

## **China's East-European "Leverage": Understanding the Region's Post-Communist Transition and Stance in Relation to the European Union**

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### **Abstract**

In most general methodological sense, Chinese experts' community of today looks upon East-Central European socio-economic and political developments since 1989 as a direct consequence of the "third wave of democratization", proclaimed in the famous book by Samuel Huntington in 1974. Fundamental improvement of East-West relations, subsequent end of the Cold War and collapse of the Soviet Union created indispensable context for these pivotal systemic changes in the countries of the region. Perspective of the integration into European Union and actual integration which happened for 11 East-Central European states is viewed by the Chinese as crucial external condition for understanding the substance and direction of the region's post-communist transformation. Moreover, this transformation is perceived by many in Beijing to be generally successful. However, observing

recent domestic trends in some important countries of the region and growing tension between them and EU authorities, several Chinese experts expressed the view that “shock therapies”, “rapid privatization” and “swift transition to multi-party systems” “were a mismatch to the actual conditions of these societies”. This “mismatch”, according to such view, posed serious problems regarding the future path of the region’s development as well as dynamics of EU itself. Chinese mainstream experts invariably underline the importance of PRC’s economic cooperation with all East-Central European countries, not, however, at the expense of deterioration of relations between Beijing and Brussels (EU in general and “Old Europe” in particular). This sensitivity is manifested, among other things, in China’s stress to fully develop “regional cooperation” between PRC and East-Central European states. Chinese experts also point to serious socio-economic, political and culture-historic differences and even discrepancies between the countries of the East-Central European region.

**Keywords:** *China, East-Central Europe, European Union (EU), external conditions, post-communist transformation*

*China [unlike Putin’s Russia] in principle is interested in the united Europe. Of course, it is good for us, when somebody [in Europe] downplays the Western critic of China regarding, for example, human rights. However, China’s leverage [in Europe] is too short to play political games. When Europe is united, it is easier for China to deal with the United States.*

From the talks with Peking University IR experts in December 2018

## 1. Introduction

On the 27th November 2017 *Financial Times* published an article under a profoundly alarming title: "Brussels Rattled as China Reaches out to Central Europe" depicting the European Union authorities' alleged uneasiness in connection with the proliferation of Chinese economic and political influence through the country's increasing cooperation with the states of East-Central Europe – "format 16+1". The article quoted a senior European diplomat, who asked to remain anonymous, saying that: "The (16+1) is dealing with many things. Some of them are touching on EU competences, or they are going into new areas where there are already initiatives between the EU and China. And we only see the tip of the iceberg." (*Financial Times*, 27th November 2017). It was stressed that 16+1 "is run by a secretariat in Beijing headed by the foreign ministry [...] the group is bilateral in practice with directives from Beijing relayed to the 16 European members. All ranking officials are Chinese. European participation is through 'national co-ordinators'." (*ibid.*)

*Financial Times* summarized the reasons for growing disquiet in Brussels in the following way: "For some in the EU there are two main concerns. The first is that China may intensify efforts to use the influence it is building in central and eastern Europe to frustrate aspects of the EU's common China policy. The second is that some 16+1 countries may exploit strong ties with China to buttress negotiating positions against Brussels [...]" and quoted Jonathan Hillman, the director of the CSIS Reconnecting Asia Project (Global Infrastructural Program in Eurasia): "We should expect China to leverage the 16+1 to pursue its own interests within the EU. That's strategic diplomacy: building relations where you have more leverage and applying those new relationships where you have less leverage." (*ibid.*)

In our view, it would be indeed unrealistic to deny the strategic dimension in the Chinese attitude towards East-Central European region. However, the scale and substance of this dimension depend critically on Chinese estimation of what Hillman called “[China’s] leverage”. This estimation, in turn, is inseparably intertwined with Beijing’s structural and dynamic perception of the region and its stance within (vs) EU. The main purpose of the present paper is to deliver some insight into this issue.

