Globalisation and the economic and financial crisis have prompted states and private entities to search for new partners and opportunities. Given its status as a driving force behind the global economy, China is a key partner of the European Union in its efforts to overcome the crisis and identify new markets and investors. Central and Eastern European countries are an indispensable part of the European market and a bridge connecting Europe and Asia. Therefore, they are increasingly seen as a potential growth point in Europe and an important partner of China. The crisis created great opportunities for China – CEECs cooperation, and decision – makers considered the possibility for further enhancing bilateral relations.

From a different perspective, Central and Eastern Europe represents the conjunction area of the great Euro-Asian belt, a strategic geographic position that may lead to strengthened, converging economies and, through such a convergence, to international stability and higher levels of development.

Since 2009, the relationship between China and Central and Eastern European...
countries (CEECs) reached a new pace of interactions. Initiated by the Chinese authorities, the cooperation platform between China and sixteen central and Eastern European countries (also referred to in the diplomatic and media circles as the “16+1” cooperation format) is a relatively new concept, with an imaginative format and an impressive potential of cooperation.

Why CEECs? Some Characteristics of the Central and Eastern European Region

Central and Eastern Europe is not a homogeneous region, in fact, it is quite divergent. Before the fall of the Iron Curtain, it was referred as Eastern Europe with geopolitical meaning. After 25 years from the 1989 revolutions that swept the region, despite the arduous transition, Central and Eastern European states show, with some exceptions nowadays, that democracy and rule of law can prevail in this part of the world, based on economic performance and political maturity. The majority of the countries in the format are full members of the European Union, while the others are in different stages towards accession. One may consider that the focus of the 16+1 cooperation is in the Eastern part of the EU, and too little in China, as there is still no leverage to open up more space for investors and traders from CEECs in China, despite official rhetoric.

It is important to notice that China and CEECs have no historical grievances to share with each other. No bitter memories similar to those in relation with the Western powers that dominated the 19th century of Chinese “humiliation”. In the same vein, and quite different from the Russian Federation, no geopolitical conflict casts any shadow on the overall relationship between China and CEECs, mainly due to the geographical distance. For now, China is and shall remain in the short and middle-term predictions, an Asian Pacific country.

When the New Republic (新 花 Xin Hua) was established in 1949, seven of the CEECs were among the first states in the world to recognize the new political reality of China. Romania was the third state to recognize it. The symbolic value of true friendship is acknowledged by the Chinese leaders in all the high-level contacts, with positive consequences for the overall bilateral relations.

Brief History of the Format and Areas of Cooperation among Participating States

The first meeting of Chinese and CEECs decision-makers took place in Budapest, in 2011, at the level of the ministers of Economy. For the 2012 reunion, heads of Governments from Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Lithuania, Latvia, Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia and Slovenia gathered in Warsaw and witnessed the “Twelve Measures” proposal brought forward by the (then) incumbent Chinese Premier Wen Jiabao, meant to deepening, diversifying and expanding cooperation between the People’s Republic of China and the 16 European states in the format. It was a pragmatic approach of the Chinese polity, that started to think about its relations with CEECs in regional terms and gave additional weight to the area in conducting its foreign policy.

The asymmetry between partners strikes at the very first glance. Serbia and Poland are strategic partners of China in the region. It is worth mentioning that eleven states in the format are already members of the European Union. China seems to perceive the 16+1 format of cooperation as the way of influencing the EU’s policies in the bilateral relation. Closer ties with Central and Eastern EU member states could facilitate China’s entrance on the European market. Beijing can also be expected to create a kind of a Central European lobby within the EU to downplay the normative dimension of the
EU-China dialogue (human rights) or to promote the lifting of the arms embargo.\(^1\)

An important additional factor lies in the fact that five of the participating sixteen states do not - as yet - belong to the EU. It is realistic to expect that the preparatory process of their accession will take time. For their national authorities this is an additional reason for their efforts to find imaginative ways to strengthen their connections with China, the powerhouse of global development.

