Nowa Polityka Wschodnia 2019, nr 4 (23) ISSN 2084-3291

DOI: 10.15804/npw20192304 s. 61–81

www.czasopisma.marszalek.com.pl/pl/10-15804/npw

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Three boards: security, economy and the new unknown. The complicated relationship between China and Central and Eastern Europe

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Abstract

Two decades ago, when China economically entered Western Europe for the first time, two dominant narratives emerged. The first one claimed that China's involvement constitutes a great development opportunity for European continent; the other one declared that it's a serious security threat. Those two discourses on China remain dominant until now and the opportunity vs. threat dichotomy can now also be applied to Chinese's policy towards Central and Eastern Europe. The answer for the dichotomy is both. China's engagement means a great opportunity for development for Central and Eastern Europe. The success, however, is uncertain. It may never fulfill due to external factors and the drawbacks may overshadow the benefits.

Keywords: China, Central and Eastern Europe, 1+16, OBOR

Три площадки: безопасность, экономика и новое неизвестное. Сложные отношения между Китаем и Центральной и Восточной Европой

Аннотация

Статья посвящена важной проблеме внешней политики Китая и Центральной и Восточной Европы. В статье анализируется современный политический дискурс на Западе, где преобладают два главных нарратива о Китае: Китай как шанс и Китай как угроза. Сейчас эти дискурсы появляются и в Центральной и Восточной Европе: одни считают Китай угрозой, другие – шансом для стран региона. Автор описывает политику Китая в Центральной и Восточной Европе, ответ на неё со стороны стран региона.

Ключевые слова: Китай, Центральная и Восточная Европа (ЦВЕ), 1+16, Один пояс и один путь

Theoretical Introduction

The theoretical introduction to this article will be based on a broad realist attitude (combining classical realism, neorealism and neoclassical realism) to politics in general and international relations in particular**,** combined with some aspects of the constructivist school (as the lines that separate them are not always very clear) as well as asymmetry theory.

In China realism (in its different forms) remains the dominant school of political thinking, though naturally embodied in local understanding, vocabulary and discourse; in China foreign policy is almost always viewed through the bluntly realist lens of immediate material interests and military security. This is somehow natural: having such traditions as the ideas of Sun Zi and Han Feizi, the Chinese could be called Godfathers of realism. That is why realist approach to politics seems perfectly adequate to China: "the ruling elites (...) Beijing have been brought up in a realist strategic culture that emphasizes the element of struggle in an often viciously competitive world, where power relations dominate at the expense of allegedly universal values" (Lo, 2008, p. 76). Thus, in China political realism remains the unrivalled school of political thinking, though it is expressed in their own language and local wording (here the constructivist aspect of this theoretical introduction must be added, Reus-Smith, 200, pp. 487–509;

Copeland 2000, p. 187). Traditionally China has acted according to realist assumptions in international relations, but based not on the objective structure of the international system, but rather on a specific historical strategic culture – the roots of *Realpolitik* in China are ideational and not predominantly structural (Johnston, 1995). In other words, China always follows its interests, not universal values; but these interests are understood in the Chinese way, in accordance with Chinese beliefs and system of values.

In understanding the cultural and ideational background of Chinese interests, one must take into account the historical heritage of China, particularly the world order with China at the center before 1842, or the tianxia system ("all under heaven", Mancall, 1971, pp. 3–38). The tianxia system was "an abstract notion embodying the idea of a superior moral authority that guided behaviour in a civilized world" (Babones, 2016). This world order did not necessary involve any significant political control by China, however, "it did require the lesser political entities to recognize a hierarchical structure with China at the apex"(Maung Aung Myo, 2011, p. 1). That is why the Western colonialism ("hundred years of national humiliation", *bai nian guo chi*) was such a profound shock for the Chinese elites – all Chinese political actions after 1911 (and certainly after 1949) may be understood as ways to liberate China from its sorry condition and bring back the former glory (to "regain its right place"). Since 20th century, too, China has tried to reconcile its own historical legacy with the Western-dominated system. Since Deng Xiaoping's reforms Beijing has decided that the cornerstone of its approach to the international order would be peace and development (Deng Xiaoping, 1985; Bolesta, 2015).

