increase in presence of any new power causes anxiety among other regional members, and may lead to conflict of with other regional power. In case of stated cross-regional relationship, and evidence underlining the shifts in recognition of certain values and objectives of cooperation and wider soft-power elements of practical cooperation explains why the EU named China as the "systemic rival" in early 2019.

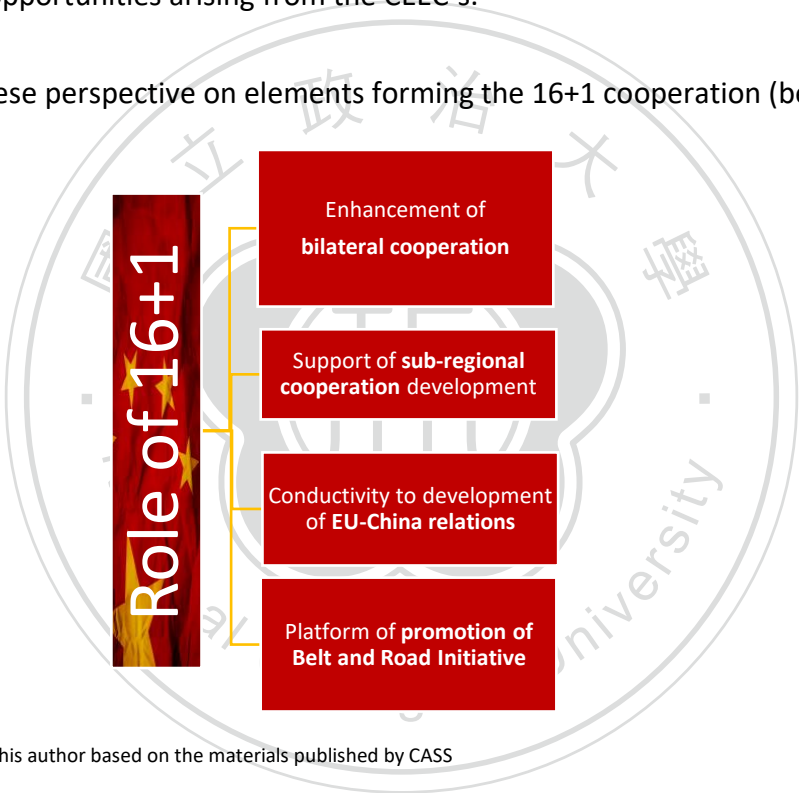
6.3 Impact of Cooperation between China and Central and Eastern European Countries

By the above analysis it can be argued, that the impact of 16+1 cooperation on the cross-regional cooperation is far greater than expected in initial estimates prior to that research. In this impact the negative aspects, whether based in CEEC's expectations or the feasibility of cooperation within EU are dominating stated relationship. The mechanism as the gateway to Europe did not materialize the predicted results, emphasizing the focus of Chinese cross-regional presence on the Western Europe, where the CEEC's act not as destination, but only as the stop on the way to implementation of multilayered objectives of China in the wider EU area.

According to available literature, Cooperation between China and Central and Eastern European countries ought to enhance sub-regional cooperation in CEE to use the geographical and economic advantages of the region, acting as the entry point to Europe. This concept is being emphasized on various occasions by leaders of the regional states, underlining that they

can play an active part in discussed relationship as the gateway to Europe²³⁶. There are however several examples of states from outside original 16 CEEC's that want to act as the stated gateway. The above purpose of 16+1 could be based on several goals of cooperation, that if successfully implemented, could support the stated argument. Among them there is the role conducive to the cross-regional EU-China relations, including improvements in trans-regional transport networks and enhancements in trade soft elements like customs inspections and easier market access. Apart from the role stated above, the most important one refers to promotion of the Belt and Road Initiative, which the first stated destination is the European continent, that in case of land connections and several development sea routes can utilize the opportunities arising from the CEEC's.

Figure 20. Chinese perspective on elements forming the 16+1 cooperation (before 2017)



Source: Developed by this author based on the materials published by CASS

²³⁶ Gateway to Europe, <http://gatewaytoeurope.hu/about-us>;
 "UPDATE 1-Greece seeks role as China's gateway to Europe" Reuters, June 21, 2014. <https://www.reuters.com/article/greece-china-assets/update-1-greece-seeks-role-as-chinas-gateway-to-europe-idUSL6NOP14DW20140620>;
 "Germany's 'China City': how Duisburg became Xi Jinping's gateway to Europe" the Guardian, August 1, 2018. <https://www.theguardian.com/cities/2018/aug/01/germanys-china-city-duisburg-became-xi-jinping-gateway-europe>.
 "Germany's 'China City': how Duisburg became Xi Jinping's gateway to Europe", February 12, 2019. <https://kafkadesk.org/2019/02/12/czech-republic-chinas-gateway-to-europe-1-3-the-honeymoon/>.
 "Italy as China's gateway to Europe?", March 26, 2019. <https://www.eurotopics.net/en/217109/italy-as-china-s-gateway-to-europe>.

The last of the goals listed in the above Figure 20. may be regarded as one of the most important in case of theoretical impact on the CEE region, and as such also in the wider European Union. It has been already discussed, that the 16+1 cooperation did not archived its expected results in any of the stated levels. In case of enhancement of bilateral cooperation, it utilizes competitiveness existing in multiple bilateral relations, which is based on different proportions of economies and demand for development states. As presented in the part discussing the different sub-groupings (dimensions) present among the 16 CEEC's, there are differences in expectations, identification, obligations and demand for capital and economic presence of China, which may potentially diversify the possible assessments of its unified impact. The weakest and most disappointing deliverables can be observed in three most northbound V4 countries (without Hungary) and Baltic states, with limited investment presence and no enhancement in trade. The positive results observed in some of the Baltic countries are also associated with the private business actors, and some disproportions evident between the political involvement and achieved results. The above disproportions may also be the reason why in case of Guidelines issued in years 2018 and 2019 the need to conduct assessments and review of the mechanism has been mentioned, to assure the effectiveness of resources that in case of several countries can be described as very limited. The strongest impact could be associated with the Balkan region, where most of investments are located, and due to smaller level of the EU presence there is a bigger possibility for the regional power projection of the PRC. This is also the location where the stated role of the BRI can be developed in most China-led way.

The 16+1 process from Chinese perspective is regarded both as an element of the BRI and China-EU strategic partnership, with upholding the characteristic of multi-bilateral platform of sub-regional engagement constituting the set of individual bilateral relations. As some evidence point, it is based on prior, often faulty assessments of Chinese administration, with little evidence to similar identification on the side of CEEC's found during this research, being a predominant factor impacting the regional identification. One of the misconceptions in that relationship is the disputable value of traditional friendship, disregarding voluntary decisions of majority of CEEC's to abandon ideology of socialism. The selective sharing of common basis for regional identity contribute to growing diversities in interdependences, driving selective the idea of institutionalization of stated cooperation. The weak common enthusiasm for cooperation with China also underlines the existing dissonance in regional

identification, that based on differences in levels of sub-regional interdependence impact the cross-regional relationship between EU and China. The most important theater of localized differences also centers along borders of Schengen area in the Southern part of the EU (in the Balkans), what draws to existence of negative impact within the overarching China-EU partnership.

With help of analytical framework utilized in this studies it can be stated, that the political rationale of China in Europe can be regarded as revisionist in nature, carrying a certain degree of potential only in case of open adherence to the systemic values projected within Chinese IR, especially in the larger picture of multiple declarations of China for the need of building of new system of international relations and abandoning of outdated thinking can be further validated. In light of all above arguments, and existing analogies to the elements of historic tributary elements in present political discourse of China, the key point is not only to “building” but rather to “revising” the idea of contemporary international relations. It therefore can be stated, that there is a negative impact of the stated 16+1 cooperation on the relationship of China and the EU, and that 16+1 can be regarded by certain European stakeholders as the backdoor to Europe, especially in areas of image building and cooperation values impacting the regional coherence.

This ongoing phenomenon in discussed cooperation, impacting the soft connectivity, political relationships, European regional political rationale, the coherence of European development, and integrations processes is with high probability the reason for “branding” China and a systemic rival in the EU and revisionist power in the U.S. in the year 2019. In spite of partial success stories in selected Participants of the 16+1 cooperation, the early evidence of ununified approaches towards the China regional presence result in increase of analysis of the nature of that presence like the one in that studies, as well debates on European strategic levels, not if the EU should react to China, but how fast and how extensively. This, in case of the 16+1 cooperation will require to use researches such as this one, to streamline the state of cooperation and underline its pragmatic nature.

Due to almost nonexistent impact on trade, growing deficit, low levels in overall investment stocks and relatively fragmented political support, it is rather unlikely that China can become an alternative for the EU in the CEE region. Limited deliverables of the 16+1 cooperation and only supportive character of the CEE region in the implementation of the BRI also suggest the risk of disrupting of European integration processes, and the choice of liberal

economic development model as the preferred way of overall progress. Europe has a strong position, including the exclusive competences and legal frameworks, however due to parts of the CEECs that did not join the EU until the time of this studies, there is a high risk of disruptive nature of China presence in the short and medium time perspective. The evidence in enhancement of political costs as well as increasing debt to GDP ratio in some of the EU Candidate Countries can be considered as the valid argument supporting the revisionist characteristic of China rise in CEE.

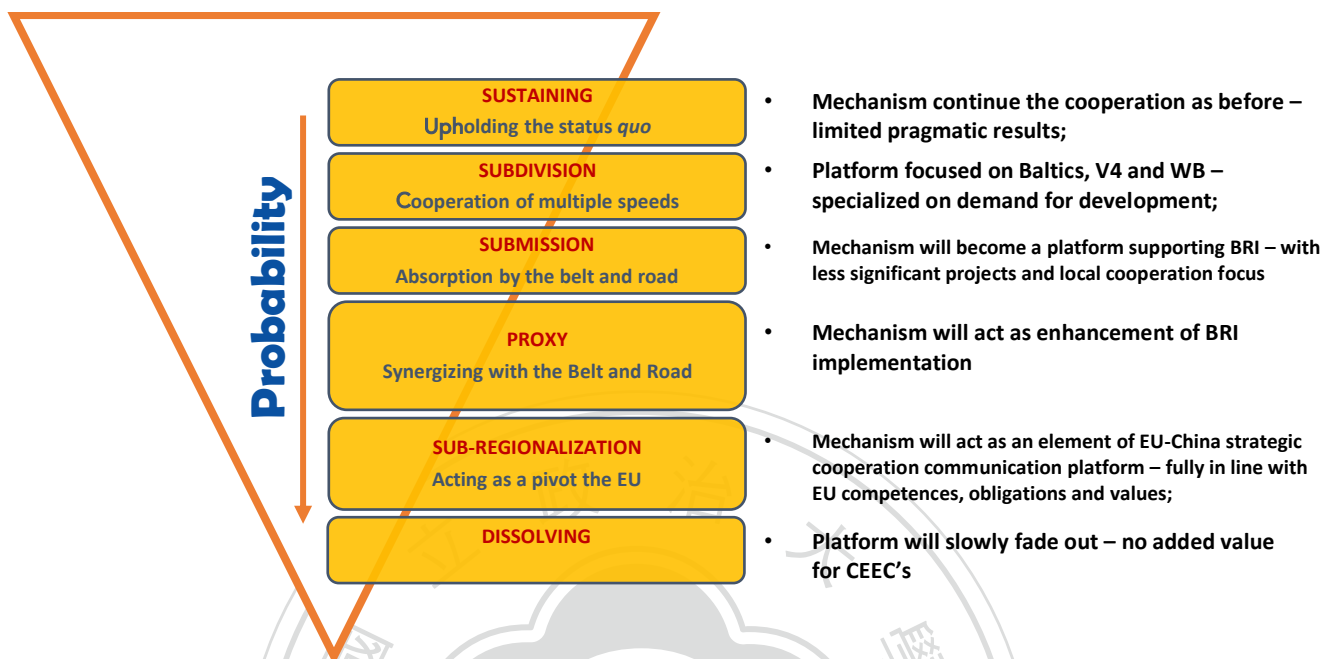
Another conclusion of this research is that the bipolarity in perception of the 16+1 cooperation is one of key obstacles that should be solved, as a mean supporting the alignment of goals and strategies in cross-regional relationship of EU and China. It is connected to the differences in values and political rationale, lack of shared sub-regional identify, and doubtful baseline of traditional (systemic) friendship. Those differences do not support the creation of shared identifications, enthusiasm, and overall assessments, or even bilateral objectives, that would clarify the desired elements to be utilized on the strategic partnership levels.