The “16+1” initiative aims at stimulating mutual trade and investments, strengthening connectivity and cooperation on infrastructure, energy, science and technology, tourism, agriculture, local authorities, education, as well as people-to-people and cultural contacts.

One of the long term goals of China, which can be traced in its activities within the 16+1 format, is to shape positive attitudes towards China in Europe. \textit{Inter alia}, measures envisioned by Beijing comprise the whole spectrum of “soft – power” measures, such as broadening contacts between the political, economic and cultural elites, the increase in students’ exchange, the promotion of the Chinese culture, mainly through the Confucius Institutes in the region.\(^2\)

Another goal of the Chinese authorities is to create economic success stories in China’s relations with the region, especially with the EU Member States. Economic cooperation between China and CEECs is making progress under the framework of the twelve measures announced by former Chinese Premier Wen Jiabao in Warsaw, in April 2012 (mentioned above) and the \textit{Bucharest Guidelines for Cooperation between China and CEECs} jointly released by Premier Li Keqiang and leaders of CEECs in Bucharest, in November 2013. China has become the world’s first economy\(^3\) and the world’s biggest exporter, with greater ability to innovate and growing outbound investment. CEECs are faced with new opportunities for development in such areas as financial services, investment, energy, agriculture, connectivity and infrastructure development, as they try to achieve economic recovery and growth.

On the 6\textsuperscript{th} of September 2012, China – CEECs Secretariat was set up in the Chinese Ministry of Foreign Affairs, led by the Chinese Vice-Minister, Mr. Song Tao. In order to create a more “institutionalized” inter-governmental network, the Chinese authorities launched the proposal that every country in the format would appoint a national coordinator for the bilateral relations with China. The level of representation varies across the institutional spectrum, from members of the Cabinet (minister of Transports in Croatia, former minister delegate for Infrastructure in Romania) to officials in the Ministries of Foreign Affairs of the respective countries (state secretaries, director generals, directors). The first China National Coordinators (CNC) reunion was held in Beijing, in 2012, while the second meeting (at the same time the very first on European soil) took place in Bucharest, in October 2013.

Trade and economic relations are the driving force of cooperation between China and CEECs. Given the kaleidoscope of transitions that characterize the CEECs and China, there are possibilities to learn from each other's best practices during these processes. On the other hand, the development gap between the Western world and the emerging economic powers

\(^1\) Marcin Kaczmarski, Institute of International Relations, University of Warsaw, \textit{Possible Formats of Cooperation between Central Europe and China: Advantages and Disadvantages} (Policy Paper, Think Visegrad – V4 Think – Tank Platform), p.4;

\(^2\) \textit{Ibidem}

\(^3\) According to the International Monetary Fund release on the 8\textsuperscript{th} of October 2014, \url{https://www.transcend.org/tms/2014/10/china-just-overtook-the-us-as-the-worlds-largest-economy (12.04.2015)}
will continue to shrink. The CEECs and China are supporting and promoting investment cooperation between companies from the countries in areas such as scientific and technological innovation, new energy, environmental protection, resource development, agriculture, biotechnology, new materials, logistics, among others, under the principle of complementary and mutual benefit. There is a need for CEECs and China to set up dialogue on economic cooperation and trade, bring economic cooperation and trade onto a higher level, and explore new areas of cooperation for common development, in accordance with their respective laws and regulations and in a spirit of mutual benefit. Based on the principle of complementarity of cooperation, EU member states must always bear in mind the fact that EU legislation and regulations have to be observed. In the same vein, it is necessary to highlight that CEECs cooperation accounts only for 10% of the total European Union’s trade and investment with China. It is a figure that reveals the untapped potential and the need for concrete projects in the future.

