

China-CEEC People to People Exchange: Past, Present and the Future

The Conference Proceedings of the China-CEEC Think Tanks Symposium and the Closing Ceremony of China-CEEC People-to-People Exchange Year in 2016

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The Key Role of the 16+1 Think Tanks Network in Enhancing the Mutual Understanding of China-CEEC Cooperation*

Cai Fang**

Distinguished Deputy Prime Minister Ivica Dačić and the Assistant Foreign Minister Liu Haixing, Ladies and Gentlemen,

Good morning to all!

Today, Chinese Academy of Social Sciences and the Secretariat for Cooperation between China and CEEC jointly host the China-CEEC Think Tanks Symposium and the Closing Ceremony of China-CEEC People-to-People Exchange Year here at CASS. On behalf of CASS and the 16+1 Think Tanks Network, I would like to extend my sincerest and warmest welcome to all the guests coming from China and CEECs.

When Chinese Premier Li Keqiang attended the 3rd Meeting of Heads of Government of China and CEECs in Serbia in December, 2014, he affirmed that China supports the establishment of the China-CEEC Think Tanks Exchange and Cooperation Center. One year later, at the 4th Meeting of Heads of Government of China and CEECs, the participants jointly formulated and issued the Suzhou Guidelines for Cooperation between China and CEECs which clearly stated that all parties welcome the Chinese Academy of Social Sciences in leading the efforts to establish the China-CEEC Think Tanks Exchange and Cooperation Network (shorted as “16+1 Think Tanks Network”). As an international coordinating mechanism and high-level exchange platform for think tanks from China and CEECs, 16+1 Think Tanks Network has always been committed to integrating not only all the related research institutes and centers from CASS, but also other think tanks from China and CEECs, and fully implementing the building of new types of think tanks, so as to coordinate and promote the “16+1 Cooperation”, the

* Cai Fang's Welcome Address at the China-CEEC Think Tanks Symposium and the Closing Ceremony of China-CEEC People-to-People Exchange Year.

** Vice President of CASS & Executive Vice-President of 16+1 Think Tanks Network.

China-EU Comprehensive Strategic Partnership as well as the “Belt and Road” Initiative. During the past year, by taking advantage of the talents and the comprehensiveness of disciplines of CASS as well as the strong networks with think tanks and academic institutions inside and outside China, 16+1 Think Tanks Network has made remarkable achievements in terms of promoting the mechanism of the China-CEEC think tanks exchange and cooperation, strengthening the communication and exchanges between high-level think tanks from China and CEECs, and more importantly, providing intellectual support to the “16+1 Cooperation”.

In November this year, the 5th Meeting of Heads of Government of China and CEECs was held in Riga, Latvia. Chinese Premier Li Keqiang and leaders of CEECs attended the Meeting together. During the Meeting, all parties agreed that the China-CEEC cooperation has been increasingly fruitful ever since it was launched in 2012. For instance, the *Mid-Term Agenda for Cooperation between China and Central and Eastern European Countries* has been warmly-received and actively responded by the CEECs. Moreover, the *Suzhou Guidelines for Cooperation between China and Central and Eastern European Countries* has been well-implemented in all aspects. Based on the above-mentioned facts, all member countries of the “16+1 Cooperation” jointly formulated and issued the *Riga Guidelines for Cooperation between China and Central and Eastern European Countries* (shorted as the *Riga Guidelines*). The launch of the *Riga Guidelines* not only marks the maturity and harvest of the China-CEEC cooperation, but also displays the strong vitality and promising prospects of the China-CEEC cooperation to the world.

Ladies and Gentlemen, Dear Friends,

The key to sound relations between states lies in the affinity of their people, which largely stems from mutual understanding. While the political and economic cooperation between China and CEECs are steadily progressing, people-to-people exchange has played a constructive role in promoting China-CEEC cooperation. In recent 5 years, the “16+1 Cooperation” framework has grown incrementally from small to big, from the elementary to the profound. Moreover, it becomes increasingly important for the enhancement of the China-CEEC cooperation in all fields, especially to the advance of the China-CEEC people-to-people exchanges and

cooperation. Historically, the people-to-people exchanges have been a significant channel for the interaction and mutual learning between the Chinese civilization and the rest of the world, a key driving force for the development of international relations, and a fundamental base of the healthy development of state-to-state relations. The people-to-people exchanges, as one of the pillars of the “16+1 Cooperation” mechanism, not only carry the long-standing and well-established friendship between Chinese people and people from CEECs, but also effectively push forward the practical cooperation among countries.

In view of this, at the 4th Meeting of Heads of Government of China and CEECs held in November 2015, leaders of China and CEECs jointly made a big decision to designate the year 2016 as the “China-CEEC People-to-People Exchange Year”. In February 2016, the China-CEEC people-to-people exchange program was formally launched in Beijing. The program is co-hosted by 17 member countries including China and 16 CEECs, which is not only a great pioneering undertaking in the history of friendly exchanges between China and Europe, but also a beneficial exploration on the practice of people-to-people exchanges all round the world.

With regard to the China-CEEC cooperation, the year 2016 is definitely an extraordinary year. For instance, Chinese President Xi Jinping made successive visits to three Central and Eastern European countries, which is unprecedented in the history of exchange between China and CEECs. Driven by this, the 2016 China-CEEC people-to-people exchange activities have yielded a series of positive results. According to the statistics, this year there have been more than 40 large-scale bilateral or multilateral people-to-people exchanges organized by China and CEECs covering over 10 fields such as culture, tourism, media, education, science and technology, think tanks, etc. From the Happy Spring Festival events in CEECs held early this year to a variety of exchange programs concerning arts, humanity and think tanks carried out later, this year’s events of people-to-people exchanges are fruitful and full of highlights. What’s worth mentioning is that the China-CEEC Think Tanks Symposium, as an important part of the implementation of the 2015 *Suzhou Guidelines for Cooperation between China and Central and Eastern European Countries* and the planning for the 2016 *Riga Guidelines for Cooperation between China and Central and Eastern European Countries*, has undoubtedly and successively boosted the China-CEEC people-to-people exchanges in

terms of think tanks cooperation.

Meanwhile, as the sponsor of this symposium and the base of the 16+1 Think Tanks Network, Chinese Academy of Social Sciences is looking forward to further establishing and strengthening the pragmatic cooperation with CEE think tanks and academic institutions. To this end, the Chinese Academy of Social Sciences and 16+1 Think Tanks Network are actively projecting the joint building of research institutes or platforms with willing CEE think tanks and academic institutions to serve newly-typed think tanks and, more importantly, to provide better intellectual support to the “16+1 Cooperation” from the perspective of think tanks. Here, we sincerely hope and welcome the participation and involvement of more CEE think tanks and academic institutions, so as to advance the development of the “16+1” cooperative mechanism together.

Ladies and Gentlemen, Dear Friends,

The present international situation is complicated and constantly changing. The prospect of world economic recovery is not so promising. Globally, all kinds of unstable factors are increasing. All these have brought unprecedented challenges to the development of all countries. Meanwhile, we should also acknowledge that, under the new situation, countries share more and more interests and demands. In the future, China and CEECs, by continuously working together to promote the “16+1 Cooperation” in greater scope, wider area and higher level, will not only serve more Chinese and CEE citizens, but also make a greater contribution to world peace and development. Here, I sincerely hope that our newly-typed think tank could join hands with think tanks of all countries. Together, let’s seize the historic opportunity of the flourishing China-CEEC cooperation to jointly conduct research in all fields, spread the spirit of mutually beneficial and win-win cooperation, learn from each other, innovate constantly and devote ourselves to the prosperity of world economy and civilization.

To end my speech, on behalf of the Chinese Academy of Social Sciences, I would like to extend my sincere gratitude to the comrades and friends in charge of organizing this event. Again, I wish this conference successful!

Thank you all!

China-CEEC Cooperation and People to People Exchanges*

Liu Haixing**

Distinguished Deputy Prime Minister Ivica Dačić and the Vice President of CASS Cai Fang, Ladies and Gentlemen,

Good morning to all!

To begin with, on behalf of the Ministry of Foreign Affairs of China and the Secretariat for Cooperation between China and CEEC, I would like to extend my sincere welcome to all the attendants from China and abroad, and my warm congratulations on the upcoming China-CEEC Think Tanks Symposium as well as my heartfelt thanks to everyone's continuous care and support for the "16+1 Cooperation". With the Closing Ceremony, the China-CEEC People-to-People Exchange Year has drawn to a successful end.

Both China and CEECs boast long-standing and splendid culture and history, which lay a solid foundation for the expansion of people-to-people exchanges and mutual learning among different civilizations. The ever-increased cultural and people-to-people exchanges between China and CEECs also have much more significance in promoting the popularity of the "16+1 Cooperation" among peoples of 17 countries. Because of this, during the 4th Meeting of Heads of Government of China and CEECs held in Suzhou in November, 2015, Chinese Premier Li Keqiang designated the year 2016 as the "China-CEEC People-to-People Exchange Year", which received positive response and extensive support from leaders of 16 CEECs. Over the past year, we have been upholding the principles of openness, inclusiveness and sharing, and pooling the wisdom and strength of people. Through scientific planning and elaborate organization by all parties, the events on the People-to-People

* Liu Haixing's Keynote Speech at the China-CEEC Think Tanks Symposium and the Closing Ceremony of China-CEEC People-to-People Exchange Year.

** Assistant Foreign Minister of China & Secretar. y-General of the Secretariat for Cooperation between China and CEEC.

Exchange Year have achieved a complete success. More importantly, the cultural and people-to-people cooperation between China and CEECs has developed into an all-round, multilevel and wide-ranging cooperative pattern. There were approximately 40 rich and colorful events full of highlights throughout the year, covering more than 10 fields. These events have continuously boosted the people-to-people exchanges at various levels, benefited an increasing number of people from China and CEECs, and brought new momentum for the stable development of China-CEEC relations. Apart from that, the initiative of jointly hosting the people-to-people exchange events by 17 countries also had a profound impact on the history of the Sino-European people-to-people exchanges.

To begin with, the existing platform has been given full play and the mechanism construction has been further improved. Last year, the high level dialogues in the field of culture, education, health and technological innovation, etc. within the “16+1” mechanism were held successfully and fruitfully. Moreover, the exchange visits between media and art groups were realized. In addition, the mechanisms of the “16+1” virtual technology transfer center and the China-CEEC Dance Culture Union, etc. were launched in succession while the bilateral culture and people-to-people events such as the “Happy Spring Festival” and the “Exhibition of Treasures of Ancient China” echoed the theme year.

Secondly, both China and CEECs have made continuous efforts to explore new fields and create new highlights in the China-CEEC cooperation. The First Meeting of Mayors of the Capitals of the CEECs and China, the First Forum of Cultural Industry of China and CEECs, the First Forum of the Protection of Intangible Cultural Heritage of China and CEECs, etc. were held successfully. Meanwhile, the guest country of this year’s Beijing International Book Fair was, for the first time, shouldered by the 16 CEECs as a whole. Remarkably, Chinese Premier Li Keqiang met with three-generations of sinologists 16 CEECs during the Fifth Meeting of Heads of Government of China and CEECs held in Riga, which marked a highlight of the Meeting, injected fresh momentum into the development of language and culture of China and CEECs, and evoked wild enthusiasm from all sectors of society in 17 countries.

Thirdly, the “16+1” cultural and people-to-people exchanges are in accord with the

international cooperative framework. By taking advantage of international platforms like the World Tourism Development Conference, the influence of the “16+1” cultural and people-to-people cooperation with distinguishing features of 17 countries has been further expanded. What’s more, by integrating the youth exchanges and dialogues on education policies into the framework of the China-EU cultural and people-to-people exchanges, the China-EU dialogue mechanism of cultural and people-to-people exchanges has been optimized, making an increasing number of new contributions to the joint construction of the China-EU comprehensive strategic partnership of peace, growth, reform and civilization.

Ladies and Gentlemen, Dear Friends,

As a Chinese saying goes, distance can not separate true friends who feel so close even when they are thousands of miles apart. China and CEECs are far-away neighbors situating in the two ends of Eurasia. Over decades we have been treating each other equally with mutual respect and the bilateral relations between China and CEECs have stood the test of the ever-changing international and domestic situations. Our friendship, so to speak, is genuine and ever-lasting. China is currently fighting for the great rejuvenation of the Chinese nation while 16 CEECs are passing through a significant period of domestic reform and development. Under such circumstance, the “16+1 Cooperation” emerged at the right moment, offering new platform for the strengthening of traditional friendships and the expansion and deepening of practical cooperation. As an innovative mechanism of the China-Europe friendly cooperation, the platform has become increasingly mature and developed, yielding fruitful results of pragmatic cooperation in various fields, and injecting new vigor and vitality to the traditional ties of friendship between China and CEECs.

At the present, the “16+1 Cooperation” is standing at the new historical starting point in face of new development opportunities. Chinese President Xi Jinping visited the Central and Eastern European region twice within this year, during which he proposed to build sustainable and pragmatic cooperation between China and CEECs, integrate the “Belt and Road” Initiative into the European economic circle, and synergize the “16+1 Cooperation” with both China-Europe relations and the bilateral relations between China and CEECs. His initiatives have shed lights on the future prospects of the China-CEEC

cooperation. Last month, the 5th Meeting of Heads of Government of China and CEECs was successfully held in Riga, Latvia. The participants jointly formulated and issued the *Riga Guidelines for Cooperation between China and Central and Eastern European Countries* and the *Riga Declaration* aimed at promoting the cooperation on the infrastructure equipment and production capacity. Leaders of 17 countries were witnesses to the signing of representative cooperative agreements between China and 16 CEECs. Regarding the future development of the “16+1 Cooperation”, Premier Li Keqiang put forth a five-point proposal, which was to scale up two-way trade, accelerate efforts for greater inter-connectivity, promote cooperation in production capacity, explore innovative modalities of financial cooperation and tap potential for cultural and people-to-people exchanges and cooperation. His proposals highly accorded with the needs for cooperation of both parties and thus were well-received and widely-supported by the leaders of 16 CEECs. I strongly believe that the “16+1 Cooperation” will make continuous progress so long as all parties uphold the principles of openness, inclusiveness to meet the interests of all, build more consensuses and explore new areas of cooperation.

Ladies and Gentlemen, Dear Friends,

Cultural and people-to-people exchanges are a fundamental part of the “16+1 Cooperation” which is an inexhaustible driving force for the in-depth development of the “16+1 Cooperation”. It is supplementary and supportive to the cooperation on production capacity and trade, and plays an irreplaceable role in forging strategic partnerships of openness, inclusiveness, mutually-beneficial and win-win cooperation. The China-CEEC relations can only be more long-standing and dynamic through the continuous enhancement of the cultural and people-to-people exchanges. And in that way, the trust and understanding among people from China and CEECs will be enhanced effectively, laying solid social foundation for the comprehensive, balanced and pragmatic cooperation between China and CEECs. Under the new circumstance, the China-CEEC cultural and people-to-people exchanges have huge space for development with bright prospects. China is willing to work with the Central and Eastern European countries to further deepen and expand the cultural and people-to-people exchanges and cooperation by enriching the connotation,

diversifying the subject and exerting far-reaching influence. Here, I put forth four suggestions:

Firstly, we should adopt a long-term and far-sighting perspective to strengthen the exchanges and mutual learning between China and 16 CEECs. “It is only natural for things to be different”. The world is in its nature rich and colorful with diverse culture and civilizations. The civilizations of both China and CEECs have survived many vicissitudes and are of profound historical and cultural significance to the progress of human civilization. The cultural and people-to-people exchanges quietly bring people of 17 countries closer together by enhancing the mutual understanding of each other’s national and social conditions and fostering more consensuses. Standing at a new historical starting point, 17 countries should take a strategic and long-term perspective, seize the opportunity to learn from each other and share the successful experience of development, so as to realize the equal, mutually-beneficial and win-win cooperation. In addition, 17 countries should respect and appreciate each other with broad vision, foster partnerships of mutual understanding, inclusiveness and cooperation to effectively guarantee the sustainable development of the “16+1 Cooperation”, jointly establish the China-EU partnerships of civilization and, more importantly, push forward the progress of human civilization.

Secondly, we should grasp the current opportunities to build a strong foundation for the cultural and people-to-people exchanges between China and CEECs. We should make solid progress in promoting the existing cultural and people-to-people exchanges in all fields, fully implement the relevant measures prescribed in the *Riga Guidelines for Cooperation between China and Central and Eastern European Countries* and the *Mid-Term Agenda for Cooperation between China and Central and Eastern European Countries*, so as to strengthen the foundation for cultural and people-to-people exchanges. We should uphold the people-oriented principle to make the cultural and people-to-people exchanges and cooperation ever closer and more favorable to the civilians with more opportunities to join, support and benefit from such exchanges and cooperation. Apart from that, we should further eradicate the obstacles to the cultural and people-to-people exchanges by providing more convenient conditions for personnel exchanges. Several direct flight routes have been opened between China and CEECs. Recently, Serbia, Hungary and Macedonia have all introduced measures to facilitate

Chinese people's application for visa. In that case, the personnel exchanges between two sides will be ever more convenient. It is my sincere wish that both sides continue to explore and discuss the possibilities of opening direct flight routes in accordance with the market principles, and I also expect more CEECs to bring in measures that facilitate Chinese people's visa application.

Thirdly, we should keep up with the times and innovate new forms of "16+1" cultural and people-to-people exchanges. It is only by constantly enriching new contents can the cultural and people-to-people exchanges stay sustainable and progressive. With the strong support from Central and Eastern European Countries, Beijing and Zhangjiakou have been awarded for the right to host the 2022 Winter Olympics, for which we feel very grateful. Some CEECs possess traditional advantages on winter sports, while others even have the experience of hosting the Winter Olympics. China is willing to deepen exchanges and cooperation with all CEECs on hosting the major international sports events, training athletes and coaches, etc. In recent years, the number of Chinese tourists to CEECs has witnessed a sustained increase, which underlines the importance of constantly strengthening the "16+1 Cooperation" on the construction of the tourism industry, exchange of management experiences, research and development on the new tourism products, continuously enriching the tourism benefits, and improving the quality and influence of tourism products.

Fourthly, we should face forward to the future and open up a new prospect of the "16+1" cultural and people-to-people exchanges. We should strengthen the media cooperation and organize events of great effectiveness for the China-CEEC Media Exchange Year. Both sides should also carry out various forms of dialogues and enhance the visibility of the cooperation. The foundation of the "16+1" cultural and people-to-people exchanges lies in the people and the development depends on the youngsters. Both sides should promote the normalization and institutionalization of the youth exchanges. China will organize the "Youth Bridge" programs to invite 1000 youngsters from Central and Eastern European countries to train in China in the next decade. We hope that these young people from 17 countries can join hands to pass on the friendly cooperation to the next generation. In addition, the think tank exchange should be further promoted and developed into a major pillar of the cultural and people-to-people exchanges that provide more intellectual support and countermeasure proposals for the deepening of the

cooperation, so as to ensure the pragmatic, efficient and sustainable development of the “16+1 Cooperation”.

Ladies and Gentlemen, Dear Friends,

The cultural and people-to-people exchanges are a project in the public interest aimed at strengthening people-to-people friendships. They cohere the earnest expectations from leaders of 17 countries, embody the keen hope of all peoples, and shoulder the crucial responsibility of carrying forward the traditional friendships between China and CEECs. Despite the fact that today’s Closing Ceremony of China-CEEC People-to-People Exchange Year is coming to an end, the course of the “16+1” cultural and people-to-people exchanges have just started up. I firmly believe that as the development path of the “16+1” cultural and people-to-people exchanges gets wider and deeper, the “16+1 Cooperation” will embrace a bright and prosperous future.

The Relationship between China and Serbia and 16+1 Cooperation*

Ivica Dačić**

Mr. Cai Fang, Mr. Liu Haixing, Distinguished representatives of Chinese institutions, and members of the diplomatic corps, Excellencies, Ladies and gentlemen,

I am greatly pleased and honoured to have the opportunity to address the highest academic institution in China, the Chinese Academy of Social Sciences, which is hosting this high-level meeting of reputable experts in China-Central and Eastern European Countries (CEEC) international relations. I particularly wish to thank the Ministry of Foreign Affairs of the People's Republic of China for its overall contribution to the efforts aimed at increasing the visibility of the CEEC region and presenting it as the new generator of regional cooperation in the framework of the 16+1 mechanism. At the same time, I believe that cooperation between China and the CEEC countries constitutes an important segment of an extremely significant global process—the great “Belt and Road” intercontinental strategic initiative.

It is my pleasure also to note that the relations between the Republic of Serbia and the People's Republic of China are excellent, the best in the history of our countries. President of the People's Republic of China Xi Jinping paid a historic visit to Serbia last June, raising the bilateral relations to the level of a comprehensive strategic partnership. The visit of a Chinese President to Serbia after 32 years is of greatest importance not only for the bilateral relations between our two countries, but also for the entire CEEC region, as it reflects the importance that China attaches to this part of Europe. On that occasion, in addition to the Joint Statement on the establishment of comprehensive strategic

* Ivica Dačić's Keynote Speech at the China-CEEC Think Tanks Symposium and the Closing Ceremony of China-CEEC People-to-People Exchange Year.

** First Deputy Prime Minister & Minister of Foreign Affairs of the Republic of Serbia.

partnership, the Agreement on the 46-million-euro investment by Chinese Company Hesteel in the Smederevo Steelworks was also signed, as well as a large number of other agreements, serving as a driver for our future all-round cooperation. In order to further enhance our relations, the Government of the Republic of Serbia concluded with the People's Republic of China the Agreement on Mutual Abolition of Visas, signed last month at the China-CEEC Summit in Riga, while direct flights between the two countries have been set as one of the priorities.