## **2. What Are Contemporary East-Central Europe and Its Post-Communist Transition in Chinese View?**

In the view of Chinese expert community contemporary Eastern and Central Europe comprise Poland, Czech Republic, Slovakia, Hungary, seven countries of former Yugoslavia, Romania, Bulgaria and three Baltic states. “Common feature of East-Central Europe is that after the Second World War they all had socialist system. This system ended after the collapse of ‘iron curtain’ in 1989 and subsequent disintegration of the Soviet Union and [socialist federative] Yugoslavia. Thereafter these countries started the processes of political reform and economic transition. Although the level of development, as well as the forms of transition and its speed differed greatly among these countries, all of them sought to develop in the direction of free market economies and ‘renewed unification of Europe’.” (Xia, 2017: 15) In connection with the end of Cold War and collapse of the “iron curtain” Chinese watchers point to the fact that “the possibility for East-Central European countries to undertake democratic changes in the form of bloodless ‘swan’s down’ revolutions, to escape from the Soviet Union and Russia and to fall into the arms of US and Europe to great an extent was the result of Soviet Union’s ‘let them go’ policy”. (Yin *et al.*, 2018: 37)

In the most general historical sense Chinese experts perceive these trends and developments in the context of Samuel Huntington's theory of the "third wave of democratization", proclaimed by famous scholar in his book of 1991. (Huntington, 1991; Xia, 2017: 1) However, according to PRC's social scientists, the tendencies to democracy may lead to different systemic outcomes. While defining "pros" and "cons" in systemic transitions, they tend to apply "methodological approaches" of founding-father of the Chinese "reform and openness" Deng Xiaoping. For example, Xia Haiwu writes: "To define if a certain [social] system fits the conditions of a given country or given society, to understand, whether this system is a good one, comrade Deng Xiaoping had a brilliant clause: first, we must see, if the political situation is stable; second, if it can conduce to the consolidation of the people, improve people's life; third, if the development of production forces of this country is speedy and sustainable". (Xia, 2017: 76; Deng, 1993: 213)

Most of the Chinese expert community tends to conclude, that the East-Central European transition was overall quite successful. However, not without serious disfunctions, which became more obvious in the most recent period. Overview of the Chinese literature on the issue may produce the impression, that most of successes of East-Central European transformations concentrated in the 1990s and in the 2000s, while the 2010s turned out to be more turbulent and problematic. Although, by default, most recent problems are rooted in imbalances of the earlier periods of socio-economic and political transformations.

Chinese experts identify three main periods in the East-Central European "post-Soviet" change. "The first period is the that of the turn itself. This is the period is the process of the crashing the old system and establishing the new system. In politics those who rule [start] to seek the roots of their legitimacy in political democracy and openness. At least

formally, political democracy becomes main embodiment of the politicians doing their best to consolidate their legitimation claims. In the economy there is the process of reform [aimed at] privatization and full-scale allocation of resources into the system of market, the so-called “withering the state away”. The second period is that of “turning from chaos to order”. Within the established framework of the new system the socio-economic order is gradually restored. At this period most of transitional countries begin to witness rather feasible economic growth. The third period is that of “post-transition” with fundamental economic and political institutions and procedures already comparatively well established and can be characterized by stable development”. (Yin *et al.*, 2018: 188-189) Several Chinese experts also believe that the joining EU and NATO can be looked upon as a landmark defining the successful entering of East-Central European countries into the third period of “post-transition”. (Yin *et al.*, 2018: 190; Gao, 2013: 34; Kong, 2012: 24)

It is also remarkable how the Chinese experts distinguish East-Central European socio-economic and political transitions from those in Latin America in the 1980s and in Russia and other countries of the former Soviet Union in the 1990-2000s. The former was a total systemic rift from the planned socialist economies and one-party states in order to embrace private property based economic systems and multi-party democracies. The rift was deeply inspired by the predominant social will to reunite with the “West”, in this concrete case with the “Western Europe” or “Old Europe”. Economic reforms and political democratization in Latin American countries in the 1980s constituted “the adjustment within the [existing systemic] settings, which did not go as far as to alter the property rights and economic mechanisms of resource allocation” (Yin *et al.*, 2018: 27) and thus was not at all as profound as in East-Central Europe.