As stated earlier 16+1 cooperation should be viewed as a process rather than cooperation framework with elements of institutionalization, that is based on voluntary involvement of its Participants, which can choose the desired areas of cooperation in a more selective way based on equally divided and distributed values and fully coherent with the strategic and politic rationale. They should be also based on the reciprocity, as a core principle of any contemporary international relations. It can be noted however, that the rising potential for play of China in Europe is also associated by the internal divisions in identity and trust within the EU itself, which without the coherent and unified cross-regional approach will further enhance the negative aspects of growing presence of PRC in the European continent.

6.4 Perspectives of Cooperation between China and Central and Eastern European Countries

There are several pending research projects discussing the possible future of what has become 17+1 cooperation at the final time of this study. In most of the cases, they are based on analysis with concepts similar to this one, that by selective analysis of elements constituting the complex structure of discussed process one can understand the rationale behind the actions and evaluate their nature and feasibility of deliverable and expectations.

Figure 21. Possible future impact of 16+1 Cooperation.



Source: Developed by this author based on points by Hickman and Karaskova (2019). Association for International Affairs (AMO).

Among one of pending researches related to perceptions in CEEC's are the analysis of Association for International Affairs (AMO; Hickman, Karásková 2019). Based on the research by this author and initial ideas conceptualized by AMO, it can be argued that in spite of limited results and rather negative impact, the status quo of the 17+1 cooperation will remain unchanged, which may be also associated with possible impact of inclusion of Greece into the format, that has not been discussed in this research, but may bring some new levels of (political) pragmatism. For the platform to become more effective and realize the goal of enhancement of existing and developing of new cooperation of complementary character, the 16+1 must not challenge the norms and values present in the European Continent, but look for synergies of values reflected in Chinese political rationale without the selective nature or challenging the universal principles of contemporary global governance system present in today Europe.





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Appendix 1

List of Deliverables of the Second Belt and Road Forum for International Cooperation involving Central and Eastern European Countries*

*[adopted by this author from complete list published on BRI page

<https://eng.yidaiyilu.gov.cn/index.htm>]

*[including the relevant international organizations and areas of cooperation; including Greece]

Before May 2017 – 1st BRF in Beijing

Objective 1. *Synergize Connectivity of Development Policies and Strategies*

1. The Chinese government signed memoranda of understanding on Belt and Road cooperation with the governments of **Croatia, Montenegro, Bosnia and Herzegovina, Albania**.
2. The Chinese government signed Belt and Road cooperation documents with the United Nations Development Program, the United Nations Industrial Development Organization, the United Nations Human Settlements Program, the United Nations International Children's Fund, the United Nations Population Fund, the United Nations Conference on Trade and Development, the World Health Organization, the World Intellectual Property Organization and the International Criminal Police Organization.
3. The Chinese government signed the Memorandum of Understanding on Jointly Formulating **China-Hungary Cooperation Plan** with the government of Hungary.
4. The relevant departments of the Chinese government signed Belt and Road cooperation documents with the United Nations Economic Commission for Europe, the World Economic Forum, the International Road Transport Union, the International Trade Center, the International Telecommunication Union, the International Civil Aviation Organization, the United Nations Alliance of Civilizations, the International Development Law Organization, the World Meteorological Organization and the International Maritime Organization.
5. The National Development and Reform Commission of China signed the 2017-19 Plan on Key Areas of Cooperation Between **China and Greece** with the Ministry of Economic Development of Greece.
6. The National Development and Reform Commission of China signed the Memorandum of Understanding to Jointly Coordinate and Promote Cooperation and Project Implementation with the Ministry of Industry and Trade of the **Czech Republic**.
7. The Ministry of Finance of China endorsed the Guiding Principles on Financing the Development of the Belt and Road with the ministries of finance of relevant countries.
8. The relevant departments of the Chinese government issued the following documents: Building the Belt and Road: Concept, Practice and China's Contribution, Vision and Actions on Promoting Energy Cooperation on the Belt and Road, Vision and Actions on Jointly Promoting Agricultural Cooperation on the Belt and Road, Guidance on Promoting Green Belt and Road and Vision for Maritime Cooperation on the Belt and Road Initiative.
9. The National Development and Reform Commission of China will establish the Facilitating Center for Building the Belt and Road. The National Development and Reform Commission of China has launched the official Belt and Road portal on the internet and the Marine Silk Road Trade Index.

Objective 2. *Deepen Project Cooperation for Infrastructure Connectivity*

1. The Ministry of Water Resources of China signed the Memorandum of Understanding on Cooperation in the Field of Water with the Ministry of the Environment of **Poland**.

2. China Railway signed the Agreement for Further Cooperation on China-Europe Container Block Trains among Railways of China, Belarus, Germany, Kazakhstan, Mongolia, **Poland** and Russia with railway companies of relevant countries.
3. The Export-Import Bank of China signed the loan agreements on the modernization and reconstruction of the **Hungarian-Serbian Railway Line** for Belgrade Center-Stara Pazova Section with the Ministry of Finance of **Serbia**, on telecommunication project with Telekom Srbija of **Serbia**.

Objective 3. *Expand Industrial Investment, Enhance Trade Connectivity*

1. The Chinese government signed the economic and trade cooperation agreements with the governments of 30 countries, **Albania, Bosnia and Herzegovina, Montenegro and Serbia**.
2. The Ministry of Commerce of China and the relevant agencies of more than 60 countries and international organizations jointly issued the Initiative on Promoting Unimpeded Trade Cooperation along the Belt and Road.
3. The Ministry of Commerce of China signed the Memorandum of Understanding on Concluding the Joint Feasibility Study of the China-Moldova Free Trade Agreement with the Ministry of Economy of Moldova.
4. The Ministry of Commerce of China signed memoranda of understanding concerning SME cooperation with the Ministry of Industry and Trade of the **Czech Republic** and the Ministry of Foreign Affairs and Trade of **Hungary**.
5. The Ministry of Agriculture of China signed the Memorandum on Determining the Action Plan on Agricultural Trade and Investment with the Ministry of Agriculture and Environment Protection of **Serbia**.
6. The General Administration of Customs of China signed customs cooperation documents with the customs authorities of **Poland** to deepen cooperation on mutual exchange of information, mutual recognition of inspection results and mutual assistance in law enforcement.
7. The General Administration of Customs of China signed a cooperation document with the International Road Transport Union to promote construction of international logistics corridors and implementation of the Convention on International Transport of Goods Under Cover of TIR Carnets.
8. The General Administration of Quality Supervision, Inspection and Quarantine of China signed cooperation agreements on inspection and quarantine with the relevant departments of Serbia, signed cooperation agreements in the field of NQI (National Quality Infrastructure, including standard, metrology, certification and accreditation) with the United Nations Industrial Development Organization and signed the Joint Initiative on Strengthening Standards Cooperation and Building the Belt and Road with the relevant agencies of Russia, Belarus, **Serbia**, Mongolia, Cambodia, Malaysia, Kazakhstan, Ethiopia, **Greece**, Switzerland, Turkey and other countries.
9. The held the 1st China International Import Expo in 2018.

Objective 4. *Enhance Financial Cooperation, Promote Financial Connectivity*

1. The Silk Road Fund will expand by 100 billion yuan.
2. China encourages financial institutions to conduct Overseas Fund Business in renminbi with the estimated amount of about 300 billion yuan, providing financing support for the Belt and Road Initiative.
3. The Ministry of Finance of China signed the memoranda of understanding on collaboration on matters of common interest under the Belt and Road Initiative with the Asian Development Bank, the **Asian Infrastructure Investment Bank**, the **European Bank for Reconstruction and Development**, the **European Investment Bank**, the New Development Bank and the World Bank Group.
4. The Ministry of Finance of China will establish the Multilateral Development Finance Cooperation Center together with the multilateral development banks.
5. The China Development Bank conducts financing and bond underwriting cooperation with the Hungarian Development Bank.
6. China Export and Credit Insurance Corporation signed cooperation agreements with the export credit agencies in Belarus, **Serbia, Poland**, Sri Lanka and Egypt, signed framework agreements with the relevant government departments, including the **Polish Investment and Trade Agency**.
7. The Export-Import Bank of China and the United Nations Industrial Development Organization signed a joint declaration on enhancing cooperation on sustainable industrial development in the countries along the Belt and Road.

Objective 5. *Invest More in People's Livelihood, Deepen People-to-People Exchange*

1. The Chinese government will increase its assistance to the developing countries along the Belt and Road. The total assistance over the next three years will be no less than 60 billion yuan.
2. The Chinese government will provide 2 billion yuan in emergency food aid to the countries along the Belt and Road. China will provide replenishment of \$1 billion to the South-South Cooperation Assistance Fund to initiate the "China and United Nations 2030 Agenda for Sustainable Development Cooperation Initiative", and to support the implementation of 100 Happy Home Projects, 100 Anti-Poverty Projects, 100 Health Recovery Projects and other projects in the relevant countries. China will provide relevant international organizations with \$1 billion to jointly promote the implementation of international cooperation projects benefiting the countries on the Belt and Road, including 100 Refugee Assistance Projects covering food, tents, portable houses, etc., setting up "Refugee Scholarships", providing 500 refugee youngsters with education opportunities and financial support to 100 refugee athletes to participate in regional or international games.
3. The Chinese government signed the Memorandum of Understanding on Cooperation (2017-20) with the United Nations Educational, Scientific and Cultural Organization.
4. The Chinese government signed the Governmental Tourism Cooperation Agreement with the government of **Poland**.
5. The Chinese government signed assistance agreements with the United Nations World Food Program, the United Nations International Organization for Migration, the United Nations International Children's Fund, the United Nations High Commission for Refugees, the World Health Organization, the International Committee of the Red Cross, the United Nations Development Program, the United Nations Industrial Development Organization, the World Trade Organization, the International Civil Aviation Organization, the United Nations Population Fund, the United Nations Conference on Trade and Development, the International Trade Center, and the United Nations Educational, Scientific and Cultural Organization.
6. The Ministry of Education of China signed agreements on education cooperation with the relevant departments of Russia, Kazakhstan, **Bosnia and Herzegovina**, **Estonia** and Laos,
7. The Ministry of Science and Technology of China signed the Memorandum of Understanding on Joint Funding to Research and Development Projects with the National Research, Development and Innovation Office of **Hungary**.
8. The Ministry of Environmental Protection of China issued the Belt and Road Ecological and Environmental Cooperation Plan, established the Big Data Service Platform on Ecological and Environmental Protection, and announced the Joint Initiative to Establish the International Coalition for Green Development on the Belt and Road with the United Nations Environment Program.
9. The Ministry of Finance of China will establish the Research Center for the Belt and Road Financial and Economic Development.
10. The National Health and Family Planning Commission of China signed health cooperation agreements with the health authorities of the **Czech Republic** and Norway.
11. The State Council Information Office of China signed the memoranda of understanding on media cooperation exchanges with the Department of Communication and Relations with Citizens in the Council of Ministers of **Albania**.
12. The State Council Information Office of China signed the memoranda of understanding on plans to promote think tank cooperation with the Ministry of Foreign Affairs of **Albania**.
13. The China Development Bank will set up the Experience Sharing and Capacity Building Cooperation Program for Belt and Road Partners, and the Belt and Road Scholarship.
14. The Development Research Center of the State Council of China signed the Memorandum of Understanding on Cooperation in Jointly Building the Belt and Road Initiative with the United Nations Industrial Development Organization. The Silk Road Think Tank Network (SiLKS), with over 50 international members and partners, released the Silk Road Think Tank Network Declaration on Joint Action.