The China-CEEC cooperation mechanism is naturally fused with the "Belt and Road" concept. In addition to China, the concept includes 11 European Union Member States and five countries in different phases of the EU accession process. In its five-year existence, the mechanism 1+16 opened up new horizons and many areas of cooperation. We can note with pleasure that highly diversified ties and meaningful relations have been established in a number of areas, including, in addition to cooperation in the areas of economy, infrastructure and energy, also the areas of health, media, culture, science, education, sports, tourism, regional and local cooperation, inter-party cooperation, mutual cooperation and support in international organizations and forums, etc. I wish to take this opportunity to recall that the 3rd Meeting of Heads of Government of the People's Republic of China and CEEC was held in Belgrade, on December 16-17 2014, and underline that it was the major foreign policy event that our country has hosted in the last several decades.

Energy and transport infrastructure projects worth more than 2 billion dollars investment have made Serbia European leader in the implementation of infrastructural projects with China. Mihajlo Pupin Bridge, formally inaugurated by the Prime Ministers of our countries, Li Keqiang and Aleksandar Vucic, in 2014, is the first Chinese bridge in Europe, built on the Danube, the longest European river, connecting several countries of this region. The implementation of projects on the construction of "Kostolac" Thermal Power Plant (with an overall value of more than 1 billion USD) and the construction of a number of motorway sections through Serbia, are in progress, and we are particularly proud of the project on the modernization and construction of the Belgrade-Budapest railway, as the major project in the region. At the Riga Summit last November, Serbia and China signed agreements valued at 734 million euro. The projects testify to the vast potential of cooperation in this area. We therefore expect the establishment of the

Association for transport and infrastructure which will, I am confident, enable even more intensive project cooperation, including a larger number of participants.

The model for all-round connectivity, communication and integration of different development strategies within the “Belt and the Road”, provides us with an additional platform for cooperation. The “Belt and the Road” Concept is a strategic project defining the positioning of People’s Republic of China and the main directions of its global action, particularly in Eurasia. The basic postulates are the cooperation and networking that bring benefits to all participants, according to the “win-win” principle. We believe that the Concept is useful and acceptable for the Republic of Serbia, because it has a huge development potential, particularly in the sector of infrastructure development, increase in the volume of investment and expansion of the total volume of trade. We on the “Belt and Road” map have an opportunity to become one of the most important regional hubs for trade in this part of Europe. Therefore, the Belgrade-Budapest railway project, as part of the rail corridor from Piraeus, will contribute to this initiative in the realization of the transport networking, while keeping in mind the potential of the Danube River, too. For all of us this should be a development opportunity and encouragement to unite as a common economic area. And within this area to contribute to the flow of people and goods, stimulate the creation of logistic routes and distribution centres, transfer of know-how and technology, and in the long run to devise ways to provide access to new markets and create jobs.

Ladies and Gentlemen,

Serbia is an anchor of stability in the region. Our citizens have elected the European path and embraced reforms as the only way to make economy competitive and achieve the European standard of living. We have policies designed to attract investment, skilled labor and favorable trade arrangements with many countries to which we can export our goods without tariff or other barriers. We are proud of the fact that investors choose to invest in Serbia, and a large number of European companies decide to expand production in our country. I think it is an advantage for this region and that Serbia demonstrates in this way to be a credible partner.

As a candidate for EU membership, in the context of this strategic objective does not neglect relations with its neighbors in Southeast Europe. I believe it is the right time

to encourage investment and to put any form of cooperation at the service of building trust and establishing a guarantee for a safe environment and the preservation of regional peace and stability. The region is of immense importance for Serbia. Turning to each other creates the opportunity for business people in the region to establish a network of contacts and build relationships that encourage economic integration, a guarantee of regional peace and stability. I am confident that we are on the right track to make this area an economic gateway of Europe, through synergy on projects of infrastructure, energy, tourism, development of industrial parks and modern technologies. Serbia fully supports all initiatives and processes aimed at strengthening cooperation, peace, development and stability in Central and Eastern Europe, as well as at our close proximity.

I would like to take this opportunity to re-emphasize the principled support of the People's Republic of China to the sovereignty and territorial integrity of the Republic of Serbia. China is committed to achieving a mutually acceptable solution based on the UN Charter and Resolution 1244 and welcomes the commitment of the Republic of Serbia to the dialogue with Pristina. For its part, the Republic of Serbia is consistent in supporting the policy of "one China". We sincerely look forward to the development achievements of China both in internal and foreign policy.

In conclusion, allow me to wish you productive work and a fruitful exchange of views.

Thank you for your attention.

China-CEEC Cooperation: Status Quo and Prospects*

Chen Xu**

Your Excellency Mr. Ivica Dačić, Deputy Prime Minister of Serbia, Your Excellency Mr. Cai Fang, Vice President of the Chinese Academy of Social Sciences, Your Excellency Mr. Liu Haixing, Assistant Foreign Minister of China, distinguished ambassadors and diplomats from the embassies of Central and Eastern European Countries (CEECs) in China, Distinguished scholars and experts, Ladies and Gentlemen, Dear Friends,

Good morning!

It is a pleasure to join you today. On behalf of the Department of European Affairs of Ministry of Foreign Affairs of China, I would like to express my warm welcome to you, and my gratitude to the Chinese Academy of Social Sciences and the Secretariat for China-CEEC Cooperation for hosting the Symposium of Think Tanks of China and CEEC and the Closing Ceremony of China-CEEC People-to-People Exchange Year. At this time when we bid farewell to 2016 and embrace 2017, I would like to take the opportunity to express sincere appreciation for your long-term care and support for the “16+1 Cooperation”, and wish you a happy and fruitful year.

Today the 4th quarterly meeting between the Secretariat for China-CEEC Cooperation and CEEC embassies in China was held. Looking back on 2016, the “16+1 cooperation” mechanism has grown from strength to strength, bursting out vitality in various aspects. I would like to highlight three points here.

First, top-level exchanges create enthusiasm for cooperation. In the first half of the year, President Xi Jinping visited Central and Eastern Europe twice, demonstrating the

* Chen Xu's Keynote Speech at the China-CEEC Think Tanks Symposium and the Closing Ceremony of China-CEEC People-to-People Exchange Year.

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importance attached by China to China-Europe relations and the “16+1 Cooperation”. These visits have given a strong boost to bilateral cooperation and the “16+1 Cooperation”, elevating the China-CEEC relations as a whole. The 16+1 Leaders’ Meeting held not long before is another highlight of the “16+1 cooperation” this year. Premier Li Keqiang and leaders of CEECs gathered in Latvia to chart the course for the next phase of the “16+1 Cooperation”. Themed on Connectivity, Innovation, Inclusiveness and Common Development, the Meeting has sent clear messages of maintaining world peace and regional stability, pushing forward economic globalization and staunchly supporting the European integration. The Riga Meeting marks the sound beginning of harvests of the “16+1 Cooperation”, bringing more inclusive achievements and establishing new milestones for the “16+1 cooperation”. The “16+1 Cooperation” has also strengthened mutual political trust and enhanced coordination and mutual understanding and support on issues bearing on each other’s core interests and major concerns, embodying our sound political relations.

Second, mechanisms building pools together strengths for cooperation. In 2016, the key year for implementing the *Mid-Term Agenda for Cooperation between China and Central and Eastern European Countries*, the Secretariat for Cooperation between China and CEEC strives to build new type of partnership featuring openness, inclusiveness, mutual benefit and win-win cooperation, bearing in mind the long-term development of the “16+1 Cooperation” and the roadmap of the *Medium-Term Agenda*. We will improve the cooperation mechanism, tap more potential and strive for increased quality and effectiveness of cooperation. We hosted the national coordinators’ meeting twice this year, discussing direction for further cooperation. We also held the 3rd Local Leader’s Meeting in Hebei Province and achieved fruitful results in the “16+1” local cooperation, which is second in importance only to the Leaders’ Meeting under the framework of the “16+1 cooperation”. Moreover, we established the mechanism for transport and infrastructure cooperation led by Serbia and for logistics cooperation led by Latvia, which has improved the layout of the “16+1 cooperation”. Besides, the Secretariat sent delegations to 16 CEECs to discuss cooperation, and organized visits of high-level officials and media from CEECs to China. The quarterly meeting between the Secretariat and CEE embassies in Beijing went smoothly, and the new website of the Secretariat was launched. These practices show that the multi-layered cooperation mechanisms have

played a significant role in deepening mutually-beneficial cooperation and promoting exchanges on experiences.

Third, synergies yield fruitful cooperation. The year 2016 has witnessed the implementation of the “16+1 Cooperation”. We will take the implementation of the *Suzhou Guidelines* as an opportunity to build the “1+6” cooperation framework, and nail down each item of the agreements from the Meeting. We will further synergize the “Belt and Road” Initiative and the international cooperation on production capacity with other countries’ plans for industry development, and promote effective interaction among directions of cooperation and demands of each country, plans and implementation, projects and financing. In this way, we can mobilize advantages of the 17 countries and achieve win-win cooperation. We held many events with CEECs, including Sarajevo Business Forum, CEEC Ministerial Meeting on Promoting Trade and Economic Cooperation, China-CEEC Health Ministers’ Meeting, China Investment Forum, and China-CEEC Agricultural Cooperation Forum. These wide-ranging events attract much participation and play an important role in deepening mutually beneficial cooperation and exchanges. We also held the First Conference of Presidents of Supreme Courts of China and CEECs, the First China-CEEC Conference on Innovation Cooperation, the First Meeting of China-CEEC Transport Ministers, the First China-CEEC High-Level Meeting on Cooperation in Forestry, the First Mayor Meeting of Chinese-CEEC capitals, and the First Dialogue Meeting of Political Parties. These events were first held under the “16+1 Cooperation” framework, opening new areas for cooperation and promoting comprehensive and deepened development. The “16+1” financial holding company was set up this year, it will raise fund from global markets through commercialized operation, and play the role of finance to bolster the “16+1 Cooperation”. Besides, key projects of pragmatic cooperation registered new progress. The Riga Meeting has witnessed important progress in the Hungary-Serbia Railway project with the signing of business agreement and memorandum of financing in the Serbia part, and construction contract and memorandum of financing in the Hungary part. These have laid solid foundation in the follow-up of the project. The Stanari thermal power plant in Bosnia and Herzegovina, constructed by Chinese enterprise, has been completed. It is the first key project financed by the US\$ 10 billion special credit line. The acquisition of the Smederevo steel mill by China’s HeSteel Group (HBIS) made HBIS the first Chinese enterprise to acquire steel

mill in Europe. The steel production has reached record high in the past 8 years, and turned loss into profit.

Ladies and Gentlemen, Dear Friends,

This year is the China-CEEC People-to-People Exchange Year. Assistant Foreign Minister Liu Haixing just summarized the events of this year, and put forward the priorities of the “16+1 Cooperation” in the next phase. 2017 will be the China-CEEC Media Exchange Year. China will join hands with CEECs to host exchanges and dialogues in the fields such as media, culture, education, youth, technology and tourism. Through these events, we aim to enhance understanding and promote exchanges among peoples of the 17 countries, improve ways of China-CEEC people-to-people exchanges, and elevate the exchange scale and level, so as to make the people-to-people exchanges an important driving force of the “16+1 Cooperation”.

Think tanks exchanges constitute one of the most active parts of the China-CEEC people-to-people exchanges. The High Level Symposium of Think Tanks of China and CEECs, the China-CEEC Think Tanks Network, and the Research Fund for China-CEEC relations are three leading forces in the field of think tanks cooperation. The High Level Symposium of Think Tanks of China and CEECs focus on both official and unofficial exchanges, and the China-CEEC Think Tanks Network aims to establish a track-two think tank platform under the framework of the “16+1 Cooperation”, complementing the High Level Symposium of Think Tanks of China and CEECs. The Research Fund for China-CEEC relations provided by the Chinese side encourages and supports scholars, experts and think tanks from China and CEECs to conduct fundamental research on China-CEEC relations. A batch of high-quality projects, proposals and training has been completed and we believe it will attract and cultivate more professionals to devote to the China-CEEC studies. I hope that scholars and experts present here continue to actively participate in think tanks exchanges between China and CEEC, support the 16+1 Think Tanks Network, apply for the Research Fund for China-CEEC relations, so as to jointly contribute wisdom and foresight to the “16+1 Cooperation”.

Ladies and Gentlemen, Dear Friends,

As an ancient Chinese saying goes, many hands make light work. The “16+1

Cooperation” is our common cause. China is willing to join CEECs to increase political mutual trust, expand all-round cooperation, push forward the “Belt and Road” Initiative and international cooperation on production capacity, and tap more potential of the “16+1 Cooperation”. In this way, we can add more strengths to our common cause and bring more tangible benefits to people from both China and Europe.

At last, I wish this conference a full success! Thank you!

China-CEEC Cooperation: Development and Challenges*

Huo Yuzhen **

Distinguished Scholars, Experts, Ladies and Gentleman, Dear friends,

It gives me great pleasure to attend the symposium and meet both old and new friends. On behalf of the Secretariat of Cooperation between China and Central and Eastern European Countries (hereinafter referred to as “CEECs”), I would like to extend warm welcome to friends from CEECs coming from afar, and sincere gratitude to guests present here for your care and support to the “16+1 Cooperation”.

The theme of the symposium is “The Development Prospects of the ‘16+1 Cooperation’ after the Fifth Meeting of Heads of Government of China and CEECs”. At the critical time when the Meeting just concluded and the “16+1 Cooperation” is about to celebrate its 5th birthday, it is necessary and carries special significance to jointly look forward to the development of the “16+1 Cooperation”.

First, as the witness of the whole process, I would like to brief you on the significance and fruitful achievements of the Fifth Meeting of Heads of Government of China and CEECs.

The Meeting was held against the backdrop of the dire world economy and the surging anti-globalization process, showcasing the common aspiration among the 17 countries to jointly tackle challenges, focus on development, elevate the quality and scale of pragmatic cooperation, and achieve mutual benefit and win-win cooperation. Premier Li Keqiang has elaborated on the new thinking to deepen cooperation in infrastructure and inter-connectivity, financial support, green economy and people-to-people exchanges. *The Riga Guidelines for Cooperation between China and Central and Eastern European Countries* issued at the Meeting have put forward nearly 60 new measures covering

* Huo Yuzhen’s Keynote Speech at the China-CEEC Think Tanks Symposium and the Closing Ceremony of China-CEEC People-to-People Exchange Year.

** Special Representative for Cooperation between China and Central and Eastern European Countries.

7 fields for cooperation in the next phase, keeping the momentum of the “16+1 Cooperation”. The Meeting has also released the *Riga Declaration on cooperation in infrastructure and equipment in the port zone of the Adriatic, Baltic and Black Seas*. Leaders also jointly witnessed the signing of documents on cooperation between China and CEECs in various fields, highlighting visibility of early harvests and strengthening confidence of cooperation.

The trend of the “16+1 Cooperation” after the Meeting is closely followed by all. Globally, the turmoil of international landscape is expected to continue in 2017, the prospect of world economy is still unclear, and the Brexit and the leadership transition in Germany, France and Italy have brought uncertainty to the future development of Europe. Against such backdrop, some people maintain to be cautious towards the “16+1 Cooperation”, while it seems different to me. The word “crisis” (weiji) in Chinese consists of two parts, both “danger” (wei) and “opportunity” (ji), which indicates that opportunities often lie with danger. Looking forward to 2017, opportunities for the “16+1 Cooperation” lie ahead.

First, good timing. The year 2017 marks a crucial year in China’s development, as the Communist Party of China will convene the 19th National Congress, and the 13th Five Year Plan will be comprehensively and deeply implemented. Meanwhile, the economic and social development of CEECs will also enter the critical era. The economic growth rates of CEECs ranked top in Europe in recent years with strong domestic demand and improved investment environment. The region has also witnessed increasing national and regional cooperation initiatives. Under the new circumstances, China and CEECs share increasing common interests and demands, as well as stronger willingness to promote growth and development through cooperation.

Second, favorable opportunities. The Chinese government has been making great efforts to promote the “Belt and Road” Initiative and will host the high-level forum on the “Belt and Road” Initiative in 2017, in a bid to implement more cooperative projects and inject strong impetus for building open economy and stimulating world economy. The CEECs are situated on the Eurasian continent along the “Belt and Road” Initiative, linking the developed EU market to the west and the energy market including Russia and Central Asia to the east. The unique location of the CEECs has brought huge potential to align development strategies with China and jointly build the “Belt and Road” Initiative.

Third, popular support. On the China-EU level, China-EU relations have been developing smoothly. The 18th China-EU Leader's meeting was successfully held in Beijing in June, when both sides have reaffirmed to strengthen all-round cooperation, integrate development strategies, accelerate negotiations on China-EU investment agreement, and deepen coordination in international affairs including global governance. On the China-CEEC level, President Xi Jinping has visited the region twice in the first half of the year, elevating the bilateral relations. On the "16+1 Cooperation" level, 2016 marks the China-CEEC people-to-people exchange year and closer people-to-people exchanges. Many CEECs have introduced facilitation measures for people to travel, which has contributed to frequent personnel flow and laid the popular support for further cooperation.

Facing these opportunities, we should promote the "16+1 Cooperation" in the next phase based on the "three alignments".

First, to align the "16+1 Cooperation" with the "Belt and Road" Initiative. Since it was first put forward by President Xi Jinping, the "Belt and Road" Initiative has been warmly echoed by the international community. More than 100 countries and international organizations have participated in the "Belt and Road" Initiative, and China has signed the agreements on jointly building the "Belt and Road" Initiative with more than 30 countries along the route, as well as conducted cooperation on production capacity with more than 20 countries. The Asian Infrastructure Investment Bank has been established. The Silk Road Fund has accelerated the implementation of specific projects, and a large number of projects have also been implemented smoothly.

CEECs have attached great importance and actively participated in the "Belt and Road" Initiative. 8 CEECs have signed agreements with China on jointly building the "Belt and Road" Initiative, and other countries have expressed their willingness to strengthen cooperation with China under the "Belt and Road" Initiative. We will take the Fifth Meeting of Heads of Government of China and CEECs as an opportunity to accelerate the implementation of the *Riga Guidelines* and synergize the "16+1 Cooperation" with the "Belt and Road" Initiative in pursuit of goals set in the *Mid-Term Agenda* for Cooperation between China and Central and Eastern European Countries. We will implement the intergovernmental cooperation agreements on jointly building the "Belt and Road" Initiative, and discuss to sign cooperation agreements with more

CEECs, seeking to form the synergy between the “Belt and Road” Initiative and the development strategies of CEECs. China supports the Hungary-Serbia Railway and China-Europe Land Sea Express to be early put into operation, and is willing to join CEECs to push for the implementation of more inter-connectivity projects. China also supports CEECs to participate in the construction of China-Europe Railway Express and the building of logistic routes, in a bid to strive for more achievements of the China-Europe inter-connectivity cooperation under the framework of the “16+1 Cooperation”.

Second, to align the “16+1 Cooperation” with the cooperation on production capacity. Since the launch of the “16+1 Cooperation”, both sides have been actively exploring the feasibility of conducting production capacity cooperation based on respective needs. During the 4th Meeting of Heads of Government of China and CEECs in 2015, Premier Li Keqiang put forward the Initiative to create new models for production capacity cooperation, stressing that China is willing to join CEECs to promote two-way production capacity cooperation featuring diversity, mutual benefit and win-win. To that end, China advocates the “Adriatic-Baltic-Black Sea Initiative”. The Fifth Meeting of Heads of Government of China and CEECs has released *the Guidelines on infrastructure and equipment cooperation in the region*, reaffirming support to the “Adriatic-Baltic-Black Sea Initiative” and charting the course for future cooperation.

Based on the *Riga Guidelines*, China is willing to match its sophisticated and cost-effective equipment and production capacity featuring sound technology and quality service with the needs of CEECs to accelerate industrialization as well as the advanced technology and managerial expertise from developed countries in West Europe, so as to complement advantages and achieve win-win cooperation.

Third, to align the “16+1 Cooperation” with China-EU Comprehensive Strategic Partnership. The EU is both China’s comprehensive strategic partner and the largest trade partner. The EU faces multiple challenges in political, economic, social development and integration. However, China has been consistent in its confidence in the EU prospects and support to the EU integration, hoping the EU can maintain unity, prosperity and stability.

China always maintains the “16+1 Cooperation” as an integrity and complement to the China-Europe relations. China holds positive attitude towards cooperation involving third party with European countries including observer states under the framework of the “16+1 Cooperation”, and strives for early harvest of China-Europe Joint Investment

Fund, inter-connectivity, digitization and facilitation of personnel exchange under the framework of the “16+1 Cooperation”. In this way, the “16+1 Cooperation” is expected to act as catalyst for China-EU relations and contribute to the partnership featuring peace, growth, reform and civilization.

While embracing the bright future of the “16+1 Cooperation”, we should also be clear that there exist challenges that require joint efforts to deal with.

First, how to make better use of the cooperation platform in specific fields. Guided by the “16+1” Leaders Meeting and Economic and Trade Forum, the “16+1 Cooperation” has established more than 20 institutional cooperation platforms in different fields, putting in place a multidimensional and multi-layered structure for cooperation in wide-ranging fields. If we compare the “16+1 Cooperation” to a high speed train, we have made key efforts to build the structure and equip the wheels, and for the next step, we shall consider how to make better use of existing cooperation platforms to tap potential and bring energy, so as to ensure that the train runs at a high speed.

Second, how to create better ways for investment and financing to bolster production capacity cooperation. China has introduced one after another financial tools for key cooperation projects with CEECs, including specific loans, investment cooperation fund, investment and financing coordination framework, and financial enterprise, and has made some progress. While in practice, investment and financing still face difficulties, such as policy coordination and financing restraints, which prevent the projects from being implemented and need to be addressed.

Third, how to better conduct cooperation with the EU involving third parties. We are pleased to see that in its latest policy paper towards China, the EU has for the first time approached the “16+1 Cooperation” in a positive way. Being open and transparent towards cooperation, China is discussing possibilities for cooperation involving third party EU countries, while it needs to be further explored on specific fields and forms.

Present today are experts on China-CEEC relations and I hope to get insights from you on these questions. Surely these are just for your reference. We are open to your suggestions on the development of the “16+1 Cooperation” based on your research.

Thank you!