China chooses peace not as a philosophical abstract, nor even as a good propaganda slogan, but as a practical political philosophy that originates from realistic assumption of its own limitations. In other words, China prefers peace and rejects war, but not out of moral reasons. Chinese pacifism, contrary to European, does not originate from rejection of war as a political mean, but derives from a pure political rationale. It's a reference to classical Sun Zi thought where it is better not to conduct a war unless it is absolutely necessary – war is a risky, uncertain and dangerous mean of politics (Sun Tzu, 1910). The essence of this approach is based n the following assumption:

it's pointless to use force and risk own casualties, if the same result may be achieved through diplomacy or intrigues (ibidem).

That is why Deng Xiaoping and his collective leadership decided that they need space for reforms – China needed to have secure and peaceful environment to modernize and establishing stable geopolitical environment until now remains top national priority (Bijian, Nolan, 2013). That is why it stresses "peacefulness" and "non-confrontational" (Pan Guang 2007, p. 46; Zhao Huasheng, 2007, pp. 158–159). The peaceful approach is very beneficial. Cooperation with China usually play stabilizing role – countries that trade with China sooner or later realize that is more profitable to maintain stability and gain benefits on economic cooperation than to fight with each other; this is how Chinese engagement promotes peace. This is what Hungarian Prime Minister Victor Orbán meant when he praised China's: "key role in safeguarding global peace and maintaining the necessary global balance in order to preserve peace" (Orban, 2015).

Since Xi Jinping's Chinese Dream and his new foreign policy strategy (from 2014), however, China's actions started to move beyond Deng's consensus and became much more assertive. Xi called for a new development model and two centenary goals: completing the building of a moderately prosperous society by 2021 and – more importantly in the context of foreign policy: realizing the Chinese Dream of the rejuvenation of the Chinese nation (Xi Jinping, 2014, p. 38). In other words, these goals, particularly the latter one, challenge Deng's "*tao guang, yang hui*" concept (though without naming it). Nevertheless, despite Xi Jinping's assertiveness, China's rise is still based on stability and peace around the world (Finkenstein, 2000; Cohen 2006, p. 52) and its policy is subjugated to pragmatic goals of building regional security and the development of economic cooperation (Bijian, 2005). To fulfill these goals, China needs domestic and international peace and that is why China's foreign policy is based on economic logics; its aim is to establish favorable international environment for China's unstoppable development and modernization (domestic development keeps the legitimization of the CCP). Besides, China aim is to gain access to markets, obtain foreign investments (particularly advanced technologies), building connections with international environment that secure permanent development (Zhiquan Zhu, 2010; Goldstein 2005, pp. 102–176; Wang Jisi, 2004). Simply put: China

must develop to survive (and to become the dominant great power again later on), and to develop, it needs contact with the world.

The shown above realist approach must be theoretically supplemented by the asymmetry theory as China-CEE relations are naturally asymmetrical in favour of China, as 16 countries constitute a "B-grade group" inside EU (Fürst, Tesař, 2013) (which EU itself is now China's minor partner). The asymmetry theory explains the fundamental reality of unequal power amongst states and the impact of power's variables on states policies. Conceptually, in accordance with asymmetry theory, the asymmetry between China and CEE can be described in a few ways. The first one would naturally be the Lowell Dittmer's "positive asymmetry" model that is characterized by economic dependence, but not enmity (as in his "negative asymmetry"), where chief beneficiary (China) continuously deludes or coerces lesser beneficiary (CEE), while the lesser beneficiary turns a blind eye on it by believing that this is a temporary necessity (Dittmer, 1985, p. 485). Nevertheless, Ditmmer's model was predominantly a Cold War model intended to explain dynamism in USA-USSR-China triangle and as such not compatible for the present times. That is why more theoretically valuable will be Brantly Womack's asymmetric theory framework. According to him, "normal" relations between states are neither symmetric nor hegemonic, but rather constitute a comprehensive matrix of agreements with autonomy and deference being exchanged in increments rather than complete structural shifts. Here "negotiated hierarchy" rather than dominance and subservience are the most frequent norm, whereas acknowledgment for deference (AFD) is a stable alternative to war between unequal states. This AFD paradigm works in accordance with the following logic: the stronger side (here: China) is more resourceful, but less committed to bringing about specific results in the bilateral relationship, while the weaker side (CEE) is more vulnerable and therefore more alert to threat and committed to survival (Womack, 2010, pp. 372–403). That is why China and CEE would fit into Womack's category of "normalized asymmetry". China-CEE relations are asymmetrical (in favour of Beijing), but asymmetry in international relations does not necessarily mean that the more powerful partner dominates the less powerful one or that the weaker one is hopeless. In the Womack's "normalized asymmetry", the relationship is not harmonious, but both sides are confident of fulfilling their basic interests

and expectations of mutual benefit (ibidem). Finally, China-CEE relations can be described by Krystof Kozáks's Asymmetric Option Model. Both sides' approach towards one another is "open", which translates into resolving bilateral issues cooperatively. China as the stronger partner acts to promote a stable asymmetric relationship, knowing that this is Beijing's responsibility as the stronger partner to minimize misperception and increase involvement in its relations to the weaker partner; and to promote voluntary deference instead of facing resistance (Kozak, 2010).

China in Central and Eastern Europe

Central and Eastern Europe has long been absent in the Chinese *zou chu qu* (going out) strategy – in regard of Chinese investments, Central and Eastern Europe is one the least affected regions in the world (Bruner, 2010; Scissor, 2010). The CEE countries still remain unknown, if not mysterious, for most of Chinese elites – "Most Chinese businesses are only vaguely aware of the existence of (let alone the vast differences among) the 16 CEE countries (…) If a Chinese businessperson merely learns that Poland is known for apples while Latvia is known for trees, that's progress" (Babones, 2016). This neglect has started to change in early 2010s with the introduction of 1+16 formula in Warsaw in 2012, supposing to become a kind of foothold in the European Union – China has been "trying to parlay its economic heft into bigger diplomatic influence in Europe, especially in cash-strapped states in the east and southeast" (Johnston, 2016) CEE region has also been considered as a place to improve China's image – buying political goodwill is one of Beijing's unstated purposes (Turcsányi, Matura, Fürst, 2014, pp. 127–141). Judging from present perspective 1+16 formula has had difficulties to start working out, for grouping such different – on many levels from geographical (Balkans, Baltics, Central Europe), cultural (various religious background, from Catholicism via Orthodox Christianity to islam; different pace of secularization and very much different social attitudes), political (non-EU members and EU members, pro and anti-Russian to mention the most important ones) to legal – countries must have been challenging (ibidem). It indicated China's limited of understanding and knowledge of the CEE

region. What do Albania and Estonia have in common? Or Montenegro with Lithuania? Tourism perhaps. And little else.

Although China has developed bilateral relations with single CEE countries such as Hungary, Serbia, Latvia and Czech Republic (the most China-enthusiastic of all mentioned) (ibidem), when taken as a whole picture, the Chinese policy towards the CEE region until 2015 couldn't be considered successful. Naturally, in order to save face, Beijing did not admit the previous failure of the 1+16 formula–forums have been organized and meetings have been held–but the lack of substance was clearly seen. In 2012–2015 the lack of enthusiasm in many CEE countries, stimulated by a reserved approach originating from European Commission and other Western European zones of authority (Vasic, 2016), made it likely that the whole idea would soon blink into oblivion.

The new wind into 1+16 was blown in autumn 2016 with the inclusion of 1+16 format into the OBOR concept and attempts have been made to synchronize it with Thirteenth Five-Year Plan (Kaczmarski, Jakóbowski, Hyndle-Hussein, 2015). This has enhanced the already existing pattern where it is China which is the "driving force of the 16+1 project" (Turcsányi, Matura, Fürst, 2014, pp. 127–141). This itself was accepted by CEE countries, as they strive to adjust their foreign policies to fit in with a more non-Western global world (Long Jin); this is particularly evident in Hungarian PM Victor Orbán's Eastern policy which strives to "catch wind from the East" (Szunomar, 2015, pp. 60–78).

The New Silk Road, or to be correct, Silk Road Economic Belt/Corridor (later: One Belt One Road, OBOR) Initiative was announced by Chinese President Xi Jinping in Astana in September 2013. On September 7th, 2013, Xi presented five most important policy recommendations: to strengthen policy communication, to improve road connectivity, to promote trade facilitation, to enhance monetary circulation and to strengthen people-to-people exchanges (*President Xi Jinping*…, 2013). The most important part of his speech came when he urged to "improve traffic connectivity so as to open the strategic regional thoroughfare from the Pacific Ocean to the Baltic Sea, and gradually move toward the set-up of a network of transportation that connects Eastern, Western and Southern Asia" (*Xi suggests*…, 2013). This laying down an elaborate and enormously expensive network of high-speed,

high-volume railroads as well as oil and natural gas pipelines across the vast breadth of Eurasia is "a breathtaking project to put in place an infrastructure for the continent's economic integration" (McCoy, 2015).

OBOR, however, became something more – "a versatile instrument of Chinese policy", in both the regional and global dimensions (Kaczmarski, 2015). In encompasses many features typical for Chinese diplomacy. It is deeply rooted in the historical context – it "directly refers to the glory days of the Chinese civilization, when China was the centre of the world and was dominant within its neighborhood"; it is becoming a "key element of China's public diplomacy and soft power" (it's a kind of 'packaging' for China's economic expansion, lending it an attractive form"); and also meant to be an illustration of the Chinese philosophy of international relations where all the countries engaged are winners (a popularization of the win-win formula) – it is "intended to promote the image of China as a 'benign' power"; finally it is a flexible formula of flexible formula of dialogue and a base for the development of Chinese political influence (ibidem).

As with other projects, 1+16 was simply incorporated into the OBOR agenda, which followed a general line of Chinese politics: "The idea of the New Silk Road became a political superstructure (…) and provided grounds for measures already undertaken by China which had previously been treated as autonomous moves of a bilateral or multilateral nature. Existing projects or investments in progress can be incorporated into the new concept without additional moves or costs" (Ibid.). This happens also in a way "automatically", as Chinese agencies include almoust every idea to the umbrella of OBOR to please the central leadership. Despite the motivations, however, this move has revived the China-CEE cooperation and helped (perhaps) to conceal the previous failure of 1+16 formula. This is how China saved its face.

The renewed Chinese interest in CEE region was evident during the November 2015 1+16 meeting at Suzhou. "Suzhou guidelines" (Suzhou Guidelines, 2015) was adopted along with the plan for cooperation until 2020 (The Medium Term Agenda, 2015). The most important proposals focus on creation of new infrastructure bank for CEE (that would be a tool for export-import financing), development of transport infrastructure, logistics, industry (manufacturing equipment for transportation needs) and agriculture cooperation (Kaczmarski, Jakóbowski, Hyndle-Hussein, 2015).

Chinese plans, at least official and public, focus on business development and investment – "China's goal in these countries is mainly to boost Chinese infrastructure exports; China has developed the world's largest infrastructure industry and is keen to keep that industry fully employed through export sales. The CEE countries are seen as prime markets" (Babones, 2016). This supposedly originates from economic motives: "Having developed its global presence In Africa, Asia or Latin America for decades, China had to find new and maybe somewhat less obvious partners" and has to utilize every possible chance to find business projects for the overcapacity of its companies and for its abundant financial assets (Turcsányi, Matura, Fürst, 2014, pp. 127–141). The economic priority of 1+16 was evident in the fact that the Suzhou summit was hosted by Li Keqiang, whose main portfolio is the domestic economy, not Xi Jinpeng, who handles sovereign and foreign affairs (Babones, 2016). Besides that China considers Central and Eastern Europe a potential hub and regional countries start to share this vision by believing in opportunities connected to it (those countries, such as Poland, Hungary, and Czech Republic will compete for this role which in turn increases Chinese leverage over CEE).

Being the transit point is nothing to be ashamed of for CEE region. From Beijing's point of view, this is one of the region's main advantages, if not the only one. In this respect, CEE is quite privileged by geography. Moreover, Beijing believes that the absence of history of conflicts will help to decrease social resistance to Chinese initiatives and win the ideological war over hearts and minds of Eastern Europeans. China has one trump card here: the hopes for Chinese funding: grants, loans and investments (Szczudlink-Tatar, 2013). And these are important given the fact that China's engagement may create a new way of development for Central and Eastern Europe's counties. Although China's trade with Central and Eastern Europe is only about 10% of Beijing's total trade with the EU (Szunomar, 2014, p. 178) and the region will not be the main beneficiary of the influx of Chinese goods, it may, however, become a key transit point, a "gateway" to the Western Europe via inland and maritime ports. Regional infrastructure is the main challenge here, particularly the lack of standards; incomplete double tracks railway lines and the lack electrification. Here, China may help with modernization and electrification of railways (Szczudlink-Tatar, 2013). If the cooperation with

China succeeds, the poor CEE countries may find the way of development whereas those already developed CEE countries may keep on developing.

This may happen also thanks to a fact the closer links between CEE region and China may help CEE companies to enter Chinese market. As Polish Government's informal strategy on China indicates, the real chances for success in China lies in Western China, in such provinces and regions as Qinghai, Gansu, Ningxia and Xinjiang (most notably, with Lanzhou New Area, the economic hub of Western China) which present more opportunities than the cooperation with the entire country or only with the eastern provinces, where the "Chinese cake" has already been eaten by a (too) strong competition from Western companies (ibidem). This regionalisation of efforts could become the hallmark of the CEE region's economic presence in China. Opportunities are open companies in industries and sectors such as mining, petrochemical, environmental protection, biomedical, pharmaceutical, green technologies, agriculture processing, chemicals (ibidem).

Moreover, there are prospects for boosting trade. Polish example here is striking – the Chengdu-Łódź direct cargo rail link. This link may become Poland's trump card due to the basic facts: the "rival" link Chongqing-Xinjiang-Duisburg takes 16 days, whereas Chengdu-Łódź 12 days. Furthermore, Chengdu-Łódź is much faster than the sea passage (40–50 days) and is much cheaper than air cargo. Alongside with establishing of a handling centre for goods moving in both directions and/or link the container terminal in Małaszewicze near the Belarusian border with the project the Chengdu-Łódź cargo rail may become one of Poland's main economic assets in the OBOR idea (ibidem).

The most important outcome of cooperation between China and Central and Eastern Europe may be a chance for a "structural change" in CEE (Lubina, 2016, pp. 183–197). The influx of Chinese capital, if it materializes (see below) may offer a chance for a third massive inflow of capital into the region (the first one after transformation in 1989 and the second one after joining European Union in 2004) and a possibility of establishing north – south transportation line (railways and roads linking Southern Europe with Northern Europe, ibidem). China has already "conquered" geography at home (by building railways to Tibet and establishing a nationwide system of high speed railways), now Chinese technology may help to remove the geographic

obstacles (mountains, lack of roads etc.) that blocks in linking Balkans with the Baltics. Thanks to Chinese capital such projects as via Carpathia may materialize. This in turn would not only help to accumulate the capital in the region but also may help to overcome the obstacles of present model of EU-dependent development which, although beneficial, has its own limitations for CEE (ibidem). "Catching the Chinese wind" – to paraphrase one leader's sentence – would be a chance for further development of the CEE EU members countries, once the EU structural founds stop coming in the early 2020s.

Coming back to reality: obstacles

The above mentioned scenario is a dream worth dreaming; one, however, should remember that this is a distant and uncertain possibility. For now there are serious obstacles on the way that overshadow the optimistic scenarios presented above. Several major ones must be mentioned and each single one may dash hopes for the fulfilling OBOR grand scheme.

Therefore, to start with most obvious issue, the openness and vagueness of the OBOR project raises questions of how concrete it is. Its main objectives are not clearly defined, and its nature is imprecise. The Chinese analyst like to say that this project is planned for generations and for decades which raises questions, whether it is at all real. It may turn out to be a simple propaganda effort, without any real effects on China's foreign policy. The lack of any qualitative change in the instruments at the disposal of the '16+1' (China "merely announced the creation of new models of financing, and invited more Chinese and international financial institutions") (Kaczmarski, 2015) may indicate this kind of doubts. Moreover, there are objective problems that may be crucial obstacles to the development of existing railway connections between China and Europe, such as customs procedures, differences in railway systems, the lack of goods that could be exported to China, and the fact that it is still cheaper to send containers by sea (and it will remain so for long).

Moreover, economically speaking, CEE is much constrained in its China policy not only by European Union and its general policies, like trade barriers or visa policies, but also by the "semi-peripheral" (to use Wallerstein's term) structure of the region's economies. Most of CEE countries GDP are being

made by small and medium enterprises which are in themselves not a match for big Chinese state companies – they "are usually too weak to facilitate their own business relations with Chinese counterparts" (Turcsányi, Matura, Fürst, 2014, pp. 127–141). Furthermore, the economic structure (dominance of Western companies) hinders possible cooperation. Here the following example is illustrative: "in the case of the Czech Republic, Hungary and Slovakia approximately 90 percent of exports to China is produced by foreign owned multinational companies. It is clear that governments in Budapest, Bratislava or Prague cannot really influence such trade relations; no matter how good (or bad) their relations are with Beijing" (ibidem).

To make matters worse, the recent economic slow down of China have undermined the previous optimism emerging from the "the dreamers" school (the name taken from *Zhongguo meng*/*China dream* book and concept,). The "dreamers" school claimed the world already entered the „post-American era" where USA is being considered a declining superpower that sooner or later will give way to China (Liu Mingfu, 2015). The 2015 mini-crisis reminded "the dreamers" the wisdom of Deng Xiaoping's "do not raise your heads" [*bu dan tou*] formula (Shambaugh, 2014, p. 5). China is "waking up from the Chinese dream" (Góralczyk, 2015) now and it forces Beijing elites to return to low profile policy and turn to pragmatic economists like Chi Fulin again who calls for „the second reform" (*Di er ci gaige*), meaning more social justice instead of development (ibidem). These domestic turbulences raise questions on whether China (naturally concentrated on domestic issues) would be able and willing to engage more in CEE region if the priorities are clearly at home.

Moreover, the fulfillment of the OBOR depends not only on conditions in Eurasia but on Sino-American relations, too. So far "American can live with 1+16", because the scale of this project is minor (from Washington's perspective) and "The United States actively supports investment engagement with China"; however, "worries arise when the economic becomes political" (Babones, 2016). As shown above, this project is, or may become implicitly political. Given the lack of political subjectivity of Central and Eastern Europe and some of its countries' predisposition to American advices (Poland, Baltic states), USA may find CEE a good place to block China's further development. Therefore any deterioration of Sino-American relations in Asia-Pacific – be it in South China Sea or in Myanmar – should be observed

with anxieties by CEE elites, for such scenario increases chances for US policymakers making negative attention to Chinese engagement in the region, which could effectively diminish or even cancel the whole OBOR idea. The more peaceful Asia-Pacific is the better for Central and Eastern Europe.

Furthermore, the last obstacle lies in the fact that there is no Central and Eastern Europe region as such. No regional identity exists and establishing artificial entities like 1+16 won't create it – the difference between, say, Visegrad group (itself very divided on Russia for example) and Balkans is too clearly visible (Turcsányi, Matura, Fürst, 2014, pp. 127–141). The divergent interests of those countries make establishing a common agenda on China very difficult. Contradiction of interests with Western Europe, itself very influential in CEE, makes even more difficult. The Western European elites already started calling against Chinese investments in the region and undermining it by evoking such ideological factors as human rights (Johnston, 2016) or by making European Parliament recommends against granting China "market economy status" (European Parliament…, 2016). Should the OBOR project materialize in a more concrete way this kind of opposition is likely to enhance. In these circumstances any unification of this region even under such promising idea as cooperation with China seems problematic at best. This lack of unity means that Central and Eastern Europe lacks any vision of cooperation, any clear idea of how the region sees Chinese plans, and what common policy are the CEE countries planning to conduct with regard to Beijing. This is important particularly because of one reason. CEE is already very much constrained in its policy towards China by some of CEE's countries membership in EU (legal issues, trade regulations etc.); where member states still enjoy their full sovereignty, like education or culture, are being developed mostly on a bilateral level" (Turcsányi, Matura, Fürst, 2014, pp. 127–141) – and instead of cooperating, they compete for Chinese attentions.

This example shows that rivalry for Chinese investments between CEE countries, not cooperation or partnership, is a more likely scenario. Instead of a united approach there are individual states polices (Hungarian, Latvian, Serbian, Czech) and their ambitions to play the leading role (Czech Republic, Hungary, Poland). Naturally, for China this lack of CEE unity is not a bad news per se, for Beijing can play off one country against another in the best

"divide and conquer" tradition and play on their hopes for becoming the leader. If the region wants to make this "structural development" however, it must unite, at least for some projects like via Carpathia. So far these hopes for united approach remain a wishful thinking.

Without united approach and a vision of cooperation with China, the region may just become an economic "no man's land" on the OBOR. The Chinese trains and cargo would pass it by on the way to Western Europe. No benefits would materialize for CEE, and the regional geopolitical position instead of improving would deteriorate. CEE region needs to know what to want and how to cooperate with China in details – what niches are to be fulfilled, what products can be sold to China and what are the real areas of possible cooperation. Contrary to some optimists' claim that China's enter to CEE would automatically improve the region's stance, the situation on the ground is more nuanced.

Forecasted (of hoped) Chinese capital's inflow into CEE will not be like waving a magic wand that would make CEE region escape middle income trap (as to do so, a country needs shifting toward higher-added value services and products). This happens out of few reasons. First, the Chinese presence in the region is so far not impressive – for example in V4 countries, "when measured economically, China is in a number of aspects behind other East Asian economies such as Japan, South Korea and Taiwan" (Turcsányi, Matura, Fürst, 2014, pp. 127–141) and so far "much of Chinese influence comes from the expectations held around the region about the 'massive' increase in economic interaction, most recently especially in the form of received investments"; this hasn't however, transferred into "significant increase of economic activities or new investments, which could be explained by the recent increase in political activities" (ibidem). Second, China is not and has never been a charitable organization – it is a serious state that cares for its own profits only. The Chinese strategy is based on finding and taking over the best existing companies and on establishing necessary infrastructure for Chinese commercial purpose (Jakóbowski, 2015). Third, in the FDI, there is "a fundamental contradiction between Chinese and Central European intentions" and "both sides are looking for something different, which is a fundamental problem" (Turcsányi, Matura, Fürst, 2014, pp. 127–141). This results in numbers that are not optimistic: "Chinese investment in the Central

and Eastern European (CEE) region constitutes quite a small share in China's total FDI in Europe (around 10%)" (Szunomar, 2015). The reasons of this lies in the fact that China is mostly "looking for infrastructure investment opportunities (preferably through governmental public procurements), most CEE countries are keen to attract greenfield investments in order to create jobs and industrial production"; that is why "China has barely set up any new facilities in the region – Chinese companies rather pursued acquisitions or infrastructure building opportunities; Central European EU member states can apply for non-refundable financial support for infrastructure development; therefore Chinese loans are not attractive, while any attempts to pay off Chinese construction companies from European funds might likely provoke political turbulences" (Turcsányi, Matura, Fürst, 2014, p. 127–141). If we add unfair Chinese competition, including "dumping" the detritus of its industrial overcapacity in Europe (Johnston, 2016), then the risk scale would be seen clearly.

That is why as long as CEE region won't create a concrete agenda on cooperation with China, it risks marginalizing and following that scenario: the Chinese would build railways, roads, bridges, and ports, using Chinese labor for Chinese capital, Chinese goods, and Chinese profits. In that case, ultimately, CEE would rather lose than win on cooperation with China – it would be overwhelmed by China and/or Western European companies and might just end up as non important transit point.

Successful cooperation with China might not be easy, too, given the lack of knowledge in dealing with China and Chinese companies in the region. This is not about cultural differences as such (because if one may generalize, then CEE societies seem to be much more conservative than Western European ones; for example one sociological survey from Poland on "Asian values" from 2000s showed that Polish society is much more "Confucian" than the Chinese or Korean ones (Jelonek, 2014, pp. 86–121) but rather the lack of knowledge on Chinese business style, business philosophy and practice or business ethics which is very different from the European one. This clash of styles and business cultures may produce damaging results, like the ones in the story of Chinese company Covec in Poland which after disagreeing with Polish partners, abandoned the A2 highway (both Covec and Polish partners blamed each other for the dispute; the nature of which

was rather of a misunderstanding than a purposely hostile action). Covec story has ingrained itself in Polish social psyche and strengthened the social anti-Chinese resentments, already present due to ideological reasons (such as Tibet, human rights etc.) which dominated the narrative on China in Poland throughout 1990s and 2000s. That is why the importance of education and frequent business and people-to-people contacts between Chinese companies and Central and Eastern European ones cannot be overestimated.

To summarize the real obstacles in one sentence, the final outcome of "Chinese entry" into CEE for the region depends on overcoming technical difficulties, domestic situation in China, international dynamism in East Asia but mostly on CEE region abilities to deal with China and with Chinese companies.

Three boards

China's OBOR initiative may bring to Central and Eastern Europe a politically new situation. Political leaders for CEE will now be forced to fight for their countries' interests on three different political boards (Lubina, 2016). The first board is security. In the deteriorating global security conditions of more and more unstable world and growing assertiveness of Russia some CEE countries (Poland, Baltic countries) turn to the United States in hope that US would strengthen its military involvement in the region to deter Russia; that means the need to weaken US willingness to leave Europe and focus entirely on Asia-Pacific. At the same time other CEE countries (like Czech Republic) are caution over growing US military involvement (Lyman, 2016). The second board is economy, or European Union. The 2014–2020 EU budget would be the last one intended to support the newly EU states, so the CEE countries must, at all cost, keep the structural and financial support from EU. This may be difficult given the deteriorating circumstances: financial and migrant crisis – or to be correct, seven simultaneous crises that undermine EU abilities (Góralczyk, 2015) – and the uneasy reality of steadily dissolving Union. The third board that may emerge is China entering to Central and Eastern Europe (naturally this board will not be as important as the two others, at least in the short- and middle-term period). It's a great opportunity but also a great challenge – CEE must make us of this chance to

make further development; at the same time it must not allow to be exploited or/and abandoned. This all produces a complex web of interests that are contradictory in one sphere and complimentary in other: these three boards sometimes overlap each other, sometimes are contrary to one another, and at other times are supplementary.

Conclusion

The described above situation fits into proposed theoretical pattern of asymmetry in favour of China. At the same time, however, it is a stable relationship, because this asymmetry can be classified as "normalized asymmetry" or "positive asymmetry". Such asymmetry exists when the relations are not without strains, but both sides are confident of fulfilling their basic interests and/or expectations of mutual benefits. In other words, benefits (or hopes of benefits) outweigh the losses and both sides consider this situation worth keeping. China-CEE asymmetry, too, is an asymmetry where both China and CEE countries approach is "open". Beijing promotes a stable asymmetric relationship and strives to minimize misperception and increase involvement in its relations. This suggests a possible future success.

From CEE's regional perspective, China's enter to Central and Eastern Europe under the banner of OBOR initiative is a new phenomenon that revives the old "opportunity vs. threat" dilemma. For the region this is a chance to bandwagon to Chinese growth, to make further development and infrastructural revolution, to become a potential hub. The success is uncertain, however. China is not a charitable organization; it aims at boosting Chinese infrastructure exports, taking over the best existing companies and creating the necessary infrastructure for Chinese commercial purposes which hardly fits into CEE countries' interests. That is why CEE regional leaders should approach Chinese side well-prepared. Ultimately, the outcome for the region depends mostly on its abilities to deal with China and with Chinese companies.

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