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Central And Eastern Europe As Partner Of Chinese One Belt One Road Project

Key words: One Belt One Road, New Silk Road, Central and Eastern Europe, European Union

Abstract

The Chinese One Belt One Road initiative refers to the idea of the so-called New Silk Road. This ancient trade route connected Asia's Far East with Europe from the earliest times. In various historical periods, this way of trade has often been interrupted by violent events and rivalry of hegemons that are changing in this huge space.

The current OBOR project assumes an important role of the countries of Central and Eastern Europe. It is an area that includes a large number of countries interested in intensifying cooperation with China and Asian countries.

However, the implementation of this project will certainly take many years. While the countries of this region are expecting quick infrastructural investments, in particular in the area of communication. This is a condition for the future success of the Chinese project.

On the other hand, there are many serious conflicts on the route of the planned route of major transport connections (i.e. in Syria, areas inhabited by Kurds). Without a long-lasting calming of this area, the implementation of this project will not be possible.

Introduction

The last few years have introduced many new elements in the balance of power in the world. The model existing at the turn of the 20th and 21st century, in which the one-dimensional global hegemon was the United States, began to go back to the past. A new order is beginning to unfold before our eyes, in which China begins to play an increasingly stronger role.

China, after making a spectacular civilization leap from the early 80s of the 20th century, aspires to the equivalent of a United States superpower. There is no doubt that China's recently adopted plans and development strategies are to serve this challenge.

One of the elements of building a new international order is the One Belt One Road project promoted by China. It is around this undertaking that the international opinion in the Northern Hemisphere is focusing more and more.

The Central and Eastern Europe does not only play a key role in the struggle for a new order through its geographical location. Also its dynamism of development, growing economic potential, and significant demographic potential are an important factor in the international arrangement of forces. These considerations concentrate on these issues.

Central and Eastern Europe and History of the Silk Road

Central and Eastern Europe - definition

Central and East Europe is a part of Europe geographically located in a Central-Eastern part of the Continent. This is an area between three seas: Baltic Sea, Black Sea, and the Adriatic Sea.

This territory covers a group of countries: Estonia, Latvia, Lithuania, Poland, Belarus, Ukraine, Moldova, Romania, Hungary, Slovakia, Czechia, Bulgaria, Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Macedonia (Northern Macedonia), and Montenegro. Most of these countries are inhabited by Slavic nations (expect Baltic countries, Moldova, Romania, and Hungary).

An important common feature of these countries is that until 1989 almost all of them belonged to the so-called Soviet bloc. Yugoslavia and Albania, although they remained outside the Soviet domination, had a similar social-political system. It should also be added that some of these countries were created as a result of the break-up of the Soviet Union, Yugoslavia, and Czechoslovakia.

Therefore, the common experience of the countries in this area is the process of political transformation that has been going on for a quarter of a century. During this process, countries have rebuilt the existing socio-economic model, departing from the so-called real socialism¹.

However, the construction of new solutions is progressing in this area at different rates and with different results². As a result, today there is quite a diversification

between them in almost all areas of life.

Chinese 16+1 format

In 2012 China expressed her will for the establishment of a special format of cooperation with this region. It was offered to Central and East European countries and this initiative was called "16+1"³. It generally covered above-mentioned countries located in the area between three seas expect Ukraine, Belarus, and Moldova but includes Albania and Kosovo.

Over the last few years, the contacts of the region's countries with China have been intensifying. These contacts include not only cultural exchange but more and more economic exchange. This is expressed not only in the increase in trade but also increasingly in direct Chinese investments in various economic areas in the 16+1 countries⁴.

However comparing Chinese engagement in other parts of the World and also in the Western part of Europe, we can see that the scale of Chinese presence in CEE is very limited. There are no important Chinese investments in CEE countries and no spectacular Chinese projects work for unifying this region in the perspective of the OBOR project.

Ancient Silk Road

For better understanding the importance of the OBOR Project it is necessary to remember about historical experiences concerning relations between CEE and the Far East. Here we have to consider the Silk Road concept.

Silk Road was a term used for general describing of the trade routes connecting Ancient China and India

¹ This process has started in 1980 in Poland where the first "Solidarność" – "Solidarity" trade unions, independent from communist authorities, were established. In 1981 Polish regime declared martial law and delegalized "Solidarność". However, after years of peaceful resistance, at the end of 1988 communist authorities started negotiations with "Solidarność" and as a result in 1989 the process of reconstruction has started. In June 1989 the first free elections after World War II were held in the collapsing Soviet bloc, and the first non-communist government was formed. In the Autumn 1989 similar changes begun in Hungary and Czechoslovakia, the Berlin Wall has been destroyed and other Soviet - bloc countries joined this transformation.

