The 8th High-Level Symposium of Think Tanks of China and Central and Eastern European Countries

COOPERATION BETWEEN CHINA AND CENTRAL AND EASTERN EUROPEAN COUNTRIES IN THE CONTEXT OF GLOBAL CHANGES



Katarina Zakić Aleksandar Mitić (Eds.)









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Belgrade, November 16, 2022

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The 8th High-Level China-CEEC Think-Tank Symposium Cooperation between China and Central and Eastern European countries in the context of global changes

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PREFACE

Cooperation between China and Central and Eastern European Countries in the Context of Global Changes

The marking of the 10th anniversary of cooperation between China and Central and Eastern European countries (CEEC) comes at a time of unprecedented challenges and global changes. Central and Eastern Europe has not been spared from crises throughout the decade. The first half of the 2010s was dominated by the economic and financial crises; the middle 2010s by the migration crisis; and since the early 2020s, the COVID-19 epidemic, the energy crisis, and the tragic military conflict in Ukraine have all combined to produce a profound sense of unease and fear. China, as a leading world power and instigator of the Belt and Road Initiative – now spread to three-quarters of the countries on the globe – faced aftershocks and had to recalibrate a number of its practices and objectives, both domestically and internationally. All the while, multilateralism, the UN system, and the transition to multipolarity have faced numerous challenges.

Since 2012, the People's Republic of China has devoted a tremendous effort aimed at rediscovering Central and Eastern Europe. Guided by the principles of mutual consultation, win-win cooperation, development and innovation, China has adopted a balanced and inclusive approach. The Central and Eastern European countries' levels of enthusiasm and willingness to collaborate have varied, frequently depending on specific national political and economic interests. The enormous progress made in numerous fields of cooperation cannot be underestimated. Yet, the aftertaste of unfinished business persists. Despite the challenging international environment, the coming years provide an opportunity to clear up misconceptions, solve problems, and develop practical solutions that could boost connectivity, trade, development, and cultural and peopleto-people exchange. With this vision in mind, the 8th China-CEEC High-Level Think Tanks Symposium is organised under the title "Cooperation between China and Central and Eastern European Countries in the Context of Global Changes" by the Institute of European Studies of the Chinese Academy of Social Sciences (CASS) in Beijing and the Institute of International Politics and Economics (IIPE) in Belgrade. For the IIPE, which is celebrating its 75th anniversary this year, this is an opportunity to reaffirm the values it has pursued since 1947: a scientific contribution to better global governance; improved international relations and intercultural understanding; and improved prospects for a sustainable, peaceful, and just world order.

This Book of Abstracts contains 30 abstracts by authors from 11 countries (Albania, Bosnia-Herzegovina, Bulgaria, China, Croatia, the Czech Republic, Hungary, North Macedonia, Poland, Romania, and Serbia) participating in China-CEEC cooperation. The structure of the publication follows the four thematic panels of the Symposium held on November 16, 2022: (1) A Decade of Consolidation of Sino-CEEC Relations; (2) The Impact of Global Neuralgic Points, Spaces, and Processes (Trends) on China-CEEC Cooperation; (3) Opportunities and Challenges of Future Economic Cooperation between China and CEE Countries; and (4) Cultural Paths, Digital Roads, and Information Highways: What Have We Learned from Each Other?

The 10th anniversary of cooperation is indeed an ideal opportunity for China-CEEC scholars to critically review the past, analyse the current, and identify future research and collaboration. This brief overview of the abstracts highlights the uncertainties, dangers, and disruptions, but also cooperation, connectivity, and resilience, painting a complex yet optimistic picture of the future of China-CEEC cooperation.

Editors: Dr. Katarina Zakić, Dr. Aleksandar Mitić Belgrade, November 2022

1. A DECADE OF CONSOLIDATION OF SINO-CEEC RELATIONS

FORGING A PATH FORWARD AT A TIME OF UNCERTAINTY

Dragan PAVLIĆEVIĆ¹

PURPOSE OF THE PAPER

This chapter identifies external and internal (to the CEE and CEE-China relations) factors that have combined to result in the stasis of the China-CEE Cooperation Framework, and more broadly, China-CEE relations. From there, it identifies key challenges for the further development of China-CEE relations and provides suggestions about how to address them.

METHODOLOGY

The paper will rely on the review of the relevant literature, official documents, and media reports.

PRACTICAL IMPLICATIONS

The proposed contribution will include policy suggestions for further development of China-CEE relations.

FINDINGS

Despite the complex and unfavorable climate at present, the complementarity of some of the key goals and objectives and the lack of fundamental conflict of interest between China and CEE suggest that the foundations of the China-CEE relationship are solid. The analysis moves on to propose targeted measures to resolve the organizational, informational, and policy bottlenecks and obstacles to the development of China-CEE ties.

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KEYWORDS

China, Central and Eastern Europe, Challenges, Geopolitics, Policy recommendations.

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CHINA-CEEC: COOPERATION HAS NO ALTERNATIVE

Mladen NAKIĆ1

PURPOSE OF THE PAPER

The purpose of the paper is to briefly point out the advantages of cooperation within the China-CEEC format, launched in 2012, in the broader context of the Belt and Road Initiative (BRI). Doing business in the China-CEEC format is based on mutual interests, which are mainly related to infrastructure projects in the fields of transport, energy, tourism, digital economy, consumer goods, intelligent production, etc.

METHODOLOGY

Discursive analysis was used to analyse primary sources, consisting of a review of literature sources. Data for secondary research are based on available sources such as literature, scientific editions, magazines, and other internet sources that are the basis for building a conceptual and theoretical foundation. The method of analysis breaks down complex thought formations into their simpler component parts and elements and studies each element separately and in relation to other parts.

PRACTICAL IMPLICATIONS

Practical implications show that in 2012 China's trade with the CEEC was 52.06 billion USD. In 2014, the trade volume reached 60.22 billion USD. In 2019, the trade reached 95.45 billion USD. In 2021, the trade reached a new record of 124.02 billion USD. China's investment in the CEEC has also increased from 3 billion USD in 2014 to about 10 billion USD in 2018. The

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practical implications for Croatia are clearly seen through the construction of the Pelješac bridge as a strategic infrastructure project that connects Croatia's south with the rest of the mainland. The construction cost was 420 million EUR, to which the EU contributed by allocating 357 million EUR from the Cohesion Policy funds (85%).

FINDINGS

The West does not look positively at the cooperation between China and the CEEC, believing that this format discriminates against other EU countries and that only China benefits from the underdevelopment of the infrastructure of those countries. It is difficult to accept the hypothesis that the format 14+1 threatens the sovereignty of the countries involved. This format unequivocally shows the benefits for both sides involved. This format gives each country the opportunity to independently define its own projects of interest and areas of cooperation.

KEYWORDS

China-CEEC, infrastructure, 14+1, EU, economic cooperation, interest.

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CHARACTERISTICS AND REFLECTIONS ON CHINA-SERBIA COOPERATION

Haiyun LIU,1 Jinzhe ZHANG2

PURPOSE OF THE PAPER

Despite the impact of the epidemic, high-level Chinese and Serbian governments have continued to maintain positive interaction since 2021, and Sino-Serbian bilateral trade has achieved significant growth, showing great resilience and potential. The Sino-Serbian vaccine cooperation has continued to inject a new era of connotation into Sino-Serbian friendship. By analysing the characteristics of China-Serbia cooperation, we can find out the laws of existence and provide reference significance for the cooperation between China and Central and Eastern Europe.

METHODOLOGY

Based on a comprehensive overview of the characteristics of China-Serbia cooperation, this study analyses the impact of the Russia-Ukraine conflict on Serbia's energy crisis and the signing of the China-Serbia economic and trade agreements. It makes recommendations for advancing energy cooperation between China and Serbia, particularly in the area of green energy.

