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How the 16+1 Cooperation promotes the Belt and Road Initiative

Editors-in-chief

■ Huang Ping, Liu Zuokui ■

 中国社会科学出版社
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Contents

Section 1 Overall Analysis	1
16+1 as a Laboratory: Lessons China's New Relations with CESEE Can Teach Us about the Future of the Belt and Road Initiative.....	1
How Could the "16+1 Cooperation" Promote the Belt and Road Initiative after the Belt and Road Forum for International Cooperation.....	16
Innovation in Understanding and Cooperating the Macro-Regions: The Potential of Promotion of the "16+1 Cooperation" and the Belt and Road Initiative.....	34
16+1 Promoting Belt and Road Initiative: Challenges and Potential Policy Responses.....	54
16+1 China-CEEC Cooperation Platform Promoting Belt and Road: Opportunities and Challenges	71
"16+1 Cooperation" Promoting Belt and Road Initiative Better after the Belt and Road Forum for International Cooperation	89
Section 2 National Perspectives	102
China in Europe: A View from the Balkans.....	102
Perception of the 16+1 and the Belt and Road Initiative: A Perspective from Latvia ...	124
China-Croatia Cooperation: Past, Present and Future	132
How Bosnia and Herzegovina Could Benefit from the Belt and Road Initiative: BRI Perspective of an Ambassador	145

Section 1 Overall Analysis

16+1 as a Laboratory: Lessons China's New Relations with CESEE Can Teach Us about the Future of the Belt and Road Initiative

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On the Idea of 16+1 as Laboratory for the Belt and Road

In the scholarly circles that work on the new relations between China and the sixteen countries of Central, East and Southeast Europe (CESEE, or what in the Chinese terminology is known as Central-East European Countries, abbreviated as CEEC), the connection between 16+1 and the Belt and Road Initiative (BRI) is self-evident. Chinese scholars have repeatedly written on the strategic importance of the CESEE area for the BRI. Much of the cooperation within 16+1 is framed as cooperation “under the BRI”. A growing number of CESEE countries are becoming part of the BRI by signing Memorandums of Understanding. At the BRI Forum on International Cooperation held in 2017 in Beijing, the largest group of heads of governments was in particular from CESEE (Serbia, Hungary, Czech Republic, Poland). China has already three strategic partners in the region, with one to follow soon.

In this sense, 16+1 is an important leg of the BRI. Geographically, it is adjacent to Russia and Central Asia, but also to Turkey and the Mediterranean—meaning that what is called Eurasian Land Bridge, as well as a number of maritime routes envisioned under the BRI pass through CESEE. It is also an entry point to the European Common Market, thus as China proposes, part of the China-EU relationship.

However, the BRI is not only a geo-economic vision, but rather an elaborate plan that has significant emphasis on policy coordination, development agenda alignment, global governance and institutions. It is an inter-governmental initiative, coordinated through a complex web of multi-channel diplomacy. It is also an umbrella concept that brings together many pre-existing and new diplomatic mechanisms and institutions of China's foreign policy—such as 16+1.

16+1 was established in 2012 in Warsaw, following the meeting in Budapest in 2011—chronologically before the BRI was announced, but as many other items of China's foreign policy, has been since “retroactively” assigned the BRI label. Even though established during the Hu-Wen administration, it has become one of the landmark projects of China's diplomacy of the Xi Jinping era. One can argue that it is a project that—just as the BRI—is personally very dear to Xi Jinping, who traveled in the region in 2009 as China's Vice President and according to diplomatic sources was intrigued by the prospects of China-CESEE cooperation. The goal, as argued, was to develop a new form of cooperation that will put the relationship on the fast track after more than two decades of lag (especially compared to the cooperation between China and Western Europe which has been constantly at a very high level). For the Chinese side, this would have been an approach that could later be used in other geographic regions. Around the time of Xi Jinping's visit, it is said that a number of senior officials had brainstormed different possible approaches to this challenge, and came up with 16+1.

The notion on the origin of 16+1 does not matter only for understanding the genesis and importance of the mechanism, but also for understanding its context in China's new foreign policy. 16+1 was devised by unexpected announcement (for the partner countries, at least), as a China-led platform that brought together a particular group of countries with their own similarities and differences, which was implemented through innovative foreign policy and communication approaches. In this sense, given the timing of the development of the 16+1 institutional infrastructure (just shortly before the BRI institutional infrastructure) and the narrative surrounding 16+1 and the BRI, I argue that

one way to examine the relationship between the two is to see 16+1 as a policy experiment or a laboratory where many policy innovations were tested, and some of them had later been used in developing the BRI. After all, often 16+1 is described as a “testing ground” by Chinese scholars.