² We can assume important differences in all areas of life in these countries. For example, among the countries which have been a part of Soviet Union, there are great differences between the three Baltic states (Lithuania, Latvia, and Estonia) and Belarus, Ukraine and Moldova. The same is between former Yugoslav parts: Slovenia and Croatia from one side

and Bosnia and Herzegovina, Serbia, Montenegro, Macedonia and Kosovo from the other side.

³ See valuable study about the role of this region in Chinese strategy: M. Kaczmarski, J. Jakóbowski, Chiny – Europa Środkowo-Wschodnia: "16+1" widziane z Pekinu, "Komentarze OSW" (2015), Nr 166.

⁴ See more about this in: X. Zhu, "Nowe otwarcie w polityce mocarstw wobec EŚW", Contemporary World (2013), http://www.idcpc.org.cn/globalview/sjzh/1309-2.htm, [2.02.2018]; L. Song, "Nowe spojrzenie na kierunki dyplomacji publicznej wobec EŚW", IREECAS (2013), http://euroasia.cass.cn/news/730370.htm, [2.02.2018]; Z. Liu, "Wykorzystanie EŚW przy budowie Nowego Jedwabnego Szlaku", CIIS (2014), http://www.ciis.org.cn/gyzz/2014-07/22/content_7084435.htm, [2.02.2018]; J. Long, "Relacje Chiny–EŚW: Rozwój, wyzwania i rozwiązania", CIIS (2014), http://www.ciis.org.cn/gyzz/2014-10/14/content_7294936.htm, [2.02.2018].

with Mediterranean area. China and India were the richest areas in the Ancient world and they send to Western Asia and Mediterranean area a lot of exclusive goods. Silk as a one the most valuable goods in this time became a symbol of this trade road.

To a lesser extent, this route was used to import goods from West Asia and from Europe. Both China and India in this period, due to their advantage in the development of civilization, were not interested in buying goods from that area⁵.

However, the aforementioned large diversity between the countries of the region, the fact that only a part of them are already European Union, and major deficiencies in the development of the most important infrastructure, especially modern communication connections between them, make effective intensification of Chinese engagement difficult.

Ancient Silk Roads

There were a lot of routes used for the transportation of goods from China and India to Western Asia and Europe in history. They were determined by geographical conditions but also were a result of the political situation in Asia.

For India, the most important trade road has gone through the Persian Empire and in later periods trough Hellenistic Seleucids Kingdoms. The end of the route was located on Bosfor and Dardanelle Straits

For China, the most important trade road (North Road) has gone from Xi'an, the Ancient capital city and the most important trade center of the Empire, between Himalaya and Pamir mountains through the northern part of Persia. In Persia, both routes crossed and from there, both Roads were connected and had gone to mentioned Straits.

Territories located on the north from Pamir were controlled by populations of Mongol or Tatar origin and it was impossible to cooperate with them for securing the permanent transfer of goods on the another Silk Road trail. For this reason, China has not been able to ensure the durability of the use of this trade route. This resulted in a very significant reduction in the effectiveness of China's trade exchange with Europe.

For this reason, from southern China ran the south road, which bypassed the Himalayas and led to the West borderland with India. It connected in Persia with the northern route. However, also, in this case, Chinese trade was controlled by the rulers of India.

Finally, it is necessary to mention maritime trade. Chinese merchants overcame the straits connecting the Pacific to the Indian Ocean, and then they reached the Persian Gulf and the Red Sea to sell their goods to Europe.

We should also remember that for Central and East European countries during the ages the most important trade road connecting with China has gone between Himalaya and Pamir Mountains and then through Central Asian countries on the north to the Caspian Sea and the Black Sea.

Centuries of Prosperity

However, since Ancient times till the middle of 7th Century Silk Roads were the main trade trails in the world. They connected two the most developed areas of the Ancient world: the Chinese Empire and the Roman Empire. For both empires, exploitation of this Road was a source of great wealth.

But also for intermediary countries, this transfer of goods was a source of wealth⁶. The special trade profits were exploited by Persia which in fact distributed goods on both sides of the world.

The Collapse of Silk Road in 7th Century

The position of this trade routes was destroyed in the middle of 7th Century. The violent and rapid development of Islam in Western Asia during the 7th Century suddenly interrupted the functioning of the Silk Roads. An obstacle in using the Silk Road was also the mentioned increase in strength of Tatar and Mongolian peoples.