PRACTICAL IMPLICATIONS

To reduce the impact of uncertainty on China-Serbia cooperation and promote China-Serbia cooperation. Providing reference significance for China-CEEC Cooperation.

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FINDINGS

Bilateral trade between China and Serbia is still growing substantially, showing great resilience and potential. The signing of China-Serbia economic and trade cooperation and the establishment of the China-Serbia Free Trade Zone will bring positive significance to China-Serbia cooperation. Environmental issues and the energy crisis will become important issues affecting China-Serbia cooperation.

KEYWORDS

China-Serbian cooperation, China-Serbia Free Trade Zone, Energy crisis.

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CHINA AND HUNGARY IN A DISRUPTED WORLD: CHINA'S POLICY IN HUNGARY IN 2022

Csaba MOLDICZ¹

PURPOSE OF THE PAPER

This paper attempts to characterize Hungarian foreign policy regarding China in two ways: (1) it explains the economic development factors and aspects that strengthen economic cooperation with China; and (2) it contrasts Hungarian foreign policy with the Baltic countries' China policies.

METHODOLOGY

This paper relies on studies examining changes in the policies of Central European countries towards China. Hungary's China policy seems to be one of the most consequential in the region, while other Central European countries have changed the course of their China policies and are now in line with U.S. foreign policy goals. The best examples of this altered course of foreign policy are the Baltic countries, which left the 16+1 cooperation in 2021 and 2022.

PRACTICAL IMPLICATIONS

When evaluating foreign policies, it is best to start with the results (in this case, the amount of investment) and then follow the line of communication, which may be misleading to the observer. In the event that a given country attempts to attract Chinese direct investment, the Hungarian model is worth copying.

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FINDINGS

In contrast to the Baltic countries, Hungarian foreign policy has consequently tried to put emphasis on the economic interests of the country in the last decade. With this, Hungary seems to be more successful than the Baltic countries, which were basically unable to attract significant Chinese investments and technology transfers.

KEYWORDS

China, China-CEE cooperation, Hungary, Baltic countries, investments.

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FACTS WITH NO ALTERNATIVES OR PARTIAL SOLUTIONS: REMAPPING CHINA-HUNGARY RELATIONS IN THE LAST DECADE

Junchi MA1

PURPOSE OF THE PAPER

China-Europe relations have always been one of the main topics in both China-CEEC relations and China-Europe relations. In 2020, China was the first FDI source for Hungary, and this tendency continued in the last two years. At the same time, China-Hungary relations do not develop without a hitch. Hungary is described as China's Trojan horse inside the EU. However, there are no alternatives or partial solutions. Only one factor can never determine international relations. In order to trace the development of these bilateral interactions and their drivers, the study offers a thorough overview of China-Hungary relations from the 2010s to the present.

METHODOLOGY

The institutional analysis provides a comprehensive framework, considering both macro-structural and micro-actor spheres. The structural approach indicates the deterministic factors. The actor-centered approach identifies mass actors as well as elites. Political and economic institutions provide incentives to actors, resulting in the enhancement of the existing institutions or their derailment. Relations between China and Hungary are not exceptional.

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PRACTICAL IMPLICATIONS

There are no alternatives or partial solutions. Only one factor can never determine the complexity and comprehensiveness of international relations. A full picture is needed to provide an objective angle on China-Hungary relations.

FINDINGS

The development of China-Hungary relations follows the pattern of all other bilateral relationships, which combine foreign and domestic structural factors as well as personal incentives. First, China-Hungary relations are being pushed by external political and economic macro-trends in both the international and European spheres. Second, relations evolve in response to the two countries' and various actors' domestic needs. Third, unintentional factors such as the Russia-Ukraine war and the COVID-19 epidemic have an impact on relations. The current China-Hungary relations are the result of the interaction of these above factors.

KEYWORDS

China-Hungary Relations, International Relations, Institution-Actor Interaction.

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Cooperation between China and Central and Eastern European countries in the context of global changes

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AN OVERVIEW OF ROMANIA'S RELATIONS WITH CHINA IN SEPTEMBER 2022

Marcela GANEA1

PURPOSE OF THE PAPER

The purpose of my research has been to assess the status of Romania's economic, political, cultural, and military relations with China, as well as the status of non-governmental relations and other shared interests, as of September 2022.

METHODOLOGY

My **research material** has been Romanian media articles, personal pages of Romanian politicians, think-tank reports, and the website of the Chinese embassy in Bucharest.

My research technique consisted of: 1) collecting data that included the phrases "Visits China/Chinese officials Romania 2022", "Relations China Romania 2022", "Romanian politicians China 2022", "Chinese investments Romania 2022" in Romanian, 2) classification of the posts according to the topic: economic, political, military, cultural, educational, and academic, NGOs and think-tanks, 3) obtaining facts and figures, 4) induction – based on empirical observations, induction of conclusions and classification, 5) presentation of the findings along 5 dimensions: economic, political, military, cultural, educational and academic.

My **research tool** to search for facts and figures has been the Critical Discourse Analysis. In a nutshell, the CDA technique relies on the following principle:

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Discourse is a means of representation. According to Fairclough, the analysis of a text means the effort to identify the action represented by the text. If we pay attention to vocabulary, grammar, textual structures, and the formal features of the discourse, we will be able to interpret and connect an event represented by the text to abstract practices. We live in discursive realities, and realities result from the combination of discursive practices that create images and meaning to cause behavior (Fairclough 1989).

My analysis consisted of connecting the events represented by the text as narratives used to describe Romania's current relations with China to their social, political, cognitive, moral, and material effects.

Limitation of the research: It is only an overview limited to 1,000 words for the purpose of this symposium. It will be further expanded.

PRACTICAL IMPLICATIONS

This assessment can be used by public and private organizations 1) to raise awareness about Chinese interests in Romania, US interests in Romania, and Romania's current economic goals in national strategic industries, and 2) to adjust their relations with Chinese entities.

FINDINGS

Romanian politicians have been increasingly encouraging an overall rejection of China from the economic sectors as a result of US pressure since 2019, explaining that "the core pillars of Romania's foreign policy are the EU, NATO, and the strategic partnership with the US" and that contracts with China and other non-EU countries are no longer a goal. However, local authorities, NGOs, think tanks, and academia continue their cooperation with China and accommodate Chinese investments, which create jobs and contribute to the Romanian GDP.

The discourse of the current right-wing Romanian politicians in power in Bucharest reveals a copy-paste of the US discourse and a care for the strategic partnership with the US and for US interests. However, there are EU and NATO members that may have restricted Huawei 5G services but still have China as an economic partner, such as Germany and France, while China remains the EU's first trading partner.

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Romania, China, Huawei, NGO, investment.

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CHINA-CEEC IN THE CONTEXT OF CHINA-EU ENERGY COOPERATION: CURRENT AND POTENTIAL TRENDS AND OPPORTUNITIES

Marija Adela GJORGJIOSKA¹

PURPOSE OF THE PAPER

This paper aims to analyze the current state of the EU-China Energy Cooperation Platform and also examine if areas of connection (current or potential) can be found between the EU-China Energy Cooperation Platform and the China-CEEC Platform for cooperation between China and Central and Eastern European countries, with the specific aim of advancing cooperation in renewable/green energy.

METHODOLOGY

This research is a continuation of the research conducted by Zakić and Šekarić (2021) and the empirical data compiled by these authors. It represents an attempt to draw links between the broader EU-China Energy Cooperation strategy and the cooperation with the 16+1 in order to locate possible differences and similarities in approaches, areas of focus, and success rates. Desk research of existing available documents, especially official documents and other publications by the EU-China Energy Cooperation Platform, the China-CEEC Platform for cooperation between China and Central and Eastern European countries, and other regional institutions and platforms that advance cooperation in the field of energy (such as the Open Balkan Initiative). Where possible, official responses will be requested from relevant institutions.