The Relationship between China and Hungary and 16+1 Cooperation *

H.E. Ms. SZILAS Cecília **

Esteemed Deputy Prime Minister Your Excellency Ivica Dacic, Assistant Foreign Minister, Your Excellency Liu Haixing, Vice President Cai Fang, Director-General Huang Ping, Director General Chen Xu, President Cao Weidong, President Peng Long, Excellencies, Ladies and Gentlemen,

Let me first express my honest appreciation to the esteemed leaders of CASS and organizers of today's event for inviting me and giving me once again the opportunity to share some thoughts about the cooperation of China and the Central and Eastern European countries from a Hungarian point of view.

When preparing my speech I looked back over the last six years. This period brought substantial changes in our region at Central and Eastern Europe, forming our countries into a better cooperating community, and one could also witness remarkable progress in our regional cooperation with China.

The process of working together within the 16+1 framework has also brought together countries of different historical and cultural backgrounds to develop an arrangement for vivid cooperation among our people, representing one hundred and twenty million (120 million) citizens of Europe plus China. Taking account of the very different historical approaches of these countries, the innumerable historical misunderstandings and dissimilar paths of development, this close cooperation is something one may never have dreamed of before. We, the 17 countries, including China have a great stake in this achievement.

* SZILAS Cecília's Keynote Speech at the China-CEEC Think Tanks Symposium and the Closing Ceremony of China-CEEC People-to-People Exchange Year.

** Hungarian Ambassador to China.

Ladies and Gentlemen,

It is obvious that the world economy's centre of gravity is shifting from the West to the East, from the Atlantic region to the Pacific region with China being in the focus. It is also obvious that our region in Europe is the most promising for the future of, European economy, as its most dynamically developing area. Looking at the development of the countries of our region, and also at the growth figures of European economies, we can see that the European economy's engine of growth is currently located in Central East Europe.

China has been steadily increasing its share in global growth and is playing a more and more important role in international affairs. It is almost six years now since the sixteen-plus-one (16+1) cooperation had been launched, and time has proved both the necessity and the practicality of this regional approach.

In Hungary we are convinced that what is good for Central and Eastern Europe and China serves not only the best interests of our region and China, but also those of the entire European continent – including the European Union.

Hungary is proud to be the first country in Europe to have signed an MoU with China on “Jointly Building The Silk Road Economic Belt And The 21st Century Maritime Silk Road” during the official visit of foreign minister Wang Yi in 2015, with this we became the first Belt and Road country in Europe.

It is to my personal satisfaction and pleasure and as an ambassador to note that the present relations and cooperation of Hungary and China can only be interpreted as a success story. Adding to the excellent political ties, statistics show that economic relations are also advancing consistently. China has become Hungary's largest trading partner outside the EU. According to data from the first half of 2016 our export to China grew by 20 %. In Hungary over the last few years we have created one of Europe's most competitive investment environments, which also contributed to Hungary becoming the destination country of the most Chinese investment in the Central Eastern European region.

We, Central and Eastern European Countries have an interest in each other's successes, because we represent more value together as a region than individually. Therefore we should join hands to work towards greater regional integration.

Ladies and Gentlemen,

Hungary is pleased and proud to walk in the forefront of China-CEEC cooperation, and we will do our utmost to continue to be a pioneer in promoting this framework. We are eager to move forward in the direction of practical work to make sure that the strategic cooperation schemes are not just mere declarations, but have a body of content.

This strong commitment to practical cooperation will lead us next year when organizing and hosting the 6th China-CEEC Summit Meeting in Budapest.

This spirit has already resulted in becoming the first - among more than a 100 countries and international organizations in the world that the “Belt and Road” Initiative has received active participation and support from - to establish and launch the “Belt and Road” working group mechanism with China.

Two weeks ago Hungarian minister for foreign affairs and trade Péter Szijjártó visited China, and together with his Chinese counterpart H. E. Foreign Minister Wang Yi, opened the bilateral “Belt and Road” working group meeting.

Political leaders as well as experts and professionals on both sides exchanged views and negotiated road maps of practical cooperation on a number of fields. Not only our expert teams have worked on fostering closer cooperation with China in the fields of trade and finance, industrial and infrastructural development projects, culture and tourism, but this exercise also served to build better people-to-people relations.

Ladies and Gentlemen,

This leads me to a relevant topic of today’s event. Let me share some of my thoughts about people-to-people relations from the Hungarian perspective.

Although we understand and agree that economic considerations play a leading role in the Belt and Road Initiative and the China-CEEC cooperation mechanism, we believe in the importance of connectivity in all spheres of life as well. People-to-people and cultural exchanges, mutual learning among the peoples of our countries enable them to understand, trust and respect each other and live in harmony and prosperity.

We in Hungary seriously believe that mutual trust and respect on both sides, as well as supporting each other’s core interests and taking into consideration each other’s major concerns is the essential basis to build better than ever bilateral relations with China.

Our country is in a unique position in the region as Hungary has one of the biggest

Chinese expatriate communities in the CEE region. Many of the members of the local Chinese community was born and have been living there for decades, creating a bridge between the two peoples and cultures. Having this community brings some special responsibilities as well. Helping to keep up the cultural identity of the Chinese community, Hungary established full primary, secondary and university level bilingual education in Budapest.

As for the educational ties, we welcome the idea to send more students to each other's countries. We are more than grateful for the benefits of China's provision of 10,000 government scholarships to the countries along the Belt and Road every year. At the same time on our side the Hungarian Government grants full scholarships for 200 Chinese university students yearly within the framework of "Stipendium Hungaricum" scholarship program.

As Hungary is being considered as one of the important centres of European classical culture and music, given such gifted composers and musicians to the world such as Franz Liszt, Béla Bartók and Zoltán Kodály, we welcome all initiatives to bridge our societies through cultural exchanges, organizing joint music, film and fine arts festivals, concert series and other distinctive events expressing our common respect for each other's values.

We are happy to have the chance to promote our culture in China also via the Beijing Hungarian Cultural Institute, which was established in 2013 as the first cultural centre of the CEE countries in China.

The expansion of tourism cooperation along the "New Silk Road" and in the 16+1 format conforms to Hungarian interests. Our country is fully committed to further enhancing tourism between China and the CEE region. The China-CEE countries Tourism Coordination Centre –the first centre established according to the *Bucharest Guidelines* – was opened in in Budapest. The number of Chinese tourists visiting Hungary has grown year after year, doubling between 2011 and 2015, and reaching 30% of growth in the first nine months of this year compared to last year. Realising the importance of the region and the direct presence in a growing tourism market, China National Tourism Administration established its first office in our region in Budapest last year. This move significantly added to the already vital tourism exchange between China and the CEE region.

As I am running out of time, please allow me to close my speech by returning to an important ascertainment. The case of Hungary clearly shows that the most productive and efficient way of building relations with China is to also building mutual trust, on the basis of equality and reciprocity at common interests. Keeping this in mind it is obvious that joint efforts on constantly upgrading people-to-people relations through cultural and educational programs as well as promoting exchange between academic and social institutions and think-tanks are extremely important!

Commercial Promotion and China-CEEC Cooperation*

Wu Meng**

H.E. Ambassador Huo Yuzhen, Director Huang Ping, H.E. Ambassador Costea, Deputy Head of Mission Ms. Jurcova, Diplomatic Envoys and Experts, Ladies and gentlemen,

Good afternoon! I would like to thank CASS for inviting me to this symposium. First of all, please allow me, on behalf of the CCPIT, CCOIC and the Chinese Committee of China-CEEC Business Council, to congratulate on the convening of this meeting.

Ambassador Huo has mentioned the significance of the Meeting in Riga and expressed the confidence in future 16+1 cooperation. Being the representative of over 100 Chinese Committee members, I agree with the two Ambassadors. I also appreciate the role China - CEEC Cooperation Secretariat plays and the direction it sets for the investment of Chinese industrial and commercial sector in Central and Eastern European countries.

First, China and CEECs are all emerging countries with a high degree of complementarity and a huge potential of cooperation, for which “16+1 Cooperation” is an innovative step. And CEECs have given the earliest response and support to the “Belt and Road” Initiative. Through our joints efforts of the past 5 years, “16+1 Cooperation” has been developed smoothly and presented its vitality and competitiveness. Our trade and economic cooperation has covered many fields, including infrastructure, high-end equipment, financial sector and mutual investment. And it has become a highlight of international and regional cooperation.

Second, leaders of China and CEECs have attached great importance to the 16+1 cooperation. Their frequent exchanges have charted a new course for and injected

* Wu Meng’s Keynote Speech at the China-CEEC Think Tanks Symposium and the Closing Ceremony of China-CEEC People-to-People Exchange Year.

** Deputy Director General of CCOIC.

impetus to comprehensive deepening of the China-CEECs trade and economic ties. It has also brought about historical opportunities to enterprises of these countries and forged ahead many major projects.

Third, China-CEECs cooperation mechanism has become more fledged with support from China, covering fields like trade investment, connectivity, industrial capacity and technology, finance, agriculture, people-to-people exchanges, local cooperation and sanitation. Various bilateral activities are held every year. And official statistics show that over 40 items of the *Suzhou Guidelines for Cooperation between China and Central and Eastern European Countries* have been implemented in 2016. Representative groups of CCPIT and CCOIC have made nearly 10 visits to Central and Eastern European Countries and vice versa.

In this regard, this major project, “16+1 Cooperation” mechanism needs to grow step by step with our unremitting efforts.

In recent years, CCPIT and CCOIC have been committed to a cooperation network for mechanism exchanges at multiple levels and channels. At present, the Cooperation and Development Department of CCOIC is responsible for the Secretariat work for 177 bilateral and multilateral trade cooperation mechanisms of CCPIT, including APEC China Business Council, B20 China Business Council, SCO China Business Council and China-LAC Business Council. These mechanisms have covered most developed economies and emerging countries. CCPIT and CCOIC have been active participants in the “16+1 Cooperation” mechanism. Last two years we have seen improved bilateral and multilateral trade cooperation mechanisms with Central and Eastern European Countries and regions. And we have already signed bilateral cooperation agreements with 14 of the 16 Central and Eastern European Countries. We are willing to work with all members to build channels and platforms, and to take concerted efforts to complement each other and realize a win-win cooperation.

The “13th Five-year Plan” period is key to China to implement the “Belt and Road” Initiative and to collaborate with the 16 Central and Eastern European Countries. During the Riga Summit, heads of governments and representatives of industrial and commercial sectors summarized the fruits of “16+1 Cooperation” and proposed views and problems faced by us. CCOIC and the Chinese Committee of China-CEEC Business Council will take greater efforts for further “16+1 Cooperation” in trade and economic fields.

First, building a cooperation platform for pragmatic collaboration between enterprises.

China-CEEC Business Council is a vital part of the China-CEEC Cooperation Framework and an important platform for CCPIT and CCOIC to serve enterprises and exchange with Central and Eastern European Countries. Since its establishment in 2014, the Business Council has played an active role to implement the fruits of meeting of heads of governments of 16+1 countries, to push forward mutual visits between representative groups and to promote trade and investment between China and Central and Eastern European Countries. In July 2016, with the efforts of Jiang Zengwei , Chairman of CCPIT and CCOIC, and with the support of Ministry of Foreign Affairs and Ministry of Commerce, the Chinese Committee of the Business Council was officially set up in Beijing.

The Chinese Committee has attracted more than 100 leading Chinese enterprises which are interested in CEECs markets. Mr. Wang Hongzhang, Chairman of China Construction Bank assumed the Chairman of the Committee, and high officials from China Guodian Corporation, China Energy Construction Group, China Railway Group, ZTE Corporation and CEFC China Energy Company Limited assumed Vice Chairmen. CCOIC will leverage this platform to organize enterprises for visits, policy discussions, commercial dialogues, project accommodation, training and exchanges, so as to help them find more trade and investment opportunities and share with each other their precious practices.

Second, unlocking channels for information exchanges to promote the establishment of business councils of CEECs.

During the 3rd Meeting of China-CEEC Business Council held in Riga in November this year, China proposed to set up a CEEC Business Council. The proposal has received active responses from the Poland Enterprise Development Bureau and commercial organizations of the 16 Central and Eastern European Countries. Building corresponding business councils in China and CEECs will be conducive to mutual visits, market research, enterprise accommodation, personnel training and legal consulting. It will also help bilateral enterprises to find sales channels, expand markets, cooperate in projects and share information, thus leading to diversified development of trade promotion.

Third, conducting researches to participate in policy making and negotiations.

For problems encountered by Chinese industrial and commercial sector in CEECs, the Committee will regularly issue monographic research reports on trade and economic issues and make proposals. It will coordinate enterprises to conduct dialogue and negotiations to find and resolve disputes and frictions. Multiple measures will be taken to publicize the bilateral trade cooperation results and to make their concerns known, so as to provide favorable conditions for enterprises to collaborate with each other. Meanwhile, the Chinese Committee will report enterprises' problems and concerns in trade and investment to the government and make proposals to find resolutions.

Fourth, building an Expert Advisory Committee for the Chinese Committee of China-CEEC Business Council.

Building an Expert Advisory Committee is an important part of the China-CEEC Business Council work plan. We will propel its establishment to offer policy guidance to industrial and commercial sectors for their exchanges and cooperation. By this grand event, I would like to invite the Ministry of Foreign Affairs, Ministry of Commerce, CASS, leaders and experts presented here today to join in the Committee to offer professional advice. Thanks for your support.

Finally, I wish this meeting a full success. Thank you.

How to Realize the Role of Think Tanks in Pushing Forward the “16+1 Cooperation”

Tadeusz Chomicki*

To look forward we need to look back sometimes—in order to understand better where we are, what do we have, and what are the conditions for planning and developing our relations.

All CEECs participating in the 16+1 project were among the very first—although some under different names—to recognize and establish diplomatic relations with the People’s Republic of China. Practically all were engaged somehow in helping early stage of development of China so we can say we are all China’s old friends here. All of us were also part of the former Soviet Bloc in Europe (although with some variations) and all of us have changed their political, social and economic structures after 1989 which influenced the dynamic and model of our relations with China. We all stayed friends with China but our relations became idler, rather passive and hardly dynamic for many years. In Europe we were very busy with our huge, fundamental internal reforms in all aspects of political, economic and social life of our nations and with setting up new relations within the politically-reshaped Europe—sometimes even changing, establishing or rearranging borders and states. In foreign relations we focused on searching our security and stability through either joining or aiming to join NATO and EU. All those efforts consumed almost all of our human, financial or logistical resources for some 20 years since we have started our transitions.

At the same time China focused almost exclusively on those major economic powers of Western Europe (like Germany, UK, France, etc.) which were providing for almost all Chinese needs there—investment, technology transfers and markets for quickly growing

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** Foundation.

export of Chinese products. Moreover, China was observing changes in CEE with a certain reserve, or distance, so what was going on in our part of Europe was neither very well researched, nor well publicized in China. As a result, a public image of CEECs became frozen in time, outdated and inadequate. A good example of this situation is a small research project conducted in 2009 among leaders of Chinese small and medium size enterprises who were asked three questions. First question was: “what do you know about Poland?”. And the answer was “nothing”. Second question: “is there anything you associate with Poland?”. And the answer was “nothing”. Third question: “if you know nothing about Poland, and you associate nothing with Poland, how would you imagine Poland to be like?”. And the answer was “well, I do not know, but perhaps like a smaller and poorer Russia...”. In 2009 Poland had been a member of the European Union for 5 years, member of the NATO for 10 years and had already enjoyed 15 years of uninterrupted, continuous economic growth probably as the only country in Europe. And the GDP per capita in Poland was higher than in Russia. However, none of these characteristics of modern Poland was known to the Chinese entrepreneurs.

Around 2009/2010, developments in Poland, and many of the CEE countries, reached another phase. Most of internal reforms were concluded, economic situation was fairly stable and our position within the European house was re-established. Finally, we had enough resources available to start more actively reaching out of our Euro-Atlantic realm. And obviously China was one of the prime targets for our activities. More or less in the same time some of Chinese leaders and researchers started looking closer at Poland and Central Europe. Twenty years since the transition started in CEE have brought some interesting and positive results catching attention of some Chinese. Paradoxically, the economic crisis in Europe highlighted positive trends in Poland and our part of Europe. Between 2008 and 2011 accumulated GDP growth of the EU as a whole was negative at the level -0.6%. In the same four years GDP of Poland grew 15.8%. That has attracted some attention, including in China, where some started to think how to intensify cooperation with our part of Europe. Therefore, both in the CEE and China conditions emerged for more coordinated and active efforts to develop relations faster and wider to the mutual benefit.

In case of Poland intensifying bilateral relations with China resulted in strategic partnership declared in 2011 during the Polish presidential visit here, in hosting in

Warsaw in 2012 the first ever summit of 17 prime ministers of CEE countries and China, in endorsing in 2013 the concept of the “Belt and Road” project of which Poland is an important element, in joining AIIB in 2015 as a founding member and in announcing comprehensive strategic partnership during the President Xi Jinping’s visit to Poland in 2016. Some of similar processes were taking place in bilateral relations of China with other partners in Central and Eastern Europe. On the level of the whole region the 16+1 initiative was started and it continues its development as a new platform of cooperation. Many bilateral and multilateral instruments and structures were established as the result of these developments.

Yet, the practical results and tangible projects are not many. Why is that? It seems that the practical use of created instruments and implementation of concrete projects are lagging behind strategic thinking and high level political decisions taken by the leaders. I believe that this is the reflection of the situation, in which practical work is not following political developments fast enough due to deficit of necessary and concrete knowledge of each other on the level of administrative decision-makers and business entrepreneurs. I think that so far the most important result of starting the “16+1 cooperation” is bringing the attention of Chinese government administration at different levels, Chinese businessmen, academicians, researchers, etc. to the region of Central and Eastern Europe which was long forgotten and was suffering from outdated and inadequate image planted for long time in the heads of Chinese people—as described above. Similar processes in reference to China can be noticed on our side in Central and Eastern Europe. On both sides there is definitely a growing number of government people, businessmen, investors, entrepreneurs, tourist operators, culture and educational activists who would like to start or get involved in cooperation between China and CEE countries—but they simply do not know how to do it and because of that often are afraid to do it. Mutually bringing attention to each other on a higher level is very important and necessary step but it is not enough. Making practical use of growing opportunities and implementing concrete projects requires actual mutual knowledge of each but such profound and well researched knowledge cannot be achieved instantly after years of negligence. And this is where the role of academia, researchers, think-tanks, universities is crucial.

Adequate knowledge is the element here. We may have high level political will and even necessary resources but without adequate knowledge on the level of implementation

we do not know how to take advantage of the political will and how to make use of resources. There is still a lot of work to be done and some results may not come very quickly so we need patience and persistence. On the other hand political will which has opened a window of opportunities for faster and wider development of mutual relations may not last forever and this window may start narrowing—so we need to act swiftly and decisively.

Here are some possible tasks and activities which may, and shall, be undertaken by various actors in the realm of knowledge.

On the level of mass audience—or society—which is very important since these are finally people of our countries who may be creators and consumers of faster development of relations more intense media campaigns are necessary. The image of Poland among Chinese entrepreneurs in 2009 which I described above has almost certainly changed, but it is still quite far from what Poland is today. If researchers provide public media with more important, complex and comprehensive analysis of Poland and other CEE countries and also if they are more effective in using social media to promote results of their work we may expect in a relatively short time a positive change of public perception of our region and growing interest in obtaining more knowledge.

On the level of decision makers—which is key to continue providing political will and resources but also for making right choices—researches need to provide not only necessary information for general understanding of the region and quality analysis of the region and existing or potential opportunities, but also options and recommendations for taking adequate decisions. This element is of course more difficult since it requires more profound studies and knowledge but can also be achieved within reasonably short to medium time period.

On the level of educating adequate human resources for implementing actual, concrete cooperation projects—be it in business and economy, or culture, or tourism—it is an ongoing process which is bringing already results in form of graduates from universities offering studies focused on CEE or graduates from universities in the countries of the region. However, number of such graduates, and sometimes level of their knowledge and understanding of the region, are not adequate to existing needs. Culture differences between China and CEE requires deep enough knowledge of mentalities, habits, customs, rationales, legal infrastructure form experts who can advise adequately companies or

institutions willing and planning activities in CEE or in China on the other hand. This situation calls for bigger number of students and professors exchanged and a bigger number of universities participating. So even though this process has started expanding it to a larger scale and receiving significantly bigger number of graduated may take a longer time.

Activities proposed above requirements, but also offer a space for a number of various actors. Think-tanks and research institutes take a leading role in preparing and offering analysis and recommendations. Universities and educational authorities are leading actors in providing educational training. More ambitious media players may become partners in the process of public dissemination of adequate information. Social organizations focused for example on education cooperation (like Poland-China Education Foundation with which I have a pleasure to cooperate) may play an important and supportive role in utilizing social energy and are willing to participate in those important processes. Since the number of Central and Eastern Europe specialists is relatively limited in China, I believe it would be important to improve their cooperation and exchange of ideas through building and developing a network of experts coming from various institutions and specializations but focused on supporting each other in their task of developing and spreading profound knowledge of the region. Knowledge, which is a condition of a successful implementation of mutually beneficial projects resulting from our currently very good political relations, between CEE countries and China.

Risks in the Construction of the Eurasian Economic Corridor along the Belt and Road and the Policy Suggestions

Liu Zuokui*

I. A Basic Introduction to the Eurasian Economic Corridor

The EU/European market has always been fundamental to the development of economy and trade of China. The EU is the No. 1 trading partner of China. With regard to the Gross Domestic Product (shorted as “GDP”), the EU is the largest economy in the world with the US and China ranking as the second and third largest economy respectively. Needless to say, the cooperation between two powerful economies, namely EU-China cooperation, is of great significance to the economic development of China. For this reason, China has always been committed to pushing forward the construction of the Eurasian Economic Corridor, so as to facilitate the bilateral trade between two sides.