Post-communist transitions in Russia and most of the countries of CIS (former Soviet republics, newly independent states) also constituted systemic rift with the centralized non-market state socialist systems inspired by successful Western socio-economic and political models. However,

... the indexes of economic freedom and political democracy [in East-Central European countries] [...] were much closer to those of the West European countries [than in Russia or CIS]. Besides, in comparison with China, Russia or some other countries, East-Central European path of change had a specific external factor, namely extremely important role played by the EU. Joining the EU or "returning to Europe" from the beginning to the end [of transition] constrained and defined the process of transformation of most of the East-Central European states [...] So far there was the demand to join the EU, limits and criteria introduced by Europe turned to extremely powerful constraining and stimulating force for the development of the whole East-Central European region [...]

The fundamental singularity of systemic transformations in the East-Central European states was that after facing deep transitional crisis, these countries did not stop to move into the direction of the West. Their determination to establish democratic political systems and market economies did not diminish as well as there was no deceleration of their footsteps [in this direction]. They decided to proceed resolutely and patiently and unlike Russia and other CIS counties did not experience "retreat of democracy".

*(ibid.: 2, 28)*

However, Yin Hong *et al.* admit later: “[in Russia] economic role, function and influence of the state also went through deep changes. Laws of market became the core mechanism of economic system. And although, the set and expected goals of transition, perhaps, were not fully met, one can see that the period of systemic transition [...] is also finished”. (*ibid.*: 189-190) As far as one can judge, the underlying implication here is that even though Russia and other CIS countries may well go through future socio-economic or socio-political crisis, the possibility that they will fall back to reestablish non-market economies or one-party states of Marxist-Leninist character is negligible.

It is also interesting to see how experts in China describe the differences between East-Central European and Chinese socio-economic and political transformations. It seems that to many of them the fundamental difference lies in political dimension. “So called “radical shift” [radical systemic changes in East-Central Europe] mainly means that these countries took a clear political stance aimed at resolutely breaking away from their old [political] systems, full and fundamental change in the way and direction of development of their statehoods. And this transformation itself manifested such radicalism which is inherent only to revolutions. As regards China, her gradualist transition to market pursues the goal of improving and upgrading already existing power structures, which are well upheld and consolidated. There is no [goal of] of revolution.” (*ibid.*: 61) Many Chinese experts share methodological contrast between “revolutions” in East-Central Europe and former Soviet Union on the one hand, and Chinese “evolution” or “gradualist approach to reform” on the other. (*ibid.*: 81; Xia, 2017: 88; Ju, 2016: 18)

There is a common place in Chinese writings on East-Central European transitions that the ideological basis for them was “Washington consensus” and methods of change were derived from the



theories of “neo-liberalism”. (Xia, 2017: 50-51; Yin *et al.*, 2018: 63-66; Ju, 2016: 15; Wang and Zhou, 2015: 18-21) However, there are several subtler approaches which see the complexity of the issue and differentiate between concrete East-Central European countries regarding their implementation of “neo-classical” recipes. For example, Yin Hong *et al.* write: “Of course, in most general sense the countries of East-Central European region undertook ‘big-bang’ radical transformations. However, in the concrete politics of implementation were different in form, there were dissimilarities in price liberalization and state assets privatization. They were displayed mainly in the fact that some countries like Poland, Czech Republic or Russia undertook ‘shock therapy’, while others, like Romania or Hungary, denied this plan. ‘Shock therapy’ itself is a set of critical economic policies [...] aimed at curtailing inflation [...] Be it Poland, or Russia, the choice in favor of ‘shock therapy’ was greatly conditioned by the fact of [macro]economic deterioration and thus could not help but been implemented. On the other hand, at the beginning of the transition in Hungary, for example, economic conditions were much better. [...] By 1990 commodity and labor prices were liberalized up to 90%. We can see that the transformation of price system in [post-communist] Hungary took gradualist path.” (Yin *et al.*, 2018: 65-66)