Before of just after April 2019 – 2nd BRF in Beijing

I. Initiatives Proposed or Launched by the Chinese Side

1. The Chinese side issued the Belt and Road Initiative: Progress, Contributions and Prospects.
2. The Organizing Committee of the 2nd BRF issued the Report on the Findings and Recommendations from the First Meeting of the Advisory Council of the Belt and Road Forum for International Cooperation.
3. China, relevant countries and international organizations, as well as representatives of academic and business communities jointly launched the Beijing Initiative for the Clean Silk Road.
4. The Chinese government will implement facilitation arrangements for border entry and exit for the Belt and Road.
5. China develops Silk Road theme bonds to facilitate bond market financing by domestic and foreign entities in support of the Belt and Road Initiative.
6. The China Development Bank and the Export-Import Bank of China continue with the Belt and Road Special Lending Scheme.
7. The Ministry of Science and Technology of China and science, technology and innovation related ministries of relevant countries jointly announced the Cooperation Initiative on Silk Road of Innovation.
8. The Chinese government will continue to implement the Green Silk Road Envoys Program, which will train 1,500 environmental officials from the participating countries of the Belt and Road Initiative in the next three years. The BRI Environmental Big Data Platform was launched officially. The Ministry of Ecology and Environment of China established the Belt and Road Environmental Technology Exchange and Transfer Center.
9. The National Development and Reform Commission of China launched the Belt and Road Green Lighting Initiative with the United Nations Development Programme, the United Nations Industrial Development Organization and the United Nations Economic and Social Commission for Asia and the Pacific, and launched the Belt and Road Green Cooling Initiative with the United Nations Industrial Development Organization and the United Nations Economic and Social Commission for Asia and the Pacific and the Energy Foundation.
10. The Ministry of Finance of China published the Debt Sustainability Framework for participating countries of the Belt and Road Initiative, to jointly enhance debt management capacity with participating countries of the BRI, and promote sustainable financing, and sustainable and inclusive growth.
11. China The Standardization Administration of China initiated the establishment of a national standards information platform among the Belt and Road partner countries to strengthen the exchange and sharing of standards information.
12. The Chinese government continues to implement the “Silk Road” Chinese Government Scholarship Program and increases scholarships for candidates pursuing Master’s and PhD degrees at Chinese institutes of higher learning.
13. The Chinese Academy of Sciences launched the Belt and Road Master’s Degree Fellowship Program.
14. China will initiate the experience sharing program for Belt and Road partner countries, inviting 10,000 representatives to China from these countries in the next five years, including those from political parties, political organizations, think tanks and social organizations, as well as senior political figures and scholars.
15. The Ministry of Science and Technology of China announced the Belt and Road talents exchange program, supporting 5,000 talents from China and BRI partner countries in innovation exchange and cooperation in the next five years.
16. China and BRI partner countries will jointly implement the Belt and Road publications promotion library program and the Belt and Road copyright transaction project.
17. China and UNESCO initiated and set up the Silk Road Research Grant project to support young researchers and scholars.
18. The National Development and Reform Commission of China and the United Nations Children’s Fund jointly launched the Declaration on Accelerating the Sustainable Development Goals for Children through Shared Development in the Belt and Road partner countries.
19. China will work with relevant countries to jointly implement the Belt and Road South-South Cooperation Initiative on Climate Change.
20. The Industrial and Commercial Bank of China issued the first Belt and Road Bankers Roundtable Mechanism (BRBR) green bond, and jointly released the Belt and Road Green Finance Index with relevant members of the BRBR mechanism including the European Bank for Reconstruction and Development, the Credit Agricole Corporate and Investment Bank and the Mizuho Bank, to further enhance Belt and Road cooperation on green finance.

21. Hanban of China will carry out the “Chinese Bridge” Summer Camp for Youths in Belt and Road partner countries.
22. China will sponsor the first session of Belt and Road Legal Cooperation Research and Training Program, co-organize a seminar on business integrity and compliance with the World Bank, and hold an anti-corruption seminar for Belt and Road countries.
23. The Shanghai National Accounting Institute affiliated with the Ministry of Finance of China, together with the CAREC Institute, the Asian Development Bank and the Association of Chartered Certified Accountants, will jointly launch the China-Central Asia Accounting Elites Exchange Program.

II. **Bilateral and Multilateral Documents Signed during or Immediately before the Second BRF**

1. The Chinese government signed cooperation plans or action plans with the governments of **Serbia**, Djibouti, Mongolia, Mozambique, Ethiopia, Papua New Guinea and the African Union, the United Nations Human Settlements Programme, and the United Nations Economic Commission for Africa.
2. The Chinese government signed cooperation agreements on science, technology and innovation with the governments of Laos, **Bulgaria**, **Latvia**, Salvador and Panama.
3. The Chinese government will sign cooperation documents on preventing theft, clandestine excavation and illicit import and export of cultural property with the governments of Nepal and **Romania**.
4. The Ministry of Foreign Affairs of China signed the MOU with the United Nations Economic and Social Commission for Asia and the Pacific on the Belt and Road Initiative for the 2030 Agenda for Sustainable Development.
5. The National Development and Reform Commission of China signed the MOU on Establishing the China-Hungary Cooperation Center under the Framework of Bilateral Cooperation Plan of the Belt and Road Initiative with the Ministry of Foreign Affairs and Trade of **Hungary**, and signed the Bilateral Action Plan on Digital Silk Road Cooperation with the Ministry of Innovation and Technology of **Hungary**.
6. The National Development and Reform Commission of China issued the Joint Statement on the Study of China-EU Railway-based Integrated Transport Channels with the **European Commission**.
7. The Belt and Road Initiative Center of the National Development and Reform Commission of China signed the 2020-2022 cooperation plan on key areas with the Ministry of Economy and Development of **Greece**.
8. The seven national railways of China, Belarus, Germany, Kazakhstan, Mongolia, **Poland** and Russia signed the Rules of Procedures for the Joint Working Group for Transport of China-Europe Container Trains.
9. The Ministry of Transport of China signed the MOU on Cooperation for Promoting the Effective Implementation of Maritime Labor Convention, 2006 through the 21st Century Maritime Silk Road Initiative with the International Labor Organization. The State Post Bureau of China signed the MOUs on Strengthening Cooperation in the Postal and Express Delivery Services in Response to the Belt and Road Initiative with the Ministry of National Development of **Hungary**.
10. The Ministry of Human Resources and Social Security of China signed the MOU on the South-South Cooperation Under the Framework of the Belt and Road Initiative with the International Labor Organization.
11. The Ministry of Emergency Management of China signed the MOU on Developing South-South Cooperation on Work Safety under the framework of the Belt and Road Initiative with the International Labor Organization.
12. The People’s Bank of China and the European Bank for Reconstruction and Development signed the MOU on strengthening investment and financing cooperation in third-party markets.
13. The Ministry of Science and Technology of China signed cooperation documents on science, technology and innovation with the Ministry of Business, Research and Religious Affairs of **Greece**.
14. The Ministry of Industry and Information Technology of China signed industry and information technology cooperation documents with the Ministry of Innovation and Technology of **Hungary**.
15. China Customs signed customs and inspection and quarantine cooperation documents with UNID.
16. The National Energy Administration of China signed energy cooperation documents with the Ministry of Economic Affairs and Employment of Finland and the Ministry of Energy of **Bulgaria**.
17. The China National Space Administration signed the Declaration of Intent to Cooperate on the Belt and Road Space Information Corridor with the United Nations represented by the Office for Outer Space Affairs.
18. The Export-Import Bank of China signed the MOU for the promotion of the 2030 Agenda for Sustainable Development through the Belt and Road Initiative for bridging the digital divide with the International Telecommunication Union.

19. The Ministry of Water Resources of China, the Standardization Administration of China and the United Nations Industrial Development Organization signed the MOU for cooperation on promoting international standards for small hydroelectric power plants.
20. The Certification and Accreditation Administration of China signed a memorandum of agreement with the United Nations Economic and Social Commission for Asia and the Pacific.
21. The Development Research Center of the State Council of China jointly approved with 54 international members and partners of the Silk Road Think Tank Network the Three-Year Work Plan for the Silk Road Think Tank Network (2019-2021).
22. The World Tourism Cities Federation and the West Africa Tourism Organization signed a cooperation framework agreement.
23. The Chinese side further developed the Maritime Silk Road Index by releasing the **CHINA-CEEC Trade Index (CTTI) and Ningbo Port Index (NPI)**.
24. China, the United Nations Office for South-South Cooperation and Finance Center for South-South Cooperation set up the “Air Silk Road” South-South Partnership Alliance and signed a cooperation agreement.

III. Multilateral Cooperation Mechanisms under the BRF Framework

1. China, together with 33 representatives from government transportation and customs departments, key port enterprises, port authorities and terminal operators from 13 countries, including Egypt, Sri Lanka, UAE, **Latvia**, **Slovenia**, Belgium, Spain, Fiji, Italy, the Netherlands, Denmark, **Romania** and Singapore, jointly set up the Maritime Silk Road Port Cooperation Mechanism and released the Ningbo Initiative on the Maritime Silk Road Port Cooperation.
2. Major financial institutions of China, the UK, France, Singapore, Pakistan, the UAE, Hong Kong SAR and other countries and regions signed up to the Green Investment Principles for Belt and Road Development.
3. The Ministry of Finance of China in collaboration with the **Asian Infrastructure Investment Bank**, the Asian Development Bank, the Corporación Andina de Fomento, the **European Bank for Reconstruction and Development**, the **European Investment Bank**, the Inter-American Development Bank, the International Fund for Agricultural Development and the World Bank Group established the Multilateral Cooperation Center for Development Finance.
4. The National Development and Reform Commission of China and the United Nations Development Programme co-initiated the Belt and Road Innovation and Development Platform project, authorizing the China Development Bank to execute in name of the Innovation and Development Center under the project.
5. The Ministry of Ecology and Environment of China jointly launched the BRI International Green Development Coalition with the environmental departments of 25 countries (including Angola, Armenia, Cambodia, Cuba, **Estonia**, Ethiopia, Finland, Gambia, Guatemala, Iran, Israel, Italy, Kenya, Laos, Maldives, Mauritius, Mongolia, Myanmar, Niger, Pakistan, Russia, Singapore, **Slovakia**, Togo and United Arab Emirates), international organizations (including the United Nations Environment Programme, the United Nations Industrial Development Organization and the United Nations Economic Commission for Europe), research institutions and businesses.
6. The China National Intellectual Property Administration and the intellectual property authorities of 49 BRI partner countries including the **Polish Patent Office** and the **Hungarian Intellectual Property Office**, jointly announced the Joint Statement on Pragmatic Cooperation in the Field of Intellectual Property among Countries along the Belt and Road.
7. China established the Belt and Road Energy Partnership with 28 countries including **Hungary**.
8. The National Development and Reform Commission of China (China Center for Urban Development) jointly built the Belt and Road Sustainable Cities Alliance with the UN-Habitat, the WHO, UCLG-ASPAC, Eurocities and the Energy Foundation .
9. The China Council for the Promotion of International Trade, China Chamber of International Commerce, together with the industrial and commercial organizations and legal service agencies from over 30 countries and regions including the **European Union**, Italy, Singapore, Russia, Belgium, Mexico, Malaysia, **Poland**, **Bulgaria** and Myanmar jointly established the International Commercial Dispute Prevention and Settlement Organization (ICDPASO).
10. The Chinese National Commission for UNESCO and UNESCO co-organized the International Youth Forum on Creativity and Heritage along the Silk Roads, and released the Changsha Initiative.