There are mainly two routes of trade from China to Europe: one is the land route named the Second Eurasian Land Bridge or the New Eurasian Land Bridge; the other is sea route called the China-Europe Land-Sea Express Passage. The land route focuses on building the CHINA RAILWAY Express which is international railway container transport operating on the route from China to Europe and along the “Belt and Road”. The CR Express was launched by the China Railway Corporation and operates according to the fixed trips, routes, timetables and runtime of the whole journey. It is definitely the important carrier for the deepening of the economic and trade cooperation between China and countries along the “Belt and Road” as well as the key to the promotion of building the “Belt and Road” Initiative. The China-Europe Land-Sea Express Passage is an important sea route between China and

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Europe which starts from the coastal cities in the south of China and ends at the Piraeus Port in Greece via the Mediterranean Sea. At the Piraeus Port, Chinese cargo can be directly transported to European hinterlands via the Greece-Macedonia-Serbia-Hungary Railways. The construction of both the land and sea route will lay solid foundation for the construction of the Eurasian Economic Corridor.

II. Seven Risks in the Construction of the Eurasian Economic Corridor

In the past years, through hard work, China's risk management on the security of the Corridor has been improved to some extent. Despite that, the "soft" risks are constantly emerging, which need timely assessment and response. What the author emphasized in this article is that the security risks of the Corridor does not only refer to a series of real security challenges, but also include some "soft" risks with the focus of operating efficiency, quality and the general environment of global trade, etc.

Risk One: the Potential Risk of the Break-up or the Disintegration of the EU

Based on the current situation, the European integration is in lack of momentum and faces the increasing risks of going backwards. As an united big market, the EU has been playing a huge role in promoting the connectivity and trade cooperation between China and Europe, and is one of the major engines for the development of European and Asian markets. If the EU, as an united market, splits or disintegrates, the cost of the cooperation between Chinese and European market will rise dramatically, which will be unfavorable to the implementation of the "Belt and Road" Initiative.

Although the break-up or the disintegration of the EU is considered as the low probability event, it could still happen. The France's Front National that calls for separation from EU has targeted 2017 as the year to make utmost efforts to campaign for referendum and realize French exit from the EU. The constitutional referendum held in Italy in 2016 wasn't approved and thus the constitutional reform did not come into effect. Following that, Renzi tendered his resignation as Prime Minister, which created favorable conditions for the 2017 campaign of the Italian populist party the Five Star Movement who called on people at all social levels to oppose refugees and the European integration. Spain's "We Can" party and Greece's Coalition of the Radical Left have

received relatively high support in the national parliamentary elections in recent two years. Germany's populist party, the Alternative for Germany (AfD) has experienced a rapid growth, adding some uncertainties to the 2017 German election. Within the EU, views about a weakening EU keep on rise. The EU disintegration used to be a forbidden topic for politicians, but now it usually becomes the focus of politicians' attention. Donald Tusk, the President of the European Council, also admits that the emotions like anti-EU, nationalism and xenophobia are running high within the EU. Worse, the number of people who still believe in policy integration falls sharply. The rise of populism and the increasing doubts for basic values of freedom and democracy also remain as major concerns.^①The EU has indeed come to the crucial moment at stake. If EU member countries don't work together, there is a possibility that the EU would cease to exist.

Risk Two: Populism and Trade Protectionism Prevail Increasingly in Europe and the US

In recent years, the European populism is rapidly spreading throughout the Europe, which not only stands for the duel between the European Pro-Establishment Camp and the Anti-Establishment, but also reflects an unprecedented crisis of confidence encountered by the European integration. Issues such as the European debt crisis, refugee crisis and the Brexit have fueled people's doubts for the Pro-Establishment elites. Common people can hardly ever gain the benefits of European integration. Instead, they suffer from more and more unfair treatments. As a result, they grow increasingly suspicious of the mainstream parties.

The America's Anti-Establishment Representative Donald Trump was appointed as the President of the US on January 20, 2017. His victory of the presidential election has indeed mirrored that the masses are more in favor of the anti-immigration and the politicians who raise doubts for the western mainstream values, and they hope that the new state leader will find better solutions. However, the fact that Donald Trump came into power has further stimulated the rise of the European Right-wing Populism.

The increasing popularity of the populism has made the EU more conservative with less time and power to synergize the cooperation with China, including the "Belt and

^① "United we stand, Divided we fall", letter by President Donald Tusk to the 27 EU heads of state or government on the future of Europe, <http://www.consilium.europa.eu/en/press/press-releases/2017/01/31-tusk-letter-future-europe/>.

Road” Initiative. The populism obviously advocates the anti-globalization and holds that the emerging countries like China must shoulder necessary responsibility and make the market opening commitments in response to the benefits they have received from the globalization. Moreover, it urges the EU to protect its own market and job positions. Under such circumstance, the EU highly votes for the trade protectionism and frequently file anti-dumping and anti-subsidy on Made-in-China products.

With the change of the US and the EU’s attitude toward the globalization as well as the further spread of the anti-globalization, trade protectionism is likely to become the biggest risk of the global economy in 2017. China has received the biggest number of the anti-dumping and anti-subsidy investigations from Europe and America in recent years. In the mid-term of 2016, the Ministry of Commerce of China reports that, throughout the world, China has received most anti-dumping investigations for 21 consecutive years and most anti-subsidy investigations for a decade. Based on the situation at the beginning of 2017, China remains to be the main target of the “Double Antis” launched mainly by the US and the EU on the trade measures taken on China. This definitely goes against the “Belt and Road” Initiative which advocates openness, inclusiveness, free trade and more efficient globalization.

Risk Three: The Mutual Sanctions between Europe and Russia Impedes the Eurasian Trade’s Inter-connectivity

On March 17, 2014 the European Council made a formal announcement that the EU would adopt restrictive measures against actions threatening Ukraine’s territorial integrity targeting 21 Russians including travel restrictions and freezing assets.^① Ever since then, the EU has imposed continuous sanctions on Russia, and together with the US, it tightened existing sanctions and added more sanctions against Russia. At the same time, Russia has adopted anti-sanction measures to the EU.

Russia and CEECs are two critical junctures of Eurasian continent; therefore, the mutual sanctions between Europe and Russia have severely affected the inter-connectivity of trade in Eurasia, and caused disturbance to the realization of unimpeded trade in the construction of the “Belt and Road”. For instance, due to Russia’s sanctions

^① “EU adopts restrictive measures against actions threatening Ukraine’s territorial integrity”, Council of the European Union, Brussels, 17 March, 2017, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/141603.pdf.

on the EU, the agricultural products imported from Poland can not be delivered to China by the CHINA RAILWAY Express through the Eurasian Land Bridge. At the macro level, whether the tension between Europe and Russia can be alleviated could have profound impacts on the further connectivity of Eurasia and the progress of the construction of the Eurasian Economic Corridor. So far, the newly-elected President of the US, Donald Trump has the intention to alleviate ties with Russia. In addition, some CEECs also wish the EU to lift sanctions of trade on Russia as soon as possible. However, the opinions within the EU are divided on this matter. If the mutual sanctions between Russia and the EU remain unresolved in short term, the construction of the “Belt and Road” will have to face with the risks of “there are links between Eurasian continent but poor connectivity”.

Risk Four: The Ukraine Crisis Triggered the Geopolitical Conflicts of Eurasia

The Ukraine Crisis broke out in late 2013, which made the geopolitical conflicts and tensions between Russia and the West aggravated. Some CEECs such as Poland and the Baltic States have upgraded their defenses by introducing the power of NATO to confront Russia, and Russia responded the same. Currently, European countries are generally pessimistic towards the prospect of the Ukraine crisis in the way that they believe that the Ukraine crisis will become a tricky and unresolved geopolitical crisis of Eurasia in the short run. The influence of the geopolitical confrontation on the connectivity of Eurasia is quite evident as the constant conflicts in the region aggravate the investment environment. Some CEECs including Poland call for China to resolve the geopolitical conflict by exerting policy pressure upon Russia based on its need of promoting the “Belt and Road” Initiative.^①As a matter of fact, China will not interfere with Russia’s domestic and foreign policies. Apart from that, the Ukraine crisis is by no means accidental, and it would be unfair to point the finger wholly at Russia. After all, the America and the EU’s continuous expansion eastwards and strategic pressing on Russia also give rise to the crisis.

On January 31, 2017, the east of Ukraine resumed war with another round of conflicts. At present, there is hardly any sign of complete alleviation of the Eurasian geopolitical conflict. In that case, the “Belt and Road” Initiative has to proceed and

^① The speech from the Polish Foreign Minister Witold Waszczykowski at the Chinese Academy of Social Sciences on 25 April, 2016.

progress while facing geopolitical tensions.

Risk Five: The Problems of Immigration and Refugees Haunt Europe and the Balkans

The Balkans play an essential role in the construction of the sea route between China and Europe, but the region is geopolitically sensitive and extremely vulnerable to the geopolitical unrest. The relationship between some Balkans is problematic and suffers from the refugee crisis. In addition, some Balkans are in lack of economical and social stability. Meanwhile, the Balkan region is accessible to the refugees, facing serious challenge of refugee flows. Turkey has constantly suffered from violent terrorist attacks, which makes it hard for the EU to rely on Turkey for refugee resistance. The sea route in construction passes many Balkans including Greece, Serbia, Hungary and Macedonia, and will most probably involve Turkey which is struggling with terrorism, refugee crisis, ethnic groups' contradictions and domestic political instability. Due to the external threats, the security and stability of the Balkans are in great peril, which will in turn affect the layout and the progress of the "Belt and Road" construction in Eurasia.

Risk Six: The Competition between Road Transport and Sea Transport

The China-Europe Land-Sea Express Passage bears 98% of the total transportation of Sino-EU trade products and consists of two routes of ocean transportation: the first route starts from Asian base ports and reaches European base ports via South China Sea, the Strait of Malacca, the Indian Ocean, the Red Sea, the Suez Canal, the Mediterranean Sea, the Strait of Gibraltar, the Atlantic Ocean and European base ports; another route connects Asian base ports with European base ports through South China Sea, the Indian Ocean, the Cape of Good Hope, the Gulf of Guinea and the Atlantic Ocean. The sea transportation has several merits including convenient customs clearance that only requires two transport documents, high loading of containers and low transportation cost. The disadvantages of the sea transportation are relatively long distance and time of transportation.^①The road transport including the CHINA RAILWAY Express is more time-efficient than the sea transport, but the price is much higher with more complicated process of customs clearance.

^① Xiao Yang, "China Europe Land and Sea Express Passage and the Balkan Nexus of the "Belt and Road" Logistic Network", *Journal of Contemporary International Relations*, No.8, 2015.

Both the road transport and sea transport have pros and cons. Some cargoes can be delivered by either land or sea transport, which intensifies the competitions between two modes of transportation over supply of goods. There has always been such kind of competition between the CHINA RAILWAY Express and the China-Europe Land-Sea Express Passage due to the shortage of goods. From my perspective, this issue should be addressed through the active coordination of governments and guilds. In addition, the collaboration between road transport and sea transport is the general trend of the China Europe corridors construction.

Risk Seven: The Competition between China and Russia on the Construction of Eurasian Corridors

When it comes to the construction of Eurasian corridors, Russia is committed to developing the Siberian corridor which is also called the First Eurasian Land Bridge. China is concentrating on exploiting the new Eurasian Land Bridge, namely, the Second Eurasian Land Bridge. As the country of origin and cargo distribution on the Second Eurasian Land Bridge, China will not seek far as transporting the Sino-Europe commodities through the First Eurasian Land Bridge. The Second Eurasian Land Bridge is definitely the intercontinental railway framework of the Silk Road Economic Belt.

The strength of the First Eurasian Land Bridge are as follows: to begin with, the freight time is predictable due to the fact that the railway gauge of CIS (the Commonwealth of the Independent States) countries is the same with that of Finland with no need of replacement. Secondly, after the containers get loaded at the Vostochny Port of Nakhodka, the arrival time at each stop along the route and the consuming time for the whole journey will be accurately calculated. Besides, Russia, Kazakhstan and Belarus have formed a customs union to simplify the process of customs clearance. The Second Eurasian Land Bridge, on the other hand, is also advantageous and well-received due to the relatively short distance and low cost of railway transport. Specifically, compared with the First Eurasian Land Bridge, the Second Eurasian Land Bridge makes the distance between China and Central Asia above 1000 kilometers closer. Also, the short-distance (around 1000 kilometers) inter-country transportation has relatively low cost.

Russia has always regarded the exploitation of the First Eurasian Land Bridge as the basic national policy aimed at driving the economic development of the Far East. It not

only targets the Second Eurasian Land Bridge as the main competitor, but also adopts various measures to expand the influence of Russian railways in the development of Asia-Europe logistics. Firstly, by making full use of multilateral platforms such as the CIS Railway Transport Commission, Russia actively pushed the CIS countries to use unified railway standards based on Russian railways in order to monopolize market of railway equipment in Central Asia. Secondly, Russia established the “Wide Rail Gauge Alliance” through the international cooperative mechanism of 1520 mm gauge railways. Based on this, Russia joined hands with Kazakhstan and Belarus to set up the united transportation company while taking charge of the Asian part of the Eurasian Railways. Thirdly, Russia proposed to establish a joint venture rail company (Trans-Eurasia Logistics) with China, Germany and Kazakhstan, so as to build the Russia-oriented Eurasian logistic chain of railway container transport. All these actions of Russia have added competitive pressures to the promotion of connectivity of the Second Eurasian Land Bridge by China.^①

China still needs to prevent Russia from taking apart in the China-Europe freight trains. As a matter of fact, some China-Europe freight trains such as the trains departing from the northeast of China run through the First Eurasian Land Bridge while others travel via the Second Eurasian Land Bridge. So far the unified identity of the freight trains has only been realized in several provinces in China instead of the whole country. Therefore, competitions are quite frequent over the transport routes and the supply of goods all round the country, which makes it possible for Russia to adopt the “divide and rule” strategy towards China.

III. Policy Suggestions

This article offers a series of principled solutions to some fundamental and pressing issues, and is expected to explore effective countermeasures seriously.

Firstly, the macro issues and micro issues should be wisely handled and properly balanced

We must pay close attention to the risks in the construction of the Eurasian corridors,

^① Xiao Yang, China Europe Land and Sea Express Passage and the Balkan Nexus of the “Belt and Road” Logistic Network, *Journal of Contemporary International Relations*, No.8, 2015.

strengthen relative research at both macro level and micro level, and adopt flexible and targeted measures based on the situation of each country and the condition of each matter. At the macro level, we must attach great importance to the European integration, the European populism and trade protectionism, the Eurasian geopolitical crisis and refuge crisis, and make analysis and assessment on the trade environment and the development prospect of geopolitics of Eurasia and the world, so as to enrich our knowledge on the risk-aversion of the “Belt and Road” Initiative. At the micro level, we need to focus on the attitudes that EU member states and candidate countries hold towards the “Belt and Road” Initiative, and adopt flexible measures based on the situation of each country. Meanwhile, we must have a clear understanding of the specific challenges faced by the “Belt and Road” construction, and provide targeted solutions according to the conditions of each matter.

Secondly, neither plans nor market should be neglected

With regard to the layout of the “Belt and Road” in Eurasia, we must underline the market-orientation while make the best of executive powers. Some hold the view that the construction of the “Belt and Road” won’t be sustainable if without the market-orientation, which is debatable. As neo-liberalism is encountered with dilemma and crisis, national administration has played an increasingly prominent role in the deployment of major strategies. Considering China’s national conditions, we must make good use of the administrative forces while placing great emphasis on the fundamental role of market, give full play to the strength of plans in allocating resources, pooling wisdom and improving efficiency, and have good top-level design for the “Belt and Road” Initiative. Besides, we should find out the difficulties faced by the Initiative, adjust methods innovatively and explore solutions actively, enhance rationality of the system and the supply of resource by effectively combining plans and market, so as to push forward the “Belt and Rod” Initiative properly.

Thirdly, there should be reasonable competition and effective cooperation between the sea transport and the land transport

In the process of building the China-Europe corridors, both the sea transport and the land transport have pros and cons, and they should be chosen based on the delivery requirements of goods rather than the will of local governments. In order to sustain the development of two transport means, there should be reasonable competition and

effective cooperation between the sea transport and the land transport. To give full play to the advantages of the sea-land multimodal transportation not only promotes the basic role of market, but also maintains the security of China's trade corridors.

For instance, the CR Expresses could attract more high-value-added freight that used to be delivered by sea transport within limited time and the air freight with enough delivery time. The sea transport, however, should be used to deliver those with relatively low added value and sufficient delivery time. As for the goods that can be carried either by sea transport or by land transport, the sea-land multimodal transportation is a better and possible choice that leads to the reasonable and effective division of labor in the Eurasian transport market.

It should also be noted that to unify the identity of the freight trains is only the first step to tackle certain issues in the operation of the CR Express such as the low efficiency, financial subsidy and insufficient supply of goods. There are bigger challenges ahead which should be approached through continuous and ever-strengthened coordination among all trains within China and between the sea transport and land transport throughout the world.

Fourth, China's competition and collaboration with Russia is the prerequisite for consolidating the China-Russia strategic cooperation

The connectivity of trade in Eurasia is not only beneficial to China, but also in the interest of Russia. Where there are overlapping interests, there are fierce competitions. Russia competes with China over the China-Europe corridors for both economic and geopolitical interests. For such kind of competition, China should take the dominant influence of Russia in Eurasia into consideration. As long as there are shared interests, China should adopt pragmatic attitude to build strengths by learning from Russia and integrating into the Russian market, compensate for weaknesses by taking advantage of Russian market, and gradually establish a firm foothold in the Eurasian transport market. After all, the ties can only be built upon strength rather than tolerance, and it is the strong competitiveness that wins the real partnerships.

Finally, we should embrace risks and challenges with confidence and preparations

In spite of so many difficulties and challenges in the construction of the "Belt and

Road”, we should always be confident towards the Initiative by constantly enriching its connotation.

The implementation of the “Belt and Road” in perilous Eurasia is in itself an effective way to spread the core values, the development path and the system of China. Under the circumstance of the global turmoil and the sluggish economic growth, the neo-liberalism is gradually losing to the populism and trade protectionism which are prevailing in western world, suggesting that western countries’ appealing to the world by advocating openness and freedom has gone into reverse. In contrast, China is facing rare opportunities of development. And for that we should manage the outside expectations towards the “Belt and Road” Initiative, make China’s ideas and voice heard, and endeavor to gain the upper hand in the competition of two regimes and two ideologies.

Synergies and China-CEEC Cooperation *

Dragan Pavlicevic **

Dear Ladies and Gentlemen,

Let me first thank the organizers for inviting me to participate in this important event and to share my thoughts on the possibilities for synergies between China and the EU within the 16+1 framework. Of course, as I am not affiliated with any government, least the EU's or China's, I will share only some personal observations and opinions.

Let me start by noting that the synergy was a hot word between the EU and China over the last two years. Premier Li Keqiang, the EC Vice-President Katainen and the EC President Juncker used it in relation to the potential interface between the so-called Juncker's Plan and the "Belt and Road" Initiative, of which the CEE region is an integral part. It is also to be found in the new EU's 2016 China Strategy. So it is a very difficult task to provide suggestions and recommendations as to how to improve prospects for synergy since it appears that things have been already going in the right direction. Such level of attention from the top to this issue promises that the things will move forward toward tangible outcomes very quickly and successfully. But, have there yet been any tangible outcomes that suggest that China and the EU indeed can achieve synergetic approach, and thereof pursue a joint agenda in the CEE region? I think that, despite some positive developments, such outcomes have been missing, and the question is why?

It might be helpful to think about the potential synergy on two separate levels. On one level, it is a question of defining common interests between China, the EU and the 16 countries. On the other, it is a question of identifying specific measures and projects to carry out a joint approach "on the ground".

On the level of specific measures and projects, there were positive developments,

* Dragan Pavlicevic's Speech at the China-CEEC Think Tanks Symposium and the Closing Ceremony of China-CEEC People-to-People Exchange Year.

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including the establishment of the EU-China Connectivity Platform, China's commitment in principle to contribute to the Juncker's Plan, China's membership in EBDR and a few other initiatives. As a result, for example, a recent analysis by EBDR pinpointed the projects in Southeastern Europe—and there were a few of them related to transportation and energy infrastructure—where the EU would be interested in synergizing with China through co-financing, some through the Juncker's Plan, and some through the IPA funds.

So this suggests to me that the challenge to realizing synergies is not due to a lack of potential measures and specific projects, but rather due to the challenges related to identifying the common interests and committing to a joint approach. Despite the very positive rhetoric and certainly general interest in implementing a synergetic approach, there might be a set of more fundamental and complicated considerations that prevent synergies from taking place. And, in my view, they mainly relate to the following three obstacles:

The first one is trust. The trust has not been established yet, at least not to the level required for a real synergy. The EU and many of the 16 countries are concerned about the intentions of 16+1 and the implications of China's engagement of the region. Personally, my opinion is that everyone should do away as quickly as possible with the flawed conclusions stemming from the perceptions of China pursuing "divide and conquer" and "investing in influence" strategies in CEE. Nevertheless, these perceptions should be tackled head on in order to improve the climate and enable all parties to build toward establishing a synergetic approach. To that end, China might consider to design and publish an authoritative official document explaining its motivations and goals in the CEE region, which could be published in a form of a white paper.

The same goes for the EU, which largely keeps to itself what it thinks about the proceedings under the 16+1. However, the clarity about its stance toward this platform is important for improving the prospects of developing a close cooperation between China and the EU in the context of the 16+1, as well as for the prospects of 16+1 itself. Of course, efforts to include and integrate the EU representatives, where appropriate, in the 16+1 mechanisms should be continued and expanded, as it is a necessary and effective trust-building measure.

The second challenge refers to the issue of reciprocity. Take market access as an example, and it is clear that there is a lack of reciprocity between China and the EU. It

is difficult to expect the EU to agree to grant the privileges, such as the participation of China's enterprises in government procurement projects in Europe, which the enterprises from its member states do not enjoy in China.