To sum up, Chinese experts see contemporary East-Central Europe as a big group of former socialist countries, most of which were “forced satellites” of the Soviet Union during the period of the Cold War. After the end of the latter and due to Moscow’s “let them go” policy the “iron curtain” collapsed and these countries found themselves free to realize the emotional majority wish – to “return to Europe”. This wish was realized by means of radical socio-economic and socio-political transformations from plan to market and from one-party rule to multi-party democracy. These transformations were of revolutionary character

(like in Russia and CIS countries and unlike Latin America in the 1980s or China since late 1970s) and having passed through three consecutive periods – transition itself, “from chaos” to new order and post-transition – ended overall successfully. Since the main aim of transition was to become part of the West, the criteria of success are to be measured by the indexes of economic freedom and political democracy (in the Western understanding) and by joining EU and NATO. For most of the countries of the region the respective indexes rose to considerable heights outpacing Russia and other CIS countries, while 11 East-Central European states became EU members and 13 NATO members.

### **3. Chinese View of EU as a Factor of East-Central European**

#### **Transition – “New Europe” in EU and vs. EU:**

#### **Critical Impacts of Recent Decade**

Chinese experts unanimously look upon EU as a crucial factor in East-Central European transitions, at least, since the mid-1990s. The following quotation is both illustrative and typical: “From the mid-1990s on, as the EU made clear its intention to integrate East-Central European countries into its political and economic structures, [EU] began qualitatively participating in the East-Central European transitions as a new geopolitical center. At the same time East-Central European countries’ possibilities to decide independently on their reform strategies qualitatively diminished. EU turned into supervisor and bookkeeper of their economic transformations. The processes of transition began being based on EU legislation and EU prescriptions. Moreover, since then market transitions in the countries of East-Central European region started to receive EU funds and governmental support. All these phenomena had tremendous stimulating impact on [the region’s] market reforms. This is a fundamental characteristic feature of the East-Central

European development.” (*ibid.*: 54) There is also a consensus among China’s political scientists and economists that demands and integration criteria, introduced by EU on East-Central European countries played the role of pivotal external constraint for the region’s development. And since “returning to Europe” was both massive emotional aspiration and practical (institutional) goal of the most of the region’s post-communist governments deeply intertwined with their actual and potential legitimacy, this constraint was overwhelmingly accepted. (Xia, 2012: 84)

Moreover, most experts from China believe that EU support for the region’s transitions was fundamentally a positive thing, since it greatly helped East-Central European countries to avoid “transformational extremes”, which Russia and CIS countries had to go through in their development since 1991. (Kong, 2012: 27, Yin *et al.*, 2018: 68) Chinese economists also carried out research on the EU structural funds supporting new East-Central European member-states and concluded that the efficiency of their use had direct correlation to the general level of socio-economic and political development of a given country. (Yin *et al.*, 2018: 161-187)

East-Central European integration was looked upon as sustainable and long-time trend: “In the long run East-Central European [EU members] will continue to implement Western style democratic systems and as nation states will continue to exist within the ‘big family’ of the European Union”. (Gao, 2013: 39)

However, according to the views of several Chinese watchers, the situation with EU structurally constraining impact on East-Central European transitions was not totally cloudless. “It is impossible to deny that economic integration with the EU had some negative effects on the sectoral structure of the East-Central European states. By these effects we mean mostly the universal trend of ‘deindustrialization’ [...]

Optimization and upgrading of sectoral structure led to the decrease of the first and second [industrial and processing] sectors' share in GDP. On the one hand, as economy grows and incomes rise, society's demands for service sectors constantly increase. On the other hand, growth of labor productivity in the first and second sectors releases extra manpower which also supports the development of services [...] However, we should not exclude the influence of another factor, namely the fact that under conditions of inevitable opening up of the economies of the East-Central European countries after joining EU, their traditional economic branches, especially those of processing industries [...] lost their competitiveness, which led to their actual collapse. This situation caused drop in industrial output as well as outflow of comparatively high skilled labor. [This brought about] tangible social dissatisfaction." (Yin *et al.*, 2018: 147-148)