11. The Chinese Academy of Sciences launched the Alliance of International Science Organizations in the Belt and Road Region with 37 national scientific institutions in the Belt and Road Region and international organizations, including the United Nations Educational, the **Bulgarian Academy of Sciences (BAS)**.
12. The National Library of China and libraries from 26 countries and regions including Mongolia, Singapore, Brunei and Tajikistan, jointly established the Silk Road International Library Alliance and adopted the Chengdu Initiative of the Silk Road International Library Alliance.
13. The China Shanghai International Arts Festival and 159 arts festivals and institutions from 40 countries and regions including **Croatia, Bulgaria**, jointly set up the Network of Silk Road Arts Festivals and published the 2018 Future Plans of the Network of Silk Road Arts Festivals.
14. The China Arts and Entertainment Group and 106 theaters and cultural entities from 37 countries and regions including the **EU**, jointly set up the Silk Road International League of Theatres (SRILT) and adopted the Initiative on the Mutual Development of SRILT.
15. The National Art Museum of China and 21 art museums or major fine arts institutions from 18 countries including **Greece, Lithuania, Bulgaria, Hungary and Poland**, jointly founded the Silk Road International Alliance of Art Museums and Galleries.
16. Relevant Chinese think tanks jointly launched the Belt and Road Studies Network (BRSN) with Bulgaria's National Association for the Belt and Road.
17. The Xinhua News Agency and 32 institutions including **Polska Agencja Prasowa (PAP)** jointly established the Belt and Road Economic Information Partnership.
18. The Chinese Academy of Sciences launched the Silk Road Environment Program, under which scientists from countries along the Belt and Road study the pathways and scientific solutions of green Silk Road development.

IV. Investment Projects and Project Lists

19. The National Development and Reform Commission of China signed the document on the priority promotion projects list (2nd round) with the Ministry of Trade and Industry of the **Czech Republic**.
20. The China Everbright Group will co-launch the Belt and Road Initiative Green Investment Fund with financial institutions of relevant countries.

V. Financing Projects

1. The Export-Import Bank of China signed loan agreements on road projects with the Ministry of Finance of **Serbia**.

VI. Projects by Local Authorities and Enterprises

Local authorities and enterprises built the China-Serbia Friendship Industrial Park in **Serbia**; undertook with Saudi Aramco the Fine Chemicals and Raw Materials Engineering Project in Panjin, Liaoning Province, China; invested in and constructed the project of high-performance radial tires with an annual output of 13.62 million in **Serbia**; developed 1.5mtpa cement clinker project in Nepal;

Appendix 2

List of Deliverables of the Cooperation between China and Central and Eastern European Countries in the years 2012-2017

[published by Ministry of Foreign Affairs of PRC in November 2017]

I. Establish Policy Communication Platform

1. In April 2012, the 1st Summit of China and Central and Eastern European Countries was held in Warsaw, Poland. China and 16 CEEC's jointly issued the Press Communiqué of the Meeting between the Prime Ministers of China and Central and Eastern European Countries. China put forward Twelve Measures for Promoting Friendly Cooperation with Central and Eastern European Countries.
2. In September 2012, the inaugural conference of the Secretariat for Cooperation between China and Central and Eastern European Countries and the 1st China-CEEC National Coordinators' Meeting was held in Beijing, China.
3. In October 2013, the 2nd China-CEEC National Coordinators' Meeting was held in Bucharest, Romania.
4. In November 2013, the 2nd Summit of China and Central and Eastern European Countries was held in Bucharest, Romania, and issued the Bucharest Guidelines for Cooperation between China and Central and Eastern European Countries.
5. In May 2014, the 3rd China-CEEC National Coordinators' Meeting was held in Beijing, China.
6. In November 2014, the 4th China-CEEC National Coordinators' Meeting was held in Belgrade, Serbia.
7. In December 2014, the 3rd Summit of China and Central and Eastern European Countries was held in Belgrade, Serbia, and issued the Belgrade Guidelines for Cooperation between China and Central and Eastern European Countries.
8. In April 2015, the Chinese Ministry of Foreign Affairs appointed the Special Representative for China-CEEC Cooperation.
9. In July 2015, the 5th China-CEEC National Coordinators' Meeting was held in Beijing, China.
10. In July 2015, a delegation of senior CEEC officials visited Sichuan Province, Yunnan Province and Beijing, China.
11. In October 2015, the 6th China-CEEC National Coordinators' Meeting was held in Warsaw, Poland.
12. In November 2015, the 4th Summit of China and Central and Eastern European Countries was held in Suzhou, China, and issued the Suzhou Guidelines for Cooperation between China and Central and Eastern European Countries and the Medium-Term Agenda for Cooperation between China and Central and Eastern European Countries.
13. In February 2016, the 1st Quarterly Meeting of 2016 between the Secretariat for Cooperation between China and Central and Eastern European Countries and CEEC embassies in China was held in Beijing, China.
14. In April 2016, the 2nd Quarterly Meeting of 2016 between the Secretariat for Cooperation between China and Central and Eastern European Countries and CEEC embassies in China was held in Beijing, China.
15. In May 2016, the Conference of the Presidents of the Supreme Courts of China and CEECs was held in Suzhou, China.
16. In June 2016, the 7th China-CEEC National Coordinators' Meeting was held in Haikou, China.
17. In August 2016, a delegation of senior CEEC officials visited Fujian Province and Ningxia Province, China.
18. The 3rd Quarterly Meeting of 2016 between the Secretariat for Cooperation between China and Central and Eastern European Countries and CEEC embassies in China was held in Beijing, China in October 2016.
19. In October 2016, the 8th China-CEEC National Coordinators' Meeting was held in Riga, Latvia.
20. In October 2016, the China-CEEC Political Parties Dialogue was held in Budapest, Hungary.
21. In October 2016, the 5th Summit of China and Central and Eastern European Countries was held in Riga, Latvia, and issued the Riga Guidelines for Cooperation between China and Central and Eastern European Countries and the Riga Declaration on infrastructure and equipment cooperation at the Adriatic-Baltic-Black Sea Seaport.
22. The 4th Quarterly Meeting of 2016 between the Secretariat for Cooperation between China and Central and Eastern European Countries and CEEC embassies in China was held in Beijing, China in December 2016.

23. The Quarterly Meeting between the Secretariat for Cooperation between China and Central and Eastern European Countries and CEEC embassies in China was held in Beijing, China in April 2017.
24. In July 2017, the 9th China-CEEC National Coordinators' Meeting was held in Beijing, China.
25. The China-CEEC Political Parties Dialogue and the 3rd China-CEEC Young Political Leaders' Forum were held in Bucharest, Romania in July 2017.
26. A delegation of high-ranking officials from CEECs visited Beijing, Gansu Province and Hunan Province in August 2017.
27. The 10th China-CEEC National Coordinators' Meeting was held in Budapest, Hungary in October 2017.
28. In November 2017, the 6th Summit of China and Central and Eastern European Countries was held in Budapest, Hungary.

II. Enhance Connectivity

29. In June 2014, the 1st meeting of the China-Hungary-Serbia Joint Working Group on Infrastructure Cooperation was held in Beijing, China.
30. In June 2014, the High-Level Conference on Transport, Logistics and Trade Routes: Connecting Asia with Europe was held in Riga, Latvia.
31. In December 2014, customs representatives from China, Hungary, Macedonia and Serbia signed a framework agreement on facilitation of customs clearance cooperation.
32. In December 2014, China, Hungary and Serbia signed an interdepartmental Memorandum of Understanding on Hungary-Serbia railway cooperation projects.
33. In January 2015, the 2nd meeting of the China-Hungary-Serbia Joint Working Group on Infrastructure Cooperation was held in Belgrade, Serbia.
34. In January 2015, the customs clearance facilitation cooperation mechanism for the China-Europe Land-Sea Express Line among the Chinese, Hungarian, Serbian, Macedonian and Greek Customs was officially established.
35. In March 2015, the 1st Working Group Meeting on Cooperation in Facilitating Customs Clearance Among Chinese, Hungarian, Serbian and Macedonian Customs was held in Shanghai, China.
36. In May 2015, the 1st Customs Control Techniques Workshop for the China-Europe Land-Sea Express Line among the Chinese, Hungarian, Serbian and Macedonian Customs was held in Shanghai, China.
37. In May 2015, the Beijing-Budapest regular flight was launched by Air China.
38. In May 2015, heads of customs of China, Hungary, Serbia and Macedonia met in Xi'an, China, and signed the Cooperation Action Plan for 2015-2016.
39. In June 2015, China signed with Hungary the Memorandum of Understanding on Jointly Building the "Belt and Road" Initiative.
40. In July 2015, the 3rd meeting of the China-Hungary-Serbia Joint Working Group on Infrastructure Cooperation was held in Budapest, Hungary.
41. In September 2015, China Hainan Airlines launched the Beijing-Prague direct flight.
42. In October 2015, the Workshop on Customs Clearance Procedures of Transit Goods and Risk Management among the Chinese, Hungarian, Serbian and Macedonian Customs was held in Skopje, Macedonia.
43. In November 2015, the 4th meeting of the China-Hungary-Serbia Joint Working Group on Infrastructure Cooperation was held in Beijing, China.
44. In November 2015, China signed the Memorandum of Understanding on Jointly Building the "Belt and Road" Initiative with Poland, Bulgaria, the Czech Republic, Serbia and Slovakia.
45. In November 2015, China and Hungary signed an agreement on the development, construction and financing cooperation of the Hungary Section of the Hungary-Serbia Railway.
46. In December 2015, the launching ceremony of the Serbia Section of the Hungary-Serbia Railway was held in Novi Sad, Serbia.
47. In 2015, China signed interdepartmental Memorandum of Understandings on Jointly Building the Silk Road Economic Belt with Macedonia and Romania.
48. In March 2016, the eRegions on the New eAmber and New eSilk Roads Think Tank Meeting was held in Ljubljana, Slovenia.
49. In May 2016, the 1st China-CEEC Transport Ministers Meeting was held in Riga, Latvia. The China-CEEC Secretariat on Logistics Cooperation was established.
50. In June 2016, China Eastern Airlines launched the Shanghai-Prague direct flight.
51. In June 2016, the 2nd Working Group Meeting on Cooperation in Facilitating Customs Clearance Among Chinese, Hungarian, Serbian and Macedonian Customs was held in Budapest, Hungary.

52. In August 2016, China Sichuan Airlines launched the Chengdu-Prague direct flight.
53. In September 2016, the 5th meeting of the China-Hungary-Serbia Joint Working Group on Infrastructure Cooperation was held in Belgrade, Serbia.
54. In September 2016, Air China launched the Beijing-Warsaw direct flight.
55. In November 2016, China signed the Memorandum of Understanding on Jointly Building the "Belt and Road" Initiative with Latvia, and signed bilateral cooperation plans to jointly build the Belt and Road with the government of the Czech Republic.
56. In November 2016, China signed interdepartmental Memorandum of Understandings on port and harbor industrial park cooperation with Latvia, Bulgaria, Lithuania and Croatia.
57. In November 2016, China signed with Hungary an agreement for the establishment of a joint venture company for Hungary-Serbia Railway, a construction contract and a Memorandum of Understanding on financing cooperation. China signed with Serbia a commercial contract for the Belgrade Center-Stara Pazova Section of the Hungarian-Serbian Railway Line and a Memorandum of Understanding on financing cooperation.
58. In 2016, China signed interdepartmental Memorandum of Understandings on enhancing cooperation for Internet Silk Road to promote information connectivity with the Czech Republic, Poland and Serbia respectively.
59. China-CEEC Coordinating Secretariat for Maritime Issues 16+1 was set up in Warsaw, Poland in February 2017.
60. In April 2017, the 1+3 Seminar on Customs Valuation of China-Europe Land-Sea Express Line among Chinese, Hungarian, Macedonian and Serbian Customs was held in Budapest, Hungary.
61. In May 2017, China signed the Memorandum of Understanding on Jointly Building the "Belt and Road" Initiative with Croatia, Montenegro, Bosnia and Herzegovina, and Albania.
62. In May 2017, China and Serbia signed the loan agreements on the modernization and reconstruction of Hungarian-Serbian Railway Line for the Belgrade Center-Stara Pazova Section.
63. In June 2017, the Workshop on Customs Transshipment Operation of China-Europe Land-Sea Express Line among Chinese, Hungarian, Macedonian and Serbian Customs was held in Ningbo, China.
64. In June 2017, The 6th meeting of the China-Hungary-Serbia Joint Working Group on Infrastructure Cooperation was held in Budapest, Hungary.
65. In June 2017, the China-CEEC Customs Cooperation Forum was held in Ningbo, China, and adopted a cooperation initiative on building a partnership of connectivity.
66. In September 2017, China Hainan Airlines launched the Beijing-Prague-Belgrade flight.
67. In June 2016, the 3rd Working Group Meeting on Cooperation in Facilitating Customs Clearance Among Chinese, Hungarian, Serbian and Macedonian Customs was held in Belgrade, Serbia.
68. In October 2017, the 2nd China-CEEC Transport Ministers Meeting & Business Forum was held in Warsaw, Poland.