This issue is closely related to the third obstacle: the legislative, procedural and technical standards related to participating and operating in the European markets. Clearly, there are some of those standards in the CEE region that are in sync with the EU practices and that do not fit well with China's preferred way of entering the overseas markets, particularly for the big-ticket projects. These differences must be recognized and an agreement on how to channel Chinese participation in the region's economy in a way that is acceptable for all involved parties should be reached. In line with China's concept of industrial capacity cooperation, possibly a pilot project or two, which would be delivered under the trilateral cooperation between the group of 16 (or some of the individual countries within this group), China and the EU, would be an appropriate way to engage China but also ease her into the rules and norms existing in European markets.

In conclusion, these obstacles and frictions are preventing China, the EU and Central and Eastern Europe from realizing a synergetic approach, despite the substantial benefits that could certainly be reaped if such an approach was achieved and carried forward. While here I provided just some crude ideas and remarks, I am convinced that addressing these issues would have a positive and immediate impact on the relationships between all the involved parties.

Knowledge Sharing and Application of Modern Technologies for Further Development of China-CEEC Relations

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The Symposium of Think Thanks of China and CEEC and the Closing Ceremony of China-CEEC people to people exchange year organized in Beijing on December 15th, 2016 by Chinese Academy of Social Sciences and the Secretariat for Cooperation between China and CEEC was one more precious opportunity for scholars, businessmen and other related experts to meet and discuss the future of the “16+1” mechanism and the “Belt and Road” Initiative.

The question—how to enhance the economic and trade cooperation under the “16+1 Cooperation” framework covered all the topics related to further strengthening of business and economics cooperation between all the countries involved and participating in this initiative. This paper has the aim to present our point of view on this cooperation and to provide some new suggestions and ideas that could potentially be further developed and implemented in the future.

The first point of view worth mentioning is that traditional approach to trade and cooperation from CEEC to China will likely bring only limited results. Chinese products and major enterprises’ services are already present in all the 16 countries, they already have their relatively stable market for years and are very popular. There are even online platforms and e-commerce like Aliexpress where individual consumers from CEE countries can directly communicate with sellers from China and literally order single items of any product category they can imagine, sometimes at globally incredibly competitive prices.

At the same time, during the last 25 and more years, most of the CEE countries went through economic transition process and their economies are often almost

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deindustrialized, especially in certain industry sectors. Their current industry bases and number of particularly famous brands are all relatively weak. This is why outcomes of certain projects focused on traditional trade that only aim to bring products from Central and Eastern Europe and introduce them to Chinese customers could be very limited, at the same time having very high costs.

These are all the reasons why we believe that besides traditional trade, it is essential to further encourage trade in services between China and CEEC. Trade in services already accounts for around 40% of global trade volume and it is growing faster than trade in goods.

It is also worth remembering that, at the same time, inter-connectivity between 16 CEE countries is not always at a mutually satisfactory level and fully utilized. These countries are often diverse, and that is why it is important to encourage projects that could include two or three CEE countries on one side, and China on the other. This approach might help in creating stronger links between countries and institutions and better resources' management.

In addition to all of the previously mentioned, it is important to remember that CEE countries have comparatively good human resources and education system that is still on a very high level. At the same time, all these 16 countries face brain drain, and population in most of them is shrinking year by year. Recent trend is that young people who leave CEEC countries are the ones who have highest degrees from leading universities in their home countries, and they are trying to find better opportunities for themselves and their families somewhere in Western Europe or even in the USA, Canada or Australia. With systematic approach and good planning, China could actually make use of these talents and at the same time help them to stay and work at their homes.

Using their expertise at relatively low cost, sometimes even lower than back home, China can work on developing new innovative technologies and to further transfer knowledge from China to Europe and to the World, to bring some knowledge and modern technologies from CEEC back to China as well. China currently has more than 1,500 foreign founded and managed R&D Institutes based in Mainland China. We are convinced that now is the perfect moment for China to consider founding some R&D institutions somewhere in CEE countries. Benefits could be numerous and this could help China to achieve higher visibility in these countries and to attract top quality human

resources to join them.

It is not a surprise that many Chinese companies are increasingly becoming innovative, but they still face various obstacles to internationalize their businesses, and not so many people are aware of their huge successes, especially in Europe. We should all encourage these innovative Chinese hi-tech solutions and technologies to come to some of the CEE countries and to use this position to spread to the rest of Europe from this starting point.

These new, innovative value propositions could only bring benefits to all parties involved, help Chinese companies and institutions to fulfill their missions and to reach international markets, at the same time developing their businesses in China. China and CEE countries should actually especially encourage radical and disruptive innovations, make the real change and prepare their economies well for the coming 50-60 years, not only for the short-term future. Education definitely plays an essential role, and modern smart learning should also become an essential part of any further agenda for cooperation.

At the very end, we would like to remember a famous quote by Prof. Albert Einstein:

“We can’t solve problems by using the same kind of thinking we used when we created them.”

So for sound and long-term cooperation between China and CEE countries, it is undoubtedly important to work on completely new concepts and to find some new solutions and development routes, never used before. Once people in all countries involved start speaking languages of science, education and business it will be much easier to overcome all the barriers and potential obstacles!

16+1 Framework: Progress and Prospect

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The emergence of 16+1 framework is a great achievement of the relations between China and Central and Eastern European Countries(CEEC). Although China had maintained normal diplomatic relations with CEEC before 2012, Central and Eastern European countries was not at the top agenda of China's foreign policy. It was in Warsaw in 2012 that China initiated the 16+1 framework that lumps 16 Central and Eastern European countries together.

To better understand 16+1 cooperation framework, it is imperative to outline the main characteristics of the 16+1 framework. The 16+1 cooperation framework is quite special, neither group nor international organization can encapsulate its characteristics.

1. *Equal partnership.* Although China is much larger than Central and Eastern European countries in term of area, population and the size of economy, China has sought to build partnership with Central and Eastern European countries on an equal footing. 16+1 cooperation framework, in which each country is equal partner, can serve as the platform to enhance every country's interests. The 16+1 cooperation framework as China's brainchild is based on principle of voluntarism. When China set up the Secretariat for Cooperation between China and Central and Eastern European Countries in Ministry of Foreign Affairs, for the sake of coordination, the 16 Central and Eastern European countries can, based on the principle of voluntarism, designate a counterpart department and a coordinator to take part in the work of the secretariat. Concerning the different mechanism of 16+1 format, each country from CEE can choose to join voluntarily. China does not impose its will on Central and Eastern European countries, Central and Eastern European countries are regarded as equal partners in the 1+16 cooperation framework.

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2. *Loose institutionalization.* In the last 5 years, the 16+1 cooperation framework has evolved in the direction of loose institutionalization. Institutional arrangement in different mechanism is not tight-knitting, each country or entity can decide whether or not join the relevant mechanism for cooperation on voluntary basis. China-CEEC Summit i.e. China-CEEC Leaders Meeting at prime minister level is held yearly. China-Central and Eastern European Countries Economic and Trade Forum held on an annual basis. Before the summit, national coordinators meeting is held to coordinate positions and make preparation for the summit. It should be noted the progress has been made in institutionalization of cooperation mechanisms in various areas, usually institutionalization in different areas takes the form of association, forum or networking which can facilitate contacts between China and CEEC. The following cooperation mechanisms show what progress has been made in specific areas.

Table1: Cooperation Mechanisms in Specific Areas Between China and CEEC

Mechanism	host country (entity)	status
China-CEEC Association of Tourism Promotion Institutions and Travel Agencies	Hungary	established
China-CEEC Higher Education Institutes Consortium	Rotating (higher education institute)	established
Secretariat of China-CEEC Contact Mechanism for Investment Promotion Agencies	Poland and China	established
China-CEEC Joint Chamber of Commerce	Poland (Executive Office) China (Secretariat)	established
China-CEEC Federation of Transport and Infrastructure Cooperation	Serbia	In the pipeline
China-CEEC Federation of Agricultural Cooperation	Bulgaria	established
China-CEEC Federation of Heads of Local Governments	Czech Republic	established
16+1 Center for Technology Transfer	Slovakia and China	established
China-CEEC Think Tanks Exchange and Cooperation Network	China	established
China-CEEC Coordination Mechanism for Forestry Cooperation	Slovenia	established

(Contd.)

Mechanism	host country (entity)	status
China-CEEC Federation of Logistics Cooperation	Latvia	established
China-CEEC Cooperation Center for Dialogue on Energy Projects	Romania	In the pipeline
China-CEEC Secretariat for Maritime Affairs	Poland	In the pipeline

3. *Comprehensiveness of cooperation.* 16+1 cooperative framework covers different fields from political dialogue, economic cooperation, to people-to-people exchanges. If we take stock of the areas of cooperation between China and CEEC, it can be said the areas of cooperation is quite comprehensive. The priority of the cooperation is given to connectivity, trade and investment, financial cooperation, cooperation in sciences and technology, people-to-people and cultural exchanges.

In the area of political dialogue, 16+1 framework serves as a platform between China and CEEC. In the past, high-level visit between China and CEEC was not frequent, Central and Eastern European countries were not in the favorite list for high-level visit in China. Premier Wen's visit in Poland was Chinese premier's first visit within 25 years, it means that no Chinese premier paid a visit to Poland in one quarter of century. When 16+1 framework emerged, China-CEEC Summit provides an opportunity for high-level political dialogue at prime minister level.

Connectivity is the common concern for both China and CEEC. Cooperation in connectivity has born fruits. China signed cooperation agreement on the railway connecting Belgrade and Budapest with Hungary and Serbia. China's initiative to build a China-Europe land-sea express line linking the Budapest-Belgrade Railway and the Greek port of Piraeus to enhance regional connectivity was well-received by relevant parties among CEEC.

Trade and investment is high agenda in 16+1 framework. Last decade has seen rapid growth of trade between China and Central and Eastern Europe. The trade volume between China and CEEC in 2014 reached 60.2 billion USD, which is 5 times more than the trade volume in 2004. During Bucharest Meeting, China and CEEC set the goal of doubling trade volume over the next five years. There are some visible investment cases

in CEEC, for example, Wanhua Industrial Group acquired full control over Hungarian chemicals company BorsodChem in the transaction of 1.69 billion U.S. dollars in February 2011. LiuGong Machinery Corp. finalized its agreement to acquire Poland's Huta Stalowa Wola (HSW S.A.) and its distribution subsidiary Dressta Co, Ltd in January 2012. China Railway Signal & Communication Corporation has signed a deal to buy a majority stake of 51 percent in the Inekon Group from its founder Josef Hušek. Inekon, a Czech tram producer, will thus receive a marked financial boost and a strong foothold in the Chinese market. Rizhao Jin He Biochemical Group (RZBC) announced in Budapest in 2014 that it had chosen Borsod County in Hungary as the site of a new citric acid factory, with sales planned for the European market. China's loan reached to Macedonia, Serbia and Montenegro. From 12 measures to Bucharest Guideline, Belgrade Guideline and Suzhou Guideline, trade and investment has been high on agenda. Belgrade summit decided to hold the China-CEEC Ministerial Meeting on Promoting Trade and Economic Cooperation once every two years. Several measures to enhance the trade and investment have been taken in the 16+1 framework.

4. *Multi-functional arrangement.* Despite 16+1 framework was a Chinese initiative, it has become a common platform between China and CEEC. The 16+1 framework has multiple functions. On the one hand, 16+1 framework serves as the instrument for strengthening bilateral relations between China and CEEC, on the other hand, 16+1 framework can contribute to the development of China-Europe relations. As *the Belgrade Guidelines for Cooperation between China and Central and Eastern European Countries* pointed out "China-CEEC cooperation has provided new driving force to China-CEEC traditional friendship, built a new platform for mutually beneficial cooperation and served as a new engine for deepening China-Europe relations for mutual benefit and win-win cooperation".

5. *Well-planned framework.* The institutionalized framework of 16+1 has become goal-oriented practice. In the last 5 years, the 16+1 initiative has been transformed into institutionalized framework for cooperation between China and CEEC. In spite of the informal nature of the framework, the 16+1 framework is well-planned. From the second summit on, 16+1 framework has resulted in the formulation of guidelines for cooperation. *The Bucharest Guidelines for Cooperation between China and Central and Eastern European Countries* and *Belgrade Guidelines for Cooperation between China and Central*

and Eastern European Countries were passed by the heads of government of China and Central and Eastern European Countries in 2013 and 2014 respectively. *The Belgrade Guidelines* even attached an annex containing the information about implementation of the measures of *the Bucharest Guideline*. If we observe the evolution of 16+1 framework, usually current summit reviews the progress made in previous year and works out plan for the next year. The guidelines on a yearly base has become a routine practice in China-CEEC Summit. After Belgrade Summit, *Suzhou Guidelines* and *Medium-term Agenda for Cooperation between China and Central and Eastern European Countries* were passed in Suzhou Summit. *Riga Guidelines* was passed in Riga Summit in 2016.

I. 16+1 Framework and China-EU Cooperation

When the 16+1 framework took shape in 2012, some misgivings were voiced by some officials from EU and some member states, some observers even mentioned China's tactics of "divide and rule" in its policy towards Europe, even though the press communiqué of the first China-CEEC summit mentioned that China-CEEC relationship is an important part of China-EU relations as a whole. With the passage of time, it is evident that 16+1 framework does not pose any threats to China-EU relations. China responded with action to EU's concern over China's policy. As Polish scholars noticed that China modified its approach, consulting the European Commission and CEE about its proposals in advance in second summit held in Bucharest. Bucharest guideline stressed that "China-CEEC cooperation is in concord with China-EU comprehensive strategic partnership." As former Albanian president Rexhep Meidani made comment on the new institutionalized cooperation format, "Central and Eastern Europe's cooperation with China doesn't undermine EU policy, on the contrary. Some concerns raised from the bureaucracy of Brussels are without sense. Apart from EU-China policy, which is a general framework for all 28 states, in fact each EU member pursues its own bilateral policies towards China. Similarly, the eleven CEE countries members of EU or five potential candidates are also eager to use China's rising interest in the CEE region". Although 16+1 framework is a Chinese initiative, it does get the active response from CEEC. In the last 5 years, the political will of the cooperation through 16+1 framework has increased. As Mr. Sikorski pointed out that "the more ties there is between our region

and China, the better it is for the EU-Chinese relationship”.

China perceived China-CEE cooperation as integral part of China-EU relations. Among 16 countries from CEE, 11 countries are already member states of the EU, the 5 West Balkan states are candidate states of the EU. China assumes that the strengthening of China-CEE cooperation contribute to the balanced development of China-EU relations. Before the emergence of 16+1 framework, China had focused its attention on the main powers within the EU, for example, Germany, France and UK, as well as EU institutions, new member states were not in the front burner. Now the Central and Eastern European countries are on the agenda of China’s European policies.

China fully understands the needs of the member states to respect the EU Acquis, and the distribution of competences and responsibilities, China-CEEC cooperation will be within the current institutional framework. China does not have intention to avoid or circumvent EU laws. China-CEEC cooperation is open and transparent. China always emphasize the importance of pragmatic cooperation. There is no hidden agenda in 16+1 framework.

China always supports the European unification, rain or shine, see the unified Europe as important part of multi-polar world. There is no any reasons to pursue the divide and rule approach toward Europe. Before the UK referendum for Brexit, China express its willingness for UK to stay in the EU. In spite of the the fact that EU suffers from multiple crises, China does not share the doom-and-gloom opinion of the future of EU. China perceives the unified Europe as one of the factors of stability for global system. China would like to see Central and Eastern European countries to play their part in the enlarged EU.

Despite the “Belt and Road” Initiative came out later than 16+1 framework, It really gives new dimension to enhance China-CEEC relations as well as China-EU relations. Europe is quite important in the “Belt and Road” Initiative, it is the final end of the “Belt and Road” Initiative, now every roads lead to Europe. EU-China Connectivity Platform is aimed to enhance synergies between the “Belt and Road” Initiative and the EU’s connectivity initiatives such as the Trans-European Transport Network policy. How to finance the development and how to enhance connectivity are two crucial issues for China-CEEC cooperation and China-EU cooperation. In this regard, some progresses are under way, China joined EBRD, several European countries joined AIIB. China-CEE

Investment Fund operates, the idea of China-CEE Financial Cooperation is going to be realized.

II. The Prospect of 16+1 Framework

Two years ago, IMF chief Christine Lagarde warned that the world economy is threatened by a mediocre era of low growth for a long time. It seems that the global economy is approaching closer to a “new mediocre” scenario—the risk of low growth for a long time. Now it is very likely that the new mediocre already becomes reality, that means we are going to face the prospect of long-term low growth. China’s economic slowdown has become reality, the long-term moderate growth is called the New Normal. It is impossible to repeat the story of double-digit growth in the future. For Central and Eastern European countries, in spite of recovery from the global financial crisis and Euro-zone debt crisis, it will be hard to return to the level of high growth before the crisis. Europe faces uncertainties: the uncertainty after Brexit; the uncertainty coming from the threats from the multiple crises; the uncertainty of redefining of EU; When China’s New Normal meets with global new mediocre and European uncertainties, cooperation is needed.

Despite great progress made, the potential of 16+1 framework is not fully tapped. It is necessary to think big and start small. We should focus on the micro level, firms, regions and individuals. Sometimes high-flying ambition is needed, down-to-ground is more important. We should work hard to translate nice vision into action. 16+1 framework provides a platform to enhance relations between China and CEEC, the cooperation mechanism in specific areas can serve the interests of both China and Central and Eastern European countries.

In the 16+1 framework, China faces 16 Central and Eastern European countries. Central and Eastern Europe is not a homogeneous region, among 16 countries, 11 countries are member states of EU, 5 countries in the West Balkan are outside of EU, still knocking the door of EU. The regulatory framework of the member states of EU is different from non-member states, therefore, China’s cooperation with CEEC is confronted with different standards and regulations. Taking into account of differences in area, population, industries, development level and competitiveness in various sectors,

the demands of cooperation from 16 countries can be quite different. China should make full use of the 16+1 framework, objectively evaluate the demands of cooperation from different countries, seek win-win cooperation through joint projects in different areas. Central and Eastern European countries should make use of their comparative advantages to seek cooperation with China in specific areas. When China's interests match the interests of CEEC, the opportunities for cooperation appear.

The "Belt and Road" Initiative further enlarges the scope and depth of 16+1 framework. As the "Belt and Road" Initiative is a more wide-ranging framework, Central and Eastern Europe countries are included in the initiative; it raises a question on what role the 16+1 cooperation framework can play in the "Belt and Road" Initiative. First of all, 16+1 framework can serve as the platform of policy dialogue over the "Belt and Road" Initiative. Secondly, 16+1 framework can facilitate economic cooperation under the "Belt and Road" Initiative. Third, 16+1 framework can strengthen China-EU cooperation in wide-ranging areas, explore joint China-EU projects over the "Belt and Road" Initiative.

We are living in a era of uncertainty. It is too soon to know the effects of Brexit and Trump's victory in US presidential election. It may demonstrate the global trend under way in the world, 2016 can be comparable with 1989 in one way or another. Liberalism is retreating, populism and economic nationalism are on the rise, globalism faces challenges, Europe project is in deep crisis, dominant paradigms of transition are questioned. Cooperation between China and Central and Eastern European countries is badly needed, when we are confronted with the uncertain era. In this regard, we should make full use of potential of 16+1 framework.

16+1 framework as a flexible arrangement for cooperation between China and CEEC is still at its initial stage. To make the framework sustainable and effective, it requires the joint efforts from China and CEEC. In the turbulent world, both China and CEEC are confronted with the uncertain environment. If we commit to build trust, build bridge via 16+1 framework, we can contribute to a better world for the future.

Importance of Communication and Cooperation among Think Tanks and Universities under the “16+1 Cooperation” Framework

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Think tanks remain permanent component of political systems in Central and Eastern European Countries (CEECs). Defining exactly what think tank means for Poland is very difficult. Think tanks (also in Poland where I come from and work), most of them, try to analyse current and anticipated policy issues by producing first-hand research. They advise politicians in government or in opposition. Think tanks communicate and cooperate with target audiences from politics (in government or in opposition), media, associates, private sector, universities and other think tanks as well.

CEECs think tanks follow most of its international characteristics. The central aim of all their these activities is to influence current policy debate. According to Diane Stone think tanks “seek access to policy communities to inject new ideas into policy debates”.^① Zhu Xufeng underlined that these organizations impact on policy and play a significant role in promoting social development.^② Wojciech Ziętara treated them as “non-governmental organisations (or state administration bodies) which are authorities-independent (or affiliated to: universities, the government, political parties) non-profit expert research centres which through the employment of various ways and techniques of political communication aim at influencing the decision-making process in the public sphere”.^③ He also identified six major

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① Diane Stone, *Think Tanks beyond Nation-states* [in:] *Think Tank Traditions: Policy Research and the Politics of Ideas*, ed. Diane Stone, Andrew Denham, Manchester University Press, Manchester-New York 2004, p. 34.

② Zhu Xufeng, *The Rise of Think Tanks in China*, Routledge, London-New York 2013, p. 13.

③ Wojciech Ziętara, *Definicje, funkcje i klasyfikacje think tanków* [in:] *Zagadnienie think tanków w ujęciu interdyscyplinarnym*, ed. Tomasz Bąkowski, Jakub H. Szlachetko, Publisher Fundacja Rozwoju Uniwersytetu Gdańskiego, Gdańsk 2012, p. 29.

functions of think tanks, like: the analytical, the programme-related, the educational, the motivational, the élites-building and the supervisory one.^①

Think tanks have some characteristics in common: they are mainly independent and non-profit. Tim Hames and Richard Feasey stressed the non-profit characteristics of think tanks described them as “non-profit public policy research organizations with substantial organizational autonomy”.^② Think tanks are funded from different sources. Despite of this, they are obligated to present reliable information and analysis. It should be guaranteed by the professional ethics.

Think tanks activities are mainly focused on political process. They form a kind of a bridge between knowledge of political system and the real exercise of power. Think tanks play an increasingly prominent role in the public sphere, aiming to enrich policy debate. Think tanks have however different functions. They produce original research and policy analysis and forecasts. They publish papers, journal articles, reference works, periodicals as well as monographs. Think tank analysts are quoted as experts in newspapers and appear as TV and radio commentators. They are also creating networks and exchanges by organizing conferences, seminars, and workshops.