This idea is especially rooted in the Chinese policy context. China’s policy process in general is marked by experimentation and consultation. In modern China’s history, before undertaking large-scale reforms, certain policies have been devised and fine-tuned by selecting particular areas as testing grounds. The lessons from these areas, then, have been used in developing policies on the provincial or even national level. However, even when policies have been developed on the national level, their implementation has always been adjusted to the local conditions and circumstances. In the age of global China, when it has a bold global vision and ample resources at its disposal to pursue it, I argue, China also uses an experimental approach in crafting its new foreign policy.

One can also make an argument that this is to a certain extent compatible with the flexible role of CESEE in the global political and economic landscape. CESEE, in many ways is a malleable region where everything goes. During the age of the big European empires and well into the twentieth century, CESEE was a laboratory for drawing and redrawing borders, much of them arranged by external players. During the Cold War, its fate was dependent on the Kremlin and the dynamics of big power relations. After the Cold War, it became a laboratory for the “end of history” ideology and the teleology of liberal democracy and economic neoliberalism. After most of CESEE have joined the European Union (EU) and the North Atlantic Treaty Organization (NATO), however, in the light of the post-crisis era of “global uncertainty” and multiple European crises, the divergence between the West of Europe and CESEE is again visible—not the least on questions of migration, solidarity and liberal values (which, according to some CESEE officials are just a manifestation of the big elephant in the room in Europe—the great economic disparity between the core and the periphery). As such, the countries of and the region of CESEE as a whole have a certain thirst for new ideas and visions for the future, and can be actively engaged by external

actors if treated with recognition and dignity. Such context, in addition to the above-mentioned lag in the relations with China, makes CESEE a region where China can feel comfortable with pursuing an innovative foreign policy approach.

In analyzing 16+1 as a laboratory for the BRI, I below review several principles reflected in 16+1, which are to be found in the BRI as well. The principles listed below can be briefly described as “developed and tested through 16+1, utilized in the BRI”. However, this does not imply that the sole purpose of 16+1 is to be a testing ground for the BRI, nor that 16+1 is the sole testing ground for the BRI. 16+1 has a complex multifold nature, and as such is a mechanism that has several purposes (as argued above, one of it is also that it is somewhat of a leg of the BRI). Moreover, any foreign policy interaction, especially if it has a multilateral, institution-building component in which China is involved can be considered a laboratory for the BRI. At the same time, what I discuss below is not a definite list of principles of the “16+1 Cooperation”, but only principles that can be extrapolated to the BRI. On its own, 16+1 can have other aspects which are however out of scope of this paper. At the same time, the principles listed below are not the only principles of the BRI as well—the BRI has other sources of influence and is also much broader than what is argued below. However, as a holistic concept, the principles outlined below reinforce the argument of a strong connection between the two concepts, and a particular relation of experimentation through 16+1 with the purpose being developing new practices to be then used for the BRI.

State-led Economic Cooperation

If one observes the data on the economic exchange between China and the sixteen CESEE countries, it is obvious that there is a distinct trajectory which can reveal much about the purpose of the “16+1 cooperation”. Namely, the trade between the two sides has exponentially increased in the period before 2007-2008 (the global financial crisis)—although it has still remained a fraction of what China trades with Western Europe. Then the trade has dipped in the crisis years, after which it has recovered, but has somewhat hit a plateau (or has

had a much slower growth compared to the pre-crisis years). Economic analysts from China and CESEE could have been well aware of such trends.

Xi Jinping's 2009 trip to CESEE (the mental inception of 16+1) has occurred roughly at the same time when the economic exchange between the two sides has suffered due to the crisis. This has been perhaps a point in time when China had already realized that the economic exchange cannot grow with the same tempo as before the crisis and new approach is needed. The crisis had revealed the vulnerability of the CESEE economies and the ceiling of their capacity to both consume and produce. This has perhaps been a serious warning sign for China. China had completely integrated itself in the global economy and became the largest trader in the world, with a tendency to upgrade its economy up the value chain (i.e. move from low value exports to high value ones). Its interest has been to find ways to now reinvigorate the economic cooperation.

A particular need for advancing economic cooperation has been demonstrated by the CESEE countries as well. While not necessarily prioritizing trade, they have been in a dire need of external capital inflows. As having underwent a significant structural shift in the post-transition eras, their economies have become greatly dependent on external financial injections and support, and the public discourse has internalized a dialogue on the perennial need on attracting FDIs.