PRACTICAL IMPLICATIONS

The EU-China Energy Cooperation Platform was launched on May 15, 2019, to support the implementation of activities announced in the "Joint

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Statement on the Implementation of EU-China Energy Cooperation". The overall objective of the ECECP is to "enhance EU-China cooperation on energy. In line with the EU's Energy Union, the Clean Energy for All European initiative, the Paris Agreement on Climate Change, and the EU's Global Strategy, this enhanced cooperation will help increase mutual trust and understanding between the EU and China and contribute to a global transition towards clean energy on the basis of a common vision of a sustainable, reliable, and secure energy system". The launch of the Platform almost coincided with the COVID-19 pandemic, which presented a significant obstacle to its operations.

FINDINGS

Nonetheless, three years later, in the context of the current global energy challenges and the ongoing need to achieve "carbon neutrality", cooperation on energy is an area of huge importance. This is particularly the case in light of China's outstanding performance in the area of renewable energy, with recent studies confirming that "the country's wind and solar potential is already nine times that needed for carbon neutrality" (Chao & Young, 2022).

KEYWORDS

Energy, China-CEEC cooperation, EU-China Energy Cooperation, Open Balkan Initiative.

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WESTERN ASSESSMENT OF THE FIRST DECADE OF CHINA-CEEC COOPERATION

Aleksandar MITIĆ¹

PURPOSE OF THE PAPER

Throughout the decade following the launch of the "16+1" initiative, cooperation between China and Central and Eastern European countries has faced many objective challenges and constructed obstructions. The initiative marks its 10th anniversary in a demanding phase, which is characterized by a negative strategic narrative from Western stakeholders and reflected in the creeping disengagement of several CEE partners. The paper seeks to analyse the strategic frames employed to construct this narrative.

METHODOLOGY

The paper draws from research on strategic communication, framing, narratives, securitization, and resilience. Frames on China-CEEC cooperation in reports by think-tanks, researchers, and the media on the occasion of the assessment of its first decade are analysed and classified into categories in order to purvey the elements of the strategic narrative.

PRACTICAL IMPLICATIONS

The findings can provide an overview of the current Western critical perception of the China-CEEC dynamics, as well as the tactical discursive approaches employed in the process. They can serve China and willing CEEC stakeholders to address misunderstandings and shortfalls and also to review and upgrade the existing strategic communication practices with the aim of improving overall cooperation.

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FINDINGS

The results reveal the presence of strategic framing in three categories. The first category, security, is marked by strong threat framing, particularly accentuated in 2022 through the prism of worsening US-China relations and the conflict in Ukraine. The second category, economics, focuses on disillusionment with the level of engagement and benefit. The third category, political, focuses on discrepancies on the issue of values, marked by diplomatic wrangling over Taiwan and the abandonment of the format by the Baltic states.

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China, Central and Eastern Europe, the Belt and Road Initiative, China-EU relations, China-US relations, strategic narrative, strategic communication.

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2. IMPACT OF GLOBAL NEURALGIC POINTS, SPACES AND PROCESSES (TRENDS) ON CHINA-CEEC COOPERATION

THE IMPACT OF CURRENT GEOPOLITICAL TENDENCIES ON HUNGARY'S FOREIGN POLICY ENVIRONMENT AND ITS ORIENTATION TOWARDS CHINA

Márton SCHŐBERL¹

PURPOSE OF THE PAPER

The foreign policy strategy of Eastern Opening, launched by the Hungarian government in 2012, was based on the premise that while Hungary is a committed member of the Western community, including the European Union and the North Atlantic Treaty Organisation, its economic interests in an increasingly multipolar international environment require pragmatic economic relations with emerging powers, including China. This has meant improving political relations with China, followed by deepening economic ties. In recent years, however, Hungary's foreign policy environment has undergone significant changes: great power competition between the United States and China; increasingly anti-China attitudes among European publics, member states, and institutions; and, finally, the Russian-Ukrainian war. Taken together, these changes could even alter the course of globalisation and pose a major challenge to Hungary, which is open and deeply integrated into the world economy. The aim of this paper is to identify the main challenges, take stock of them, and highlight their possible implications for Hungary's foreign policy - the Eastern Opening strategy.

METHODOLOGY

The paper is based on unstructured and anonymized interviews and background discussions with Hungarian decision-makers and think-tank researchers.

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PRACTICAL IMPLICATIONS

The study highlights Hungary's position toward China and the policy it intends to pursue and advocate in the European political arena. It also identifies the main strategic challenges that policymakers may face.

FINDINGS

There are fundamental changes in Hungary's environment that present the country with a strategic dilemma. It is clear that Hungary wants to maintain its foreign policy strategy of the early 2010s, but it is aware that this is becoming increasingly difficult. The current stance is one of strategic calm and wait-and-see.

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Eastern Opening, Hungary, China, geopolitics, deglobalization.

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A COMPARATIVE REVIEW OF THE CHINA-CEEC COOPERATION PLATFORM AND THREE SEAS INITIATIVE (3SI) FOR CENTRAL AND EASTERN EUROPE

Valentin KATRANDZHIEV¹

PURPOSE OF THE PAPER

Both initiatives target and impact the development of a historically complex, heterogeneous, and geopolitically sensitive region of the European content — Central and Eastern Europe (CEE). The region is at a crossroads between multiple external pressures and development. The importance of CEE has risen following the current war in Ukraine and the changing regional and global dynamics. Although it has mostly been integrated into the common European and Euro-Atlantic space, CEE has a life of its own, with sub-regional geopolitical (including geo-economic and geo-cultural) affiliations and specificities.

METHODOLOGY

A policy-applied research rather than traditional academic writing. A review of available literature on the topic from open sources, including official documents, monographs, specialized journals, and printed and online media articles.

PRACTICAL IMPLICATIONS

The paper will offer a comparative study of the China-led platform and 3SI in terms of mission, goals, institutional set-up, policy and decision-making, funding mechanisms, main areas of cooperation, connectivity that

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both initiatives aim to develop, security implications, achievements, challenges, future sustainability, and identification of interests of the participating countries and those of the major powers involved. The main sources of analysis will be the inception and development of both initiatives, their competitive nature, and the contexts in which they evolve (based on the review of their summits, analysis of the adopted declarations, agendas, guidelines, agreements etc.).

FINDINGS

Both initiatives evolve within a particular geopolitical narrative. On the one hand, the Chinese-led cooperation platform began ambitiously in 2012 and has been going through periods of ups and downs since then. The withdrawal of the Baltic countries (shrinking the number of participating CEE countries, plus Greece, from 17 to 14 countries) was a considerable setback for Beijing. China utilizes the region as a springboard for positioning in Western Europe. It tried unsuccessfully to embed its relationship with the CEEC within the wider EU-China strategic dialogue. Brussels opposes Beijing's initiatives in CEE and has re-defined Beijing as a systemic rival and economic competitor. On the other hand, 3SI emerged as a Polish-Croatian initiative encompassing 12 EU Member States from the Baltic. Adriatic, and Black Sea regions. Its inception in 2014 was influenced by the Polish Interwar Intermarium doctrine to deter Russia's expansion in CEE. 3SI relies on the support and partnership of the EU and the US. It is not clear to what extent Germany would back 3SI. 3SI operates entirely on a commercial basis through the 3SI Investment Fund and the participation of major western private investors. Chinese investment projects in the CEE countries (most notably in the fields of basic infrastructure and industrial development) are based on state-to-state MoUs and are backed by state loans from the major Chinese policy banks. While 3SI's main areas of cooperation are energy connectivity and security, digital infrastructure development, and transport connectivity (transport; energy; digitalisation). the Chinese-focused CEE platform has a wider scope, including people-topeople relationship building (including exchanges between city-to-city municipalities in the fields of culture, education, think-tanks, and sports, to name a few).

KEYWORDS

China-CEEC, China-EU, 3SI, foreign policy, security, geopolitics.