Several Chinese economists also pointed to more fundamental problems of East-Central European socio-economic development after joining the EU which became more feasible at the turn of the 2000s-2010s. "It becomes imperative to alter the model of economic development which has been taking shape for quite a long time in many East-Central European countries: high rate of investment, high rate of indebtedness, high rate of consumption. This model conduced to sharp increase in state budget deficits. Due to insufficient hard currency reserves, the choice of budget and monetary policies [in these countries] during the recent financial crisis [Euro crisis] turned out to be extremely limited up to actual impotence." (Xia, 2012: 63)

Since the early 2010s and especially into the middle of the decade the Chinese critic of East-Central European development has become sounder and even radicalized, acquiring sometimes ideological overtones. "In recent 25 years economic transition in East-Central European countries went through transformational rollbacks and the

blows of Global Financial Crisis. Fundamental reasons [for this] lay in the fact that speedy marketization, continuous privatization and full-scale liberalization did not correspond to the [conditions] of most of East-Central European countries.” (Wang and Zhou, 2015: 23) “Currently being under the blows of Global Financial Crisis, the countries of East-Central Europe are facing many challenges and are in desperate need to push for several reforms, especially those in social fields.” (Kong, 2012: 30)

Chinese critic also became more political. Previously dominating statements about stability of Western democratic institutions in East-Central European states gave the way to lamentations regarding “[...] negative sides of political development. One of the characteristic features here is “low stability of governments, frequent government reshuffle”. (Ju, 2016: 17) Some experts pointed at the “relative weakness and inherent instability of already established multi-party systems” in East-Central Europe. (Gao, 2018: 195)

The migrant crisis of 2015 and its deep many-sided impacts on East-Central Europe attracted special attention in the Chinese expert community. These impacts were analyzed through still existing differences in the level of socio-economic and political development between the EU new member-states (“New Europe”) and its core member-states (“Old Europe”). For example, some Chinese watchers believed that “The quotas plan [distributing migrants between different EU member-states] did not consider the differences and discrepancies in the level of economic development and people’s perceptions between the ‘Old Europe’ and ‘New Europe’. The backwardness of ‘New Europe’ did not change qualitatively after it joined the EU. Even such comparatively developed East-Central European country as Hungary is still far behind the Western Europe. Moreover, the differences in

religious beliefs led to psychological unwillingness in the East-Central European countries to accept migrants.” (Yin *et al.*, 2018: 195)

Uneven character of socio-economic and political development as well as impacts of Global financial and European migration crisis paved the path to new political developments in East-Central Europe, which some Chinese experts characterize as the “rise of extreme right-wing and nationalist movements”. (Ma and Li, 2014: 244-253) Several Chinese political scientists started to be rather pessimistic regarding the future of EU: “The migrant crisis bred Euroscepticism and separatism aimed at quitting the EU, increased the possibility of disintegration of Europe and EU’s collapse.” (Huang, Zhou and Jiang (ed.), 2016: 15)

It must be said, however, that such ultimately pessimistic scenarios are not shared by fundamental majority of Chinese experts. China’s fundamental take is far not that of expecting real disintegration of the European Union. We believe that the following quotation delivers more consensual and adequate stance of those in China who are watching the developments in East-Central Europe: “International financial crisis, Euro debt crisis as well as European migration crisis taken together threw a shadow over East-Central European path to ‘Europeanness’. The advantages of joining EU began more and more being replaced by negative impacts of integration. It should be said that the blow of this triple crisis delivered to the European integration has the meaning of historic turn, especially if seen through the eyes of East-Central European countries [...] If we may say that previously it were the advantages [of joining EU] that constituted the mainstream, than after eruption of the triple crisis countries of East-Central Europe started to feel more the heavy price to be paid for joining the EU.” (Yin *et al.*, 2018: 196)

Feeling the price to be paid, however, is not at all equal to be ready to leave the EU resolutely and immediately. On the other hand, it is quite

clear, that earlier Chinese experts' optimism regarding the socio-economic and political consolidation of East-European states and societies on the third "post-transition" stage seem now to be somewhat premature.