III. Promote Economic Cooperation and Trade

69. In September 2012, the 7th China-CEEC Agro-trade and Economic Cooperation Forum was held in Hefei, China.
70. In September 2013, the 8th China-CEEC Agro-trade and Economic Cooperation Forum was held in Hefei, China.
71. In May 2014, the 1st China-CEEC Seminar on Innovation, Technology Cooperation and International Technology Transfer was held in Shanghai, China.
72. In June 2014, the China-CEEC Ministerial Meeting on Promoting Trade and Economic Cooperation was held in Ningbo, China, and adopted the Joint Document of China-CEEC Ministerial Meeting on Promoting Trade and Economic Cooperation.
73. In June 2014, the 1st Central and Eastern European Countries' Products Fair (CEEC Fair) was held in Ningbo, China.
74. In August 2014, the China Investment Forum was held in Prague, the Czech Republic.
75. In September 2014, a China-CEEC symposium on investment promotion was held in Xiamen, China.
76. In September 2014, the establishment of China-CEEC Investment Promotion Agencies Contact Mechanism was announced in Xiamen, China.
77. In September 2014, a China-CEEC investment promotion event was held in Xiamen, China.
78. In October 2014, a promotion event dedicated to CEECs was held in Guangzhou, China, during the 11th China International Small and Medium Enterprises Fair.

79. In October 2014, the 9th China-CEEC Agro-trade and Economic Cooperation Forum was held in Bucharest, Romania.
80. In October 2014, an event dedicated to China-CEEC cooperation in environmental technologies was held in Poznan, Poland, during the PolEko fairs.
81. In November 2014, the 2nd Meeting of the Investment Promotion Agencies Contact Mechanism of China and CEECs was held in Warsaw, Poland.
82. In 2014, China signed with Romania and the Czech Republic cooperation documents on peaceful use of nuclear energy.
83. In 2014, China signed with Hungary, Latvia, Serbia, and Macedonia cooperation agreements on quality inspection.
84. In April 2015, the 1st meeting of the China-CEEC Business Council was held in Katowice, Poland.
85. In May 2015, China signed with Hungary a Memorandum of Understanding on nuclear energy cooperation.
86. In June 2015, the launch ceremony of the China-CEEC Association on Promoting Agricultural Cooperation and the China-CEEC Agriculture Ministers' Meeting were held in Sofia, Bulgaria.
87. In June 2015, the 1st China-CEEC Investment and Trade Expo and its side events — the 1st China-CEEC Forum on Cooperation Development, the 2nd China-CEEC Special Products Fair and the 1st China-CEEC Investment Cooperation Seminar were held in Ningbo, China.
88. In September 2015, the 10th China-CEEC Agro-trade and Economic Cooperation Forum and the 1st meeting of the Consultative Board of the China-CEEC Association on Promoting Agricultural Cooperation were held in Budapest, Hungary.
89. In September 2015, the 2nd China-CEEC Seminar on Innovation, Technology Cooperation and International Technology Transfer was held in Bratislava, Slovakia.
90. In November 2015, the China Investment Forum was held in Prague, the Czech Republic.
91. In November 2015, China signed with Slovenia a Memorandum of Understanding on the establishment of the China-CEEC coordination mechanism for forestry cooperation.
92. In February 2016, the 2nd meeting of the Consultative Board of the China-CEEC Association on Promoting Agricultural Cooperation was held in Sofia, Bulgaria.
93. In May 2016, Sarajevo Business Forum 16+1 was held in Sarajevo, Bosnia and Herzegovina.
94. In May 2016, the 1st China-CEEC High-Level Meeting on Cooperation in Forestry and China-CEEC Forestry Business Forum were held in Ljubljana, Slovenia, and adopted an action plan for forestry cooperation coordination mechanism.
95. In June 2016, the 2nd China-CEEC Ministerial Conference on Promoting Trade and Economic Cooperation was held in Ningbo, China and adopted the Ningbo Declaration.
96. In June 2016, the 2nd China-CEEC Investment and Trade Expo and its side events — the 3rd China-CEEC Special Products Fair, the 3rd meeting of the CEEC Investment Promotion Agencies Contact Mechanism, and the 2nd China-CEEC Investment Cooperation Seminar were held in Ningbo, China.
97. In June 2016, the 1st China-CEEC Quality Inspection Cooperation Dialogue was held in Ningbo, China, and issued an initiative on e-certificate and trade facilitation.
98. In October 2016, Poland and Bulgaria participated in the China International Small and Medium Enterprises Fair held in Guangzhou, China.
99. China attended the Brno International Engineering Fair in Brno, the Czech Republic in October 2016 as a partner country.
100. In October 2016, the China-CEEC Energy Projects Dialogue and Cooperation Center was established in Bucharest, Romania.
101. The China Investment Forum was held in Prague in November 2016.
102. In November 2016, the China-CEEC Agriculture Ministers' Meeting was held in Kunming China, issued the Kunming Declaration, and witnessed the signing of a Memorandum of Understanding on cooperation between the Foreign Economic Cooperation Center of Chinese Ministry of Agriculture and the China-CEEC Association on Promoting Agricultural Cooperation.
103. In November 2016, the 11th China-CEEC Agro-trade Forum and the 3rd meeting of the Consultative Board of the China-CEEC Association on Promoting Agricultural Cooperation were held in Kunming, China. The website of the China-CEEC Association on Promoting Agricultural Cooperation was launched. (104) In November 2016, the China-CEEC Conferences on Innovation Cooperation was held in Nanjing, China and issued the Nanjing Declaration.
104. In November 2016, the Technology Transfer Virtual Center of China and CEECs was formally established.
105. In February 2017, the China-CEEC coordination mechanism for forestry cooperation held the 1st meeting.

106. In April 2017, the 4th meeting of the Consultative Board of the China-CEEC Association on Promoting Agricultural Cooperation was held in Mostar, Bosnia and Herzegovina.
107. In April 2017, China-CEEC Agricultural Products and Wine Exhibition was held during the Economic and Trade Fair in Mostar, Bosnia and Herzegovina.
108. In May 2017, the 2nd China-CEEC Cultural and Creative Industries Forum as well as the 11th International Service Trade Forum was held in Beijing.
109. In June 2017, the 3rd Investment and Trade Exposition and its side events — the 2nd China-CEEC Forum on Cooperation Development, the 4th China-CEEC Special Products Fair, and the 3rd China-CEEC Investment Cooperation Seminar were held in Ningbo, China.
110. In June 2017, the 2nd China-CEEC Quality Inspection Cooperation Dialogue was held in Ningbo, China, and issued a joint statement.
111. In July 2017, China Investment Forum was held in Prague, the Czech Republic.
112. In July 2017, China signed with Poland a Memorandum of Understanding on nuclear energy cooperation.
113. China-CEEC Meeting on E-Commerce within the framework of Belt and Road was held in Chengdu in August 2017.
114. The 2nd China-CEEC Agricultural Ministers' Forum as well as the 12th China-CEEC Agro-trade Forum was held in Brdo, Slovenia in August 2017.
115. In August 2017, the 5th Meeting of the Consultative Board of the China-CEEC Association on Promoting Agricultural Cooperation was held in Ljubljana, Slovenia,
116. Delegations from CEECs took part in the 15th China International Agricultural Products Fair held in Beijing in September 2017.
117. In October 2017, the China-CEEC Forestry Research and Education Cooperation International Symposium was held in Beijing, China. CEEC representatives visited the China Yiwu International Forest Products Fair.
118. The China-CEEC Energy Forum and Expo were held in Bucharest, Romania in November 2017. The Forum issued a white paper on energy cooperation dialogue and a minister's statement on conducting joint research for energy cooperation.
119. In November 2017, the 2nd China-CEEC Conferences on Innovation Cooperation was held in Bratislava, Slovakia.

IV. Improve Financial Cooperation Framework

120. In June 2012, Bank of China set up a branch in Warsaw, Poland.
121. In November 2012, Industrial and Commercial Bank of China set up a branch in Warsaw, Poland.
122. In September 2013, the People's Bank of China signed bilateral currency swap agreements with Hungarian National Bank and State Bank of Albania respectively.
123. In December 2014, Bank of China set up a branch in Budapest, Hungary.
124. In December 2014, Bank of China proposed to establish the China-CEEC Coordinated Investment and Financing Framework.
125. In 2014, Hungarian National Bank and National Bank of Poland invested in the Chinese inter-bank bond market as overseas central banks. Bank of Lithuania invested in the Chinese inter-bank bond market as QFII.
126. In 2014, the China-CEEC Investment Cooperation Fund (stage one) was officially launched.
127. In May 2015, the 33rd Meeting of the Central Bank Governors' Club of the Central Asia, Black Sea Region and Balkan Countries was held in Shanghai, China.
128. In June 2015, the Hungary Branch of Bank of China was authorized as the first clearing bank for RMB business in the CEE region.
129. In August 2015, Bank of China set up a branch in Prague, the Czech Republic.
130. In November 2015, Hungarian National Bank entered China's inter-bank foreign exchange market.
131. In April 2016, Bank of China issued 1 billion RMB dim sum bonds on behalf of the Hungarian government.
132. In June 2016, the People's Bank of China signed a bilateral currency swap agreement with National Bank of Serbia.
133. In June 2016, Poland became a formal member of Asian Infrastructure and Investment Bank.
134. In August 2016, National Bank of Slovakia entered China's inter-bank foreign exchange market.
135. In August 2016, Bank of China issued 3 billion RMB panda bonds on behalf of the Polish government.
136. In September 2016, the People's Bank of China renewed the bilateral currency swap agreement with Hungarian National Bank.

137. In November 2016, Industrial and Commercial Bank of China established the China-CEEC financial holding company.
138. In December 2016, China Construction Bank set up a branch in Warsaw, Poland.
139. Since December 2016, Hungarian Forint and Polish Zloty can be directly exchanged in China's inter-bank foreign exchange market.
140. In January 2017, Bank of China set up a branch in Serbia.
141. In January 2017, China UnionPay and the Hungary Branch of Bank of China issued the Chinese RMB and Hungarian forint dual-currency debit card.
142. In April 2017, Czech National Bank issued a banking license for Industrial and Commercial Bank of China.
143. In May 2017, Asian Infrastructure and Investment Bank approved Romania as a new prospective member.
144. In May 2017, Shanghai gold exchange signed a Memorandum of Understanding with Hungary Budapest Stock Exchange in Beijing.
145. In June 2017, Hungary became a formal member of Asian Infrastructure and Investment Bank.
146. In July 2017, Hungary issued 1 billion RMB panda bonds with a three-year maturity in China's inter-bank bond market.
147. In October 2017, OTP bank set up a representative office in Beijing.