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THE IMPACT OF GEOPOLITICAL TRENDS IN EUROPE ON CHINA-CEEC COOPERATION

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PURPOSE OF THE PAPER

China-CEEC cooperation (China-CEEC) has land and digital projects that are interrelated and focused on building connecting platforms for accelerating interdependence between China and Central and Eastern European countries. Peace is essential for the advancement of cooperation.

The paper researches the impact of the conflict in Ukraine on the China-CEEC stability among partners, its enlargement, and the cooperation stances regarding the rise of geopolitical trends in Europe and the European Union, which is heading towards an economic recession.

This paper predicts that the China-CEEC mechanism will be influenced by current high geopolitical tensions between the European Union and Russia, which is struggling to take control over Ukraine's territories of Luhansk and Donetsk to protect the Russian population and assure its strategic security regarding NATO enlargement towards Eastern Europe.

The paper analyses China's approach to the Ukraine conflict, how it is perceived in Central and Eastern European countries, and how it will influence China-CEEC cooperation. The European Union's tilt towards geopolitics, its strategy for the Indo-Pacific, and following the US's non-peaceful solutions for resolving the conflict in Europe could harm Europe and China-CEEC cooperation in Europe. The paper explores which geopolitical factors could direct China-CEEC cooperation into a more unstable and unpredictable environment.

The paper analyses how the EU and China would respond to geopolitical trends in international relations and whether they can, through a higher level

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of cooperation, transcend the current huge crisis caused by the Russian war in Ukraine and the West's historically unprecedented breaking of bonds, which have put great pressure on the world order, its norms, and structure.

METHODOLOGY

The paper uses a method of geopolitical analysis to discover the impact of geopolitical factors on the China-CEEC and how the mechanism will behave in the short term.

The paper is based on direct empirical observations of current geopolitical events in Europe, with special attention to China and Central and Eastern European countries.

The paper relies on a historical approach, narrative and descriptive, to explain that the present geopolitical development in Europe has its roots in traditional geopolitics.

China's history is anti-geopolitical, and that is one of the reasons why China has launched anti-geopolitical platforms like China-CEEC, the BRI, GDI, GSI, and the Community of Shared Future for Mankind and has leadership in modern processes of economic interdependence.

PRACTICAL IMPLICATIONS

The paper proves that the biggest risks in 2022 and 2023 for China-CEEC cooperation remain geopolitical and economic. China-CEEC cooperation could take these risks in shaping its plans for adapting to the new realities in international relations. The paper suggests direct integration with the BRI.

FINDINGS

Chinese investment within China-CEEC may be further slowed down in Europe due to the EU violations of private property rights that are now spreading across Europe and causing discomfort among foreign investors.

The US, with its allies, instrumentalizes the tragedy of war in Ukraine for its geostrategic and economic gains.

The European Union supports a type of relationship based on the principles of confrontation, militarization, and grouping into a democratic alliance to target third parties as "anti-democratic".

This new grouping of democracies includes old Western countries and relative newcomers like Poland and the Baltic States, which were part of the Soviet Union in the bipolar world order. In the Indo-Pacific, America's allies, Japan and South Korea, have been included in building the global democracy led by the US.

The US aspires to lead the world through the 21st century, but its objectives and set up strategies do not balance the world order but tend to make it subordinated to its economic and geostrategic interests.

China is pursuing cooperation and countering the mentality of division among countries by implementing regionally and globally its advanced models of cooperation like the China-CEEC, which aims to build Europe as one stable and connected place where countries share economic development and peace.

KEYWORDS

Geopolitics, China, the European Union, the Indo-Pacific, Central and Eastern European countries, disbalance, the Ukraine war, peace.

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THE IMPACT OF THE CURRENT GEOPOLITICAL SITUATION ON SINO-POLISH RELATIONS

Sławomir MAJMAN1

PURPOSE OF THE PAPER

The text is a contribution to the analysis of new phenomena on the geopolitical map of the world in the context of China's relations with the countries of Central and Eastern Europe. It involves determining which occurrences are ongoing and which arise from dynamic changes in the global environment.

METHODOLOGY

Due to the obvious lack of access to sources, the text is based on:

- 1. Analysis of the political discourse
- 2. Analysis of the available press and internet sources
- 3. Analysing conversations with politicians and experts

PRACTICAL IMPLICATIONS

Even such brief material, created during relevant events, can serve as a starting point for more in-depth analyses on:

A. The CEE countries' relationship with China in light of their relations with allies

B. The relationship between pragmatism and strategic necessity

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C. Practical conclusions for Chinese policy, especially in the field of soft power.

FINDINGS

In general, within the period of the last ten years since the creation of the CEE-China platform, it is practically impossible to define a general line of Polish policy and long-term strategy towards China. Mixed signals are flowing from Warsaw to Beijing. Periods of sudden intensification and the desire to intensify relations are intertwined with years of stagnation, even demonstrating a reluctance to cooperate with China in any way. Polish policy towards China is characterised by unpredictable zigzags. The main problem causing chaotic signals to be emitted to China and/or Poland's passivity is the lack of a long-term national strategy in relations with Beijing. Especially after 2015, there were surprising and radical shifts in relation to China. The positive fact is that relations with China are not the issue of public confrontation between the ruling camp and opposition as it happens e.g., in Hungary.

Polish-Chinese cooperation is increasingly confronted with profound geopolitical changes and increasingly sharper contradictions between the United States and China. The game between the great powers influences the position of Poland, defined by its membership in NATO and allied relations with the US. The various twists and turns of Polish policy towards China cannot mean deeper strategic changes, as the general line comes from the fact that it is subordinated to the US-China relationship and the US-China-Europe triangle. Unfortunately, the question of how the long-term relations between Poland and China will be shaped remains open.

The Russian aggression on Ukraine created a completely different dimension in Poland's foreign policy, with absolute priority given to national security, understood as full support for Ukraine and the role of the region's number one American partner. There is no doubt the war pushed us towards global polarization. Geostrategically, there are two nations on the European continent that are, due to their vital interests, mostly involved in the situation in Ukraine: Russia and Poland. However, Poland belongs to the so-called Anglo-Saxon faction in the West, including the US, Britain, and the Baltic states. Its practical approach to China is much more pragmatic and far from radical anti-Chinese radicalism.

The recent contacts between the Chinese leader and the Polish president confirm that both sides are interested in developing investment and trade relations with Poland as a strategic partner of China. In particular, areas of extended cooperation may include transforming the land BRI coming via Poland from a simple gate to Europe into a diversified hub and increasing Poland's agro exports to China to reduce dramatic asymmetry in the trade balance.

The global tension did not change the situation of Chinese businesses in Poland. However, there is a visible mismatch between expectations and China's actual activities. China's FDI position in Poland is more than modest and statistically non-relevant. The financial instruments offered by China are not adequate for the Polish reality as one of the major destinations of EU funding. As government-to-government initiatives are not of particular success so far, Chinese corporations are, on normal terms, participating in tenders for the infrastructure projects financed by Poland. The issue of the decoupling economies of China and the West is not the issue in Poland as roughly 60 percent of sourcing for the key Polish industries - automotive, pharmaceutical, household appliances, and battery - comes from China. In practice, each new industrial investment in Poland means increased imports from China. The business-as-usual term might be used in the case of the activities of Chinese banks, Poland being the major Chinese financial centre in CEE.

Sino-Polish relations could hardly be compared with those of the Western Balkans. Both relations with the US and investment policies differ dramatically. However, it is not a result of the current global crisis.

The Polish side appreciates China's declarations of neutrality in the Ukrainian-Russian war. The recent statements by President Xi at the Samarkand Summit were received by Warsaw with understanding. This does not change the element of certain suspicion and awareness of the fact of a long-term China-Russia partnership in the crucial global confrontation between America and China.

KEYWORDS

China, Poland, CEE, US, war, Russia.