James McGann underlined that think tanks have a status of independent nongovernmental organizations (NGOs).^③ And also emphasized their independence of universities.^④ It does not limit the possibilities of applying for funds from the public sector and the private sector. The independence focuses on research, outcomes and results. Think tanks are the most important communication and cooperation partner for universities. They are institutions sometimes affiliated with universities. Universities mainly have a conservative structure, so they function in limited space. Majority of think tanks are quite small and are very efficient in raising funds. Think tanks are more effective in communication as well as influencing public opinion, because of more often participating in the media, conferences, debates, producing publication like books, journal articles, policy briefs and so on. The advantage of most think tanks is a narrow

① See: Ibidem, pp. 27-29.

② Tim Hames, Richard Feasey, *Anglo-American Think Tanks under Reagan and Thatcher* [in:] *A Conservative Revolution? The Thatcher-Reagan Decade in Perspective*, ed. Andrew Adonis, Tim Hames, Manchester University Press, Manchester-New York 1994, p. 216.

③ James G. McGann, *Think Tanks and Policy Advice in the United States. Academics, Advisors and Advocates*, Routledge, New York 2007, p. 11.

④ James G. McGann, Kent R. Weaver, (eds.) *Think Tanks and Civil Societies. Catalysts for Ideas and Action*, Transaction Publishers, New Brunswick-London 2006, p. 4.

specialization. Universities, in contrast, educate and disseminate broad theoretical knowledge and in-depth specific knowledge as well as put less emphasis on practice.^①

According to James G. McGann think tanks fill the space between knowledge and power. They link the roles of policy maker and academic. The “conducting in-depth analysis of certain issues and presenting this research in easy-to-read, condensed form for policy makers to absorb”.^② Universities are uniquely classified on the level of knowledge. Only collaborative relationship between academics and think tanks will yield the most productive results. The knowledge produced by universities can be synthesized by think tanks. Think tanks have a great flexibility and ability to disseminate scientific output and reach out to political spheres. These institutions apply to the same sources of funding, what sometimes create tension and an atmosphere of competitiveness among them. Think tanks are more influential in policy-making than most academic researchers. It should not be however forgotten that academics working in Central and Eastern European countries, are first of all obliged to fulfill academic duties i.e.: teaching, research, and administration. Their participation in analytic work for think tanks is either voluntary or secondary. Think tanks, in contrast, are the only research institutions, even though they sometimes focus on education. Furthermore, the collaboration between them in CEECs has mainly informal and individual character. Despite this situation, both academics and policymakers need think tanks.

In case of Poland, there are over 40 think tanks. This number is very low for a country of 38 million of population and location in the heart of Europe. Only few of them concentrate on international policy and only one on Asian affairs. These institutions are still at an early development stages and have very limited financial and human resources. Most of them were founded after 1989. Think tanks in Poland are mainly organizations engaged in various forms of activity. Poland’s think tank emphasize their reliance on other actors of public sector, but do not fully understand its essence.^③ The other problem of think tanks in Poland and Central and Eastern Europe is the lack of their own codes of

① Diane Stone, *Old Guard versus New Partisans: Think Tanks in Transition*, *Australian Journal of Political Science*, 1991, Vol. 26, No. 2, p. 201.

② James G. McGann, Erik C. Johnson, *Comparative Think Tanks, Politics and Public Policy*, Edward Elgar Publishing, Cheltenham-, Northampton 2005, p. 12.

③ Piotr Zbieranek, *Struktura polskiego sektora organizacji typu think tank w świetle badań empirycznych. Przyczynek do opisu polskiego modelu think tanku [in:] Zagadnienie think tanków w ujęciu interdyscyplinarnym*, ed. Bąkowski Tomasz, Szlachetko Jakub H., Publisher Fundacja Rozwoju Uniwersytetu Gdańskiego, Gdańsk 2012. pp. 102-103.

ethics and conduct. Goran Buldioski emphasized that defining a proper code of ethics and conduct should be a way for independent policy research: “Think tanks do not act alone in the policy environment. Neither are they obliged to be neutral or free of ideology. Many in the region are staunch advocates of certain doctrines and concepts about the development of their own societies. The only position a think tank should avoid is becoming the advocate of a certain client, because that loss of independence undermines the impact of a think tank’s research. It is essential for think tanks to be explicit and transparent about the ethical values underlying their research work and advocacy.”^①

There is a lot of space for new projects, collaborative projects within existing institutions in Poland, if even not for establishing new ones. Collaboration between think tanks and universities, both in Central and Eastern European Countries and China, must take into account ways to increase opportunities for people, knowledge and ideas to flow easily between them. The most practical synergy for think tanks at universities may include hosting think tank events within university campuses; offering spaces for conferences, debates, workshops, seminars, and briefings; providing internships for students; as well as establishing collaborative research programmes. Therefore to sum up, Chinese partners should consider it as an open invitation to deeper cooperation with Central and Eastern European Countries think tank analysts and academic researchers.

① Goran Buldioski, Think Tanks in Central and Eastern Europe in Urgent Need of a Code of Ethics, *The International Journal of Not-for-Profit Law*, 2009, Vol.11, No. 3, p. 51.

Think Tanks' Role in the "16+1 Cooperation"

Zhang Yinghong*

Think tanks on 16+1 cooperation in China have developed since the first summit of 16+1 leaders in 2012. The present prevailing cooperation between China and 16 CEECs has encouraged the birth and development of think tanks. Think tanks as an important force to the policy making on "16+1" cooperation in China have strengthened their visibility and expanded their influence in recent years. The current think tanks on "16+1" cooperation can be classified into four groups: 1, policy research institutions affiliated to the government; 2, research center or institutes affiliated to the university, including linguistic, literature and culture studies, international studies and regional studies, economic and social studies; 3, the research institutes affiliated to enterprises, which provides the information of 16 CEECs for the enterprises which have business in the 16 CEECs; 4, comprehensive network- typed think tank platform which pools resources linked with different departments of political parties, government, parliament, research institutes, enterprises, industrial associations, financial institutions, social organizations, media, and international organizations, eg, China-CEEC Think Tanks Network; the CASS-RDI.

There are mainly four financial resources supporting the "16+1" cooperation studies in China: 1, budgets from the central government. Many ministries of China sponsor research programs focused on 16+1 cooperation, eg the Ministry of Foreign Affairs, Ministry of Finance, Ministry of Commerce, Ministry of Education, and the National Foundation on philosophy and Social Science. The Secretariat of China – CEECs Cooperation has also provided the research programs each year. 2, the regional governments budgets. Recently the regional governments have very actively taken part in the 16+1 cooperation, eg. Ningbo, Chongqing, Tangshan. Ningbo municipal government

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has adopted the special budget to support 16+1 cooperation, including the research. 3, enterprises; 4, finance from 16 CEECs. The Chinese research institutions which work together with the counterparts from the 16 CEECs also can share the funds of their countries.

The ways and channels that think tanks contribute to the “16+1” cooperation include as follows: 1, holding various conferences or symposiums to promote the exchanges and dialogues; 2, publishing books, reports, papers, journals; 3, taking use of the media to promote understanding in the public by writing the articles for influential newspapers or having interviews in the TV or radio programs; nowadays, social media like “Wechat”, which is similar to the Twitter and Facebook, is also be used to spread experts’ opinions or analysis. For example, the special research column titled as “Observe on the Central and Eastern Countries” has been produced by Institute for Russia, Eastern European and Central Asia Countries, CASS, on “We Chat”. The column is very welcomed by the readers because the research papers, information and opinions could be shared immediately by the internet. 4, producing the policy report for governments and enterprises; 5, creating and fulfilling web sites to let visitors be aware of more information in this regards, download institute publications, give comments on experts opinions and track the blogs of the institute’s experts, eg. the website of the China-CEEC Think Tanks Network; 6, providing training or courses for research fellows, officials and businessmen both from China and 16 CEECs.

If Chinese think tanks are going to play a more influential role in the decision-making process of 16+1 cooperation, the future development of the Chinese think tanks should be focused on the three aspects:

First, to cooperate with counterparts in CEECs through joint research in order to promote a better understanding on the social and economic situation and people’s way of thinking in CEECs. Chinese people including the high-ranking officials and researchers are likely to consider and plan the 16+1 cooperation in the perspective of their own interests and experience. In fact, the Chinese side, including the government, research circle and enterprises doesn’t fully understand what people in CEECs really think and consider, what their real situation and what their real interests are. The 16 CEECs are quite different in social and economic situation, the way of development and their national interests. The co-research can provide us with the perspective from

CEECs side, especially their understanding and suggestion on the 16+1 Cooperation. Through the jointly research projects, the Chinese side will find what projects and what ways of the cooperation are mostly needed by individual countries. The mutual understanding is the base for efficiency and the sustainable development of 16+1 cooperation.

Second, to cooperate with Chinese enterprises will help the Chinese government make more concrete and proper plan in the framework of 16+1. Recently, Chinese enterprises have strong interests in taking part in the 16+1 cooperation, especially to the infrastructure Projects and business opportunities. I discussed with some people from enterprises, they hope to shift some of their business from Africa to the CEECs, and they believe that the CEECs will provide a safer and better business environment than in Africa. Chinese think tanks should cooperate with enterprise to know their interests and to help design the cooperation project and way of cooperation. Chinese side should do more research on domestic policies and regulations of individual countries in order to know what will be the main obstacles for China's "Go Global" strategy, and what suggestions should be given to solve these problems. The close cooperation between think tanks and enterprises will help think tanks provide more concrete, more effective and more constructive advice and suggestion to the government. Besides, think tanks should also do more researches on the lessons and experience of the transition in these CEECs. By introducing good experience of CEECs in the transition period, think tanks can also help China deepen its domestic reform.

Third, to cooperate with the Secretariat of Cooperation between China and CEECs in order to evaluate the results, problem and prospects of 16+1 cooperation. The summit of 16+1 cooperation publishes declaration and guideline for this mechanism's future development annually. In these important official documents, the previous year's work will be evaluated and the further action will be guided. In fact, we find that the evaluation in the guideline is very limited. The Secretariat of Cooperation between China and CEECs should publish more series of evaluation reports. The Secretariat has the competency and capabilities to collect the information and data in different ministries of government in 17 countries. I suggest that the think tanks should cooperate with the Secretariat to set up the exchange center of information and data and publish a series

of the evaluation and action suggestion focusing both on the general cooperation and individual projects. The Secretariat should fully use its official website to regularly publish the data and evaluation reports.

Deepening and Promoting China-Czech Republic Relations in the Field of Culture and Education

Ju Weiwei*

The bilateral relationship of China and Czech Republic has reached the highest level in history, which was shown in many fields. The cooperation and exchanges in political, economic and culture affairs have been deepened and promoted. But the bilateral relations are still in lack of cultural and social basis. The people of China and Czech Republic do not know each other very well. For China, many of the public's impression for Czech still remains in 80-90s of last century, and many Chinese think that Czech Republic is a “developing country” in Europe. In Czech Republic many descriptions about China by the media are in lack of factual basis and many Czech could not get accurate information and are unfamiliar with Chinese culture and history. It is obvious that lacking acknowledgment to each other would do damage to the bilateral relations and might widen the “mind gap” of the peoples.

This paper is going to discuss the current status and deficiencies in cultural and educational communication between China and Czech Republic, which are essential components of good bilateral relationship for the two countries. This paper used the problem oriented frame to find problems hindering the improvement of bilateral relationship and then provided some recommendations to the points. By using the public resources from news reports, interviews with professionals in the relevant fields and policy studies, this paper discuss the topics and gave some recommendations as following.

First of all, the ways of promoting bilateral relations are described and emphases were put on the political, economic, cultural and educational relations.

Secondly, the paper discuss the current situation and some problems of cultural and educational relations, which would have important effects on the bilateral relationship of

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China and Czech Republic.

Lastly, some recommendations of improving the bilateral relations are put forward.

I. Promoting Relations of China and Czech Republic: Ways and Fields

Generally speaking, the relationship of two countries could be deepened and promoted by upgrading political relations, developing economic cooperation and promoting the communication in culture and education.

Currently, the bilateral political and economic relationships between China and the Czech Republic are developing very fast, which are keenly watched and felt by the people. However, to establish strong cultural and educational relations would need more effort and patience. There are many data and indexes that can evaluate the level of political and economic relationship. But it is very hard to find an index or target to indicate the level of cultural relations and people to people's exchanges. Furthermore, it has been a long time for people of the two countries to ignore and misunderstand each other. Rome is not built within a day, and removing the misconceptions in the mind is not an easy thing. A Chinese slogan says that it takes ten years to grow trees but a hundred years to rear people.

1. Upgrading Political Relations

Political relations include establishing the formal diplomatic relations, mutual visits by the heads of states and governments, signing the political documents (strategic partnership document), joining the same international organization and establishing some kinds of political or military alliance.

Before the year 2013, the political relationship between China and the Czech Republic experienced the "cold time" and the high level political dialogue had been interrupted for several years, because the Czech government criticized China's policies on human rights, Tibet and Taiwan. The new president and government of Czech Republic after 2013 changed the attitudes and critical policies towards China, which increased the probability of promoting relationship of the two countries.

The heads of China and Czech Republic have visited each other's countries for several times during the recent years. There were two important state visits which could

witness the high level of bilateral political relation. Mr. Zeman, President of the Czech Republic, made a visit to China and attended the Military Parade for the commemoration of 70th anniversary of anti-fascist war victory in September 2015. He was the only one head who were from EU member countries, which was considered as symbol of excellent friendship by the people and government of China. The other one is the Chinese President Xi Jinping visited Prague in March 2016. This is the first time for head of China to visit the Czech Republic since the establishment of diplomatic relations between the two countries. During this visit the two countries signed the declaration for establishing the strategic partnership. So these events can be the best proof for the closer bilateral political relations.

2. The Economic Cooperation

Economic relations include the level of trade and investment, the exchange and cooperation in the economic sectors such as infrastructure, energy, manufacture, finance, tourism and so on.

The Economic cooperation between China and the Czech Republic has developed fast under the frame work of China-CEEC “16+1” cooperation. China has become the largest trade partner of the Czech Republic outside Europe and the Czech Republic is an important trade partner in Central and Eastern Europe. According the statistic of 2015, the bilateral trade volume has reached 18.3 billion dollars,^① which means the Czech Republic is the second largest trade partner in CEE.^② Since the year 2014 large amount of Chinese investment flew into the Czech Republic and the growing trend of Chinese investment did not slow down. The governments and enterprises from both sides have made many economic cooperation agreements in many fields, such as infrastructure, manufacturing, tourism and finance. The two countries are witnessing more and more results from economic cooperation.

3. Promoting the Cultural and Educational Relationship

Different countries’ views, information, form of art and people exchange and learn to each other. This relationship is promoted by the ways of public diplomacy, which could achieve greater results than other diplomacy ways. The culture and educational cooperation

① <http://www.mpo.cz/dokument169930.html>.

② However, Czech Republic has had a great trade deficit with China since many years ago.

and exchange could promote the development of bilateral relations and people to people connection, such as better awareness of other countries' policies, strengthening further cooperation between the countries, reducing the possibility of conflicts between two countries, and even to some extent shaped state policy or domestic political atmosphere.

In recent years, the relations of China and the Czech Republic are experiencing their unprecedented good times, especially in the political and economic spheres. Senior officials of the two governments visit each other frequently. Many agreements have been signed in economic, trade and investment field. It should be noticed that the development of cultural and educational relations between the two countries are still in the lower level. This is unfavorable for the mutual recognition and cooperation between the two countries.

II. Status and Problems of Cultural and Educational Communication between China and the Czech Republic

The cultural and educational communication between the two countries has made great progress during recent years. However, comparing the political and economic cooperation, the cooperation in culture and education of China and the Czech Republic is not developing so fast and closely.

1. Language Learning

Languages are the basis tool of communication for people from different countries. From the aspect of language learning, there's only one university training Czech talents in China while there are three universities in Czech Republic that have set up China-related majors. Thus, these two countries need to improve talents training in Czech and Chinese. In 2007, Confucius Institute was established in Palacky University to provide college students with Chinese language course. At the same time, Palacky University was in collaboration with primary and secondary schools in the Czech Republic to popularize the use of Chinese among adolescents and children. There are also many Czech universities teaching Chinese such as Charles University, University of Economics—Prague, Metropolitan University of Prague, Masaryk University in Brno. the Czech people have been in rising enthusiasm with Chinese learning, but there are short of good teachers who can master Chinese and Czech simultaneously. At present, there's only one Confucius Institute in the Czech Republic, which reflected the weakness of Chinese

teaching in Czech Republic compared with other CEE countries (There are 5 Confucius Institute in Poland, 4 in Hungary and 2 in Slovakia). When we talk about China, Beijing Foreign Studies University in China recruits Czech major students once every two years, so there are only less than 10 people graduated from Czech language major every year. Nowadays, since China and the Czech Republic are working so closely, some colleges and universities in China are preparing for the establishment of Czech major. Of course, we need to be patient with the cultivation of language talents.

2. Translation of literary works

Reading literary works is an important way to understand another country and the culture. There appeared many famous literary writers such as Milan Kundera and Kafka in Czech history, whose works are popular in China. The Public of the Czech Republic have a good habit of reading books, while China has a profound historical and cultural heritage which have created a lot of famous literary works both in ancient and modern times. However, China's books in Czech are not popular in the Czech Republic which is mainly caused by the poor situation of Chinese-Czech translation. Both in China and Czech Republic, only a few scholars and translators could translate Chinese books into Czech. And the books that have been translated into Chinese are almost Chinese ancient classical books and modern novels. These books didn't perform well in the Czech books market. At the same time, some excellent contemporary Chinese literary works which were created by young writers (born after the 1980s) have not been translated into Czech. These works reflected the real spirit world of contemporary Chinese deeply. Not too many attentions were paid towards the translating those contemporary works, which blocked the Czech public to understand Chinese modern culture and society.

3. Students Exchange

China and the Czech Republic have a long history of students' exchange. As early in the 1950s, China had sent students to the Czech Republic. But until now, the number of students exchanged from the two countries is still limited. Recently, the situation is being improved and more Chinese students are willing to study in Czech universities. On one hand, Chinese students are attracted by the excellent majors in universities of the Czech Republic. On the other hand, the cost of studying in the Czech Republic is significantly lower than that in Western European countries. The Chinese government is actively

promoting more Czech students to come to China for further study and exchange. In July 2016, according to an agreement which was reached a year ago, the Chinese government funded 100 Czech students to China to participate in summer camp activities. The Chinese government also announced in the next five years, it will provide 200 places in “Special Scholarship in China-Czech Communication” to Czech Republic to support Czech students studying in China.^① With the support from the Chinese government, more students have come to China for further study and have experienced political, economic and cultural atmosphere in China, which is beneficial to the young generation to know about China better. Through the excellent work of both the Chinese and the Czech governments, on October 12 2016, the ministers for education signed the agreement of recognizing college degree mutually between the two countries. This agreement would lead to tap the bilateral cooperation potential in the education.

Although China has given more opportunities to Czech students to study in China, Chinese education department and universities have not established a sound selection mechanism for overseas students, which might cause inequality for Czech students in access to funding. For example, the Chinese language certification is necessary for Czech students in some Chinese universities, but some other Chinese universities do not require the language certification.

4. Exchange and cooperation of Cultural institutions

Cultural institutions include universities, think tanks and NGO, which are essential for cultural cooperation of two countries. As the bilateral relations of China and the Czech Republic have become warming, the exchange and cooperation between colleges, think tanks and cultural groups have been closer in cultural field. Such exchanges of cultural institutions are professional and they usually focus on a particular subject field, which means the level of public participation is not high. Whether in China or in the Czech Republic, there are few scholars and experts specializing in researching each other's countries. In China, only the Chinese Academy of Social Science, Beijing Foreign Studies Universities and some other academic institutions have scholars who are specializing in researching the Czech Republic. This situation is also occurred in the Czech Republic. The cooperation and exchange of bilateral cultural institutes

① http://www.fmprc.gov.cn/web/wjdt_674879/zwbd_674895/t1373659.shtml.

are not frequent. Furthermore, there are vast amount of news, stories and information about cultural exchange around the world on Chinese media. The content related the Czech Republic is usually submerged in this “sea of information” and can’t attract more attention from the people in China.

III. The Recommendations for Improving Bilateral Relation of Culture and Education

Obviously, both the governments of China and the Czech Republic are improving the exchange and cooperation of culture and education under the favorable atmosphere of bilateral relations. For China, it has been given great attention to improving cultural and educational relations with the Czech Republic by the government, which could be seen by the building of institutions and financing of the universities and think tanks. However, there is a long way for the two countries improving the bilateral relationship of culture and education. So some suggestions and recommendations are provided by this paper as following.

1. Using “16+1” Cooperation Platform and Formatting of the Overall Impact of the Central and Eastern European Countries

The Central and Eastern European countries (CEECs) are smaller countries in terms of their land, population and volume of economy comparing with China. Today the foreign affairs of China is becoming more and more complex. So it is unrealistic that every CEEC could give profound impression to Chinese people via their political, economic and cultural relations with China. The Chinese government is improving the cooperative frame of China-CEECs, which will be one of priorities in Chinese foreign affairs in the next 10 years.

“16+1” of China and CEECs cooperation platform is essential for enhancing mutual knowledge and cultural exchanges between the public of China and the Czech Republic. The government of the Czech Republic has repeatedly expressed that they want to become a leading force in “16+1” cooperation and the bridge connecting China with Europe. Although more and more people know the “16+1” cooperation, this cooperation is still unfamiliar to most of people, no matter in China or the Czech Republic. More introductions and reports about “16+1” cooperation platform are needed in the media.

It is required for the two governments not only to focus on political and economic relations but also pay more attention to cultural and educational exchange under the “16+1” cooperation. Of course, the cooperation of bilateral level still provides many opportunities to promote more active relations.

2. Innovations for Bilateral Cultural and Educational Exchange

It needs to be patient for improving culture and educational exchange and some innovations should be carried out by the two countries.