Also, the increase in strength and importance of both India and Persia meant that they as transit countries took control of China's trade with Europe and benefited from it immensely.

Historical routes as way connecting Europe and China were inexhaustible for the next almost five cen-

⁵ See more in: V. Elisseeff, The Silk Roads: Highways of Culture and Commerce, UNESCO Publishing/ Berghahn Books 2001; L. Boulnois, Silk Road: Monks, Warriors & Merchants, Hong Kong: Odyssey Books 2005; L. Xinru, The Silk Road in World History, New York: Oxford University Press, 2010, and many others.

⁶ See more about this problem in: History of civilizations of Central Asia, Volume II. The development of sedentary and nomadic civilizations: 700 BC to 250, J. Harmatta ed., Paris 1994; History of civilizations of Central Asia, Volume III. The crossroads of civilizations: 250 to 750, B.A. Litvinsky ed., Paris 1996.

turies. In this time exchange of goods between this two areas became episodic⁷. However, we should also remember that after the collapse of the Western Roman Empire at the end of 5th Century for the next six centuries Western part of Europe became an economic desert. Also, Eastern Roman Empire (Byzantium) which was systematically weakened by various Muslim countries lost economic wealth and was not attractive as a partner for exchange goods with the Far East.

Marco Polo's Silk Road

At the turn of 13th and 14th Centuries, after first European revolutionary renaissance, Venetian Merchant Marco Polo tried to revive Ancient Silk Road⁸. However, through next Centuries the permanent use of this route for trade was limited by various countries and populations in Central Asia.

It is also important that in the second period of the second Millennium both India and China relatively became poor comparing with Europe. European countries like Spain, Portugal, France, England, the Netherlands developed extremely quickly exploiting mainly both the Americas and Africa. China at the same time was in the serious economic and social crisis and was not so attractive partner for Europe. For that reasons trade between these two parts of the World didn't develop so quickly in this period.

Parallel transfer of goods between the Far East and Europe from one side and between the Far East and the Americas was dominated by seaways empires. This situation created great trade role Spain and Portugal in 16th and 17th Centuries, the Netherlands in 17th and 18th Centuries, of Great Britain in 18th and 19th Centuries and later since the end of 19th Century up today of the United States.

One Belt One Road Initiative and its perspectives

New Silk Road - One Belt One Road

New Chinese initiative called One Belt One Road⁹ is determined by the geographical situation of China as a superpower¹⁰. All sea trade routes worldwide are controlled by the United States and China would like to release her trade from this control¹¹. On the other way using for this needs Russian rail connections¹² (Trans-Siberian Rail) also subordinate China's trade to another superpower¹³.

For that reason, OBOR initiative expresses China's will to make a trade of this country independent from American and Russian control. Realization of this concept is long-term condition for playing by China the role of the real World's Superpower¹⁴.

The idea of OBOR was presented by President Xi Jinping at the end of 2013. However, as the priority of Chinese policy for the next decades, it was adopted in 2016¹⁵. Since then, intensive conceptual work is un-

- ¹⁰ More considerations about it in: T. Jinchen, One Belt and One Road: Connecting China and the world. Mc Kinsey & Company 2016, www.mckinsey.com/industries/capital-projects-and-infrastructure/our-insights/one-belt-and-one-road-connecting-china-and-the-world, [3.04.2017].
- ¹¹ All Chinese seaways from the harbors of Eastern Coast (distributing great majority of Chinese export) leads trough the straits controlled either by US Navy directly or indirectly by American allies.
- ¹² See more about it in: Chengdu-Europe Express Rail Cargo Service: China's New Gateway to Europe, "Gochengdu.cn' 2017, http://www.gochengdu.cn/zt/ronggou-z58.html, [3.04.2018].
- ¹³ China also tries to use Indo-Chinese Peninsula to open its possibilities on Indian Sea but it is also problematic because on this area this country competing with another emerging Asian Empire, India.
- ¹⁴ It clearly defined in: *One Belt, One Road' initiative will define China's role as a world leader*, South China Morning Post 2015, www.scmp.com/comment/insight-opinion/artic-le/1753773/one-belt-one-road-initiative-will-define-chinas-role-world [14.05.2018].
- ¹⁵ For European scope on this initiative see: F. Godement, A. Kratz, "One Belt, One Road": China's Great Leap

⁷ For more on the importance of Silk Road in world history, see an interesting study X. Liu, *op.cit*.