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THE ROLE OF THE UNITED STATES IN CENTRAL AND EASTERN EUROPE AND IMPLICATIONS FOR CHINA-CEE COOPERATION

Zhigao HE1

PURPOSE OF THE PAPER

In recent years, the geostrategic importance of Central and Eastern Europe (CEE) has become increasingly prominent. The core variable is the return of the US to CEE, which presupposes a return to great-power competition and a more unilateral and zero-sum strategic vision. Meanwhile, the Russia-Ukraine conflict deteriorates the CEE's security environment, thereby strengthening the role of the United States, especially if the United States takes advantage of the asymmetry with the CEE countries (CEECs). Thirdly, a new regional pattern of supplying public goods is likely to emerge in Europe, where it has been very difficult to maintain the unity and consensus politics necessary for European integration. By returning to Central and Eastern Europe, the United States hopes to reshape Europe's geopolitics by turning CEE into a region with multiple power centers. The return of the United States to the CEE region will both change the pattern of interaction between regional countries and major powers outside the region and create a new geostrategic environment for Europe. This article focuses on the role of the US in changing security dynamics in CEE and the implications for China-CEE cooperation. The first section examines the changing role of the US in CEE and Russia's resurgence and the challenges it poses. The second section focuses on the reasons for the return and deepening involvement of the United States in CEE, while the third section discusses the impact of the US's resurgence on European order and the great power relationship. The fourth section discusses the implications of these trends for China-CEE cooperation.

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METHODOLOGY

This article adopts the process-tracing method, thereby finding the relationship between the return of the United States to CEE and China-CEE cooperation. It intends to establish whether and how America's return to Central and Eastern Europe influenced the order in Europe and China-CEE cooperation. In order to understand the dynamics and shifts of China-CEE cooperation, we need a holistic, eclectic, interdisciplinary, and multilevel analysis, with theoretical and methodological pluralism with multiple mechanisms. Rather than constructing a grand theory, a middle-range theory is welcome. The changing role of the United States exerted an influence on the CEE cooperation. Therefore, the China-CEE cooperation framework is undergoing a key shift in the direction from cooperation to decoupling.

PRACTICAL IMPLICATIONS

The geopolitical importance of Central and Eastern Europe has attracted the attention of major powers in the world, and therefore, the region has become a key link in the United States' geopolitical strategy. There are complex strategic considerations behind the United States' return to CEE. It is an extension of America's grand strategic adjustment, not only to cope with the change of order within Europe but also to consolidate its sphere of influence and to hedge against the influence of China and Russia.

The United States' return to the CEE region presupposes a return to greatpower competition and a more unilateral and zero-sum strategic vision. According to Wess Mitchell, America's rivals are expanding their political, military, and commercial influence in Central and Eastern Europe, but for too long the United States did not take competition seriously because it was satisfied with the post-war order and came to believe that history had ended. The 2017 United States National Security Strategy defines allies and partners in terms of their role in advancing America's geostrategic vision. The purpose of the United States' return to CEE is not to preserve the international order but to maintain US dominance by containing other "alternative centres of power".

Meanwhile, there are multiple power centres in Europe, and no single European country has a dominant position in the region. The United States' strategic adjustment, Russia's military threat, Germany's economic hegemony, China's foreign relations, and many other factors are embedded in the European power balance. When the supply and demand of regional public goods in Europe are unbalanced, especially when the supply drops and the demand rises and becomes increasingly differentiated, competition in regional public goods is prone to take place and a new pattern of regional public goods is likely to appear.

Across the Eurasian continent, where geopolitical competition and cooperation are complex, the United States wants to ensure a balance of power in East Asia and Europe by balancing or confronting competitors. It has accused both Russia and China of being revisionist powers seeking to "shape a world antithetical to the United States' values and interests". The United States sees serious challenges in Europe as the China-Russia relationship has been deepened and the foreign policies of the two countries have converged in a new and synergistic way in Europe. For example, the Russia-Ukraine conflict poses a complicated and comprehensive threat to Europe.

FINDINGS

There are complex strategic considerations behind the United States' return to CEE. Most importantly, the United States views CEE as a new regional strategic fulcrum and intends to make it a strategic lever to contain Russia as well as China's influence in this area. Therefore, it is not limited to the military and strategic fields but also involves investment in diplomacy, energy, and security in the region. Firstly, it will weaken the EU's strategic autonomy and undermine the effectiveness and coherence of EU policy, even though it presents a "myth of unity" under the circumstances of the Russia-Ukraine conflict. Secondly, it will strengthen the US's traditional sphere of influence. A favourable balance of power in the region helps magnify US power and extend US influence. Thirdly, it will counteract the influence of China and Russia so as to compete against its adversaries and gain a strategic comparative advantage. In this context, the US's policy adjustments toward the CEECs, as well as the complexity of the Russia-Ukraine conflict, have a complex impact on China-CEEC cooperation.

In the view of the United States, if China's influence in Central and Eastern Europe continues to grow, it will pose a direct threat to the competitiveness, the governance model, the ideological norms, and the strategic interests of the United States. Therefore, cooperation between China and the CEECs is closely watched by the United States in its strategic competition with China. First, the US is using the gap between the CEE countries' expectations of the Belt and Road and the actual outcomes of the cooperation to curb their enthusiasm for participating in the Chinese-led initiative. Second, the US is putting pressure on China and placing obstacles in the way of China-CEEC cooperation by setting high quality standards for

infrastructure construction. Third, the US is playing up the disadvantages and risks of the Belt and Road Initiative, particularly in terms of labour and environmental standards. In the context of overall competition with China, the US's return to CEE is aimed at squeezing the space available for China's cooperation and development in the region and adding uncertainty to China-CEEC cooperation.

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The United States, Central and Eastern European Countries, China-CEE cooperation, The European Union.

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THE OPEN BALKAN IN AN ERA OF GLOBAL UNCERTAINTY: A DISRUPTIVE DEVELOPMENT?

Anastas VANGELI¹

PURPOSE OF THE PAPER

The paper takes stock of the recent developments in the area of regional integration in the Balkans, in particular, the launching and early development of the Open Balkan (OB) initiative led by Serbia, Albania, and North Macedonia. The Open Balkan, an unexpected and extraordinary endeavor of regional integration, has stirred a number of debates in the region and beyond: Is it a supplement to the accession to the European Union (EU) or a replacement for it? Is it a genuine bottom-up format of cooperation or yet another in the line of externally-driven projects of regional reordering? How will the initiative affect socio-economic and political trajectories in the region in the era of major global uncertainties? The paper critically reflects on the ongoing debates, looking at and comparing the positions of both regional and external stakeholders.

METHODOLOGY

The paper is conceptualized as a panoramic overview of the current debate on the OB, taking into account the official discourse embodied in statements and documents on the OB by national governments and international institutions; the position of the business community; existing analyses and insights of experts from the region and beyond; the popular media discourse; and social media trends. The paper also derives data from expert interviews and existing surveys. It employs interpretive process

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tracing, focusing on the interplay between discursive and ideational processes, on the one hand, and major events and interventions on the ground, on the other.

PRACTICAL IMPLICATIONS

The paper captures the complexity of the debate on the OB in one of the first attempts to map the different positions and discourses towards the initiative in a systematic way. Thus, it is intended to serve as an introduction to the topic, providing insight for stakeholders and observers and charting a future research agenda.

FINDINGS

The paper comes up with a taxonomy of clusters of discourses on the OB, using two general criteria: a) level of acknowledgement and interest in the OB initiative; and b) sentiment towards the OB initiative. A preliminary analysis shows there are four general positions around which sets of actors are clustered: 1) enthusiastic early adopters; 2) cautious followers; 3) vocal opponents; and 4) silent observers. We still lack sufficient data to link these positions to particular agendas or ideologies, which indicates that the OB initiative is, in fact, potentially a disruptive development that may shuffle networks and allegiances in the region.