V. Strengthen Cultural and People-to-people Bonds

148. In May 2013, the 1st China-CEEC Ministerial Forum on Cultural Cooperation was held in Beijing, China.
149. In June 2013, the 1st China-CEEC Education Policy Dialogue was held in Chongqing, China.
150. In July 2013, the 1st China-CEEC Local Leaders' Meeting was held in Chongqing, China.
151. In August 2013, Chinese Performing Arts delegation visited Lithuania, Latvia and Estonia to purchase programs.
152. In September 2013, curators of national museum of art from CEECs visited China.
153. In October 2013, the 1st China-CEEC Young Political Leaders' Forum was held in Beijing, China.
154. In December 2013, the 1st China-CEEC High-Level Symposium of Think Tanks was held in Beijing, China.
155. Since December 2013, citizens of all 16 CEECs are entitled to 72-hour visa-free transit in ports including Beijing and Shanghai.
156. In April 2014, a delegation of CEEC journalists visited China.
157. In May 2014, the 1st China-CEEC High-Level Conference on Tourism Cooperation was held in Budapest, Hungary, and China-CEEC Association of Tourism Promotion Agencies and Businesses was officially launched.
158. In July 2014, Chinese Performing Arts delegation visited Poland, the Czech Republic and Bulgaria to purchase programs.
159. In August 2014, the 2nd China-CEEC Local Leaders' Meeting was held in Prague, the Czech Republic. China signed a Memorandum of Understanding on Promotion of the Establishment of the Association of Governors of Provinces of China with the Czech Republic.
160. In September 2014, the 2nd China-CEEC High-Level Symposium of Think Tanks was held in Bled, Slovenia.
161. In September 2014, the 2nd China-CEEC Education Policy Dialogue was held in Tianjin, China.
162. In September 2014, the China-CEEC Higher Education Institutes Consortium was established in Tianjin, China.
163. In October 2014, artistic directors of international dance festivals and choreographers from CEECs visited China.
164. In November 2014, a promotion event of Chinese and CEEC tourism products was held at the China International Travel Mart in Shanghai, China.
165. From November to December 2014, delegations of Chinese journalists visited CEECs.
166. From February to October 2015, the Chinese Art Festival was held in Lithuania, Estonia and Latvia.
167. In March 2015, the launch ceremony of the Year of Promotion of China-CEEC Tourism Cooperation was held in Budapest, Hungary.
168. In May 2015, the 1st Meeting of China-CEEC Association of Provincial Governors was held in Hebei Province, China.
169. In May 2015, Chinese Performing Arts delegation visited Hungary, Serbia and Romania to purchase programs.
170. In June 2015, a delegation of CEEC journalists visited Zhejiang Province, Henan Province and Beijing, China.
171. In June 2015, the 1st China-CEEC Health Ministers' Forum was held in Prague, the Czech Republic, and issued the Prague Declaration on health cooperation and development.

172. From July to August 2015, the 1st China-CEEC Summer Dance Camp was organized in Shaanxi Province, China.
173. From August to September 2015, the 2nd China-CEEC High-Level Conference on Tourism Cooperation was held in Bled, Slovenia.
174. In September 2015, the 3rd China-CEEC Education Policy Dialogue and the 2nd meeting of the China-CEEC Higher Education Institutes Consortium were held in Warsaw, Poland.
175. In October 2015, a delegation of artistic directors of CEEC jazz festivals visited China.
176. In October 2015, the 1st Seminar on Radio and Television Program Production for Central and Eastern European Countries was held in Shanghai, China.
177. In October 2015, the 2nd China-CEEC Young Political Leaders' Forum was held in China.
178. In November 2015, the 2nd China-CEEC Ministerial Forum on Cultural Cooperation was held in Sofia, Bulgaria.
179. In December 2015, the 3rd China-CEEC High-Level Symposium of Think Tanks was held in Beijing, China.
180. In February 2016, the News Conference for the 2016 Year of China-CEEC People-to-People and Cultural Exchanges was held in Beijing, China.
181. From April to May 2016, composers of CEECs visited China.
182. In May 2016, the China-CEEC Arts Cooperation Forum was held in Beijing, China.
183. In May 2016, officials from tourism authorities of CEECs attended the 1st World Conference on Tourism for Development in Beijing, China.
184. In May 2016, China-CEEC Dance Culture Union was launched in Beijing Dance Academy.
185. In May 2016, the 1st China-CEEC Literature Forum was held in Budapest, Hungary.
186. In May 2016, a delegation of CEEC journalists visited Guangdong Province, Jiangxi Province and Beijing, China.
187. In June 2016, the 3rd China-CEEC Local Leaders' Meeting and the 2nd Working Meeting of China-CEEC Association of Governors of Provinces and Regions were held in Tangshan, China, and passed the Articles of China-CEEC Association of Governors of Provinces and Regions and the Tangshan Consensus.
188. In June 2016, the 2nd China-CEEC Health Ministers' Forum was held in Suzhou, China, issued the Suzhou Joint Communiqué, and announced the establishment of China-CEEC Association on the Promotion of Health Cooperation, China-CEEC Hospital Cooperation Alliance and the China-CEEC public health cooperation mechanism.
189. In June 2016, the 1st China-CEEC Cultural and Creative Industries Forum was held in Belgrade, Serbia.
190. In June 2016, Chinese Performing Arts delegation visited Slovenia, Slovakia and Croatia to purchase programs.
191. In June 2016, famous painters from CEECs visited Guizhou Province, China.
192. From July to August 2016, the 2nd China-CEEC Summer Dance Camp was held in Yunnan and Guizhou, China.
193. In August 2016, the Beijing International Book Fair with CEECs being the main guests of honor and the China-CEEC Translation Exhibition were held in Beijing, China.
194. The 1st China-CEEC Forum of Capital City Mayors was held in Sofia, Bulgaria in September 2016.
195. The 4th China-CEEC Education Policy Dialogue and the 3rd meeting of China-CEEC Higher Education Institutes Consortium were held in Beijing, China in October 2016.
196. Artistic directors of international opera festivals from CEECs visited China in October 2016.
197. The 1st China-CEEC Experts' Forum on Intangible Cultural Heritage was held in Krakow, Poland in October 2016.
198. In October 2016, the 1st annual meeting of China-CEEC Dance Culture Union was held in Plovdiv, Bulgaria.
199. In November 2016, the Seminar on Sinology Research and Chinese Teaching in Central and Eastern European Countries was held in Riga, Latvia.
200. The Health Qigong Team visited Slovenia and Serbia to hold promotional activities and training sessions in November 2016.
201. In November 2016, the International Forum of China and Central and Eastern European Countries was held in Riga, Latvia.
202. In December 2016, the China-CEEC High-Level Symposium of Think Tanks as well as the closing event of the Year of China-CEEC People-to-People and Cultural Exchanges was held in Beijing, China.
203. China-CEEC Winter Dance Camp was held in Shenzhen in January 2017.
204. The opening ceremony of China-CEEC Year of Media Cooperation as well as Film Exhibition of CEEC was held in Beijing in February 2017.
205. China-CEEC Association of Traditional Chinese Medicine was set up in Budapest, Hungary in March 2017.

206. From January to March 2017, China took part in tourism fairs in Slovakia, the Czech Republic, Hungary and Serbia.
207. In April 2017, the annual meeting of the China-CEEC Dance Culture Union was held in Skopje, Macedonia.
208. China-CEEC Cultural Season was kick-started in China in April 2017.
209. The 1st China-CEEC Cultural Heritage Forum was held in Belgrade, Serbia in May 2017.
210. The 3rd China-CEEC Health Ministers' Forum was held in Budapest, Hungary in June 2017.
211. The 4th batch of journalists from CEECs visited Beijing, Shanghai and Shenzhen in June 2017.
212. The launch ceremony of the Seminar of CEEC scholars was held in Beijing in June 2017.
213. In June 2017, the China-CEEC Mayors' Forum was held in Ningbo, China.
214. In June 2017, China-CEEC Traditional Chinese Medicine Center in Hungary broke ground.
215. In July 2017, a delegation of spokespersons from CEECs visited China and the China-CEEC Spokespersons Dialogue was held in Beijing, China.
216. In July 2017, the International Audit Seminar for SAs along the Belt and Road Routes was held in Nanjing, China.
217. The 3rd China-CEEC Summer Dance Camp was held in Chengdu in July 2017.
218. In August 2017, the 1st China-CEEC Music Camp was held in Macedonia.
219. The 1st China-CEEC Youth Exchange Camp of Future Bridge was held in Beijing and Xi'an in September 2017.
220. In September 2017, China-CEEC Music Academy Union and China-CEEC Arts Creation and Research Center were established in Zhejiang Conservatory of Music.
221. The 1st China-CEEC Development Forum was held in Warsaw, Poland in September 2017.
222. The 3rd China-CEEC Ministerial Forum on Cultural Cooperation was held in Hangzhou in September 2017.
223. In September 2017, China-CEEC Libraries Union was officially launched.
224. The 5th China-CEEC Education Policy Dialogue and the 4th meeting of the China-CEEC Higher Education Institutes Consortium were held in Novi Sad, Serbia in September 2017.
225. The 2nd China-CEEC Capital Mayors Forum was held in Podgorica, Montenegro in September 2017.
226. In September 2017, the 2nd China-CEEC High-level Radio and Television Seminar for journalists and editors was held in Nanjing, China.
227. The 3rd working meeting of the China-CEEC Local Provincial Governors Association was held in Sofia, Bulgaria in October 2017.
228. In October 2017, Directors of CEEC International Folk Art Festival visited China.
229. In October 2017, the 1st Dance Master Workshop was held in Beijing Dance Academy.
230. The 4th China-CEEC High-level Conference on Tourism Cooperation was held in Sarajevo, Bosnia and Herzegovina in November 2017.
231. In November 2017, the China-CEEC Think Tanks Network Conference was held in Budapest, Hungary.
232. In 2016 and 2017, "Martial Arts on the Silk Road" training sessions were held in Hungary, Romania and Croatia

Budapest Guidelines - Implementation of the for Cooperation between China and Central and Eastern European Countries – 2017 to 2018

1. Stage two of China-CEEC Investment Cooperation Fund went into operation in February 2018.
2. The exhibition of Chinese companies and the China-CEEC Agriculture Investment and Equipment Cooperation Fair were held during the Economic and Trade Fair in Mostar, Bosnia and Herzegovina in April 2018.
3. The China-Bulgaria Commercial Law Cooperation Council was established in April 2018.
4. The 2nd China-CEEC Spokespersons Dialogue was held in Budapest, Hungary in April 2018.
5. The Belt and Road and Regional Financial Cooperation Seminar of China-CEEC Inter-Bank Association was held in Beijing and Chongqing, China in April 2018.
6. The 2nd China-CEEC High-Level Conference on Forestry Cooperation, the 2nd meeting of the liaison group of China-CEEC coordination mechanism on forestry cooperation and the China-CEEC Forestry Research Cooperation Seminar were held in Serbia in May 2018 and the 16+1 forestry web-page was officially launched.
7. The China Brand Show (Central Eastern Europe) was held in Budapest, Hungary in May 2018.