The solution for China was to somehow get the state more involved, following the underlying logic of the Chinese system (the state is in the driving seat of the economy). Following the Chinese example, state-led investment, and particularly state-led investment in infrastructure, is considered a first step towards boosting economic development (The Chinese often say "if you want to develop, you need to build the roads first").

This has already formed the essence of the "16+1 cooperation". However, while the Chinese state has a high level of autonomy at home, on the international arena it needed to devise a new approach, in order to engage rather to deter partner countries. Moreover, it had to approach a number of

different small countries which had little knowledge of China. Thus, a platform for regional diplomacy, developed across several channels, was the solution. Thus, a major political operation was developed, in order to formulate concrete measures that would lead towards economic development. The key results of this cooperation, thus, will not be achieved directly or on the short term—China through 16+1 rather creates the conditions for future successes (i.e. China and the participant countries cannot directly influence trade flows, but can invest in production capacities and transport infrastructure which after some time can lead to increase in exchange). Therefore, 16+1 is not just a simple “pragmatic” form of cooperation, but rather a complex platform where China inspires and coordinates state-led cooperation between itself and a number of countries, with the goal not only of invigorating economic cooperation, but especially creating the conditions for this to happen.

The BRI in this sense, emerges from a similar context. It is a vision that aims to alleviate the detrimental effects of the global crisis, and to use an innovative diplomatic approach to create the conditions for better economic outcomes. Again, at the very core is inter-governmental dialogue and state-led initiative, and the creation of a China-centered mechanism will involve a variety of countries that never assembled before in such setup.

Institution Building

The major tangible advancement of 16+1 in the first five years of its existence is the rapid advancement of the multilateral, multi-channel relationship between China and CESEE. The intensity of this cooperation, starting from scratch, in over just five years of existence has increased to levels that no one had originally anticipated.

Central mechanism through which the cooperation is advanced is the annual Summit of heads of states and governments that is organized in one of the participant countries. The permanent Secretariat established within the Chinese Ministry of Foreign Affairs then has regular meetings with the CESEE

ambassadors in Beijing. Then there are national coordinators, and the ministries of participant countries who are over-viewing the cooperation. However, the most innovative aspect is that a number of coordinating institutions across a myriad of policy areas have been created. According to the typology of prof. Song Lilei, these policy areas include people to people contact, trade and investment, connectivity, technology and innovation, agriculture and forestry, healthcare, political parties dialogue and local government. While it is still difficult to even map all the institutions created under 16+1, it is also important to argue that most of them are yet to pick up the pace with their work.

The innovative component however is not the creation of the different coordination mechanisms, but the fact that they are seated in various countries involved in the cooperation. Moreover, a special role is assigned to China's different regions and provinces—the institutions hosted in China are not specifically seated in Beijing, but rather spread throughout the country: a trade expo is seated in Ningbo, Zhejiang province; a particular role is played by Sichuan province and the city of Chengdu, as well as the municipality of Chongqing. This is in line with China's domestic imperatives of creating reform and opening for the inland areas and mitigating the internal disbalance between the burgeoning east coast and the less developed western part of the country. The involvement of sub-national actors in the cooperation follows the logic of railway links and city-to-city diplomacy (most famous case is the Lodz-Chengdu relationship).

Under 16+1, in conclusion, a setup resembling a quasi-international organization has been created. This is an important characteristic of China's new foreign policy, and something that is also visible in the BRI, and where one can argue there is somewhat of a diffusion effect. One of the key promises of the BRI Forum held in May 2017, was the establishment of a special Secretariat that will coordinate the cooperation with the participant countries. The Forum will then take place every two years regularly. A whole range of institutional and coordination mechanisms is about to be established—with some of them located outside China. Most importantly however, the BRI will also be

accompanied with significant diplomatic activity of China's regions, provinces and cities, and promote the idea of railway linkages.

(Re)construction of a Region

Regions are socially constructed, and they are certain narrations of geographical space that are mediated through interaction, especially within certain constellations of asymmetrical power relations. That means that the actors with more resources and leverage are always in a position to (re)create regions, whereas those who are less resourceful and somewhat of an "object" of the process, can either reinforce or object to the emerging symbolic order.