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The Open Balkan, regional integration, the Balkans, EU Accession, disruption, development.

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THE EUROPEANIZATION OF CENTRAL AND EASTERN EUROPEAN COUNTRIES CHINA POLICIES: APPROACHES AND CHALLENGES

Junbo JIAN¹

PURPOSE OF THE PAPER

For a long time, the development of relations of Central and Eastern European countries (CEECs) with China in the framework of "China-CEECs Cooperation Mechanism" has been criticized by the EU. This partly and seriously affects China's relations with CEECs, and also reflects the conflict between CEECs and Brussels, although there are more and more consistencies between them on China. This paper will try to answer the following questions. As members or (potential) candidates of the EU, why are the policies towards China of CEECs not able to be completely Europeanized? In which areas do the Europeanized of the CEECs' China policies succeed and which do not? What are the EU's tools or approaches of influencing these countries' China policy? What are the major challenges of this Europeanization? And what is the prospect of the Europeanization of CEECs' China policies?

METHODOLOGY

Firstly, the theory of Europeanization in this paper will be used. Generally Europeanization is defined as the design, dissemination and institutionalization of formal and informal procedures, ideas and norms of the EU, which can be seen as a domestic change process. In this process, candidate countries or member countries make their internal systems, policies and procedures adapt to the requirements of the EU through institutional change. This paper will use the theory of Europeanization to explain the formation of China policy in CEECs and the challenges to Brussels.

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Secondly, in consideration of the way of Europeanization that is mainly to realize the nationalization of EU policies by institutionalization of relations between EU-CEECs, this paper will use the three consecutive policy processes of "policy output policy transmission and feedback" to reflect the process of Europeanization of the CEECs' China policies.

Thirdly, because the Europeanized policy process can only be explained with practical cases, this paper will select three typical countries- Lithuania, Hungary and Serbia- to reflect the Europeanization of China policies of different Central and Eastern European countries.

PRACTICAL IMPLICATIONS

The discussion on the Europeanization of CEECs' policies towards China will not only theoretically help deepen the theoretical exploration of the Europeanization of CEECs' foreign policies, but also help deepen analysis of China's relations with the EU and Central and Eastern European countries. From a practical point of view, the discussion in this paper will enable China, the European Union and CEECs better understand the approaches, degrees, scopes and limitations of the EU's influence on CEECs' policies towards China, and provide a theoretical guidance for all related foreign policy makers to better adjust their policies toward each other.

From the perspective of China, those policy makers can learn from this analysis that the stable relationship with CEE countries should be based on bilateral exchanges with CEE countries and also with Brussels, know clearly the aspects and fields where the influence of Brussels in CEECs can assert, and then promote the development of relations with CEE countries in a more pragmatic way.

FINDINGS

The article argues that, firstly, the approaches for the EU to implement Europeanization towards China policies in CEECs is mainly based on political pressure and common policies. At the level of political pressure, the EU can influence the relations between CEECs and China through project control, diplomatic pressure and punitive measures. Common policy is the most common way of Europeanization, such as unifying the foreign investment screening mechanism, implementing the supply chain law or other joint responses to China.

Secondly, the challenges of Europeanization of CEECs' China policies are mainly reflected in several aspects: 1) the limitations of the decision-making

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mechanism. The EU's special decision-making mechanism in the field of foreign and defense affairs enables CEE members to independently handle their political relations with China to a certain extent, which is an important limitation of the Europeanization of China policy of CEECs; 2) the EU maybe faces "insulating walls" like nationalism, different values in shaping China policies of member countries. It means the EU's position cannot be transmitted to be that of member states; 3) the constraints of the EU's common policies. Since common policies apply to all members, the EU cannot support or change the China policy of a single member state through fields in which that common policy functions; and 4) Europeanization of CEECs' China policy is not a process between Brussels and capitals of CEECs, but also an interaction with China. China's response to EU's influence on CEECs will somehow challenge Brussels' endeavor.

KEYWORDS

EU, CEECs, China policies, Europeanization, approaches, challenges.

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3. OPPORTUNITIES AND CHALLENGES OF FUTURE ECONOMIC COOPERATION BETWEEN CHINA-CEE COUNTRIES

PATTERNS OF TRADE AND INVESTMENTS IN SINO-ALBANIAN COOPERATION AND POTENTIAL FUTURE SCENARIOS

Marsela MUSABELLIU¹

PURPOSE OF THE PAPER

This paper analyzes the trends in trade and investment between China and Albania, attempting to identify some main patterns, determine the causes of success stories, and estimate whether those patterns could constitute a blueprint for the future. Beyond figures of bilateral exchange, it is argued that business logic is not enough for a Chinese endeavor to flourish in a given country [Albania]. Local/national politics, the structure of its economy, and the willingness of local interested or important parties become crucial variables to success.

METHODOLOGY

We analyzed and compared databases of trade and investment from official government sources (INSTAT & Bank of Albania) in the last decade. In the case of trade, the data are analyzed by volume and product category of imports and exports. In the case of investments, there are five case studies outlining the history of five Chinese companies in Albania. The main perspective is through their contribution to the local economy, their achievements, and the obstacles they have been facing.

PRACTICAL IMPLICATIONS

Comparing how the private and public sectors behave in relation to PRC trade and investment in Albania provides a solid foundation for determining

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how and what to prioritize and where to allocate future resources. There could be more scrutiny and analysis in order to identify untapped potential in the sectors or categories lagging behind.

FINDINGS

While the Albanian private sector has been very active in cooperation with China for almost two decades, the same cannot be said for the public sector. The segment of the economy that is run by individuals and companies for profit is quite engaged in trade with China, and the benefits are visible in the figures of bilateral trade volume increasing year by year. The other segment, managed by government authorities, is not only hesitant but there is a visible trend of regress and pushback.

KEYWORDS

China-Albania relations, trade, investments, China-CEEC.

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STATUS QUO, FEATURES, AND PROSPECTS OF ECONOMIC AND TRADE COOPERATION BETWEEN CHINA AND CENTRAL AND EASTERN EUROPEAN COUNTRIES

Qiang QIU¹, Zhengang XU²

PURPOSE OF THE PAPER

By sorting out the cooperation achievements in international trade and international investment between China and Central and Eastern European countries since the establishment of the cooperation mechanism in 2012, we will summarise the progress, characteristics, and obstacles of the cooperation between the two sides, and put forward suggestions for better cooperation in the future. This will help promote cooperation between the two sides. It is of great significance for the in-depth and continuous cooperation.

METHODOLOGY

The literature and data analysis are mainly adopted. The literature is mainly based on the statistical annual reports of the European Union, China, and 17 Central and Eastern European countries, as well as research reports provided by various professional institutions. The data analysis method mainly adopts the trade data of the United Nations trade database, the Chinese customs statistics, the investment data of the Ministry of Commerce of China, and the investment data of the European Union and

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the World Bank. These data are used to verify and illustrate the relevant views in this paper.

PRACTICAL IMPLICATIONS

Since its establishment, the cooperation mechanism between China and Central and Eastern European countries has achieved fruitful results and has attracted more countries to participate. For example, Greece formally joined the cooperation mechanism in 2019. It had participated as an observer for many years before that. In addition, other countries have also requested to participate. At the same time, in 2022, the three Baltic coastal countries – Lithuania, Estonia, and Latvia – withdrew from the cooperation mechanism, and the cooperation mechanism encountered unprecedented difficulties. The course of the cooperation mechanism needs to be carefully summarized. The future sustainable and healthy development of the collaboration mechanism will benefit from the analysis of experience and the lessons learned from mistakes.