#### **4. Chinese Perception of China's East-Central European "Leverage"**

Coming now back to the alarmist article from November 2017 in *Financial Times*, we may pose the following question: how do Chinese experts perceive the "length" of their country's "leverage" in the East-Central European region? As already said, we believe that it would be totally unrealistic to deny the strategic dimension in the Chinese attitude towards East-Central Europe. However, what is the real substance and structure of this dimension? My talks with International Relations experts from Peking University in December 2018 on this issue revealed that Chinese professional watchers of Europe are somewhat uncomfortable with the recent crisis trends in the EU. I was told, for example, that, unlike Putin's Russia, which clearly tries to maneuver between different EU member-states in order to decrease the possibility and impact of economic sanctions introduced on Russia in the wake of the Ukrainian crisis, China has been always betting on European unity. Since it is perceived in Beijing that principle global counterpart of China is not EU, but the United States, Chinese IR experts expressed the conviction that with strong EU it would have been easier for Beijing to pursue its global economic and security policy. In other words, weakening of European integration and, in extreme case, the implosion of the EU would inevitably cause political and economic instability in Europe and subsequent strengthening of American influence on the continent through US bilateral and multilateral engagement (both in

financial-economic and military security terms) of different European countries. China thus would have to face US challenges on “multiple fronts”.

Besides, I was told, Russian political and economic “leverage” in Europe is longer and stronger than Chinese one since Russia is in many ways an integral part of the region, while China is clearly not. Hence, China’s “leverage” is too short to undertake active and successful maneuvering within EU and around EU. On the other hand, Chinese never expected close cooperation between Moscow and her East-Central European former satellites now neighbors and EU and NATO members due to quite clear historic reasons.

While such explanations now may well invoke questions, critic and even disbelief from some people in the EU, they are generally corroborated by the overall analysis of the Chinese literature on the subject, at least before 2014-2015, i.e., before the acute phase of migration crisis and its political consequences. In 2008, for example, one influential Beijing analyst wrote: “Although the ‘tug of war’ between Russia, Western Europe and the US in the East-Central European region will erupt ceaselessly, however the cooperation is the mainstream. Regarding East-Central European countries, on the topics of security they will cooperate with the United States. In the fields of economic development, they will cooperate with the EU. Although in energy supplies East-Central European countries depend on Russia and Russia also needs East-Central Europe, because of historical reasons East-Central European countries will not be able to overcome the psychology of fear of Russia.” (Hu, 2008: 15)

Most recent crisis trends in the EU may have compelled China to face new and more complex reality. It should be clearly emphasized once more that these trends in general came as unexpected for China. And, in fact, Beijing was not that happy facing them, since initially



China made a strategic bet on the stable unity of the EU. In this new reality, instead of establishing direct reach to Brussels, Berlin and Paris, which could have been apparently sufficient, Beijing must investigate somewhat more disjointed picture of Europe. Thus, instead of portraying “penetrative and subversive” China, for professional China watchers within the EU and beyond, it would be, perhaps, more appropriate to comprehend China as facing more complicated strategic choices.

The place and role of East-Central European countries in this new reality is beautifully illustrated in the following quotations from a paper written by a group of experts from Peking University’s Institute of International Relations in late 2017 entitled “Several Questions Regarding the Mechanism of 16+1 Cooperation between China and the Countries of East-Central Europe”. Although this paper is by no means a Foreign Ministry directive or any official public statement, in our humble view, it indeed delivers fundamental insight into the Beijing’s understanding of the current situation in the region as well as into the ultimate logic of China’s cooperation with it, at least, at present stage:

China should consider the differences between 16 countries of East-Central Europe. Chinese both domestic and foreign policy are characterized by remarkably high degree of consistency. Domestic and foreign policy of East-Central European countries is highly volatile due to the influence of the parties in power. Moreover, economic and political level of development of these countries is vastly different and this fact adds complexities to the development of cooperation between China and these 16 states [...]

Differences in the volume and structure of the economies of the East-Central European countries make mutual complementarity between them and China comparatively weak. One may add here also differences in geography and geopolitical positioning [...]