With 16+1, China has itself become an actor that symbolically (re) constructs a particular region. It did so by using its own logic and mental mapping, that is distinct from all pre-existing definitions of the region. It convened together sixteen European countries that it calls "Central-East European Countries". This is the broadest current definition of this region, as it includes several narrower groups of countries: the Baltic Countries, the Visegrad Countries, the former Yugoslavia/Western Balkans, and the Eastern Balkans. What these countries all share is that they are post-socialist countries. Moreover, eleven of them are EU members: Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovenia, Slovakia. Five of them are in different stages of accession: Albania, Bosnia and Herzegovina, Macedonia, Montenegro, Serbia. Post-socialist legacy, and being current or future member of the EU are the two characteristics that make the most parsimonious definition of who comprise the sixteen. This explains why for example Ukraine, Belarus and Moldova—countries that are post-socialist but not completely in the orbit of the EU are not part of the 16+1; it also explains why for instance Greece—geographically adjacent to the region, structurally not that different—and for that matter, involved in many visions that involve other 16+1 countries is also not a member (not a post-socialist state).

China's attempt at defining the region of CEE/CESEE is of course, not the

first, or the last in Europe. The debate on European (sub)regions has marked greatly the history of modern Europe, it has had a particular impetus in the 20th century, and is still persistent even today. Economic discrepancies, but also culture and identity play an important role in this. However, it is one of the many attempts—and at present, perhaps the one with the strongest political backing and most frequent and elaborate interaction.

China's region (re)construction though 16+1 however does not aim to create a new exclusive identity of these countries, but merely to add one more layer in their identification in international affairs. While many in the region had originally said they are not fully aware of the selection criteria and of the Chinese multilateral diplomacy, they have gradually accepted the notion of the region as such and played along.

The regionalization with Chinese characteristics in CESEE resonates greatly with the approach seen in the BRI. The BRI even though shaped by national governments greatly emphasizes the notion of regions, regional cooperation, alleviating inter-regional discrepancies, etc. It has a logic of creating transportation and economic corridors which is also a manifestation of the regional thinking. Sometimes there may be some historical and other grounds to the project of creating a region (such as in CESEE), but ultimately, the selection of the area and participating countries, and the way it is developed, depends greatly on China.

South-South Cooperation with North-South Characteristics

16+1 has been promoted as a form of “South-South Cooperation with North-South Characteristics”. This label has created some confusion among scholars, and it has also somewhat hurt the feelings of some people within CESEE circles since it assigned CESEE characteristics of the developing world. However, if one discusses it critically, under the surface there is a rather significant meaning behind this phrase.

Namely, in China's worldview and its foreign policy, there is the idea of

a division based on development level—a global North, which is the developed world, and a global South, which is the developing world to which China belongs. This is a global taxonomy that embraces a world-systems logic (the world is comprised of core[s], semi-periphery and periphery). This is also a distinction that is juxtaposed against the idea of East-West division of the world, which embraces a “clash of civilizations” logic.

For China, the belonging of an external actor to the Global South or the Global North greatly determines how China treats them. Towards countries of the North, China embraces a less ideologized, more pragmatic, but also colder and more—posture. There is no convergence on major strategic issues—in fact, while there is a warm partnership in some areas, there is still a lot of friction in others (i.e. human rights, reciprocity, etc.). The examples here are Sino-US relations, or Sino-German relations, which are crucial for China, but in addition to elements of friendship, they do contain some friction. When it comes to the South, however, China here has a sentiment of solidarity, shared struggle against colonialism, and engages in development aid and actions that serve to boost the economic and political profile of the partner countries. The cooperation here also involves a certain normative and strategic convergence, and there is an awareness of non-interference in each other’s internal affairs. A paradigmatic example here is the Sino-African relationship—with its activity in Africa, China has contributed to the economic renewal of the continent.

A South-South cooperation with North-South characteristics, however, means that in this case, China devises an approach in between the two, or rather than an approach that combines elements of the two. 16+1 is a South-South cooperation because the sixteen CESEE countries—or at least the majority of them—even though geographically in Europe and some of them in terms of the numbers quite well off compared to the rest of the world, they are still semi-peripheral in the global economy. It however has North-South characteristics because some of these countries are more developed than others, they are part of the most developed block of countries on Earth (the EU). Moreover, 16+1 is similar to other South-South platforms (such as FOCAC or China-CELAC) in the sense that

it is oriented towards economic development, but in that sense does not include any strategic cooperation, which makes it have “North-South characteristics”.

One can also hypothesize that the BRI is another instance where the concept of “South-South cooperation with North-South characteristics” (SS-NS) can be applied. Among the participant countries there are some developing and poor countries, as well as developed and rich ones. Moreover, the areas of cooperation of the BRI while greatly focused on economic development and joint efforts, just like 16+1, lack any dialogue or statement on high politics, strategic or normative issues. Thus the SS-NS approach is yet another feature to be met in China’s new foreign policy practice, originally developed in the context of 16+1, but then also visible in the context of the BRI.