FINDINGS

We found that the economic and trade cooperation between China and Central and Eastern European countries mainly presents the following features. From the perspective of trade, the bilateral trade is unbalanced, with China enjoying a surplus position, and the gap is getting bigger and bigger. Trade between countries is unbalanced with a high degree of concentration, mainly concentrated in four countries, including Poland, the Czech Republic, Greece, and Hungary, accounting for 71.9%. The commodity structure of trade is also unbalanced. China's export products are mainly concentrated on machinery and transportation equipment. accounting for 55.04% of the trade structure. From the perspective of investment, similar features appear. China's investment in Central and Eastern European countries is not large, and it is often interrupted, with large annual fluctuations. It is mainly concentrated in a few countries, such as Hungary and Serbia. China's investment structure in Central and Eastern European countries is also relatively simple, mainly focusing on infrastructure construction. The main body of investment is state-owned enterprises. With the deepening of exchanges between the two sides, investment has shown a trend of diversification – not only has the main body of investment diversified, but also private enterprises have gradually become the main force. The investment field is also becoming more and more diversified, extending from the original infrastructure to many fields such as the digital economy and life services. The scale of investment is also expanding. But with the Sino-US dispute and geopolitical influence, the barriers to investment from both sides are growing. This has a negative impact on the cooperation between the two parties.

The prospect of bilateral economic and trade cooperation mainly depends on bilateral policies and the influence of Sino-US relations. As China expands its import trade, this has a positive impact on the export trade of Central and Eastern European countries. However, the investment review system of Central and Eastern European countries will restrict China's investment, and the economic and trade cooperation between China and Central and Eastern European countries is destined to move forward amid setbacks.

KEYWORDS

Economic and trade cooperation, cooperation between China and Central and Eastern Europe, features, prospects, international investment, international trade.

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DEVELOPMENT OF SINO-CZECH ECONOMIC RELATIONS IN THE PAST DECADE: A CZECH PERSPECTIVE

Renata ČUHLOVÁ¹

PURPOSE OF THE PAPER

The paper aims to contribute to the understanding of Sino-Czech relations that have gone through an extensive development in the last decade (2012-2022). The bilateral economic exchange of bilateral trade and investment is discussed in the context of several key forces, such as Czech involvement in the 16+1 cooperation platform and the effects of the COVID-19 pandemic.

METHODOLOGY

The methodology framework is based on the empirical approach that presents a comprehensive case study mapping the evolution of Sino-Czech dialogue in terms of economic exchange supported by bilateral diplomacy. The analysis includes trade and investment statistics.

PRACTICAL IMPLICATIONS

Based on the analysis, the paper focuses on the existing problems in bilateral relations, and it highlights the potential fields of further cooperation resulting from the mutual attractiveness of the markets.

FINDINGS

The development of the bilateral agenda in the last decade displays a fluctuating trend strongly affected by foreign policy orientation. In terms

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of trade exchange, the Czech Republic is running one of the most negative trade balances with China among the EU countries.

KEYWORDS

Bilateral relations, China, Chinese investments, the Czech Republic, foreign policy.

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THE HIDDEN CHAMPIONS IN CEE AND CHINA

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PURPOSE OF THE PAPER

"Hidden Champions" are unknown or relatively unknown market leaders. They are often described as symbols of a bright future for the economies of their countries. Prof. Hermann Simon coined the term "hidden champions" almost 40 years ago to describe compelling small and medium-sized enterprises (SMEs) in Germany and examined their role and implications for his country's economic development and innovation (Simon 1996).

The prevailing belief of the public, politicians, journalists, and business professors is that you can find role models of good management only in well-known corporate giants, those appearing on the list of Fortune magazine (Simon 2013). The reality is that 169 out of 206 sovereign states in the world have no company listed in the Fortune Global 500. When it comes to export performance, the astonishing fact is that, for example, in the last period, Germany (32nd country in the Fortune 500) and China have often been number one in the field of export, and in both countries, more than two-thirds of the export comes from firms with fewer than 2,000 employees, rather than large companies.

The world has about 10,000 separate markets and the Fortune Global 500 companies only operate in 100 or 200 of these markets. The rest, i.e., 98% of all markets, are small niche markets, and each of them offers the chance for medium-sized companies to become global market leaders. With the Internet, modern telecommunications, air traffic, and logistics, it is possible for small and medium-sized firms to do business on a global scale.

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The main goals of the research were to:

- Uncover examples of hidden champions in CEE and China,
- Compare and contrast examples with the classical study of hidden champions,
- Identify and suggest the strategy for hidden champions in CEE and China's hidden champions in the hyper-competitive world.

METHODOLOGY

In order to gain deeper insights into the development of the hidden champions identified in 2011 and a better understanding of the newly emerged hidden champions and their business practices, it was decided to apply a qualitative methodology (Gummesson, 2000; Patton, 2015). Semistructured interviews were chosen as the data collection method since this is the most flexible form of data collection suitable for investigating new business practices, and understanding operations and approaches to different business challenges. Furthermore, it leaves enough space for the interviewees to express themselves and share their own opinions and views in their own words. Interviews are particularly attractive in such research endeavors because they offer opportunities to the interviewees to address issues that they find most relevant and are not imposed by researchers (Brinkmann and Kvale, 2015).

Research partners were instructed to approach the companies identified in 2011 but also to identify new or potential hidden champions in their countries and conduct interviews with C-level executives. The research partners approached the companies in the 2011 study with the Letter of Consent and arranged meetings with C-level executives. The in-depth interviews were focused on the progress made since 2011 and their characteristics, main drivers of success, perspectives on the challenges that businesses face, current and future management and leadership development needs, as well as challenges and gaps in existing management and leadership development opportunities. All interviews were conducted following the principles of the Research Interview Agreement. Research partners were provided with suggestions concerning questions to be raised in the interviews and with some additional instructions connected to recording, interview duration, and the competence of the interviewers. IEDC-Bled School of Management, Postgraduate Studies, and CEEMAN organized two face-to-face meetings in Bled and two online webinars in order to ensure the same quality standards across all 22 countries involved. The meetings were also intended to monitor the progress of the research done by research partners and to clarify any open questions.

PRACTICAL IMPLICATIONS

When conducting a large-scale qualitative research project, two major benefits for the business community arise. First, practitioners get the opportunity to peak into individual success stories and draw conclusions from separate case studies. The second major benefit is general conclusions drawn from all the hidden champions involved in this research.

In a bid to move manufacturing up the value chain, the central government of China released on May 19, 2015, the ten-year action plan "Made in China 2025", designed to transform China from a manufacturing giant that relies on low-cost labor into a world manufacturing power. It articulated a goal of "develop[ing] a number of specialized medium-sized enterprises that are prominent in niche markets", modeled after a large number of world leaders in very specific markets called "hidden champions" (Simon, 1996, 2012) that constitute the backbone of the German economy. The lessons of hidden champions from CEE and China have implications for Chinese SMEs to grow and develop in the manner of hidden champions.

FINDINGS

In the research on hidden champions conducted by CEEMAN and IEDC-Bled School of Management, we identified more than 150 companies that are market leaders regionally and even globally. How did they succeed? For example, Mrs. Koprüner of GS-Tvornica Mašina Travnik, BiH, pointed out that complex factors have contributed to this success: a strong technological or scientific basis; innovation and quality drive; the uniqueness of their offer; and the level of adaptability to market developments and customer needs (Braček & Purg 2021).

In our study, we concluded that the majority of these companies are high-tech innovative firms, which develop original solutions and products based on the latest technological and scientific knowledge. The activities of these firms are based on expert knowledge, and their individual leaders have been leveraging a high level of expert knowledge (Braček & Purg 2021).

The development of Chinese hidden champions, who started as latecomers in technological capabilities, is challenging the consensus that hidden champions are similar across countries (even developed countries). The changing market and institutional environment in China since the reform and opening-up policy over 40 years ago has engendered stricter requirements for proactive organizational adaptation. The example of China's hidden champions demonstrates the importance of investing heavily in both process and product innovation. Although most of the hidden champion enterprises in Germany and other developed countries are leading in technology, in the context of China, we cannot ignore the development path of SMEs, especially those latecomers in process innovation. Leading in processes can not only improve product quality and reduce costs, thereby improving customer interests; it can also promote research and development on production equipment and methods, etc., to help enterprises build their unique competitive advantages.