First of all, think tanks should be given more important roles for cultural exchange. Chinese government is attaching more and more importance to establish all kinds of think tanks. China-CEEC Think Tanks Cooperation and Exchange Networks (16+1 networks) was founded in last year, which focused on improving communication and cooperation between the think tank of China and CEECs. The think tanks from both sides have made many kinds of collaboration in researching field, such as common researching programs, mutual visiting of scholars and publication of academic achievement. The tendency should be continued and improved. If there were more think tanks from the Czech Republic joining in studying the bilateral relationship, more positive effects would take place for bilateral cultural relationship. 16+1 networks which is supported by Chinese government and has sufficient funds welcomes more Czech scholars to join in and committed to studying how to enhance the bilateral relationship.

Secondly, in order to improve the level of acknowledge to China for the Czech people, some kind of Czech culture center and net websites should be established in China. Presently, Poland, Hungary and Romania have established their cultural center in China, which promote their countries’ social, cultural, educational environment, so that more Chinese people knew the current situation of these countries. Otherwise, the internet is increasingly developed and more people learn about the world through the internet. So it is a great idea that some Czech culture centers and websites introducing Czech society, culture and education should be established in China. Czech think tanks scholar has put forward some suggestions about this idea.

However, the establishment of a culture center in China is not easy. There are many administrative procedures for establishing such a center, which needs some kind of agreement documents by bilateral governments, and the Czech government also should

give a long term support by financial and human resource. For the websites, sustained investment is very important for the establishment and maintenance. Some websites that introduced CEECs lacked sustained investment and did not update for long time. These websites were forgotten by people soon.

Last but not least, the two governments should engage Chinese and Czech citizens and their influence on bilateral cultural relation. Currently, there are about five thousands Chinese Czech many of whom can speak Czech and Chinese capably and are familiar with two cultural environments. They are very active to improve the bilateral relationship. So some institutes and mechanism should be established by China and Czech Republic, which could encourage Chinese Czech to engage into the literature translation and public cultural exchanging activities.

3. Exploiting the Capacities of Existing Institute and Mechanism

In addition to the establishment of new and innovative mechanism, both sides should further explore the potential of existing cultural, educational cooperation mechanisms and institutions.

Firstly, the capacity of Chinese teaching institute in the Czech Republic should be enlarged. On the one hand, the number of institutes of Chinese language teaching, such as the Confucius Institute and Chinese classrooms, should be increased because more and more Czech are interested in learning Chinese. On the other hand, the Confucius Institute in the Czech Republic needs to undertake more roles besides teaching Chinese. That means the institute will put in more effort to give more professional lectures about the Chinese economy, technology and culture. For example, more Czech students in universities are interested in Chinese business and traditional Chinese medicine and more experts in these fields are needed to give lectures in universities. So far as for satisfying this demand, the Confucius Institute in the Czech Republic is inviting Chinese experts and professors in those fields to teaching in Czech universities. Czech universities may also provide more opportunities for Chinese students in the field of medical and technical studies. Czech medicine programs in English will be attractive for Chinese students. Doctor of Medicine degree is accepted in Western Europe. The academy or universities of film, music and art may also grant more scholarships for Chinese students.

Secondly, closed cooperation in culture industry would have great potential for both

sides. Cultural industry is not only within the field of economic cooperation between the two countries, but also can greatly promote cultural bilateral relations. For example, a Chinese film named “Somewhere Only We Know” made surprised impact. This film told a love story of some Chinese in Prague and the locations of the film were in Prague. When the film was released in early 2015, it subsequently received a 280 million RMB (about 42 million dollars) at the box office.^① The Czech government and institutes gave many helps and made some cooperation with Chinese company during the shoot. The film was greatly welcomed by Chinese young people, who were attracted by the beautiful scenery and culture of Prague. Many Chinese decided to visit Czech Republic after watching this film. It can be seen that cooperation between the two countries in cultural industry has bright prospects as same time as to promote bilateral cultural exchanges.

Thirdly, it is no doubt that tourism can also undertake important role for people to people’s exchange. More and more Chinese and Czech select the other country as the vacation destination. In 2015 there were about 2.83million tourists from China in Czech and the population of Chinese tourists had an annual growth of about 30 percent.^② The high quality tourism resource, excellent location (Czech Republic is known as the “heart of Europe”) and secure social environment have made the Czech Republic one of the best choices for Chinese tourists. The bilateral governments have made agreement on tourism cooperation, such as opening direct flight from Chinese important cities to Prague, establishing new Czech consulates in Shanghai and Chengdu of China. In the future the two countries’ departments and agencies concerned should consider how to integrate more cultural elements into the tourism, so that more Chinese and Czech could know each other’s country better.

① [https://en.wikipedia.org/wiki/Somewhere_Only_We_Know_\(film\)](https://en.wikipedia.org/wiki/Somewhere_Only_We_Know_(film)).

② http://paper.people.com.cn/rmrhwb/html/2016-04/07/content_1668264.htm.

The Opportunities and Challenges of Economic and Trade Cooperation under the Framework of the “16+1 Cooperation”

Shang Yuhong*

In 2012, the meeting of Chinese and 16 Central and Eastern Europe (CEE) country leaders in Warsaw marked the formal formation of the “16+1 cooperating framework”. The two parties reached a series of agreements such as *Twelve initiatives for China to promote friendly cooperation with CEE countries*, the *Bucharest Guidelines for Cooperation between China and Central and Eastern European Countries*, the *Belgrade Guidelines for Cooperation between China and Central and Eastern European Countries*, *China-CEE countries cooperation guidelines in Suzhou* and *Riga outline*. These agreements established a platform for China and CEE countries to cooperate on multi-levels and in wide ranging areas.

The “16+1” framework provides opportunities for economic and trade cooperation between China and central and Eastern European countries, and has begun to play an important role in promoting bilateral economic and trade exchanges, which has been proved true by economic figures. In 2013, Chinese proposal of “the Belt and Road” initiative enhanced the importance of 16+1 framework as the carrier of the Belt and Road policy. But in the complex international political and economic environment, due to differences in China and 16 CEE countries in the political, legal, social and cultural values and other aspects, deepening bilateral economic and trade cooperation still faces huge challenges.

I. Economic and Trade Cooperation between China and CEECs

Currently economic and trade cooperation between China and the 16 countries of

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CEE reflects not only the force of the market orientation, but also the guiding role of the 16+1 cooperation framework. The cooperation reflects two main features.

The first feature is the high increase and high imbalance of bilateral trade. High increase refers to the fact that the growth of bilateral trade between China and the 16 CEE countries is much higher than the trade growth in other areas. The high increase can be explained by the fact that the macroeconomic growth in both China and CEE countries is higher than the average global level. This growth reflects the market force of the two sides on the one hand; while on the other hand the growth is also promoted by the 16+1 cooperation framework. The rapid growth of bilateral trade in agricultural products, especially a large number of imported products from CEE to China in recent years is a good example of the function of facilitating policy. There is good chance to foresee that bilateral agricultural cooperation is to increase significantly in the future.

However, going hand in hand with the high increase of the total amount of trade is the imbalanced feature of the trade in the area. The imbalance of bilateral trade between China and CEEC is much higher than the imbalance level of these areas to other parts of the world. The only exception to the picture is Slovakia. This is mainly because the export structure of CEE countries does not match Chinese import demand; While Chinese export structure is more in line with the import needs of CEE countries. Moreover, the total amount of investment and trade between China and every CEE country is also very uneven. Taking Hungary for an example, prior to 2015 more than one third of Chinese companies invested their funds in Hungary; while the other 15 countries shared the other two thirds. Similarly, trade in services between China and the Czech Republic accounts for 40% of the total in the area.

Although these imbalances are mainly resulted from the market allocation effects out of different investment and trade environment, they impede further cooperation between China and CEE countries. The problem of imbalanced trade caused by market cannot rely solely on market forces to solve. The governments of the related parties should play a leading role in gradually easing these imbalances with the framework of “16+1”.

The second feature is that the current economic and trade cooperation is based on the work of large projects. The most striking part of the framework is the signing of a series of projects between Chinese and CEEC enterprises, some of which have started and some are in the brewing. For example, the construction of Serbia E763 highway, Hungary-

Serbia railway, port and Industrial Park cooperation agreement between China, Latvia, Lithuania, Croatia and Romania and other countries, the cooperation agreement between the government of Romania and HUAWEI Technologies Co. Ltd., to name just a few. These large scale projects are achieved in the 16+1 cooperation framework, and they compose the main part of the framework. The investment of these projects far exceeds the trade volume based on market orientation in the past. Big projects as these constitute the main part of investment from Chinese enterprises in the area, and they are also the main components of bilateral economic and trade cooperation

II. Opportunities of 16+1 Cooperation Framework provided for CEE Countries

The formation of the 16+1 cooperation framework provides a new platform and opportunity for the economic and trade cooperation between China and the 16 CEE countries, especially for the cooperation of large projects. Since China put forward the “Belt and Road” Initiatives immediately following the proposal of 16+1, the former framework has a more clear function: it will become the first important carrier to achieve the Belt and Road Initiative. This means “16+1” framework for cooperation may help to put “the Belt and Road Initiative” in CEE area into practice. The economic and trade cooperation between China and CEECs provides the following four opportunities to the related parties.

The first opportunity is for the cooperation of the interconnection industry. China emphasized the importance of interconnection in the “Belt and Road” initiative, and especially the importance of infrastructure. This was particularly stressed in “the medium-term plan of cooperation between China and CEECs”. At present, transportation infrastructure in most CEE countries is still in a relatively backward condition and accordingly, there is urgent demand of infrastructure construction for these countries. China has comparative advantages in the construction of high-speed rail and port construction, port loading machinery and other aspects. If Chinese companies can widely participate in the infrastructure construction in CEE, it is not only conducive to improve international competitiveness of these Chinese companies, but also helpful for these CEE countries to enjoy high quality infrastructure at low cost.

Secondly, 16+1 framework provides the opportunities to enhance the level of industrial cooperation. In most CEE countries, the level of industrialization is low and the industrial system is not perfect. Even though the Czech Republic and Poland have strong industrial base they still face the needs to enhance their production capacity. For example, the Czech hopes to develop high-tech manufacturing industry, business support services and technology (design) center. China has a high level of technology and advantages in many areas, such as high-speed rail technology (including power, vehicles and facilities). If China cooperate with the Czech and establish business supporting center in CEE countries, not only the international status of Chinese products would be improved, industrial level and system in CEE countries would be improved at the same time.

The third opportunity is for large enterprises and major projects to cooperate. In the 16+1 cooperation framework, the governments, industry and financial enterprises work together to promote major projects for bilateral cooperation. At present, China and CEEC governments have launched a series of major projects that CEE countries are eager to develop and financial support has been given for the implementation of these projects. A mechanism that is driven by the governments, led by corporations and supported by financial organizations has been roughly formed. These mechanisms provide excellent investment opportunities for big enterprises in China and the CEE countries too.

The fourth opportunity is the industrial investment chance for small and medium-sized enterprises in industrial parks. Under the framework of 16+1 cooperation, China and several countries in CEE area have reached the agreement to establish a variety of industrial parks, providing investment opportunities for middle and small companies. These industrial parks will support and guide small and medium enterprises to participate in cooperation, which will enhance cooperating efficiency among them. Industrial parks will be helpful to produce agglomeration. Moreover, enterprises in the park will also enjoy preferential treatment in taxation, importation of machinery, raw material, lower tariff, customs inspection, logistics, warehousing, finance and other services. Industrial Park is also helpful for achieving economies of scale and reducing the cost and risk for small businesses as well.

III. Challenges faced by China and CEE Countries

16+1 cooperation framework faces difficulties and challenges too. On the one hand, these challenges come from the complex international political and economic relations, especially the rise of populism in international politics and the slowing down of economic globalization. On the other hand, the challenge comes from disparities of China and CEE countries in many aspects such as politics, economy, law and social culture. These challenges can be covered in the following four aspects.

The first challenge comes from great powers: the European Union, the United States, Russia and so on. Currently, 11 countries in 16 CEECs are members of the European Union; the rest countries are also actively applying to join the EU. In both the political and economic aspects CEE countries are more tightly related to EU. China, obviously, faces with the problem of how to eliminate the doubts of EU when developing relations with the Eastern European countries. Although China frequently releases goodwill, EU cannot completely relax its vigilance. Therefore, in relying on “The Belt and Road” and 16+1 cooperation framework to promote economic and trade cooperation, China should make clear her interests and aspirations to ensure that Chinese enterprises can gain a foothold in CEE countries, and at the same time to adapt to the rules of the European Union. Actually as Professor Zhang Yong’an mentioned in another article in the book, China-CEECs cooperation is one part of China-Europe strategic partnership. A prosperous CEE is the contribution of China to European integration, which is the ultimate dream of the EU. Secondly, the US led trans-Atlantic trade and investment partnership agreement (TTIP) may have an impact on China-CEEC cooperation. Once formed, TTIP will become the world’s largest regionally integrated organization, it will bring new standards to the world in terms of market access, regulatory cooperation and trade rules. This will affect rules that China is trying to establish when advancing “The Belt and Road” policy. Thirdly, the interests of Russia, Turkey and other non EU countries, which are closely related to the area geopolitically and geo economically may also feel the threat by the economic and trade cooperation between China and CEE countries. It is possible that the entering of CEE countries by Chinese companies brings about competition for companies from these countries. This may invite resistance from non-economic organizations from these countries.

The second challenge comes from the political, social, legal and cultural differences between China and CEE countries. Generally speaking, economic and trade exchanges among two countries are not only related with their geographical position, but also with their economic, political, social, legal and cultural feature. The 16 CEE countries differ substantially from China, and meanwhile, these countries have great disparities within themselves. These differences may produce obstacles to prevent “16+1” framework. Accordingly, besides the exchange between enterprises, it is also urgent to strengthen the cultural exchanges of ordinary people between China and central and Eastern European countries. Universities, research institutes and think tanks should actively carry out research on history, culture, economic, political and other aspects to enhance mutual understanding. Only on the basis of full understanding can we pave the way for better bilateral economic and trade cooperation.

The third challenge comes from the serious trade imbalance. Lacking of smooth and balanced trade is one of the problems that China and CEE have no choice but to solve. For a long time, Chinese trade with CEE countries is at a low level and seriously unbalanced. In the future, with the advance of “The Belt and Road”, this asymmetric trade situation will be further addressed. If imports from CEE countries cannot be increased, the asymmetry will lead to large amount of Chinese funds flowing into these countries. These countries would owe huge debts to China. Long time imbalanced trade will lead to bilateral friction and the deterioration of trade environment. A reasonable approach to solve this problem is, on the one hand, choosing some products from the CEE countries to give preferential treatment (such as agricultural products), so that their exports to china can be expanded. On the other hand, China should actively substitute exporting products with other industrial activities. For example, the Chinese enterprises may give up exporting products into these countries; instead they may set up factories in CEE countries and produce what their market needs. China should produce not only for CEEC local market but for global markets as well. Moreover, China can greatly expand industrial service import from CEE countries, balance the trade in goods with the trade in services, and finally achieve the overall balance.

The fourth challenge comes from lacking funds. Large sums of money are needed to develop economic and trade cooperation with central and Eastern European countries for Chinese part. Although there are international investors, the main part of funds

may have to be provided by China. At present, the global economy is in the trend of declining and China is entering into the time of economic restructuring accompanied by industrial restructuring. This is the critical time that demands the support of large amount of funds to create new industry and give away the old. If numerous projects in the Chinese initiative of “The Belt and Road” are also put into practice, it cannot rule out the possibility of lacking of funds for Chinese domestic development. If this judgment is reasonable, the negative impact on Chinese domestic economic restructuring should be prepared in advance.

The economic and trade cooperation between China and the 16 CEE countries is not only bilateral economic and trade issues, but also related to the reconstruction of international economic order in a broader context. It concerns the coordination of international economy and political relations as well. To make the 16+1 cooperation framework play a greater role, China and the CEE countries must work together to carry out international coordination, including multilateral and internal coordination within China-CEEC cooperation mechanism. The internal coordination within 16+1 framework is more important, because it may work as an example to solve similar problems for Chinese “the Belt and Road” initiative.

The Emerging New Context of China-CEEC Cooperation: From the Baltic Region Point of View

Ma Junchi*

Since the initiation of China-CEEC cooperation (shorted as 16+1 cooperation as below), Serbia and Romania in South Eastern Europe, Poland in Central Europe, hosted the China-CEEC Summit in the last five years and Hungary will be the next host in Central Europe. However, in 2016, it is the first time for Baltic country, Latvia to host such summit. The meaning behind this is not only that the host should be rotated every year, but also that China is starting to turn its attention to this region and at the same time, Baltic region to China. As Xinhua agency even described in its report that another new motor of 16+1 cooperation is equipped by Riga summit.^① The potential between China and Baltic countries will be fully tapped and 16+1 cooperation will step forward.

I. The Advantages of Baltic Region

There are three aspects when we consider Baltic region. The first one is that their perception or cognition toward 16+1 cooperation has been altered from “resist” or “wait and see” to “active participation”, which is the basis of 16+1 cooperation in this region. Wen Jiabao, the Chinese former premier, proposed the 12 pragmatic measures with CEE countries; Central and South Eastern Europe responded actively. In the next years, the centers or coordinative mechanisms on the areas of tourism, investment, agriculture, infrastructure, think-tanks and so on are established consequently in Poland, Hungary, Bulgarian, Serbia, China and other countries. At the same time, the pragmatic fruits and the flagship projects are also achieved, such as Zemun-Borca Bridge in Serbia,

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① http://news.xinhuanet.com/world/2016-11/06/c_1119859563.htm.

thermal power plant in Kostolac in Serbia, Lajkovac-Ljig section between Serbia and Montenegro, Cernavodă Nuclear Power Plant in Romania, Hungary –Serbia railway, two coal-fired thermal power plants, one in Stanari in the Republic of Srpska, the other in Tuzla in the Federation of Bosnia and Herzegovina. On the one hand, these countries have relatively stable friendship with China, which is the basic guarantee for these fruits; on the other hand, these fruits can promote their bilateral relationship with China. This two aspects can be mutually enhanced by each other.

Compared with these countries, Baltic countries didn't attach too much importance to China before. In history, since the independence of these countries, the difference of ideology is one of the main topics in Baltic region and therefore their foreign policy mainly focused on Russia, EU, USA and northern Europe, which makes them pay less attention to China. Even in the time of Soviet Union, China has much closer relationship with Central Europe and South Eastern Europe. Moreover, during the initiation of the 16+1 cooperation, it lacks of project which can convince Baltic countries, since for them, Central Europe and South Eastern Europe is totally diverse from their own countries. So there is no comparability between them and the flagship project in these region can not be applied in Baltic region.

As 16+1 cooperation step forward, Latvia changed its attitude firstly, actively established the coordination center of logistics and organized the 16+1 summit in Riga. The other two countries, Lithuania and Estonia also seek to cooperate with Chinese companies and local governments. One officer from the Lithuania embassy said that under the background of Russia-EU relationship, the sanction from Russia makes a negative effect on the export of three Baltic countries. So they also need to seek other partners. According to the author's opinion, there is another positive factor. When China and other CEE countries express their views on 16+1 cooperation and the Belt and Road initiative on different occasion, Baltic countries will learn from neighbor countries and exchange with them. With these progress, the Baltic countries started to realize the potential of 16+1 cooperation. Latvia official expressed his opinion that after Latvia's entry into EU, Latvian people were also skeptical. They were not sure that what EU would bring. But as time went on, Latvia people saw the profit from EU and accepted it. The same logic applies to 16+1 cooperation. It still needs enough time for Latvian government and people to watch and learn. Both sides need this time to find project

interested by both.^① From these comments, we can see that Baltic countries start to change their attitude. Although they still don't show apparent total positive attitude towards it, they show the will to learn it. That is a big progress.

The second advantage is that the so-called three-sea harbor district cooperation initiative that will further provide opportunity for China and Baltic countries to cooperate and develop their characteristics. This initiative firstly proposed by Li Keqiang, the Chinese premier minister during the 4th summit of China and CEEC in Suzhou. He said "Quite a number of CEECs including Croatia, Slovenia, Poland, Latvia and Bulgaria have proposed to strengthen cooperation on port development. China has put forward the cooperation initiative involving the ports of the Adriatic, Baltic and Black seas, which will focus on production capacity cooperation among the ports and industrial parks of the coastal areas of the Adriatic Sea, the Baltic Sea and the Black Sea. In ports where conditions are readily available, efforts will be made to build industrial clusters, so that in addition to increased cargo handling capacity, these ports and port areas will also become basis of industrial development. We expect our companies to be the main players in these projects."^② During the 5th summit in Riga, he repeated this initiative and make it more colorful. According to *The Riga Guidelines for Cooperation between China and Central and Eastern European Countries*, "The Participants welcome and support Port Area Cooperation between China and CEECs bordering the Baltic, Adriatic and Black Sea, and establishment of China-CEEC Secretariat for Maritime Issues in Poland, to promote cooperation among the major ports of the coastal areas, support building coastal industrial clusters, and encourage cooperation in infrastructure development, including railways, roads, waterways and logistics hubs."^③ Compared with these two statement made by Chinese premier, we can find that this three-sea harbor district cooperation initiative is added by more context, which starts from pure enterprise's involvement to the combination of industrial parks, logistic channels and infrastructure. However, this initiative is still at its early stage.

As one of the most important ports area in EU, Baltic port area has some specialty and potential in the field of the port construction and related infrastructure, which can

① Interviews with the official from Lithuania and Latvia.

② <http://english.cntv.cn/2015/11/25/ARTI1448450544419961.shtml>.

③ http://www.chinadaily.com.cn/world/201611attendsSCOCCEEC/2016-11/06/content_27286311.htm.

meet the need of China. The feature of Baltic port area has several main issues which should be noticed by the Chinese side. Firstly, the transit revenues, the weight and type of goods are reduced since Russia is promoting and upgrading its own ports. So Baltic ports needs new source of goods. Russia plans to halt exports of oil products from foreign ports on the Baltic Sea by 2018. The giant Primorsk terminal and neighboring Ust-Luga allowed Russia more than a decade ago to suspend exports of crude via non-Russian Baltic ports. Since then, Russia has been gradually cutting exports of oil products via foreign ports, such as Latvia's Ventspils.^① Russia also open some Ro-Ro and container ship lines, which provide service especially for Russian ports. All of these will reduce the turnover of Baltic countries' ports.