⁸ For more on the importance of the actions taken by Marco Polo, see S. Otfinoski, Marco Polo: to China and back, New York: Benchmark Books 2003.

⁹ See more considerations about this question in: W. Shepard, Beijing To The World: Don't Call The Belt And Road Initiative OBOR, "Forbes" (2017), https://www.forbes.com/sites/wadeshepard/2017/08/01/beijing-to-the-world-please-stop-saying-obor/#303d427117d4, [8.03.2018] and The Belt and Road Initiative, HKTDC 2017, http://china-trade-research.hktdc.com/business-news/article/The-Belt-and-Road-Initiative/The-Belt-and-Road-Initiative/obor/en/1/1X000000/1X0A36B7.htm, [8.03.2018].

derway, but at the same time, the first concrete projects have been launched.

OBOR is a project calculated for many years. In very optimistic variant it would reach Central Europe about 2030. It will be implemented gradually starting from China's borders to the West¹⁶. It is also aimed at the civilizational and economic revival of the western part of China, which does not match the development of eastern and central China.

Currently, China is carrying out this project in cooperation with Kazakhstan and other countries of Central Asia. The possibility of carrying out this project together with Pakistan is also being considered. For both possible options, the next stage will be cooperation with Iran.

It seems that the expected results will be achieved in this case in approx. 8 to 10 years but it is also an optimistic variant. It also seems that the entire idea of the OBOR is a long-term goal and therefore both the Chinese authorities on one side and eventual partners on the other side should be patient awaiting its results. The most probably, the real profits of this project in Central and Eastern European countries will be assumed by the next generation.

Syrian and Iraqi Crises and their role in the success of the project

Destabilization of Iraq and Syria is a great challenge for the future of the Chinese project. As long as the situation in this region staying uncontrolled it would be impossible to open gates of New Silk Road to Europe. This is why China is strongly interested in the stabilization of this region.

On the other side, both USA and Russia for their particular profits are interested in sustaining this crisis as long as possible.

Outward. China Analysis. European Council on Foreign Relations 2015 in: www.ecfr.eu/public cations/summary/one_belt_one_road_chinas_great_leap_outward3055, [3.04.2018]; J.C. Mittelstaedt, The implications of the Chinese OBOR One Belt One Road concept for the EU. We Build Europe, http://webuildeurope.eu/think-europe/the-implications-of-the-chinese-obor-one-belt-one-road-concept-for-the-eu, [3.04.2018].

¹⁶ We must remember that the concept of OBOR covers not only connections to Europe. The Chinese plans also include the creation of new communication links through the Indo-Chinese peninsula up to Singapore or through Myammar, Bangladesh and India to the Indian Ocean.

However, bearing in mind the need to implement the aforementioned stages of the project, China perceives the need to stabilize Iraq and Syria in the long run. It is a *conditio sine qua non* for reaching Central Europe by OBOR transportation corridors.

Conclusions

Central and East European Countries in the Project

Countries of this region perceive Chinese initiative as a great chance for themselves¹⁷. In all eventual courses of the OBOR, they are an important point to Western European World of Prosperity where the need for Chinese goods is comparable with the US market. It is also opening a lot of chances for acceleration of their development basing on rich Chinese experience. Especially in the field of strengthening the infrastructure (i.e. highways, railway roads, pipelines, airports, inland sailing), there are great needs. In the next financial perspective, UE will be limiting money for such investments and for that reason the space for the Chinese activity opens¹⁸.

However, it should be understood by the countries of Central and Eastern Europe that the perspective for being included within the OBOR initiative is rather long-term¹⁹. For that reason, it is not a smart solution to their various current problems. From this perspective, sea connections will remain the most effective route for the exchange of goods between China and Central and Eastern Europe through many coming years. Such situation is a result of the strategic games of global superpowers, especially in Western Asia, and even the best will of the Chinese authorities is not a sufficient factor to change the time perspective of the OBOR project implementation.

¹⁷ See a brief description of Polish expectations in: B. Góralczyk, The Chinese are coming to Poland, "Financial Observer" (2017), https://financialobserver.eu/poland/the-chinese-are-coming-to-poland/#page [08.03.2018].

¹⁸ For this question for Polish perspective see: G. Górski, Changes in the Design of EU Budget after Brexit. The Financial Outlook for 2021 - 2027 and Consequences for Self – Government – Warsaw Institute Review, vol. 2, Warszawa 2017, pp. 95 – 103.

¹⁹ The State Council The People's Republic of China, Action plan on the Belt and Road Initiative, www.english. gov.cn [25.09.2018].

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