8. The 13th China-CEEC Agro-trade and Economic Cooperation Forum, the 7th meeting of the Consultative Board of the Association for Promotion of Agricultural Cooperation between China and CEECs and the 22nd international AgroBalt 2018 exhibition were held in Lithuania in May 2018.
9. The 6th China-CEEC Education Policy Dialogue was held in Shenzhen, China in May 2018.
10. The 5th meeting of China-CEEC Higher Education Institutes Consortium was held in Shenzhen, China in May 2018.
11. The Experts Seminar on Customs Clearance Facilitation Cooperation on China-Europe Land and Sea Express of China, Hungary, Serbia and the Republic of Macedonia was held in May in 2018. The 4th Working Group Meeting was held in June.
12. The second group of composers from CEEC visited China from May to June 2018.
13. The 2nd China-CEEC Senior Dancers Workshop will be held from May to October 2018.
14. The 2nd China-CEEC Arts Cooperation Forum was held in Chengdu, China in June 2018.
15. The meeting on cooperation in maritime issues was held in Szczecin, Poland in June during the World Maritime Day 2018.
16. The 3rd China-CEEC Cultural and Creative Industry Forum was held in Poland in June 2018.
17. The 3rd China-CEEC Ministerial Meeting on Promoting Trade and Economic Cooperation, the 4th China-CEEC Investment and Trade Expo with Latvia as the Guest of Honor, and the 2nd China-CEEC Mayors Forum were held in Ningbo in June 2018.
18. The 2nd Bridge of the Future China-CEEC youths camp exchanges was held in Chinese cities such as Shanghai in June 2018.
19. The first Technology Exchange Meeting of China-CEEC Energy Cooperation was held in June in 2018.
20. The International Think-Tank Conference "Advancing 16+1 Cooperation Platform- the Way Ahead" was held in June 2018 in Sofia, Bulgaria.
21. The 1st 16+1 Summer Jazz Camp will be held in Changchun, China in July 2018.
22. The 4th Dance Summer Camp will be held in Croatia and Hungary in August 2018.
23. The 1st China-CEEC Environment Ministers' Meeting will be held in Podgorica in September, 2018.
24. The 2nd China-CEEC Cultural Heritage Forum will be held in Hangzhou, China in September 2018.
25. The China-CEEC Small and Medium-Sized Enterprise Cooperation Forum will be held in Cangzhou, China in September 2018.
26. The 4th China-CEEC High-Level Conference on Tourism Cooperation will be held in Croatia in September 2018.
27. The 5th China-CEEC High-Level Symposium of Think Tanks will be held in the Republic of Macedonia in September 2018.
28. The 3rd China-CEEC Transport Ministers' Meeting will be held in Serbia in October 2018.
29. The 1st China-CEEC Library Union Forum will be held in Hangzhou, China in October 2018.
30. The 4th Meeting of China-CEEC Investment Promotion Agencies Contact Mechanism will be held in Poland in October 2018.
31. The China-CEEC Qigong Health Forum will be held in Serbia in October 2018.
32. The 3rd 16+1 Conference on Innovation Cooperation will be held in Bosnia and Herzegovina in October 2018.
33. The 4th China-CEEC Local Leaders' Meeting will be held in Bulgaria in 2018.
34. The 2nd China-CEEC Logistics Secretariat Focal Point Meeting will be held in Chengdu, China in November 2018.
35. The China-CEEC Drug Regulatory Cooperation Forum will be held in the Czech Republic in November 2018.
36. The China-CEEC Central Bank Governors' Meeting will be held in Budapest, Hungary in 2018.
37. The China Investment Forum will be held in the Czech Republic in 2018.
38. The 4th meeting of China-CEEC Business Council will be held in 2018.
39. The 16+1 International Agricultural Demonstration Zone will be established in Plovdiv, Bulgaria in 2018.
40. Martial arts experts will be sent to Poland, Romania and other CEECs for "Martial Arts Silk Road"

Sofia Guidelines - Implementation of the for Cooperation between China and Central and Eastern European Countries – 2018 to 2019

1. The China-CEEC Association of Publishing Houses was formally established in Beijing, China, in August 2018.
2. The 4th Dance Summer Camp was held in Hungary and Croatia in August 2018.
3. The 4th China-CEEC High-level Conference on Tourism Cooperation was held in Dubrovnik, Croatia, in September 2018.
4. The China-CEEC Expert Forum on Intangible Cultural Heritage Protection was held in Hangzhou, China, in September 2018.
5. The China-CEEC Literature Forum was held in Ningbo, China, in September 2018.
6. The 1st China-CEEC Environmental Ministers' Meeting was held in Podgorica, Montenegro, in September 2018 and the China-CEEC Environmental Protection Cooperation Mechanism was officially established.
7. The China-CEEC Dialogue and Cooperation Center on Energy Projects sent working groups to Hungary, Lithuania and Latvia in September 2018.
8. The 3rd China-CEEC Transport Ministers' Meeting was held in Belgrade, Serbia, in October 2018.
9. The 3rd China-CEEC Capital Mayor's Forum was held in Belgrade, Serbia in October 2018.
10. The 1st China-CEEC Qigong Health Forum was held in Serbia in October 2018.
11. The 5th China-CEEC High-Level Symposium of Think Tanks was held in the Republic of North Macedonia in October 2018.
12. The special event of China-CEEC Multipurpose Forest Management for Green Future was held in Beijing, China, in October 2018.
13. The China Investment Forum was held in Prague, the Czech Republic, in October 2018.
14. The China-CEEC Library Union was established in Hangzhou, China, in October 2018.
15. The 2nd Customs Cooperation Forum was held in Budapest, Hungary, in October 2018.
16. The 3rd China-CEEC Conference on Innovation Cooperation was held in Sarajevo, Bosnia and Herzegovina, in November 2018.
17. The 1st China-CEEC SME Cooperation Forum was held in Cangzhou, Hebei province, China, in November 2018.
18. The First Expert Forum on Regulation of Medical Products and Medical Devices was held in Prague, the Czech Republic, in November 2018.
19. The 1st China-CEEC Central Bank Governors' Meeting was held in Budapest, Hungary, in November 2018.
20. The Shenzhen CEEC Agricultural Cooperation Matchmaking Conference was held in Shenzhen, China, in November 2018.
21. The China-CEEC Agricultural Products E-commerce Logistics Center and its exhibition hall were officially unveiled at Yantian Port in Shenzhen, China, in November 2018.
22. The 7th meeting of the Consultative Board of the Association for Promotion of Agricultural Cooperation between China and CEECs was held in Shenzhen, China, in November 2018.
23. The 2nd China-CEEC Logistics Secretariat Focal Point Meeting, including China-CEEC logistics cooperation seminar, as well as participation of the Secretariat with an exhibition stand in China Chengdu International Supply Chain and Smart Logistics Expo was held in Chengdu, China, in November 2018.
24. The 12th China-CEEC National Coordinators' Meeting was held in Beijing, China, in December 2018.
25. The China-CEEC Veterinary Research Center was officially unveiled in Sarajevo, Bosnia and Herzegovina, in December 2018.
26. The China-CEEC Forestry Scientific Seminar was held on the side of COP 24 conference in Poland in December 2018.
27. The e-commerce platform 16plus1cloud in Bulgaria started to function in 2018.
28. The 13th China-CEEC National Coordinators' Meeting was held in Zagreb, Croatia, in March 2019.
29. The China-CEEC Global Partnership Center was established in Bulgaria in April 2019.
30. The 2nd meeting of the Board of Directors of China-CEEC Inter-bank Association was held in Croatia in April 2019 with the signing of "Cooperation Initiative of the China-CEEC Inter-Bank Association on Supporting the Development of Small and Medium-sized Enterprises".
31. The website for the China-CEEC SME Coordination Mechanism was established by Croatia in April 2019.
32. The Economic and Trade Fair in Mostar was held in Bosnia and Herzegovina in April 2019.
33. The 2nd China-CEEC Cultural Heritage Forum is being held in Luoyang, Henan province, China, in April 2019.
34. The annual meeting of the Dance Culture Alliance will be held in Belgrade, Serbia, in April 2019.

35. The 3rd meeting of the liaison group of China-CEEC coordination mechanism on forestry cooperation will be held in Poland in April 2019.
36. The 5th meeting of China-CEEC Business Council will be held in Croatia in May 2019.
37. The 4th China-CEEC Agricultural Ministers' Meeting and the 14th China-CEEC Agro-trade and Economic Cooperation Forum will be held in Hangzhou, China, in May 2019.
38. The 2nd China-CEEC Culture and Art Carnival will be held in Beijing, China, in May 2019.
39. The 7th China-CEEC Education Policy Dialogue and the 6th meeting of China-CEEC Higher Education Institutes Consortium will be held in Timisoara, Romania in May 2019.
40. The China International Service Trade Fair will be held in Beijing in May 2019. The 16 CEECs are welcome to attend as main guests.
41. The China-CEEC Expo will be held in Ningbo, China, in June 2019.
42. The 4th China-CEEC Customs Inspection and Quarantine Dialogue will be held in Ningbo, China in June 2019.
43. The 5th working group meeting of Association of Provincial Governors will be held in Dalian in June 2019.
44. The 3rd China-CEEC Mayors Forum will be held in Ningbo in June 2019.
45. The 4th China-CEEC Health Ministers' Forum will be held in Sofia, Bulgaria, in October 2019.
46. The 3rd China-CEEC Customs Cooperation Forum will be held in Sopot, Poland, in October 2019.
47. The 5th China-CEEC High-level Conference on Tourism Cooperation and the first Marco Polo Tourism Award ceremony will be held in Riga, Latvia in October 2019.
48. The 4th China-CEEC Capital Mayors Forum as well as the China-CEEC Capital Business Association Roundtable and the annual meeting of the China-CEEC Tourism Association will be held in Tirana, Albania in October 2019.
49. The 1st China-CEEC Civil Aviation Forum will be held in the Czech Republic in October 2019.
50. The 2nd China-CEEC SME Cooperation Forum will be held in Cangzhou in October 2019.
51. The 4th China-CEEC Ministers' Forum on Culture Cooperation will be held in the Republic of North Macedonia in November 2019.
52. The China-CEEC High-level Fintech Forum will be held and the Fintech Coordination Center will be established in Lithuania in November 2019.
53. The 4th China-CEEC Transport Ministers' Meeting will be held in Bosnia and Herzegovina in 2019.
54. The 2nd Seminar on Financial Cooperation of the China-CEEC Inter-bank Association will be held in China in 2019.
55. The 3rd China-CEEC College Students Ice and Snow Carnival will be held in China in 2019.
56. The China-CEEC winter sports festival of university students will be held in Bosnia and Herzegovina in 2019.
57. China will continue to hold Bridge of the Future China-CEEC youths camp exchanges in 2019.
58. The 5th China-CEEC Summer Dance Camp, China-CEEC Creation Activities and the 2nd China-CEEC Jazz Summer Camp will be held in China in 2019.
59. The 4th China-CEEC Cultural and Creative Industry Forum will be held in Hungary in 2019.
60. The 3rd China-CEEC Spokespersons Dialogue will be held in China in 2019.
61. The 4th Meeting of China-CEEC Investment Promotion Agencies Contact Mechanism will be held in Poland in 2019.
62. The China Investment Forum will be held in Prague, the Czech Republic in 2019.
63. The First China-CEEC women entrepreneurship meeting will be held in Romania in 2019.
64. The China-CEEC Youth Knowledge Contest will be held in China in 2019.
65. The China-CEEC Youth Art Photography Competition in China in 2019.
66. The Education Development and Publishing Innovation Forum will be held by the China-CEEC Association of Publishing Houses in Beijing in 2019.
67. The Conference for the Launching of the Terms of Reference and Action Plan for the Center of Excellence in the field of Smart Cities will be held at Transylvania University of Brasov in 2019.
68. The 4th China-CEEC Conference on Innovation Cooperation will be held in Serbia in 2019.
69. The 6th China-CEEC High-Level Symposium of Think Tanks will be held in 2019.
70. The 5th Working Group Meeting and Experts Seminar on Customs Clearance Facilitation Cooperation on China-Europe Land and Sea Express will be held in 2019.
71. The 3rd Focal Point Meeting for the China-CEEC Logistics Secretariat will be held in 2019. Training Camp in 2018

Appendix 3

Quantitative data graphs and tables 2010-2018

[All data in millions of Euros; Based on data from Eurostat for EU MS and WITS for non-EU MS – adjusted from USD with average annual USD/EUR exchange rates]

Trade – Individual countries and the EU

Albania

Year	2010	2011	2012	2013	2014	2015	2016	2017
Import	218	247	242	227	286	332	389	347
Export	n/a	43	41	79	62	47	57	59

Bosnia and Hercegovina

Year	2010	2011	2012	2013	2014	2015	2016	2017
Import	334	396	418	452	692	558	587	569
Export	3,7	4,2	4,2	5,1	7	14	14	183

Bulgaria

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Import	493	678	758	767	865	969	1040	1110	1317
Export	187	293	595	651	533	536	468	679	748

Croatia

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Import	1.085	1.152	1.157	956	443	525	596	707	816
Export	28	39	37	57	51	70	76	125	133

Czechia

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Import	6.929	8.313	6.965	6.281	7.156	10.528	9.624	10.539	13.161
Export	918	1.199	1.302	1.446	1.542	1.671	1.734	2.137	2.188

Estonia

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Import	336	555	596	575	606	625	642	688	691
Export	112	203	101	99	139	135	167	218	185

Hungary

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Import	6.559	6.189	5.495	5.169	4.813	5.150	5.308	5.611	6.463
Export	1.177	1.239	1.396	1.435	1.408	1.262	1.422	1.578	1.501

Lithuania

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Import	430	451	531	565	666	725	709	823	864