Chinese enterprises compete on local markets in the region, and build also manufacturing bases in the region. In November 2009, state-owned auto-giant Dongfeng struck an agreement with Serbian truck maker Fabrika Automobila Priboj (FAP) to assemble vehicles in Serbia. Chinese car maker Great Wall Motor Co and Bulgarian company Litex Motors also started rolling out low-cost cars in February 2011. As such, the region serves as a “training ground” for Chinese companies to gain the industrial maturity and technological sophistication necessary to successfully dominate Western markets. The new realities on the ground also allows China to get around the EU's anti-dumping regulations and export products directly to a market of some 800 million people thanks to free-trade agreements with the EU, Russia, and Turkey.¹

**The Eyes of Brussels: Caveats Set Forward by the European Institutions**

It is no surprise that the rise of China in the last three decades has come as a shockwave to the West, as it deprives it of its hegemonic dominance and the associated economic privileges which form the cornerstone of Western advanced social models. The offshoring and outsourcing of manufacturing jobs towards China imposed severe adjustment costs in Europe, whilst globalization is complicating social cohesion, especially since it increases the wealth and income gap between immobile unskilled labor and mobile capital and professional skills.²

As former President Barroso of the European Commission pointed out, “History has sped up, and that acceleration has brought profound changes to the world. The United Kingdom took 155 years to double its per capita GDP; but 50 years were enough for the United States to do the same; China did it in 15.”³

Against this challenging background, the EU and China are increasingly interdependent. Promoting peace, prosperity and sustainable development are at the core of the EU-China Comprehensive Strategic Partnership. China is a key partner for the EU and one


² Pierre Defraigne, *China’s peaceful Rise also Depends on Europe*, "EU – China Observer", Issue 1, 2014, p. 9,

³ The speech is available at:
of its four strategic partners in Asia. Consequently, the development of the EU-China relationship is very dynamic and continues to grow and expand in scope.

Relations with Central and Eastern European countries are embedded in the strategic framework of China – Europe relations. Beijing’s foreign policy towards Europe has several strata: the relationship with long-established European powers (such as Germany, UK, France, Holland and Italy), the relations with EU institutions and the relations with the so-called “subregions”, i.e. CEECs, Southern Europe and Northern Europe.

In relation to the 16+1 format, the European institutions have presented several arguments that reflect a certain resilience towards the Chinese proposals for cooperation with the 16 European states included in the framework.

Firstly, Brussels argues for a certain “divide et impera” game the Chinese side likes to play on the European continent. The Chinese option for the strengthening of bilateral relations may have as a powerful argument the unique characteristics of the foreign policy decisional structures within the EU, which lay fundamentally on the intergovernmental principle, reaffirmed by the Lisbon Treaty. In other words, the foreign policy decisions are taken by the member states, in their national capacity. The Chinese side replies that pitting one against the other is not a funny game and the format has to move forward, despite misgiving and concern from Brussels and some member states.

Secondly, although the vast majority of EU members seeks privileged relations with China and approach it bilaterally on their own, the deepening of CEECs cooperation with Beijing has led to accusations of undermining the coherence of EU’s policies towards China. The European Commission and the European External Action Service have already declared their dissatisfaction with the emergence of the 16+1 format. Moreover, organizing firstly the China – CEECs Summit at the level of Prime Ministers for two years in a row (2013 and 2014) and after less than a week, the EU-China Summit, gives more reasons of discontent to Brussels.

Conclusions

Indeed, while acknowledging the complex bilateral relationship and some irritants that are inevitable in the political sphere, the EU as a whole, the Member States and China have strong arguments to consolidate their partnership in the years to come. New opportunities must be used wisely and open-mindedly in order to maintain the growing pace of the interactions between the parties. This attitude has good chances to transform the “16+1” format into a real opportunity for both the participating states and the European Union as a whole.

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2. Kaczmarski, Marcin, Possible Formats of Cooperation between Central Europe and China: Advantages and Disadvantages (Institute of International Relations, University of Warsaw, Policy Paper, Think Visegrad – V4 Think – Tank Platform);