



China's Multilateral Discourse, and Engagement with Central and Eastern European Countries

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Abstract

China's multilateral diplomacy has distinct characteristics. It is based on the discursive positions of 'peaceful development' and 'shared destiny.' These discourses in effect have shaped the principles of open and inclusive cooperation, and win-win approach. realizing the importance of Central and Eastern Europe (CEE), china has established a 17+1 Cooperation framework in 2012 for the purpose of deeper socio-economic cooperation with CEE countries. China's rise coupled with the CEE countries' need for trade, investment and financial support paved the way for the start of the new profound partnership with the CEE. Though, the cooperation between China and CEE countries under the 17+1 Framework has witnessed a steady growth but it has not achieved the desired results of deeper cooperation and broad policy alignment. In this paper effort has been made to analyze the nature and dimension of the Chinese multilateral diplomacy with special focus on the structure and features of China-CEE cooperation at regional level. This paper is divided into three parts. Firstly, it evaluates the nature and dimensions of China's multilateral approach. Secondly, it explores the discursive sources of multilateral diplomacy of China. And Finally, it explains the China-led 17+1 Regional Framework, its structure and features of cooperation under it.

Key Words: Multilateralism. China. Multilateral Diplomacy. Central and Eastern Europe (CEE). 17+1 Cooperation Framework. Peaceful Development.

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Introduction

Central and Eastern Europe (CEE) has re-emerged as one of the centers of China's foreign policy focus. China's cooperation with the Central and Eastern European Countries (CEEC) has tremendously improved since 2012 with the creation of a 16+1 framework; a China-led multilateral forum. With the inclusion of Greece in the forum in 2019, the forum has expanded and now is known as 17+1, and now it is comprised of seventeen states from the Central and Eastern Europe¹ as members and China is playing the leading role. Chinese policy makers have long anticipated to restore their engagement with the region on the level that had existed before 1989. China had found the opportunity to re-engage with the region after the global financial crisis in 2008. China regards CEE as strategically vital for the Chinese developmental model and a strategic choke point for its engagement with Europe and its influence in the greater region. China's rise coupled with the CEE countries' need for trade, investment and financial support paved the way for the start of the new profound partnership with the CEE.

China's engagement with CEE at sub-regional level is based on trade, investments and people-to-people contacts. Chinese engagement with the CEE is the part of the greater 'Chinese dream of rejuvenation of the nation'² and Belt and Road Initiative (BRI) that is regarded as the grand strategy to realize that dream. Hence the active participation of Europe through the road, rail and maritime infrastructure is needed. By sharing the presence of the CEE countries along the BRI route, this region has become strategically vital for China. On the other hand, China also wants to exploit its historical linkage with Eastern European Countries because these share a background of communist rule before 1989. China is also interested in collaboration with CEE countries especially Central European countries because of their pro-EU approach. China wants to exploit the opportunity to have greater access and influence over the EU behavior towards China.

¹ CEE countries include; Albania, Bulgaria, Croatia, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Montenegro, Macedonia, Poland, Romania, Serbia, Slovakia and Slovenia.

² As stated by Xi Jinping in his speeches, it is based on two goals; the first is to double GDP and per capita income, and to complete the building of a moderately prosperous society in all respects by 2020 and the second is to build China into a modern socialist country that is prosperous, strong, democratic, culturally advanced and harmonious, and achieve the great rejuvenation of the Chinese nation by the middle of the century, which will see the centenary of the PRC.

This paper is divided into three parts. Firstly, it evaluates the nature and dimensions of China's multilateral approach. Secondly, it explores the discursive sources of multilateral diplomacy of China. And Finally, it explains the China-led 17+1 Regional Framework, its structure and features of cooperation under it.

Multilateralism and China's Approach

As back as 1990, Robert O. Keohane defined Multilateralism as "the practice of coordinating national policies in groups of three or more states, through ad hoc arrangements or by means of institutions."³ It gained momentum in theory and practice. Robert Cox emphasized on the utility of multilateralism. According to Keohane "Multilateralism is not just a passive, dependent activity. It can appear in another aspect as an active force shaping world order."⁴ John Ruggie emphasized on the qualitative side of multilateralism and provided that multilateralism occurred when there is a 'coordinating relationship among three and the more states and that is conducted in accordance with certain principles.'⁵ In understanding the multilateralism in its complexity, John Duffield provides a comprehensive picture. He portrays that 'highest level of multilateralism involves clear rules, compliance mechanisms, commitment from the parties and institutionalized structure.'⁶ Literature on the matter provides that multilateralism provides some kind of stability in approach, reciprocity in relations and regulates the overall behavior of the states involved.⁷ As states share the vulnerabilities and intent to attain collective good, it can become a source of international and domestic legitimacy.⁸ It is also claimed that leadership roles in multilateral institutions may also help the governments to facilitate their pursuance of developmental goals and enhance its domestic appeal and support.⁹

³ Robert O. Keohane, "Multilateralism: An Agenda for Research," *International Journal*, Vol. 45, No. 4 (January 1990), 731.

⁴ Robert W. Cox and Timothy J. Sinclair, *Approaches to World Order* (Cambridge: Cambridge University Press, 1996), 494.

⁵ John G. Ruggie, "Multilateralism: The Anatomy of an Institution," *International Organization*, Vol. 46, No. 3 (Summer 1992), 564.

⁶ John Duffield, "Asia Pacific Security Institutions in Comparative Perspective," in Mathai Alagappa (ed.) *Asian Security Practice: Material and Ideational Influences* (Stanford: Stanford University Press, 1998), 243-245.

⁷ Joseph Yu-Shek Cheng, *Multilateral approach in China's Foreign Policy* (London: World Scientific Publishing, 2018), 12.

⁸ *Ibid.*

⁹ A.S. Alexandroff (ed.), *Can the World be Governed? Possibilities for Effective Multilateralism* (Waterloo: Wilfrid Laurier University Press, 2008), 47-49.

China remained suspicious of the security and economic multilateral settings during the Cold War era. After its opening to the world during the Deng period, though it started engaging itself in the multilateral regional forums, significant initiatives took place in 1990s when China actively participated in Asia-Pacific Economic Cooperation (APEC) in 1991 and ASEAN Regional Forum (ARF) in 1994. With the start of the 21st century and especially its entry into the World Trade Organization (WTO) in 2001, it started active multilateral diplomacy to participate in regional, cross-regional and sub-regional settings. The historical record of the Chinese multilateral diplomacy has shown a zig-zag path. Chinese approach towards regional multilateralism changed over the period of time from suspicion and cautiousness to supportiveness and active participation.¹⁰ One significant aspect to note is that China is eager to join, support and promote further institutionalization when it favors it and issues dealt by the organization are considered significant for Chinese interests.¹¹

With the start of the 21st century, Chinese leaders had been convinced that multilateral regional arrangements and organization would best serve as the mechanisms to pursue China's interests, expand its influence and promote multipolarity.¹² This policy of participating and promoting the multilateral forums seems to be in line with Deng Xiaoping's 'opening and reform' and Hu Jintao's 'going out' grand strategy. The purpose of the multilateral diplomacy and engagement with the regional and sub-regional organizations is believed to be to enhance the capacity for economic development through foreign investments, securing energy supplies and acquisition of greater markets for the expanding export products.

China's multilateral approach is claimed to be based on; the principles of mutual trust, win-win cooperation and the concept of common development.¹³ Its nuanced approach and discursive notions have attracted various states and regional organizations of Asia and beyond. As David Shambaugh noticed that China's approach towards ASEAN earned trust and

¹⁰ Chiang-Peng Chung, *China's Multilateral Cooperation in Asia and the Pacific* (New York: Routledge, 2010), 2-3.

¹¹ Ibid.

¹² Ibid., 30.

¹³ "Xi Jinping Calls for the Building of New Type of International Relations with Win-Win Cooperation at the Core in a Speech at the Moscow State Institute of International Relations," March 23, 2013, https://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpcf1_665694/t1024781.shtml

prestige and has resultantly motivated China to embrace further regional and sub-regional multilateral means to conduct its foreign relations.¹⁴ Being encouraged from the successful experience of engagement with ASEAN, it participated in various multilateral forums and even took the lead to establish multilateral forums like China-Africa Cooperation (FOCAC), Shanghai Cooperation Organization (SCO), BRICS, Macau Forum, China-Arab States Cooperation and China-Central and Eastern Cooperation Framework (known as 16+1) and others.

China has maneuvered to take the lead of these organizations in agenda setting and decision-making structure. It has successfully managed the non-inclusion of the comparable great powers,¹⁵ like the US, in these initiatives and has ensured its prominence in these settings. Some even believe that China's multilateral approach is basically based on the utilization of the multilateral forums to manage and advance bilateral relations between the participating countries of the regional settings.¹⁶ China's regional multilateral diplomacy has been pursued by active strategy. China has aligned regional institutions with its signature project of BRI and signed various memorandums and preferential agreements with the participating countries that have enhanced China's influence in the concerned regions.

China's Sub-regional Multilateral Approach

In line with its discourse of 'peaceful and responsible actor,' China has turned towards the sub-regional multilateral forums. On the one hand, Chinese leadership, with the start of the 21st century, was convinced that it had to play some role in the international politics and on the other hand, it was convinced with the fact that bigger regional settings in which military and security related dimensions are involved, would result in power competition and a zero-sum struggle among the major actors. Hence, to 'keeping low-profile' strategy, will to avoid great power competition and adoption of some leadership roles can be counted as the factors that are the basis for the Chinese sub-regional multilateral diplomacy.

¹⁴ David Shambaugh, "China Engages Asia: Reshaping the Regional Order," *International Security*, Vol.29, No.3 (Winter 2005), 64-99.

¹⁵ Lilei Song and Dragan Pavlicevic, "China's Multilayered multilateralism: a case Study of China and Central and Eastern Europe Cooperation Framework," *Chinese Political science Review*, Vol.4 (July 2019), 1.

¹⁶ Jakub Jakobowski, "Chinese-led Regional multilateralism in Central and Eastern Europe, Africa and Latin America: 16+1, FOCAC and CCF," *Journal of contemporary china*, Vol.28, Issue 113 (April 2018), 659-673.

The motivation behind the Chinese turn towards sub-regional forums seems to be based on four rationales; first, it is believed that sub-regional economic and trade cooperation mechanisms are based on the close geographical proximity, connected with transport networks and similar economic conditions. Thus, it would allow China to better engage with the groups and would allow it to attain comparative advantage from the settings.¹⁷ Second, another rationale is that sub-regional arrangements are established mainly for economic and trade purposes and usually involve non-traditional security cooperation dimensions, hence it would be easier and safe for China to actively participate in the forums and to avoid military and security cooperation.¹⁸ Third, Chinese leadership hopes that sub-regional economic and trade cooperation involves a limited number of actors and hence, it would be easier to effectively collaborate and coordinate with them. It is also believed that it would be easier to strengthen mutual trust through win-win cooperation at sub-regional forums.¹⁹ Finally, last but not the least rationale is that Chinese leaders believe that sub-regional cooperation involves few concessions as compared to the regional levels. In this case, China may be able to bargain a less-free trade agreement mechanism and can easily avoid sovereignty issues.²⁰

Chinese Foreign Policy Discourse and Multilateral Diplomacy

Recent Chinese multilateral diplomacy is based on some foreign policy discourses such as the 'New Type of International Relations,' 'New Partnership of Mutual benefit and Community of Shared Future' and 'South-South Cooperation.' These discourses are based on innovative notions promulgated by current Chinese president Xi Jinping. In essence these are the part of Chinese grand Discourses of 'Peaceful Development' and 'harmonious Society' innovated by Deng Xiaoping and Hu Jintao respectively. To understand Chinese Multilateral approach, it is significant to understand the assumptions and underlined utility of these multilateral discourses.

¹⁷ Chiang-Peng Chung, *China's Multilateral Cooperation in Asia and the Pacific*, Op. Cit., 31.

¹⁸ Ibid.

¹⁹ Lilei Song and Dragan Pavlicevic, "China's Multilayered multilateralism: a case Study of China and Central and Eastern Europe Cooperation Framework," Op. cit., 5.

²⁰ Chen Zhiming, *Sub-national Governments and External Affairs* (Beijing: Changzheng chubanshe, 2001), 148-151.

Peaceful Development

Peaceful Development (PD), as a discourse, is regarded as an innovative and indigenous idea of China. It has been foreign policy mantra of Xi's predecessor, Hu Jintao. It is the core idea deeply embedded in China's reform and opening and regarded as the core concept of China's grand narrative.²¹ It is believed to be a long-term idea bent on the premise of maintaining positive and beneficial relations with the outside world.²² PD is regarded as a counter-narrative to the 'China Threat Thesis,' and is the main discursive source to portray China as a responsible and peaceful state not a revisionist power bent on threatening or competing with other smaller or major powers of the world alike. Xi has further emphasized on the narrative of the PD and articulated the nature of China's rise and development as well as its strategy.

Xi articulated that "China has a desire for peaceful development and stability with an assertion of the resolute defense of China's core interests, centered on sovereignty and territorial integrity, security and development."²³ He has affirmed this previous notion but categorically stressed that China will "never seek hegemony, or commit any kind of expansion, will never seek benefit from others at the expense of others," and "will uphold to the international trading system, participate in global economic governance and pursue mutually beneficial cooperation and global stability."²⁴

Under the PD, two major goals of Xi's foreign policy have been unveiled at the 18th National CPC Congress in 2012. Short term and long-term goals are: 1) doubling China's GDP and per capita income by 2020; and 2) making China a "modern socialist, prosperous, strong, democratic, culturally advanced and harmonious" country by mid of the 21st century.²⁵ Both the goals are retained by Xi's administration and elevated these as the part of the 'China Dream,' a project of rejuvenation of the nation; a major vision of Xi's strategy. Xi has emphasized on the realization of the goals through

²¹ Barry Buzan, "The Logic and Contradictions of Peaceful Rise/Development on China's Grand Strategy," *The Chinese Journal of International Politics*, 2014, p. 384.

²² Michael Swaine, "Xi Jinping on Chinese Foreign Relations: the Governance of China and Chinese Commentary," *China Leadership Monitor*, No. 48, <https://www.hoover.org/sites/default/files/research/docs/clm48ms.pdf>

²³ Xi Jinping, *The Governance of China*, (Beijing: Foreign Language Press, 2014), 271-73

²⁴ *Ibid.*, pp 271-293.

²⁵ "Full text of Hu Jinn tao's Report of 18th Party Congress," 27 November 2012, <http://www.china-embassy.org/eng/zt/18th CPC National Congress Eng/t992917.htm>

participating in the international system and engaging China in the world economic and trade system.²⁶

Xi emphasized on the peaceful development as the model for the international relations of the world. Focus on the development through peaceful means, more focus on cooperation than the competition and engagement through trade and economic activities will bring a harmony among the nations of the world hence peace and stability. Peaceful development portrays China's commitment to the establishment of peaceful regional and international scenarios for the development of China as well as the developing world. Chinese scholar Jinghan Zeng, evaluates the approach and claims that "this represents a high-profile Chinese initiative to avoid confrontation between the rising power and the existing hegemony."²⁷

This model is desired to be based on enhanced bilateral dialogues and communication, strengthened military to military collaborations, expanded trade links and open markets and more profound multilateral mechanisms.²⁸ Xi believes that the world has witnessed peaceful and multipolar patterns of growth and development. These countries are more connected and dependent at a level never witnessed in history. This moment has established the basis of the community with shared interests and destiny.²⁹ He emphasized on the need of more comprehensive model of community based on multilateralism through which nations around the world can solve the traditional and non-traditional security issues such as financial crisis, protectionism adopted by some states, interventionism, arms race, terrorism and cyber security.³⁰

New Partnership of Mutual Benefit and Community of Shared Future

Under China's greater peaceful development discourse is 'Community of Common Destiny.' It is regarded as the Chinese leadership's innovative thought linked with the notion of harmonious world and peaceful

²⁶ Full text of Xi Jinping's report at 19th CPC National Congress," *China Daily*, 04 November, 2017, http://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm

²⁷ Zeng, Jinghan. "Constructing a 'New Type of Great Power Relations': The State of Debate in China (1998-2014)." *The British Journal of Politics and International Relations* 18, no. 2 (May 2016): 422–42

²⁸ Xi Jinping, *The Governance of China*, (Beijing: Foreign Language Press, 2014), 306-308

²⁹ *Ibid*, 298

³⁰ *Ibid*

development. Through the analysis of the speeches and writings of the recent Chinese leadership, it focused on the path-dependent development and the notions of common 'fate' and 'destiny.'³¹Emphasis is laid on the vocabulary of 'shared', 'common' and 'future' which shows the inclusive approach of the recent thinking of the Chinese leadership. This Chinese vision has expanded from a narrow focus of the region and the neighborhood to the wider dream of a new world.³² It is believed that rhetoric of 'community of common destiny' (gongtong mingyun gongtongti) has regarded president Xi Jinping's unique foreign policy conception and an essential component of his overall thought. It is hailed by the various Chinese and non-Chinese as the true contribution to multilateralism and the peaceful and cooperative relations of the international society upheld by most of the nations of the world.

This discourse of 'Community of Common Destiny' has a global look and an appeal to the wider community of the nations and regarded as the new model of relationship of the states on a win-win equation. Its basic premise is on mutual respect and collaboration and cooperation on the variety of the issues of the globe instead of the conventional model of relations linked with the cold war mentality. During his visit to Russia in 2013, Xi Jinping proposed the idea to establish a new type of international relations on the basis of mutual-benefits and win-win cooperation. During his speech he said:

"the trend of the times is so mighty and powerful that the best way to come to terms with it is to follow it, not go against it. And to keep up with the times, we cannot have ourselves physically living in the 21st century, but with a mindset belonging to the past, stalled in the old days of colonialism, and constrained by zero-sum Cold War mentality. The world community should jointly push for the building of a new type of international relations with win-win cooperation at the core, and people of all nations should combine their efforts to safeguard world peace and promote common development."³³

³¹ Lutgard Lams, "Examining Strategic Narratives in the Chinese Official Discourse Under Xi Jinping," *Journal of China Political Science*, 23: (2018), p 397.

³² Ibid

³³ "Xi Jinping Calls for the Building of New Type of International Relations with Win-Win Cooperation at the Core in a Speech at the Moscow State Institute of International

It is regarded as in the true equation with the epitome of the United Nations' (UN) charter and vision. It can be evaluated with the fact that UN Human Rights Council adopted it as the part of its vision³⁴ and strategy. Interestingly, this vision fit for the state-to-state, regional and global relations of the states equally. It has the appeal for the neighboring states, regional blocs and developing nations. Best practice of this discourse can be found in the shape of China's relations with the East Asian Nations, Central and Eastern Europe and Latin America. Through this vision and strategy China is hoping to reach at free trade agreements, socio-economic and financial cooperation, maritime cooperative ventures and also to boost cultural and public diplomatic collaboration through official and non-official means.³⁵

Xi has espoused a conception of the political and security community in the region under this notion of Community for Common Destiny. He proposed various cooperative and collaborative ventures such as Belt and Road Initiative (BRI), maritime silk route and free trade agreements that can serve as the baseline for the political and security community in the region. His apparition of the idea of the political and security community is based on the principle of integration of countries supporting one another during the time of need and against the internal and external threats.³⁶ This notion of common destiny is manifested in its greater neighborhood policy as well. During his speech at the Forum Summit of the Conference on Interaction and Confidence Building Measures in Asia (CICA), Xi espoused that it is essential for the stability, security and peace in Asia and beyond.³⁷ This approach also targeted at not only Asia but Africa and Europe as well.³⁸

Relations," March 23, 2013, https://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpcf1_665694/t1024781.shtml

³⁴ Ibid

³⁵ Cheng-yi Lin, "Chinese Response to Obama's Rebalancing to Asia Strategy," in *Asia Pacific Countries and the US Rebalancing Strategy*, ed. David W.F Huang, (New York: Palgrave Macmillan, 2016), 94

³⁶ D.S. Rajan, "china should balance use of hard and soft power-analysis," August 23, 2015, <https://www.eurasiareview.com/?s=china+should+balance+use+of+hard+and+soft+power>

³⁷ "Xi's Speech at CICA Summit Receives High Praises," *People's Daily*, May 23, 2014, <http://en.people.cn/n/2014/0523/c98649-8731334.html>

³⁸ Lutgard Lams, "Examining Strategic Narratives in the Chinese Official Discourse Under Xi Jinping," *Journal of China Political Science*, 23: (2018), p 397.

CEE Countries's Economic and Trade Potentials

Since the 2008 economic crisis, CEE countries have suffered from the negative trends of the world economy. Most of the countries hit by the burdening expenditure, depletion of resources and decreasing GDP and low investment activity. Ironically, export remained the major source of economic growth. From 2009, their exports also fell because of the reduction in international trade. The new economic reality forced the CEE countries to diversify their trade avenue and attract new investments. It made them highly dependent on external trade. This gave China the opportunity to enhance cooperation with them.

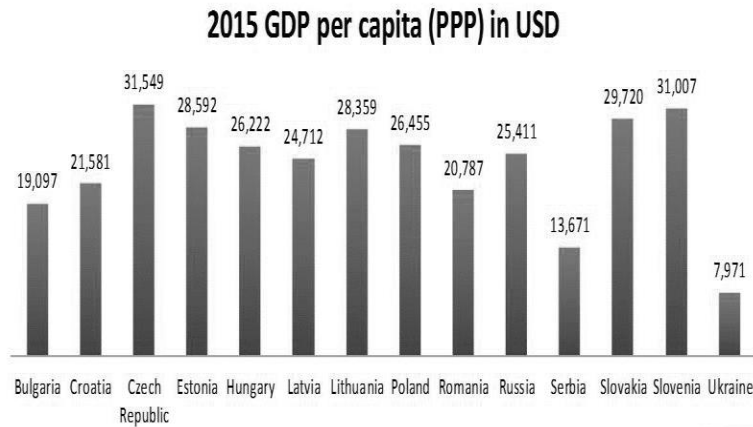
Table 1: Trade Structure of CEE Countries, 2008-2016 in \$ Billion

	One Way Trade	Export-oriented Trade	Import-oriented Trade	Trade Balance
Whole World	3.3%	0.01%	3.3%	-383.6
EU-15	3.5%	3.0%	0.5%	373.8
China	75.5%	4.8%	70.7%	- 438.2

Source: https://china-cee.eu/wp-content/uploads/2018/08/Work_paper-201814.pdf

Though the regional states faced economic hardships since 2012, overall growth of the majority of the states (especially EU-10) remained higher than the average EU growth.³⁹ Before the 2008 economic crisis its trade had heavily relied on Western Europe especially, Germany, Italy and Belgium. Since then, these countries expanded the scope of their exports and imports into different countries and regions. Now China has become the potential source of relative trade growth. CEE countries have benefited from the diversification of trade and integration with the EU. As the trade of the CEE countries grow its economic growth has also witnessed a steady growth. Since the establishment of 16+1 Framework, its overall growth rate and especially its GDP per capita has witnessed a significant up-turn.

³⁹ Lin Yue, "Economic 'Highway' With Three Speed Tracks and Destinations between China and CEE," Working Paper, China-CEE Institute, (June 2018), https://china-cee.eu/wp-content/uploads/2018/08/Work_paper-201814.pdf



CEE countries' trade exports are the major source of their economic growth. There is also diversification of items of exports to other countries. They mainly export agriproducts, petro-chemicals, iron ore, technology, textiles, Electromechanical equipment, building material, processed food, vessels, paper products... etc.

China's Multilateral Engagement with CEE: The 17+1 Framework

China's relations with the Central and Eastern European (CEE) countries are regarded as cooperative and based on multifaceted cooperation. China's engagement with CEE countries institutionalized with the creation of a 16+1 framework in which 16 Central and Eastern European countries and China established a multilateral forum in 2012 for the enhanced trade and investment, and socio-cultural relationship. the 16+1 forum has expanded with the inclusion of Greece and now has become 17+1. The rationale behind this multilateral cooperation is that China and CEE countries share "similar historical experiences, common development tasks and strategic interests."⁴⁰ This framework added a new layer of cooperation between China and Europe. It is regarded as the first sub-regional forum in Europe that is led by extra regional power. With the creation of China-led forum in Europe, it is opined that Europeans are not only pursuing different external trade and investment policies but also that there are different needs,

⁴⁰ "Xi's Speech at CICA Summit Receives High Praises," People's Daily, May 23, 2014, <http://en.people.cn/n/2014/0523/c98649-8731334.html>

interests and future agendas of European states with regards to their relations with China.⁴¹

Establishment of the 17+1 framework has changed the altitude of the relationship between China and CEE countries. It has become a profound mechanism of cooperation and consultation that has established the atmosphere of mutual trust among the participating countries with China. If we look at the historical interaction of these states with China, they had political and economic ties and shared similar ideology and strategic interests. But these relations soured, and the CEE countries had maintained distance from China because of the tensions between USSR, Yugoslavia and Communist China. Hence, the relations between China and CEE countries lagged behind in the post-cold war era.⁴² Even the economic and trade relations were low to the extent that CEE countries' trade with China amounted only one tenth of the total trade volume of China and Europe.⁴³ Hence, the need for a forum for better coordination, consultation was needed for the establishment of trust.

Since the establishment of the 17+1 framework, the cooperation between the two sides has witnessed steady growth. Now the mechanism has institutionalized. Now, annual summits, meetings at ministerial and sub-ministerial levels are being held regularly. It covers cooperation in various areas such as trade and investment, culture, tourism, education, agriculture, research, media and other areas of common interests. Chinese president and prime minister have conducted bilateral visits to the CEE countries and their counterparts from the CEE countries regularly visit China. Besides the high-level visits, lower-level delegations' visits have gained currency. The forum has enabled the participating countries to strategically engage with one another to explore the ways for the attainment of common developmental goals.

⁴¹ Anastas Vangeli and Dragan Pavlicevic, "New Perspectives on China-Central and Eastern Europe Relations," *Asia Europe Journal*, Springer, Vol. 17, No. 4 (December 2019), 362.

⁴² Lilei Song and Dragan Pavlicevic, "China's Multilayered multilateralism: a case Study of China and Central and Eastern Europe Cooperation Framework," *Op. cit.*, 5.

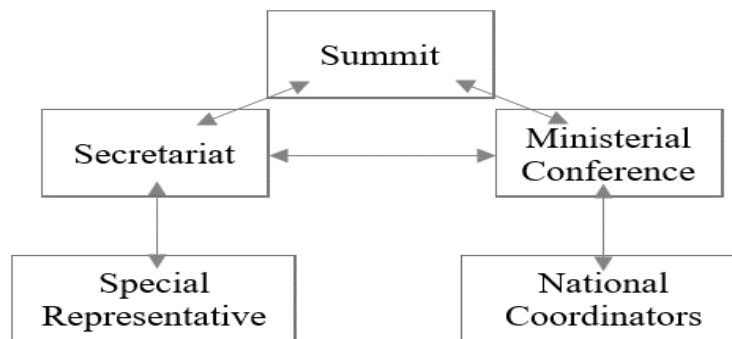
⁴³ "Li Keqiang: China-Central and Eastern Europe Trade volume Doubled in 5 Years," *Beijing News*, 27 November, 2013, http://epaper.bjnews.com.cn/html/2013-11/27/content_480488.htm?div=-1

Structure of the 17+1 Framework

17+1 regional framework between CEE and China has a significant working institutional mechanism. It has five administrative layers under the framework. These can be categorized as; the Annual Summit, Ministerial Meeting, China-CEE National Coordinators' Meeting, China-CEE Cooperation Secretariat and Special Representative of China-CEE cooperation Affairs.

Annual Summit of the chief executive of the state is the prime institutional element of the China-CEE framework of 17+1. Summit is regarded as the decision-making body of the forum. Summit meetings are held annually to outline, deliberate and decide on the matters of the common interests of the participating members. It provides guidelines, principles and direction for the promotion of cooperative relations between the member states.⁴⁴ The very first summit of the organization held in 2012 provided the basic principles known as the "China's twelve measures for promoting friendly cooperation with the Central and Eastern European countries."⁴⁵ These twelve measures set the basic objectives of the organization and provide guiding principles. Summit meetings have regularly been held since 2012 and every summit has been followed by the issuance of "guidelines" that are composed of achievements of the previous year and the goals of the coming year.

Figure 1: Institutional Structure of 17+1 Framework



⁴⁴ Lilei Song and Dragan Pavlicevic, "China's Multilayered multilateralism: a case Study of China and Central and Eastern Europe Cooperation Framework," Op. cit., 6.

⁴⁵ "China's Twelve Measures for the Promoting Friendly Cooperation with the Central and Eastern European countries," 26 January, 2015, http://www.china-ceec.org/eng/ldrhw_1/2012hs/hdxw/t1410546.htm

After the summit, 'Ministerial Meeting' at 17+1 level is the important forum for cooperation between China and CEE countries. This mechanism is designed to cooperate at ministerial level and to steer the cooperation in specific areas according to the guidelines provided by the summit. Important ministerial meetings forums are; China-CEE Ministerial conference on Economic and Trade Promotion, The Transport ministerial Conference on Interconnectivity, Economic Forum, Health Ministerial Forum, Agriculture Ministerial Conference for Agroforestry Cooperation, and others.⁴⁶ These are held after every two years.

Third mechanism under the 17+1 framework is the China-CEE National coordinators' Meeting. Coordinators' meeting, meetings of the Chinese representatives and the representatives of the participating countries' embassies in China collaborate and coordinate with each other under this meeting framework. It is regarded as a tool for the management of different forums, discussion of the areas of cooperation and concerns and monitoring of the progress of the different initiatives under 17+1 framework. Coordinators for this forum are appointed by the participating countries on a ministerial level. Meetings of the coordinators are held twice every year. In addition, embassy-level representatives meet quarterly and serve as a basic channel of cooperation and coordination between the member states.⁴⁷

China-CEE Cooperation Secretariat is the administrative headquarter of the 17+1 framework. It is established in Chinese Ministry of Foreign Affairs. It is established and run by China and is regarded as the first China's internal coordination and agenda setting mechanism that is administering a regional setting. Secretariat is staffed with Secretary-General, Executive Secretary-General, and Deputy Secretary-general. Interestingly, all the staff of the secretariat is appointed by the Chinese authorities. It consists of 24 members and those are appointed from the china's party-state apparatus.⁴⁸ China-led secretariat serves as the agenda-setting platform and is regarded as the key

⁴⁶ Lilei Song and Dragan Pavlicevic, "China's Multilayered multilateralism: a case Study of China and Central and Eastern Europe Cooperation Framework," Op. cit., 6.

⁴⁷ "Cooperation between China and Central and Eastern European Countries," <http://www.china-ceec.org/eng/>

⁴⁸ "Introduction of the Secretariat for Cooperation between China and Central and Eastern European Countries," 20 November 2013, http://www.china-ceec.org/eng/msc_1/mscjt1411097.htm

channel of communication between the 17+1 framework members. It holds the ministerial and embassies' representative meetings and draft the guidelines for the future areas of cooperation.⁴⁹

Besides the institutional mechanisms of 17+1, China has appointed a special representative of China-CEE countries cooperation affairs. Special representative is appointed for the special mission of coordinating between the different government institutions and communicating between different countries of the regional framework. It has also the responsibility to monitor the implementation of the initiatives under 17+1.⁵⁰

Features of China-CEE Countries' Cooperation under 17+1 Framework

China-CEE countries' cooperation under the framework of 17+1 is claimed to be based on the principles of equality, openness, inclusiveness and designed for mutual benefits and win-win outcomes. In November 2016, Chinese Premier Li Keqiang speaking at the 17+1 Economic and Trade Forum pointed out the basic principles of the cooperation. He said: "the "16+1" cooperation mechanism has become increasingly mature and accumulated valuable experience that is worth long-term adherence. First, equal consultation, mutual respect and assistance; Second, mutual benefits, reciprocity and win-win cooperation; Third, openness, inclusiveness and common development; Fourth, interactive development and joint creation and sharing."⁵¹

China regards the 17+1 framework as sub-regional, a collaborative venture outside the EU-China cooperation. China has played the history card as the component of China-CEE cooperation. Chinese leadership has significantly emphasized the traditional relationship of the CEE region with China. They regard CEE countries as traditional partners and emphasize on the re-establishment of great historical relations with those countries. President Xi Jinping's visit to Serbia in June 2016 was portrayed by the Chinese official media as the historic event that would "consolidate the traditional friendship, deepen pragmatic cooperation...and open a new chapter in the

⁴⁹ Ibid.

⁵⁰ Lilei Song and Dragan Pavlicevic, "China's Multilayered multilateralism: a case Study of China and Central and Eastern Europe Cooperation Framework," Op. cit., 8.

⁵¹ "Li Keqiang Attends Sixth Economic and Trade Forum of China and Central and Eastern European Countries and Delivers a Keynote Speech," 06 November 2016, https://www.fmprc.gov.cn/mfa_eng/topics_665678/lkqfwiejssthskstltwyelsbcxxlgjhy/t1413721.shtml

development of relations between China and Central and Eastern Europe.”⁵² Xi Jinping himself emphasized that “since the establishment of the 16+1 cooperation mechanism, an all-round, wide-ranged and multi-level cooperation pattern has been formed, a new path for developing China's relations with its traditional friendly partners has been opened up, an innovative practice for China-Europe relations has been adopted and a new platform of South-South cooperation featuring characteristics of South-North cooperation has been set up.”⁵³

It can be inferred here that China has established its cooperation framework with CEE regions on the basis of two categorizations; Firstly, it regards post-communist eastern Europe as the traditional friends and allies. Secondly, consider them as developing countries in need of trade, investment and financial stability. Hence, Cooperation between China and the CEE region is based on the discourses of ‘south-south cooperation’ and ‘community of common destiny.’

Distinctive feature of the China-led 17+1 forum from that of other Chinese initiatives is that the political and security component is missing. Major areas of cooperation are; trade and investment, and socio-cultural linkages. This framework is based on the principle of mutual understanding of the developmental plans and paths of the participating countries, cooperative engagement through agreed laws and regulations (with due respect to the domestic laws of the participating countries), and principle of equal consultation and win-win cooperation by taking into consideration of members’ characteristics, need and priorities. China and CEE countries jointly released the Medium-term Plan for Cooperation at the 4th summit in 2015. According to that plan framework comprised of nine major areas of cooperation: economic cooperation; cooperation on connectivity; cooperation on industrial capacity and equipment manufacturing; financial cooperation; agriculture, forestry and quality inspection cooperation; cooperation in science, technology, research, innovation and environmental

⁵² Bartosz Kowalski, “China’s Foreign Policy Towards Central and Eastern Europe: 16+1 Format in the South-South Cooperation Perspective, Case Study of the Czech Republic and Hungary,” *Cambridge Journal of Eurasian Studies*, Vol.1, No. 7R65ZH (Spring 2017), 6.

⁵³ “Xi Jinping Holds Group Meeting with CEEC Leaders Attending 4th Summit of China and CEEC,” 26 November 2015, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1319541.shtml

protection; cultural, educational, youth support and tourism cooperation; health cooperation; and cooperation at local level.⁵⁴

China has attached its signature project of BRI with the China-CEE 17+1 framework. Participating countries are encouraged to become a part of the project and to avail the developmental model of BRI for the development of road, rail and infrastructures. 17+1 forum is also believed to be utilized to gain support from the CEE countries to make it a success. The purpose for attachment of BRI with 17+1 seems to be based on China's motivations to get access to CEE and EU markets through road and rail transportation.⁵⁵ China has portrayed the BRI as a complementary project of development with that of China-CEE framework. CEE countries situated on the route of BRI are increasingly participating in the project. For example, China has won the project of establishing a high-speed railway linking Romania and Serbia. China has heavily invested through the BRI funding.

17+1 framework is believed to be based on the discourse of 'a new type of international relations.' It does not restrict the number of the members at the forum. Rather, it promotes the idea of open and inclusive cooperation. It has attracted the EU countries out of the framework to become a part of the project in various capacities. The inclusion of Greece in 2019 has marked the worth of this feature. Besides Greece, Austria, Switzerland, Belarus and European Bank of Reconstruction and Development have engaged with the forum and are willing to become the participating members.⁵⁶ Representatives have been invited to attend the annual summit. Though EU members still have certain concerns, the openness and inclusive approach of the forum has somehow changed the EU's attitude from initial suspicion to willingness to cooperate with China through this forum as well.

Another distinctive feature of the 17+1 framework is that it has established various sectoral platforms under the leadership of participating states for better coordination on the specific areas of cooperation. These platforms

⁵⁴ "Medium-term Agenda for Cooperation between China and Central and Eastern European Countries," http://www.china-ceec.org/eng/ldrh_1/sz2015/hdxw/t1411475.htm

⁵⁵ Bartosz Kowalski, "China's Foreign Policy Towards Central and Eastern Europe: 16+1 Format in the South-South Cooperation Perspective, Case Study of the Czech Republic and Hungary," *Cambridge Journal of Eurasian Studies*, Vol.1, No. 7R65ZH (Spring 2017), 6.

⁵⁶ Liu Zuokui, "China-CEE Cooperation: China's Building of a New Type of International Relations," *CIRR*, Vol. XXIII, No. 78 (2017), 21.

collect exhaustive information and provide intellectual support to the ministerial conference and the summit. These are the mechanisms established for the parties to exchange their point of views, provide innovative ideas and assist in practical cooperation.⁵⁷ List of the important coordination mechanisms are provided below.

Table 1: Sectoral Collaboration Mechanisms under 17+1 Framework

Coordination Platform	Place of Secretariat
17+1 Agency for tourism promotion and association of Enterprises	Hungary
17+1 Contact Mechanism for Investment Promotion	Poland
17+1 Commercial Union	Poland & China
17+1 Association of Governors	The Czech Republic
17+1 Association for Agriculture Promotion	Bulgaria
17+1 Technology Transfer Center	Slovakia
17+1 Think Tanks Exchange and Cooperation Center	China
17+1 Association for Logistics Cooperation	Latvia
17+1 Association for Transportation Infrastructure Cooperation	Serbia
17+1 Association for Energy Cooperation	Romania
17+1 Association for Maritime Cooperation	Poland
17+1 Coordination Center for Cultural Cooperation	Macedonia

This new sectoral coordination mechanism is regarded as a Chinese new multilateral approach. It gives an operational leading role to participating states within a broader framework. Sectors of coordination are given to the

⁵⁷ Ibid., 27.

member states on the basis of their specific interests and expertise.⁵⁸ Leading countries are expected to manage the forums, organize various conferences, seminars, dialogues, promote different ideas and shape the direction of the cooperation of the sector under control. It is observed that China innovatively has maintained multilateral and country-specific diplomacy and the mechanism of sectoral cooperation is the good example of China's approach of combining multilateralism and bilateralism.⁵⁹

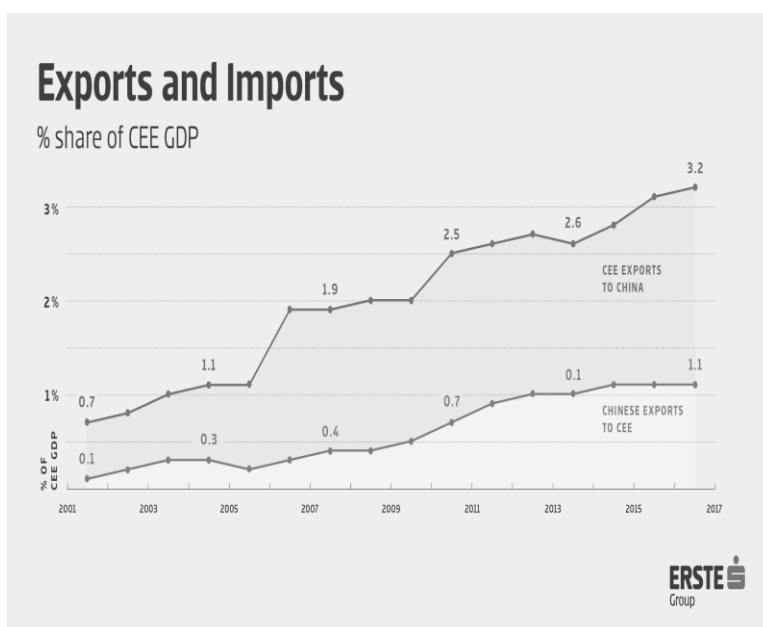
Overall, evaluation of the 17+1 framework shows that China has successfully engaged CEE countries in the regional multilateral setting. Framework has established all the necessary platforms to better coordinate the member states for wider cooperation. Though it lacked the political and security component, it has gained prestige and influence for China. 17+1 with operational capabilities, profound structures and regular interaction and coordination mechanisms has made China an influential extra-regional actor in Europe.

Trade Under 17+1 Framework

China trade with CEE countries has witnessed an upward trend in volume and scope since China's entry into the World Trade Organization (WTO). The trend further accelerated after the 2008 economic crisis. Historically trade cooperation between China and the CEE revolved around in European countries' interests in benefiting from the Chinese cheap labour and raw material. But now the trend has changed because of China's economic rise and the Eurozone crisis. As a result of the crisis labour costs fell in the Eurozone especially in the CEE countries, it has provided an opportunity to take the advantage. It has not only enhanced its trade with CEE countries but also has started investing heavily in the region. 17+1 Framework has provided China and CEE countries to expand their trade and investment. Despite the success of the framework, no miraculous increase in the trade is witnessed and the trade trend is based on the imbalance. With some countries, Chinese trade and investment cooperation has been enhanced while with others it remained slow in progress and low in volume. Hence, where Chinese trade and investment has grown as a result of new cooperation framework, its trade relations have become asymmetric.

⁵⁸ Lilei Song and Dragan Pavlicevic, "China's Multilayered multilateralism: a case Study of China and Central and Eastern Europe Cooperation Framework," Op. cit., 7.

⁵⁹ Ibid., 08.



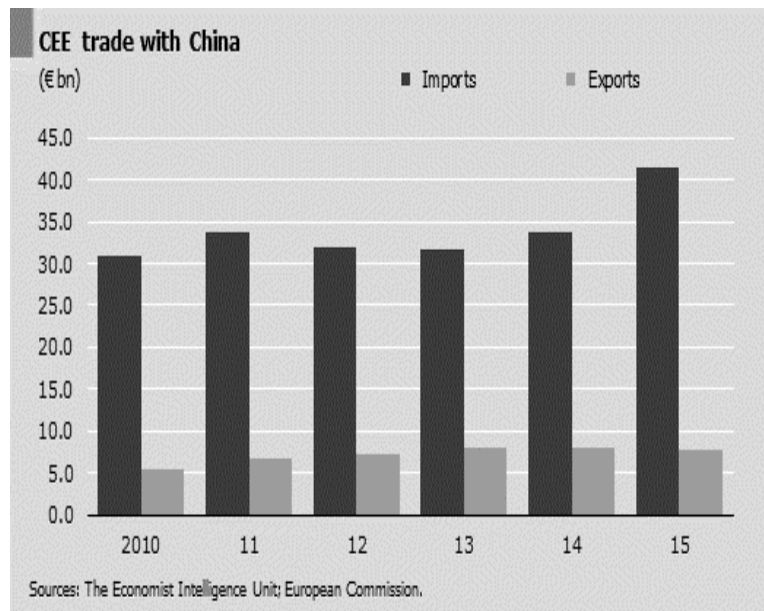
Source: <https://www.erstegroup.com/en/news-media/news-views/2018/05/30-1/china-presence-in-cee>

CEE countries have doubled their exports to China from the period between 2004 and 2015 and have enhanced China's share from 0.33% to 1.57% of their total world exports.⁶⁰ Trade between China and CEE countries grew from 2010-2015 only to half of the target set for 2015. Chinese trade with five countries; Poland, Czech Republic, Hungary, Slovakia and Romania accounted for little less than 80% of the total trade in 2015.⁶¹ The fact remains the same as the trend follows. It has observed that trade flows have grown steadily over the years. China's trade with Bulgaria, Czech Republic, Estonia, Croatia, Hungary, Lithuania, Latvia, Poland, Romania, Slovenia and Slovakia grew 7.1% annually between 2010 and 2015. Where some countries like Bulgaria and Latvia have doubled trade with China, trade with Hungary and Croatia has dropped to 17% and 47% respectively during the same period.⁶²

⁶⁰ Tamas Matura, "China-CEE Trade, Investment and Politics," *Europe-Asia Studies* (2019), 9.

⁶¹ The 16+ 1: Mixed Results and Modest Prospects," *The Economist*, March 2017, <https://country.eiu.com/article.aspx?articleid=65206190&Country=Albania&topic=Economy&subtopic=Regional+outlook&subsubtopic=Economic+growth&oid=1014763485&flid=305239414>

⁶² Ibid.



Source: <https://country.eiu.com/article.aspx?articleid=65206190&Country=Albania&topic=Economy&subtopic=Regional+outlook&subsubtopic=Economic+growth&oid=1014763485&fid=305239414>

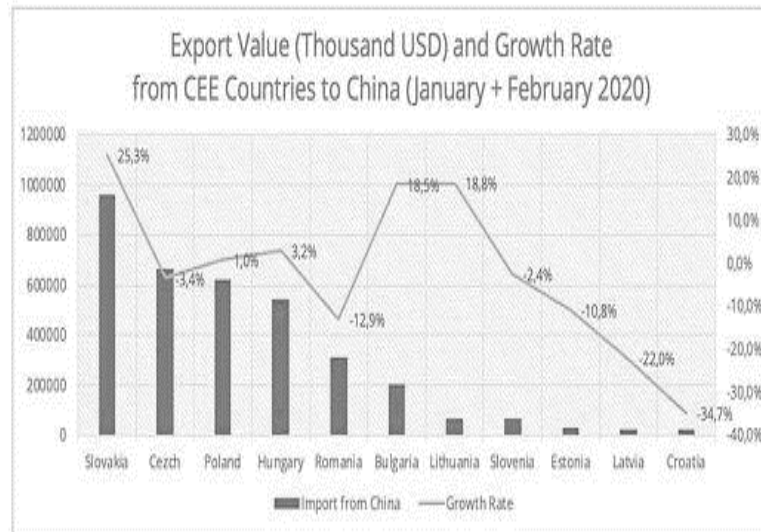
Steady growth patterns have maintained till 2019 before the outbreak of COVID-19 that has slowed down the trade between the partner countries of the framework as result of lockdown. Till 2018, China's exports reached \$59.19 billion and imports climbed to \$ 23.04 billion that are up 19.6% and 24.6% respectively.⁶³ Besides the trade growth, China-CEE countries' investment has also enhanced. Chinese firms have invested more than \$10 billion in CEE countries in various projects and China has received \$1.5 billion as an investment from them by 2018.⁶⁴ But in the wake of COVID-19, where Chinese imports from Europe dropped by 11% in the first quarter of 2020, CEE countries' exports to China increased by 6% though this trend remained the same for all the Chinese partners in the CEE region.⁶⁵ Growth rate of the

⁶³ "China, CEEC See Steady Trade Growth," China Daily, April, 6, 2019, <http://www.chinadaily.com.cn/a/201904/06/WS5ca85931a3104842260b4a69.html>

⁶⁴ Ibid.

⁶⁵ Ganyi Zhang, "China-EU Trade: Central and Eastern European Countries are benefitting," Uppl, April 27, 2020, <https://market-insights.upply.com/en/china-eu-trade-central-eastern-european-countries-are-benefiting>

6% in exports to China has been mainly conducted from Poland, Hungary, Slovakia, Bulgaria and Lithuania.⁶⁶



Source: <https://market-insights.upply.com/en/china-eu-trade-central-eastern-european-countries-are-benefiting>

Conclusion

China attaches great importance to multilateralism. With the exponential growth in China's economic powers potentials, leaders have been convinced that multilateral regional arrangements and organization would best serve as the mechanisms to pursue China's interests, expand its influence and promote multipolarity. China's multilateral approach based on the discursive notions of 'peaceful development,' 'common development' and 'community of shared destiny' with mutual benefit and win-win cooperation at its heart has attracted various states towards its regional multilateral initiatives. China-led 17+1 Framework has motivated various CEE countries for closer cooperation with china. China's economic power and its signature projects of connectivity like BRI has convinced CEE countries that engagement with China would satisfy their need of investment, finance and infrastructure development. This has made the 17+1 Framework a success.

17+1 Framework is a multilayered project through which china has managed its multilateral and bilateral diplomacy in Europe. Through various guidelines

⁶⁶ Ibid.

and policies, arrangements and institutions under this framework have ensured frequent interactions, coordination, collaboration and cooperation between China and CEE countries. Though, China-CEE countries' relations have witnessed a steady growth, but China has missed the target of desired substantial growth in trade, investment and influence in the region. Cooperation under China-CEE regional mechanism is hampered by various challenges and obstacles. Few factors that have challenged China's engagement with CEE countries can be counted here.

Firstly, there is a gap in strategic objectives between china and CEE countries. There is strategic asymmetry. On the one hand, CEE countries' primary objective in this engagement is to manage the economic crisis and to maintain economic growth. Stability is also the prime concern because CEE region has constantly challenged by crises like Ukraine crisis, refugee crisis, terrorism and tensions between Russia and EU. On the other hand, China, besides economic cooperation, aims to achieve deeper political engagement, alignment of policies at international and regional forums and recognition of the core interests.⁶⁷

Secondly, Heterogeneity and lack of deeper understanding are the formidable challenges that have abstained both sides in aligning broader policy sets. The CEE region is heterogenous. Countries that are participating in the 17+1 framework are having different systems, capabilities, interests and historical nature of relations with China. Countries tend to focus on the areas of multilateral cooperation that they consider in equation with their own needs and interests and neglect the others. Some prefer to engage with China bilaterally. Countries in the CEE region are EU members and are dependent on the EU, some are NATO members and are dependent on it for Security. Hence managing the heterogeneity of the interests and concerns of all states at regional forums is a daunting task.⁶⁸

Thirdly, the handling of the regional and extra-regional actors' concerns regarding China's engagement with the CEE countries is a formidable challenge. The CEE region is the ground of various regional and extra-regional great powers like the EU, Russia and USA. The EU maintains

⁶⁷ Liu Zuokui, "China-CEE Cooperation: China's Building of a New Type of International Relations," P. Cit., 30.

⁶⁸ Lilei Song and Dragan Pavlicevic, "China's Multilayered multilateralism: a case Study of China and Central and Eastern Europe Cooperation Framework," Op. cit., 20-21.

massive, political, economic and regulatory influence on CEE, USA has a military presence in the region and Russia has certain economic and security ties with some regional states. The EU is particularly concerned about China's involvement in the CEE region. The EU regards China-led regional framework as a tool to divide Europe and alleged that China is using this platform to make these countries dependent on China.⁶⁹ The EU is also concerned that deeper cooperation between CEE countries with China would be translated into leverage for China over the EU.⁷⁰ Hence, managing the presence and concerns of the major actors in the CEE region would be a daunting task for China.

Recommendations

- China-CEE cooperation under the 17+1 Cooperation has worked and bought some space for China in the region. The relationship between the two sides has shown positive signs but it cannot be much deeper and wider if the above-mentioned challenges are addressed diligently, vigorously and rationally.
- China has established significant socio-economic, trade and political influence since the creation of a cooperation framework with CEE countries. Yet, EU member states have shown concerns regarding the political and geostrategic intentions of China in Europe. They believe that may use the framework to 'divide and conquer' policy in Europe. Hence, China needs to enhance its collaboration and engagement with the member states as well as the Western European countries to counter the 'China threat' perception. Without accommodation and collaboration its ambitious initiatives of cooperation with CEE through BRI would face a challenge.
- As Chinese intentions are not limited to engage CEE region into its network of infrastructure and communication and the trade routes, It has to attract other countries of Europe for inclusion into the BRI project and its development projects. In this way it can multiply its ability to expand trade and investment in the area but also obtain political

⁶⁹ Dragan Pavlicevic, "A power Shift Underway in Europe? China's relationship with Central and Eastern Europe Under the Belt and Road Initiative. In *Mapping China's 'one belt one road' initiative*. (ed.) Cham Xing Li., (Switzerland: Palgrave Macmillan), 249–278.

⁷⁰ Richard Turcsanyi, "Central and Eastern Europe's courtship with China: Trojan Horse within the EU?" European Institute for Asian Studies (EIAS). EU-Asia at Glance, January 2014, http://www.eiaa.org/images/EU-Asia_Glance/2014/EU-Asia-at-a-glance-Richard-Turcsanyi-China-CEE.pdf.

influence and soft power to manage the negative forces operating against its influence and interests.

- Asymmetry in relationship between China and different CEE countries and imbalance in trade are the potential threats to its overall multilateral approach based on fairness, equality and shared destiny. When China conducts more trade with few countries and marginalizes others in comparison, it generates fear and anxiety among the members regarding the Chinese trade and investment commitments. China has to make efforts to reduce the fear by providing equal opportunities for investments and reducing the trade imbalance and deficit.
- China-CEE mechanisms and forums for cooperation have created a favorable environment for economic and trade plans and have expanded trade and investment avenues. But the nature of the cooperation is much diverse and complex. Hence, China needs to foster a comprehensive pragmatic approach based on the collective and inclusive principles to embrace all forms of issues from economy, politics to security not only in the CEE region but also western Europe.
- Last, but not the least, China must realize the fact that the CEE region is the region where varying degrees of interests of external regional powers are present. States like Germany, Russia, US and Japan are the potential players pursuing relative interests. It would be beneficial for China to minimize the divergences. Instead of competing with the extra-regional states, it should manage to engage them for mutual benefit and shared future as its discourse of peaceful development suggests. Otherwise, its restrained relations with the US would cause damage to its European interests because of US lobbying and coercive methods.