<i>Export</i>	27	57	67	88	102	102	123	179	189
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Latvia

<i>Year</i>	2010	2011	2012	2013	2014	2015	2016	2017	2018
<i>Import</i>	220	301	362	342	355	417	403	440	491
<i>Export</i>	28	46	50	86	107	110	122	146	152

Montenegro

<i>Year</i>	2010	2011	2012	2013	2014	2015	2016	2017
<i>Import</i>	87	102	130	137	132	211	197	209
<i>Export</i>	0,1	0,7	4	3,6	2,5	8	19	6

North Macedonia

<i>Year</i>	2010	2011	2012	2013	2014	2015	2016	2017
<i>Import</i>	216	255	292	275	325	351	400	370
<i>Export</i>	96	91	123	77	69	127	44	51

Poland

<i>Year</i>	2010	2011	2012	2013	2014	2015	2016	2017	2018
<i>Import</i>	6.933	7.432	7.968	8.469	10.558	13.087	14.076	16.316	17.972
<i>Export</i>	1.233	1.333	1.366	1.589	1.683	1.819	1.721	2.060	2.115

Romania

<i>Year</i>	2010	2011	2012	2013	2014	2015	2016	2017	2018
<i>Import</i>	2.548	2.527	2.086	1.972	2.354	2.883	3.440	3.789	4.406
<i>Export</i>	308	390	384	498	567	525	614	737	645

Serbia

<i>Year</i>	2010	2011	2012	2013	2014	2015	2016	2017	2018
<i>Import</i>	904	1.070	1.082	752	1.173	1.379	1.526	1.516	1.571
<i>Export</i>	5	12	15	10	15	22	22	52	67

Slovakia

<i>Year</i>	2010	2011	2012	2013	2014	2015	2016	2017	2018
<i>Import</i>	2.548	2.527	2.086	1.972	2.354	2.883	3.440	3.789	4.406
<i>Export</i>	308	390	384	498	567	525	614	737	645

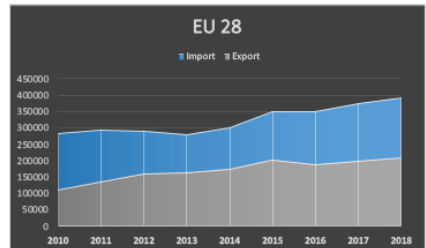
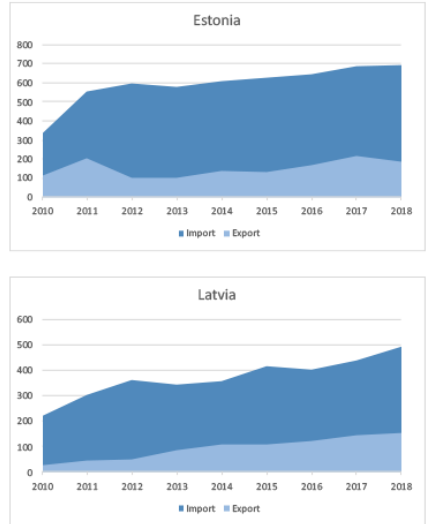
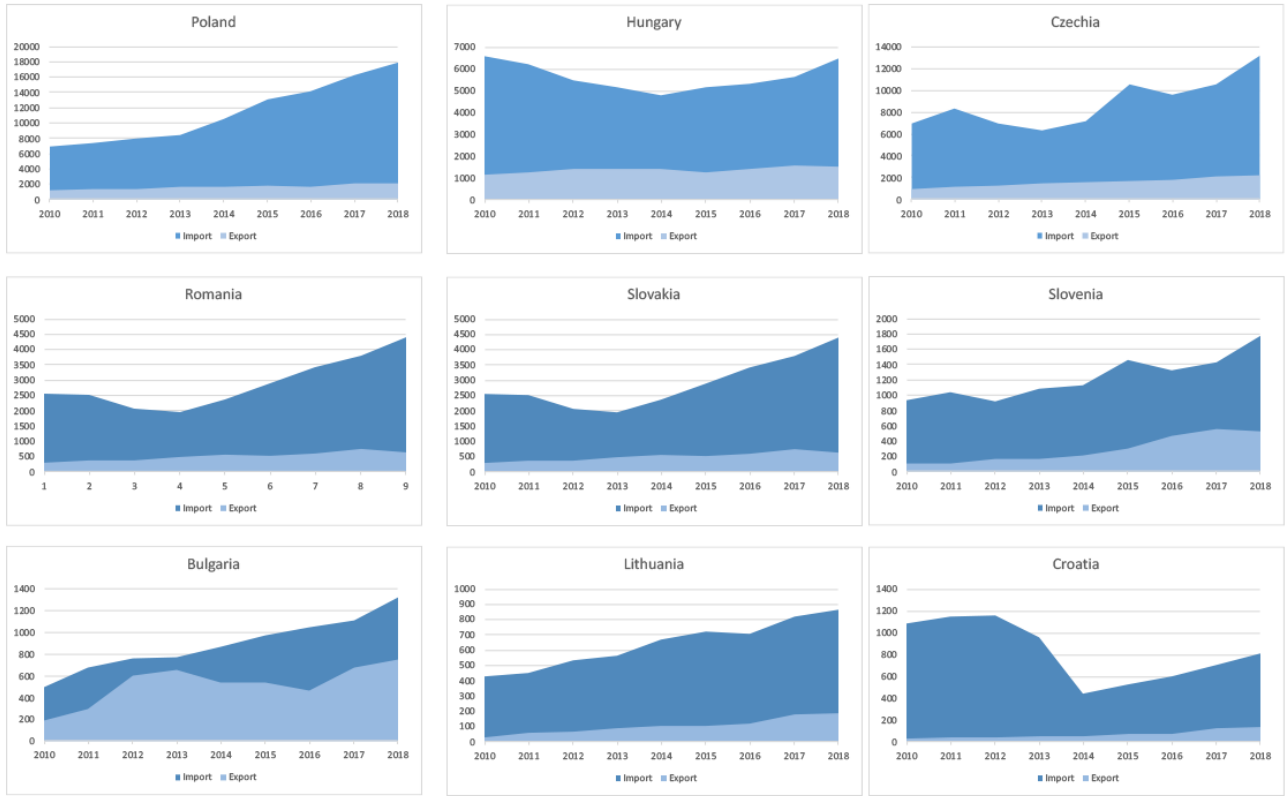
Slovenia

<i>Year</i>	2010	2011	2012	2013	2014	2015	2016	2017	2018
<i>Import</i>	934	1045	912	1081	1131	1459	1321	1436	1778
<i>Export</i>	106	111	168	169	215	294	460	562	531

EU 28

<i>Year</i>	2010	2011	2012	2013	2014	2015	2016	2017	2018
<i>Import</i>	283.931	295.055	292.122	280.119	302.501	351.045	352.279	375.374	393.957
<i>Export</i>	113.453	136.414	159.463	166.328	176.311	204.909	189.505	200.351	209.000

Trade of Central and Eastern European Countries and China 2010-2018



non-EU countries

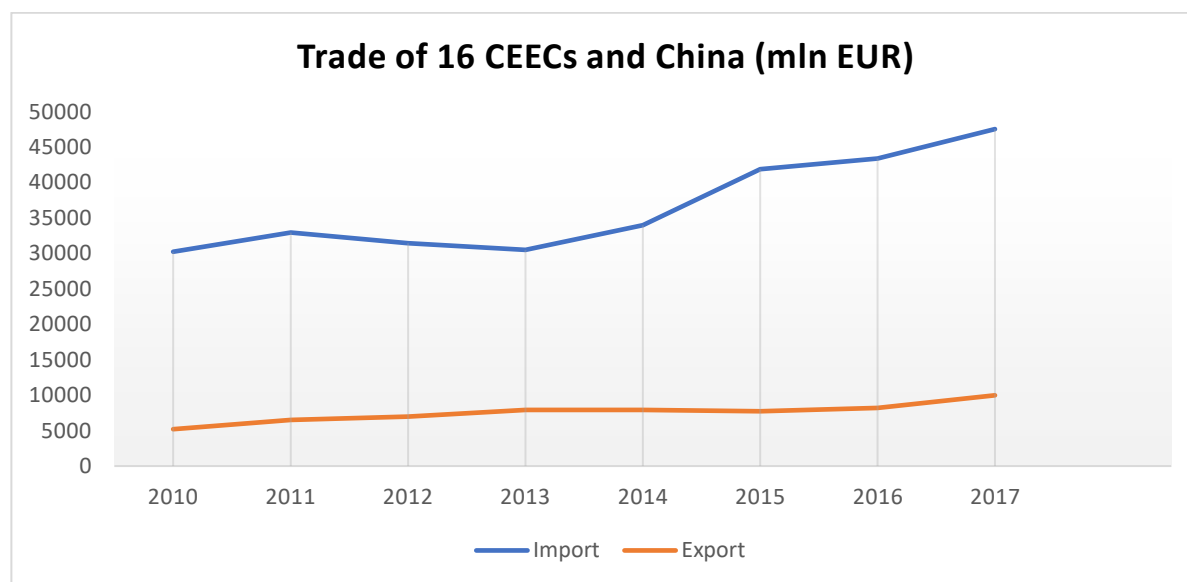
Share in CEECs trade with China in 2017



Trade – Aggregated data for CEECs

CEECs

Year	2010	2011	2012	2013	2014	2015	2016	2017
Import	30.240	32.936	31.412	30.488	34.031	4.1919	43.396	47.547
Export	5.199,8	65.51,9	7.001,2	7.888,7	7.876,5	7.761	8.200	9.983
Balance	-25.040	-26.384	-24.410,8	-22599,3	-26.154,5	-34.158	-35.196	-37.594



FDI inflows - by country 2011-2018

Country	2011	2012	2013	2014	2015	2016	2017	2018
European Union	434 755,4	376 462,1	345 034,5	265 618,6	635 839,9	556 118,2	340 570,4	277 640,2
<i>Bulgaria</i>	2 052,3	1 697,2	1 837,2	460,9	2 660,8	1 109,8	2 607,7	2 058,8
<i>Croatia</i>	1 698,7	1 509,6	960,8	2 879,4	269,6	1 807,7	2 036,9	1 159,4
<i>Czechia</i>	2 317,6	7 984,1	3 639,1	5 492,0	465,1	9 814,8	9 521,7	9 478,9
<i>Estonia</i>	1 004,6	1 564,9	768,9	684,5	35,6	1 095,7	1 712,2	1 309,4
<i>Hungary</i>	6 300,1	14 409,2	3 402,1	7 806,6	- 14 797,3	- 5 752,9	3 260,9	6 389,3
<i>Latvia</i>	1 452,7	1 108,8	902,9	780,1	707,6	173,7	732,5	879,4
<i>Lithuania</i>	1 446,4	700,0	469,1	- 23,3	870,4	263,9	652,3	905,1
<i>Poland</i>	15 925,1	12 423,5	2 734,0	14 268,7	15 270,8	15 690,1	9 178,5	11 476,2
<i>Romania</i>	2 362,9	3 198,5	3 601,4	3 211,4	3 838,9	4 997,0	5 406,1	5 887,7
<i>Slovakia</i>	3 491,3	2 981,7	- 604,1	- 512,1	106,1	805,3	2 276,7	475,1
<i>Slovenia</i>	1 087,4	339,3	- 151,2	1 049,8	1 674,4	1 245,1	782,0	1 418,7
<i>Albania</i>	876,3	855,4	1 265,5	1 110,0	945,3	1 099,9	1 146,1	1 293,6
<i>Bosnia and Herzegovina</i>	496,5	394,9	276,4	550,2	361,1	319,0	448,1	467,7
<i>Montenegro</i>	558,1	619,8	447,4	497,0	699,1	226,3	557,2	489,6
<i>North Macedonia</i>	478,8	142,9	334,9	272,2	240,4	374,3	204,8	737,1
<i>Serbia</i>	4 932,3	1 298,6	2 052,5	1 996,1	2 346,6	2 350,4	2 871,2	4 125,5

Source: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics).