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A DECADE OF SINO-CEE COOPERATION FORMAT

10 years ago, on 26 April 2012, the first summit between China and 16 CEE (Central and Eastern European) countries took place in Warsaw, launching the "16 + 1" format for China's cooperation with the region. The permament secretariat of the format was established at the Chinese Ministry of Foreign Affairs. At the meeting, the then Prime Minister of China Wen Jiabao presented the document "China's Twelve Measures for Promoting Friendly Cooperation with Central and Eastern European Countries". The statement was received with great positivity and enthusiasm. The economic aspect of the statement was very encouraging and consisted of the following plans:



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- creating a special USD 10 billion credit line for soft loans for cooperation projects in the fields of infrastructure, high technology and the green economy;
- promoting active cooperation to increase total trade turnover by USD 100 billion by 2015;
- Establishment of a China-CEE
 Investment Fund with plans to raise
 USD 500 million in the first phase.

Not surprisingly, this start to cooperation has made a particularly positive impression. Over the last decade, there has been a significant economic divide between the CEE countries and Western Europe, the CEE region has often felt at the margins of Western Europe, and insufficient attention has been paid to tackling the region's problems. The unexpected opportunity (prior to the development of the format, China's interest in the region was particularly weak, apart from traditional friendships with Central European countries) to establish close cooperation with the world's second largest economy was particularly tempting.

Ten years after the creation of the format, however, the reality is far from the promises and intentions made. China's promises of huge investment in the region have largely not been met, with extremely uneven funding for projects (and in Montenegro, for example, it has even turned into "corrosive capital"). Although much was expected from the format of China-CEE cooperation, real progress depended on the state of individual countries' bilateral relations with China and the political climate (greater focus on Chinese investors often depended on close political friendship). Over time, the EU and an increasing number of CEE countries have begun to raise concerns about the negative impact of the Chinese-led format on the region and its fragmentation from within, resulting in a milder and more favourable Chinese assessment of some countries in the region. The development of bilateral relations with China has been particularly uneven. Beijing has gained most of its

influence in the Western Balkans (especially Serbia) and in Hungary and Greece, which remain close to China.

In 2021, the virtual summit in Beijing stood out in several respects: China has raised its representation level (represented for the first time by its head, Xi Jinping) to show its growing focus on the region. However, despite this summit representation, 6 countries (including Lithuania, Latvia and Estonia) openly expressed distrust of the format and the benefits it provided by delegating lower-level representatives to the Beijing Summit. Shortly afterwards, on 22 May 2021, Lithuania publicly announced its withdrawal from the format. As highlighted in the 2021 EESC publication "China's Interaction with Central and Eastern Europe: Relationships at Crossroads", the region's changing approach to China, Beijing's aggressive foreign policy, and the growing Sino-Western confrontation after the 2021 Beijing Summit have placed the format in a deep existential crisis. Although Beijing has been active in its efforts and willingness to talk to countries in the region, after the hit to Xi Jinping's authority at the Beijing Summit, the country's media began to talk cautiously about the future of the format, albeit with hope of resolving the crisis. Still, the unexpected invasion of Russia on Ukraine on 24 February and China's pro-Putin neutrality with regard to this war, which shows fairly clear support for Russia's aggression, are fundamentally changing the prospects for China's cooperation with the CEE region. It is very likely that hopes of reviving or reforming the format have completely dashed due to the extremely negative attitude of many countries in the region towards China's position on the war.

Beijing has noticed the region's rapidly changing sentiment towards China. From 18 April to 8 May, Huo Yuzhen, a highly experienced Chinese diplomat (former Ambassador to the Czech Republic and Romania, Special Representative of the Chinese Ministry of Foreign Affairs for China-CEE Cooperation since 2015), whose entire career is related to the CEE region, together with a delegation of business representatives and academics was sent to rescue the deteriorating



Source: MERICS²

ties with the region. In addition, a few days before the visit, the former Chinese ambassadors to Finland and the Czech Republic visited Albania and Greece.