Secondly, Baltic ports area's short sea shipping network is perfect and with a lot of experience. Geographical considerations, such as long coast lines and a large number of inhabited islands, will play a part in explaining the high share of short sea shipping in most of these countries.^② Due to the restrictions of natural conditions in the Danish Straits, water intake is quite shallow, so short sea shipping is most popular in this area and the main types of ships are the bulk ships. Shipping lines are mainly between big port of Europe, such as Port of Rotterdam, Port of Antwerp and Port of Hamburg. Some of countries, especially Germany and three Baltic countries, more than 50% of sea shipping is short sea shipping. From the history view, the Baltic region was, is and still will be the hub of this area. In the old times, the trade item in this area is fur, wood and other basic materials. The logistics direction is East-west. Riga, Tallinn and other cities also were built because of the need of goods storage. Fox example, Riga was founded in 1201 and is a former Hanseatic League member. The river Daugava has been a trade route. The Hansa was instrumental in giving Riga economic and political stability, thus providing the city with a strong foundation which endured the political conflagrations that were to come, down to modern times.^③ For China, it could take advantage of this feature to distribute its goods around the Baltic Sea, since it is exactly the role of Baltic ports in the expectation of China.

① <http://www.maritime-executive.com/article/russia-to-stop-oil-export-via-foreign-baltic-ports>.

② http://ec.europa.eu/eurostat/statistics-explained/index.php/Maritime_transport_statistics_-_short_sea_shipping_of_goods.

③ <https://en.wikipedia.org/wiki/Riga>.

As to the supporting infrastructure in port area, the Rail Baltica could be an opportunity for China. The Trans-European railway Rail Baltica, linking Helsinki–Tallinn–Riga–Kaunas–Warsaw and continuing on to Berlin, is to be developed within the territories of the co-operating EU Member States. Rail Baltica will support the wider EU goals of parity of access to services and infrastructure of EU Member States and development of sustainable modes of transportation, improved balance and interoperability between different means of transportation and the establishment of links with the rest of the EU rail network.^① According to the Latvian side's expectation, Opportunities for a new cargo way (Nordic – Southern) as well as the development of logistics services are expected. The tourism, regions and new working places will be developed and the national safety of Latvia will be increased.^② To Baltic countries, this project can be part of the three-sea harbor district cooperation initiative and a perfect supporting infrastructure, which is another connecting point. By this railway, it is possible for China to transport its goods to the south, the central European market, to the north, the north European market. At the same time, Baltic ports could increase its turnover. Rail Baltica visibly has the ability to become organic part of the three-sea harbor district cooperation initiative. When Li met with Latvian Prime Minister Maris Kucinskis, he also said that China has cost-effective equipment and rich experience in building railways and ports, and is willing to participate in Europe's infrastructure projects such as Rail Baltica, a trans-European railway linking Riga and Berlin, and the construction of ports and a logistics park under the framework of a three-sea harbor district cooperation initiative.^③

The third advantage is the possibility of cooperation with the other partners, with whom to tap the potential together, which will be an effective way for the China and Baltic countries' cooperation. In this area, there is not only three Baltic countries, Latvia, Estonia and Lithuania, but also some big countries, such as Poland. Polish big port, Gdansk port's role in Baltic sea can not be ignored.^④ Since 2011, Gdansk ports turnover has been increasing without stop and thanks to the rapid growth of the deepwater container terminal, it has recently placed second for its container turnovers in the Baltic and attained the position of a hub receiving calls from ocean-going vessels. Port's

① <http://rail-baltica.com/pub/?id=2>.

② <http://railbaltica.info/about-the-project/>.

③ http://europe.chinadaily.com.cn/europe/2016-11/05/content_27384914.htm.

④ <http://www.portgdansk.pl/about-port/the-port-of-gdansk-in-europe>.

major advantages include its location, excellent hydrographical conditions, its extensive transport infrastructure and convenient access to land designated for investment.^① Gdansk Port Authority will open tender for construction of new deep-water port for transshipment of containers and general cargo, which will be capable for handling of most modern ships. The tender will be opened in the end of 2016 and several Chinese investors were already interested in the project.^② All these will help its port to upgrade to the 5th Generation port. On the field of supporting infrastructure, On 27 September 2016, a ceremonial seminar was held in Gdansk marking the completion of one of the most important investments for the future of the Port of Gdansk - the modernisation of railway line no. 226 and the construction of a railway bridge over the Martwa Wisla. Line no. 226 and the railway bridge over the Martwa Wisla - the only line providing railway traffic access to the right-bank side of the Port of Gdansk, including the deepwater part with the greatest potential for development - are elements of the port's access infrastructure.^③ It means that Gdansk port's strategy fits with the Chinese imagination on Baltic region. Except for Poland, EBRD, Greece, Belarus and other European institute or countries are interested to be the partner of China in this area. These stakeholders not just attended two summits of China-CEEC, but also plan to find a way into the cooperation. These stakeholders' needs will also be the basis for the cooperation between China and themselves. So how could Chinese three sea initiative take advantage of ports in Baltic countries, combine the virtue of Rail Baltica, polish Gdansk port and its supporting railway, highway, take full use of the third partners. This is the most important challenge.

II. Future Development of China-CEEC Cooperation and China-Baltic Cooperation

In the future, China should put more emphasis on and closer attention to the following topics, the EU related policies, the potential partner or competitor and Chinese way of cooperation.

Firstly, the EU's policy on shipping pollution is important for the price fluctuation

① <http://www.bpoports.com/gdansk.html>.

② <http://www.newsmaritime.com/2015/gdansk-port-authority-will-open-tender-for-new-deep-water-port/>.

③ <https://www.portgdansk.pl/events/gdansk-moves-up-in-the-ranking-and-new-railway-access>.

of sea shipping, which will largely affect the price of Baltic Sea shipping and increase the cost of Chinese goods. Baltic Sea is one of the areas under the supervision of SECA, namely the Sulphur Emission Control Area. As of 1 January 2015, EU Member States have to ensure that ships in the Baltic, the North Sea and the English Channel are using fuels with a sulphur content of no more than 0.10%. Higher sulphur contents are still possible, but only if the appropriate exhaust cleaning systems are in place. To the ships, there are three choices to adapt, use the low- sulphur fuel, no- sulphur fuel like LNG or utilize the sulphur reducer. However, all of these will cause the increase of price. Besides, the quality of low-sulphur fuel is very different from each other, the percentage of sulphur is not stable, which means shipowners should buy more expensive big brand, sulphur reducer should be changed regularly and if shipowners choose to use LNG, then he should change all the dynamic system of the ship. As estimated, Baltic sea shipping price will increase by 50%-70%. Another effect will be faced is that many ship will adjust their route to avoid the Baltic sea under the supervision of SECA, which will reduce the number of ships in this area and the price will still go up. So for Chinese companies, if they choose to use Baltic short sea shipping, rather than Hamburg or Rotterdam ports, these traditional ports go directly into destination market, then they should take into consideration of the price of railway, highway and short sea shipping to better calculate the cost of inter-continental transportation. Moreover, if China plans to find a port for China-Belarus industrial park, then the increasing price will pull up the price of goods from this industrial park in the result of the lower competitiveness.

Secondly, the EU strategy for the Baltic region could help China understand this area better, especially from the broader political and economic view. This strategy is backed by the historical regionalism of this area, which can not be simply seen as the EU's strategy on the Baltic countries. It is a symbol of regionalism of Baltic region. In the history, these countries was prosperous because merchants wanted to keep their goods safe to ensure the trade with Russia., after WWII, this regionalism focuses on the integration into EU and their convergence process. Nowadays, it helps these countries unite together geopolitically. Even during the time of transformation, Baltic countries are urged to join the EU and western world, and get the protection from NATO. This is their needs deeply rooted from that time. At the same time, their needs also got echoed from the EU and other western institute. As Finland and Sweden joined, Poland and Baltic

countries became the point of EU geopolitics. EU takes this area as one of its priority. So Baltic regionalism is not a closed regionalism, but helped them to integrate. It is also this regionalism that makes EU put more attention on them. Therefore, the EU strategy for the Baltic region can be seen as one of the main response for EU to Baltic regionalism.

Thirdly, the EU strategy for the Baltic region is an efficient channel between member states and EU, which will help China, or China could help them to keep effective communication with the EU and other stakeholders in Europe. This strategy itself is part of European integration and a tool for enhancing the European identity and the union of political groups.^① Besides, it will help cooperation inter-region in the field of innovative and social development.^② For this reason, although it is a strategy of the EU, it needs a great amount of exchange with EU institutes, outside partners, for instance, Northern Dimension, council of the Baltic Sea states, Nordic council of ministers or some countries like Norway and Iceland. So a challenge will emerge from this situation, namely how to achieve consensus among these actors. Traditionally, regional development depends on multilateral exchange, not the administrative directive, or regulation from EU.^③ So the success of Baltic regional strategy relies on the social communication, people-to-people exchange, central and local governments. However, with slow growth of these countries' economies and EU's several crisis, they still suffer from the problem of financial support, which makes it hard to reach consensus. Under this situation, the Chinese engagement into this area could be an useful tool to assist them. This is one of the basis for the development of Baltic regionalism and EU strategy for Baltic region.

Fourthly, China should pay attention to potential competitors when it seeks more partners. As another strong country in Asia, Japan started its activity in Baltic region, even in the whole CEE region very early. In the field of ports, in 2013, a subsidiary of Mitsui & Co., Ltd. of Japan, Portek has acquired 80% of the share capital of Riga Universal Terminal (RUT). Today, the port functions as a gateway to Russia, Kazakhstan and other burgeoning states in the region thanks in part to Riga's proximity to railway

① Scott, James W., "Euroregions, Governance and Transborder Co-operation within the EU", *European Research in Regional Science*, 10 (2000): 104-115.

② Lindström, Bjarne, Hedegaard, Lars and Noralv Veggeland, *Regional Policy and Territorial Supremacy*, Nordic Region-Building and Institutional Change in the Wake of European Integration, Copenhagen, NordRefo, 1996.

③ ERRA, *An Experimental Laboratory in Spatial Planning*, Luxembourg: Office for Official Publications of the European Communities, 2000.

lines having the same track width as those in CIS countries and extending to CIS countries that make it the starting point for rail shipping bound for central Asia via Russia, which borders on Latvia. Japanese ambassador also took many visits to Riga port and stated Latvia's hub role in the Japanese Automotive Manufacturing chain. In Estonia, about 24 Japanese companies invested, most of them are subsidiaries of Mitsui & Co., Ltd, who begun to use Tallinn port as Electric vehicle spare parts hub in 2011. As we can see from above, Japan has deep cooperation with Baltic countries and has a clear understanding of Baltic role in their industrial line. So could China and Japan be two competitors in this area, or how China could learn from Japan. These are two questions China should think over. The author holds opinion that Japan always push their value in the first place in their foreign policy. For CEE countries, for example, Poland, they put Japan as the first partner in their foreign relationship in Asia. What's more, the Japanese way of investment is totally different for Chinese, put more focus on the standard since they have limited ability to do the big project. But what CEE countries need is financial support, they have their standard and the ability to achieve. So China seems to enjoy some advantage and should continue to use it.

Fifthly, enterprise cooperation ought to be the most vital part for China and Baltic, CEE cooperation. In the early stage of 16+1 cooperation, China hoped to promote it multilaterally, then it changed its focus on cooperation in infrastructure construction. Now, it is about "the Belt and Road" and international industrial capacity cooperation. But one thing should not be omitted that enterprise cooperation is the root of all this cooperation. All central governments have their own concerns on national profit, it is hard to reach consensus on this level. But all the enterprises' biggest concern is profit. They want trade and investment under national government's policy. So if China could cooperate with local enterprises, hire local labour, then that will be a win-win situation, then based on this, the CEEC governments may be more open to 16+1. However, the logic is reversed. The Chinese government always go further than enterprises. They plan to get guarantee from government to protect enterprise, which is a strange logic for European countries. In south eastern Europe, the plants, highways and railway projects all are pushed by governments, enterprise who invested also has a governmental background. It makes CEE people confused about the exchange between two countries' people.

The Application of the “16 + 1” Mechanism is Conducive to the Stable and Prosperous Development of Europe

Zhang Yongan*

It has been nearly 5 years since China and Central and Eastern European (CEE) countries started the cooperation mechanism in 2012. The two sides have successively published *Twelve initiatives for China to promote friendly cooperation with CEE countries*, *The Bucharest Guidelines for Cooperation between China and Central and Eastern European Countries*, *The Belgrade Guidelines for Cooperation between China and Central and Eastern European Countries*, *China-CEE countries cooperation guidelines in Suzhou* and Riga outline. Furthermore, *China-CEE countries cooperation medium-term plan* will guild the practice of the cooperation of the two parties during 2015-2020.

The 16+1 mechanism is an organic component of China and the European Union (EU) comprehensive strategic partnership, which will help the EU to build a stable and prosperous Europe. The deepening of the 16+1 mechanism is the concrete action of China as a responsible big country to support the development of European integration unceasingly when European integration is confronted with great challenge.

I. European Integration is the Basis for Maintaining Peace and Stability in Europe

During the past 70 years since the end of the Second World War, there is a consensus that peace, stability and development in Europe are achieved within the framework of the European Union. European Union, as the representative of an integrated Europe, has developed step by step from establishing the Customs Union in 1950s to the formation

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of European integrated market and later to the applying of single currency at the end of last century. The EU members have increased from 6 countries in the very beginning to 28 countries now. This shows from one aspect that European integration is a solid foundation for European peace and development. The maintenance of the EU stability is, therefore, to maintain the stability in Europe, which is essential for a peaceful world on the whole.

However, the European Union's goal of unification must be approached steadily with healthy economic development of all the member states concerned. The integration of European countries must be pushed ahead pragmatically. This means every member's original aspiration for entering the organization should be highly regarded, and their needs should be satisfied as much as possible. These needs, to a large extent, lie in their economic interest.

As Jean Monnet, the "father of Europe", said the only entrance to European integration is economic cooperation. The practice of European integration over the decades has shown that European integration can move forward only by constantly creating the economic benefits that can be shared among its members. Pragmatically moving forward means the EU must pay attention to economic interests of all member states of the Organization. Therefore, observed from every angle, for the European Union, an integrated organization of the highest degree in the world, the biggest challenge for realizing its aim of building a united Europe lies in whether it can constantly create the economic benefits that can be shared by every member state.

If the European Union cannot continue to create economic benefits for the member states to share, then EU may face great difficulties in its development, and even face the risk of disintegration. Looking back from the economic point of view, the history of European integration is also a process of continuous expansion of economic cooperation and integration in depth and breadth, such as building a unified internal market and the construction of the euro area. It should be noted, however, that the fruits of the integration can be rotted if they do not provide its member states with continuous nutrition. When this happens the organization will be perceived by the member states as a deterrent to economic development, instead of a facilitator. In fact, integration is not impossible to be reversed, although reversal in itself is painful. Therefore, if for some reason EU cannot provide sustainable interest to be shared by the members of the group, the EU's cohesion

or centripetal force can be quickly transformed into centrifugal force. Some of the problems that have occurred in Europe in 2016 are in fact directly related to this cause.

II. Supporting a Stable and Prosperous Europe is in the Interests of both China and Europe

For a long time, China has been supporting the development of European integration unswervingly even when the EU suffered a major blow during the debt crisis. After the Second World War, because of the existence and growth of the European Union, most parts of Europe maintained stability and prosperity. In the wake of the drastic changes in the former Soviet Union and Eastern Europe, the presence and role of the European Union prevented large-scale unrest and therefore these countries' stabilized transition was realized. This is an important contribution of the EU to the stability and development of the region.

At the same time, it is also important to note that the maintenance of a balanced world structure at the end of the cold war is important for the peace of the whole world. The stability and prosperity of the EU are of great importance to maintain this equilibrium pattern. When China and the EU decided to build a comprehensive strategic partnership, it showed that China and the EU regarded their common responsibility in maintaining world stability and development.

To support a stable and prosperous Europe and to shoulder the responsibility of the great powers in international affairs are also important for China. After decades of reform and opening up China has developed into a stabilizer in world economy and politics. To give support for stable and prosperous Europe includes not only the original members of the European Union, but the new members who entered the EU in the 21st century as well.

It should be remembered that, while stressing the above view, it is important to bear in mind that the satisfaction of basic needs of every state is the foundation to ensure smooth economic development. It is a must to ensure that the interest of every class is not disregarded. However, the world has shown the doubts for the future of the euro area since the global financial crisis in 2008 and the debt crisis in Europe in 2009. Thanks to the efforts of the Member States, in particular Germany, and the support of

the international community, including China, the EU has lived through the most critical moment. But the EU economy is still difficult and lacks power to recover to its full strength. In 2016 the British referendum decisions to exit from Europe once again cast a shadow over the future of European integration. This incident was evaluated to have presented the EU the upmost crisis in the past decades.

In the 21st century, the Central and Eastern European countries pursued the “return to Europe” policy and the effect of the policy has been obviously felt. The EU enlarged its influence in the Eastern part of Europe and a large number of Central and Eastern European countries have become new members of the EU or become the EU’s periphery power. After a drastic change of the 1990s, the most pressing problems for these countries lie in the recovery of their economy. It can be said that for the Central and Eastern European countries to join NATO is to obtain security protection and their accession to the EU or being associated with it is to obtain economic development chances.

In the context of the aforementioned major EU crisis, for a large number of Central and Eastern European countries that have joined the European Union and are waiting to join the EU, their demands for improving the internal and external economic development terms such as the expanding of the foreign trade market, obtaining aid funds, and improving infrastructure are incapable to be fully satisfied. If this problem cannot be effectively resolved, it will greatly trigger the occurrence and development of centrifugal force, and even lead to the Central and Eastern Europe region to act reversely. This is bound to pose a threat to EU’s dream of building a stable and prosperous Europe. The “16 + 1” mechanism between China and Central and Eastern European countries is precisely a measure to stabilize the economic environment in Central and Eastern Europe at a time when European integration is in danger. “16+1” framework can be regarded as the organic composition of China-EU comprehensive strategic partnership.

III. The “16+1” Mechanism must Reflect the Comparative Advantages and Interests of all Parties

Currently the world economy is in the downturn. The sluggish economy will greatly stimulate the development of trade protectionism, especially for wealthy countries.

If trade protectionism is to grow, clearly it is not conducive to the long-term interests of any economic community including the European Union. Chinese government persists in peaceful developing principle, which is permeated in its foreign trade and economic cooperation. Facing the slow recovery of the world economy and the rise of trade protectionism, the Chinese government proposed the “Belt and Road” initiative and the “16+1” mechanism. These proposals are concrete practice for the building of a community of common destiny. They will be effective measures to hold back the development of trade protectionism.

The “Belt and Road” Initiative stresses the principle of joint development and sharing, which embodies the thought of peaceful development, cooperation and win-win principle, which has been consistently adhered to by Chinese government. The Silk Road on Land is to build the land economic channel through Central Asia to Western Europe, promoting strategic cooperation with countries along the road, especially for trade and economic cooperation. The Maritime Silk Road is to develop extensive and in-depth cooperation with the ASEAN and Pacific Rim countries, the Indian Ocean and African countries. In the past the Silk Road was the product of geographic discovery which led to the establishment of the world market; in the contemporary the “Belt and Road” is bound to promote countries along the line to unleash their respective advantages and achieve closer cooperation for a win-win situation.

The “Belt and Road” Initiative has become a Chinese national policy of opening up and cooperation. It is a chance of development for all countries in the area. The chance is brought by the development of China. It shows the goodness of Chinese to build a community of common destiny. In 2015 the Chinese and CEE country leaders endorsed the *China-CEE Suzhou cooperation guideline*. In the guideline “16+1” and the “Belt and Road” were tightly connected. All parties would develop the area on the principle of communicating equally, using their own strong points and sharing total benefits.

The *China-Central and Eastern Europe Cooperation Riga Guidelines*, which was reached in November 2016, is the most important step in deepening the cooperation between China and the countries of Central and Eastern Europe in the areas of trade, investment, interconnection, industry, science-technology, finance, agriculture and forestry cooperation. The specific areas identified in the Riga Program are the year-to-year plan of the operation. *Riga Guidelines* has led to the emergence of a consensus on

the strengths and needs of China and CEE countries, providing guidance for enterprises, especially small and medium-sized enterprises to participate in the guidelines.

After decades of rapid development, China has shown its new advantages in the world. The manufacturing industries such as the production of high-speed railway and its vehicles, port facilities and its equipment, new energy and green energy, are replacing the traditional labor-intensive products and becoming new advantages for China. These industries show strong competitiveness in the world. Riga Guidelines made it clear that the “connection proposal” by China was not confined to building roads and bridges; instead it is to connect all nearby cities, industrial areas, ports and energy producing districts. This proposal is obviously in line with CEE countries which wish to strengthen energy exploitation and increase employment. On the other hand it can utilize Chinese new advantages of production as well.

Export is indispensable to any country’s economic growth. For Central and Eastern European countries, it is necessary to strengthen exports, stimulate domestic production, and improve the economy. Most of the CEE countries export to China is at a very low level. To improve the bilateral trade level, it is important to improve trading environment, increase processing level of agricultural products and raise the competitiveness of food products. This requires practical cooperation between the parties in these areas. Promoting cooperation between enterprises of both sides can not only give play to Chinese advantages, but also provide the CEE countries with the opportunity for economic development. This cooperation meets the interests of both sides. In fact, special attention should be given to provide possibilities for the cooperation of Small and Medium Enterprises (SMEs). Only when the cooperation of SMEs is successful can the cooperation between the two countries be accepted by most people. Therefore, a transparent, simple and safe investment environment is the basic guarantee for a smooth development.

In summary, in the international economic and political situation, the “16+1” mechanism is a contribution of China to a stable and prosperous Europe.

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