East-Central European countries are not China's main trading partners. The latter are US, Japan, South Korea and Germany. Only for Albania is China the third trading partner. There are no East-Central European countries among 10 biggest recipients of Chinese exports. Among 10 biggest exporters to China there are also no East-Central European economies [...]

The same can be said about the situation in the fields of education and cultural exchanges. While in the US there are 260914 Chinese students with 86204 in UK and 25388 in France, in the whole East-Central European region there are only 1615 Chinese students with the biggest numbers in Poland (608 students) and Hungary (490 students) [...]

It goes without saying that tremendous differences between China and the countries of East-Central Europe and relative weakness of mutual complementarity, connected with them, constitute "innate factors". It is impossible and unnecessary to change them. These features are of objective character and constitute basic prerequisites for the development of cooperation between China and the East-Central European region [...]

The pivotal framework of cooperation [between China and East-Central European countries] is trade and economic relations. In this field it is unlikely that China will take 16 countries of East-Central Europe as a unit, but will concentrate on bilateral contacts with each country of the region proceeding from the concrete circumstances of mutual benefit and degree of mutual complementarity [...]

It also goes without saying that the sustainability of "One Belt One Road" project in no small degree depends on cooperation with these countries. However, China is the second economy in the World and her main trade and economic partners are Western Europe, USA,

Japan, South Korea and Russia, while key partner of the East-Central European countries is Western Europe.

(Kong and Wei, 2017)

Careful reading of this text creates an impression that China's strategic take on the East-Central European region is somewhat equivocal. On the one hand, the region is clearly important, particularly in the context of putting in practice "One Belt, One Road" initiative. On the other hand, however, East-Central Europe seems to Chinese experts too diversified, petty compartmentalized and not that pivotal in terms of overall volumes of potential cooperation.

In terms of practical strategic policy choice, it could mean that Beijing is in some confusion how to act in this region. Dealing with it as one entity is unpractical due to its diversity. Dealing with each country separately may be too much time and resource consuming.

Practical existence of such dilemma in China's strategy regarding East-Central Europe is corroborated by some estimates of the region's analysts. For example, *Radio France Internationale* quotes Alicja Bachulska, China analyst at the Warsaw-based Asia Research Center, who said most recently: "There was a big mismatch between the expectations of the region and what China was actually offering. China did not really understand that the 17 countries are very different,' disregarding cultural and economic differences between the western Balkans, which are not part of the EU, the Baltic states, the Visegrad Group members. 'China was not delivering.'" (*RFI*, 11th February 2021)

It looks like Beijing will have to adjust its strategic "leverage" in East-Central Europe to more individual, bilateral approach. "For now, China is likely to concentrate on expanding cooperation - and gaining influence - with non-EU countries in the western Balkans, where Serbia now stands out as a major recipient of Chinese support [...] The

London-based *Financial Times* reports that, since 2012, Serbia has received more than eight billion euros of publicly announced Chinese funding and investment, ‘more than half of China’s stated investment in the region.’” (*RFI*, 11th February 2021) Possible prospect of Beijing’s cooperation with EU members in the region is currently highlighted by the plan to open the branch of Fudan University in Budapest. However, this initiative, despite signed agreement with Hungarian government, was received in Hungary rather ambiguously.

Structural complexity in China’s dealing with East-Central Europe has been tangibly exacerbated by deepened contradictions in US-China and EU-China relations. According to EU’s most recent official perspective, China is not to be seen as a common enemy, but Europe also cannot treat China as a partner, on par with US, because China is perceived as “a systemic rival when it comes to values and geopolitics” (*ibid.*). The 9th of February 2021 17+1 meeting that coincided with the Visegrad event was, for example, hardly reported by non-Chinese press and was even, so to say, “underrepresented” on the side of the East-Central European countries when some of them, like Estonia, refused to send to it “higher ranking officials”.

All in all, Chinese strategic “leverage” in East-Central European region currently seems to get stuck between Beijing’s “One Belt, One Road” imperative, the region’s internal diversity and differences regarding attitude to China, US opposition to China’s “expansionist” plans and ambiguity of the EU official perspective on China’s presence in the region.

## Note

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