China's concerns about the loss of influence in Central and Eastern Europe and the end of the format are guite obvious, given that Chinese local media publish articles on China-CEE cooperation with extreme caution and infrequency. Although such a visit shows China's significant attention to the region, an article³ published in the Global Times just before did not set a particularly positive tone. The article highlighted a frequent argument about the region's dependence on the US ("deeply influenced by the US"; "some CEEC countries consider condemning Russia as 'politically correct'"; "they see China's stance on Ukraine very emotionally and such emotion has spilled over to bilateral cooperation"). This is not surprising: China has recently placed great emphasis on the importance of Europe's strategic independence in order to reduce U.S. influence on the old continent.

Although the topic of Sino-CEE cooperation in the local media has received significantly less attention in recent times, the period of rescue, including the tenth anniversary of the cooperation format and a high-level visit to the region, has led to an increase in articles and comments by Chinese ambassadors in the region. Here are some examples (from April 20 - May 17):

Articles in Chinese local media

"Strengthening the bonds of destiny for mutually beneficial cooperation: A decade of cooperation between China and the countries of Central and Eastern Europe"⁴

"Cooperation between the CEE and China is full of potential"⁵

"A Chinese diplomatic delegation is heading to 8 CEE countries, sending a strong signal to the outside world: China and Russia oppose the United States, not Europe"⁶

"Opportunity to open a new page for China-CEE cooperation"⁷

Articles by Chinese ambassadors in CEE media

Chinese Ambassador **to Hungary**: "Sino-European cooperation is stable and forward-looking"⁸

Interview with Chinese Ambassador **to Latvia** in Baltic Times⁹

Chinese Ambassador **to Albania**: "Stronger solidarity in a turbulent world"¹⁰

Chinese Ambassador **to Montenegro**: "Caring for global security and development is a shared responsibility of humankind"¹¹

Chinese Interim Chargé d'Affaires **for Serbia**: "Blood clots into a strong friendship to tackle security challenges together"¹²

Chinese Ambassador **to Croatia**: "The Global Security Initiative: China's Plan for World Peace and Tranquility"¹³

Chinese Ambassador **to Slovakia**: "Opportunity to initiate a global security initiative to lead to peaceful development"¹⁴

Chinese Ambassador to Bosnia and Herzegovina: "The Global Security Initiative: China-induced change" 15

Chinese Ambassador **to Poland**: "China's solution to international security challenges"¹⁶

Chinese Ambassador **to Croatia**: "Spread friendly feelings and open a new, mutually beneficial page¹⁷

Although the activism of the media in creating a positive image in both the Chinese local media and the CEE region was evident, the visit of the delegation led by Ambassador Huo did not receive much media attention in the region. The results of the visit have likely disappointed local politicians as well. Even the Chinese local media did not pay significant attention to this event. The visit was followed by a short article, most of which included photos of the meetings, and at the end only mentioned that "Special envoy Huo Yuzhen also briefed the countries on China's position and attitude towards the Ukraine **crisis** and other problems" 18.

This year will mark the first time (except for the 2020 summit, which was cancelled due to the pandemic) that the summit commemorating the decade of cooperation between China and the CEE will not take place. The crisis that befell the format last year was not yet direct evidence of the collapse of the format, but the war in Ukraine has fundamentally changed the prospects for cooperation between China and the CEE. However, even if the format has collapsed, there is certainly no reason to believe that China, an increasingly bold superpower showing its ambitions, will leave the region. Lithuania has publicly announced its decision to withdraw from the format of cooperation between China and the CEE, and the remaining countries, although dissatisfied with their relations with China, have not followed the example of our country and have instead opted for silent disregard. One of the main reasons for this is the increased volume of imports and exports from China to the region and the reluctance to lose access to the country's huge market. The softer stance on China has also been affected by the COVID-19 pandemic and the resulting challenges to national economies. The lack of political will to take more concrete decisions is also due to the fact that EU policy towards China remains fragmented due to internal divisions and differences in attitudes towards China.

In the future, China's focus may be on the Western Balkans, Greece and, in particular, Serbia and Hungary, whose position on the war in Ukraine will undoubtedly lead to significant friction with the EU and the US. China is likely to look for other ways to access the region by creating new environments for cooperation. In addition, the viability and prospects of the Belt and Road Initiative are being questioned. This mega-project, aimed at connecting East and West, seems difficult to implement, especially in view of the growing problems with the project development in the CEE and the change in attitudes towards China, which will undoubtedly be significantly affected by the war in Ukraine.

Endnotes

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