Overcoming Historical and Ideological Conflicts

Having a rather interconnected trajectory of development up until the 1990s, in the period from the 1990s up until the financial crisis, China and the sixteen countries were rather estranged, talking using diverging frames of reference and exhibiting rather different normative viewpoints. The split occurred after the crisis of the communist governments worldwide at the end of the 1980s. In Europe, communists fell, while in China they remained in power. In CESEE, the new governments took upon a moralistic, ideological diplomacy (one symbol of this was the Czech dissident turned president Vaclav Havel) that was not favorable of China. They were often more critical of China on issues of human rights than the US or Western Europe. This negative attitude towards China lasted well into the 21st century when even some CESEE leaders adopted ideological discourse in the light of the Beijing 2008 Olympic Games.

However, with 16+1, over a very short period of time, the relations between CESEE and China significantly improved. Having had turbulent history with the region (not only during the 1990s, but also during the Cold War), when there was never a period when China enjoyed equally good relations with the whole region, China for the first time since 1949 managed to get all of the

countries on the same table. China has also laid the grounds for developing new intra-CESEE rhetoric of friendship and cooperation that can help overcome pre-existing tensions. Moreover, China has preempted any potential politicization of the cooperation by reaching out also to opposition political parties via the political parties forum. Thus, the question on cooperation with China has been a subject to national consensus in the countries of CESEE.

This is perhaps one of the greatest immediate successes of China's new foreign policy practices under 16+1—using a future-oriented, economically rooted approach to overcome historical and ideological divergences and conflicts. As such, it is a principle to be looked for in the BRI cooperation. However, in the BRI, China will have different challenges in this area—while the divergence with CESEE has been primarily in the domain of normative politics and thus relatively easy to overcome especially once there have been normative shifts worldwide, in other regions along the BRI China will have to face problems such as problematic borders and statehood, nationalism, religious extremism and other sources of division. It is in those cases that one can verify the premise that focuses on economic cooperation to help overcome the complications created by essentializing history, identity and ideology.

Testing the Behavior of Global and Regional Powers

16+1 involves countries that are members of the EU and the NATO, however, it has not been developed in communication with the two international organizations. This has been a particular reason for worry in the EU, which since the beginning has objected to the creation of 16+1 as a “divide and conquer” mechanism.

The problem with the EU stems primarily because the EU was not consulted when China established the format. China overall presents a challenge for the EU because often the member-states pursue their bilateral relations with China based on their national interest—often neglecting official EU policy lines. The fear is that many of the CESEE countries will serve as a “China Lobby” that will act on behalf on China within the EU. While there is

little empirical evidence that precisely 16+1 is a cause for such tendencies, at a time of multiple crises and internal divisions within the Union, with China demonstrates not only resilience, but also global ambition, 16+1 has triggered more internal insecurities in Europe as it has been an external challenge. After all, there are socio-economic divergences inside the Union, with the CESEE countries that are EU members to be mostly among the poorer ones in the union. Moreover, there has been political challenges as well, as some of these countries had seen as democratic backsliding and have had a particularly confronting attitude towards Brussels during the EU migration crisis, which recently led to legal case against Poland, the Czech Republic and Hungary.

In response, China has tried to reassure the EU that it really considers 16+1 as complementing EU-China relations, by involving the EU more and more into it. However, this has had a limited success. This is also visible in the BRI, and not only in the case of the EU, but also in the case of the US. China has managed to alarm the foreign policy specialists in the US by starting a major global vision on its own, thereby fueling the fear that it has reached a global power status. This reality, and the unfavorable response is often explained using the concept of Kindleberger trap—the temptation of the global hegemony (in this case the US) to prevent rising powers (China) to be more pro-active and provide what can be common public goods to others.

Non-Synchronized, Non-Uniform Advancement

One characteristic of the Chinese practice is that sometimes improvisation, incrementalism, and fixing things on the go are an appropriate approach. This is a thinking that is preoccupied with the process, and with the effects beyond just the numbers, unlike the mainstream European thinking which is concerned with rules, exactness, and measurable concrete outcomes. Often, the fuzziness of the Chinese approach is challenging for Europeans to properly grasp it.

Since in 16+1 there is an innovative, creative thinking on regional economy and economic integration, this poses particularly difficult challenges in terms of