KEYWORDS

Hidden champions, leadership, innovation, CEE, China.

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THE DANGER OF THE REGIONALIZATION OF THE GLOBAL ECONOMY TO CHINA-CEE RELATIONS: A HUNGARIAN PERSPECTIVE

Viktor ESZTERHAI¹

PURPOSE OF THE PAPER

The trend in the post-Cold War world has been an unprecedented deepening of globalization, often referred to in the literature as hyperglobalization. In the post-Cold War world, Hungary was opened primarily as part of the Western European value chains. However, recognizing the multi-polarization of the global economy, since 2012, as part of a reorientation of its foreign economic strategy. Hungary has deliberately deepened its relations with emerging economic powers such as China. Great power rivalries, rising tensions in wars, and disruptions in value chains following the COVID-19 pandemic have meant that the interconnectedness brought about by globalization was once seen as a guarantee for development and global peace, but today the securitization of relations is the prevailing perception. This is inevitably accompanied by a loosening or even the elimination of certain economic ties. Although it is unlikely that the unbundling of the centers of the world economy will mean a return to the world economic blocs of the Cold War, the regionalization of globalization seems to be accelerating. The purpose of this paper is to identify these processes and explain the possible implications for relations between Central and Eastern European countries and China, using Hungary as a case study.

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METHODOLOGY

The paper is based on unstructured and anonymized interviews and background discussions with Hungarian decision-makers and think-tank researchers.

PRACTICAL IMPLICATIONS

The study identifies the key strategic challenges that Central and Eastern European and Chinese policymakers may face in the area of deglobalization.

FINDINGS

There are fundamental changes in the environment of Central and Eastern Europe that pose a challenge to the region's ability to redefine its new role. CEE-China cooperation must be very flexible and pragmatic in order to mitigate the adverse effects of the regionalization of globalization.

KEYWORDS

Central and Eastern Europe, Hungary, China, globalization, regionalization of globalization.

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RESILIENCE UNDER SUPPLY CHAIN SHOCKS - LESSONS AND SUGGESTIONS

Alexandru GEORGESCU¹

PURPOSE OF THE PAPER

Strategic integration of trade, research, and investment relies on the functioning of critical infrastructures. Recent events have proven that global supply and production chains are fragile and vulnerable to a wide variety of risks, vulnerabilities, and threats, both accidental as well as deliberate and geopolitical. The future of the BRI relies on the promotion of resilience. The paper traces the multi-level outline of a BRI approach towards resilience that anticipates and addresses criticism with regard to security and sustainability.

METHODOLOGY

The methodology consists of a literature review in the field of Critical Infrastructure Protection and resilience, as well as the BRI. The application of the CIP framework to the BRI enables a new perspective on the structure of the BRI and its components, as well as the security issues it faces. This allows for the formulation of proposals to ameliorate fragility within BRI infrastructures, in line with existing examples.

PRACTICAL IMPLICATIONS

The practical implication of a resilience-oriented reform and development programme is the increase in resilience in the BRI system. It reduces the degree of disruption in the BRI's functioning in case a disruptive event occurs and leads to a more rapid recovery of functioning

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to a minimum acceptable level. In structural terms, it may result in a reorientation of the BRI links to increase regional ties, reduce supply chain length and number of links, and promote investment in security and resilience-enhancing behavior.

FINDINGS

Findings suggest that one can increase the BRI's resilience in two ways: first, through a series of measures for resilience applied to existing systems and, secondly, by promoting resilience-by-design in future infrastructures. This reduces the likelihood and severity of disruption while addressing key concerns about the BRI in the world. Recommendations include the development of a rating system for resilience, the inclusion of resilienceby-design criteria in project selection procedures, and more.

KEYWORDS

Resilience, sustainability, BRI, critical infrastructure, supply chains.

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RESEARCH ON THE BUSINESS ENVIRONMENT OF CENTRAL AND EASTERN EUROPEAN COUNTRIES AND CHINA'S INVESTMENT POTENTIAL

Meng HAN¹

PURPOSE OF THE PAPER

The most significant economic region in the world has always been Eurasia, and the Central and Eastern European Countries (CEECs), which serve as the main connection between the Eurasian economic circle, play a crucial role in fostering regional economic integration and coordinating different power dynamics. China-CEEC economic and trade cooperation has accelerated in recent years as a result of the "Belt and Road" initiative's ongoing development and the growing maturity of the China-CEEC cooperation mechanism. The thesis will assist Chinese enterprises in understanding the investment situation of CEECs and exploring their market potential by grasping the quality of the market environment of these nations and objectively analysing the development of these nations. This will then result in a jump in the advantages of China's direct investment in the CEECs in a wide range, broader domain, and higher level.

METHODOLOGY

In order to further consolidate the foundation of investment cooperation between China and the CEECs and comprehensively optimise the strategic location of China's capital in the CEECs, the article, based on related references, focuses on macroeconomic development, business facilitation conditions, institutional supply capacity, level of technological

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innovation, and policy direction towards China, adopting a combination of qualitative and quantitative methods to objectively and comprehensively evaluate the market environment of the CEECs. At the same time, based on the evaluation results, the article systematically analyses the dilemma and potential of China's investment in the CEECs and provides reasonable theoretical support and decision-making references for the acceleration of the process of bilateral investment cooperation and improvement of China's investment in the CEECs.

PRACTICAL IMPLICATIONS

The CEECs have emerged in recent years as a new growth engine for China's foreign direct investment. However, China's investment base in the CEECs is small, and the degree of dependence is insufficient, despite the continuous deepening of exchanges between China and the CEECs and the unification of their international development goals and aspirations. Chinese businesses still do not fully understand the Central and Eastern European markets, and by relying solely on relatively comprehensive national-level policy guidance, it is difficult to fully mobilise business interest in investing on their own. As a result, the potential for investment cooperation between China and the CEECs cannot be fully realised. With the world experiencing a pandemic and a major change at the same timesomething that has not happened in a century—and with the international environment becoming more unstable, Chinese enterprises are coming under more and more external pressure to explore the CEECs' markets. In this context, the article systematically evaluates the business environment of the CEECs and, on the basis of further refining their markets' competitive advantages, rationally analyses the growth potential and practical difficulties of Chinese enterprises' investment in the CEECs. This offers helpful experience support for enhancing the course of action and design plan for Chinese firms' investments in the CEECs.

FINDINGS

In the context of globalisation, the business environment, as an important factor affecting the efficiency of enterprises, is directly related to the attractiveness of a country or region to foreign capital. Driven by industrial upgrading and capital transfers from Europe in recent years, Central and Eastern Europe has become the most dynamic region in the current global economic development. The study found that the market opening level of the CEECs is relatively high and the economic foundation is relatively good, showing good regional coordinated development and market business conditions, creating a larger space for Chinese enterprises to invest abroad. However, the CEECs have problems such as obvious differentiated needs, sensitive geopolitics, and different social cultures. These objective challenges still hinder the process of investment cooperation between China and the CEECs. In order to effectively release the potential of China's investment in the CEECs, China should focus on the existing resistance factors and design targeted strategies to provide strong planning guarantees and strategic support for improving the investment and operating efficiency of Chinese enterprises in the Central and Eastern European markets.

KEYWORDS

Central and Eastern European countries, business environment, Chinese enterprises, investment risks, foreign direct investment potential.

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CHINA AND SERBIA: TRANSPORTATION INFRASTRUCTURE COOPERATION

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PURPOSE OF THE PAPER

Due to the disintegration of Yugoslavia, civil wars, sanctions, inflation, many economic problems, NATO bombardment, and relatively (un) successful economic transition and recovery, for many decades, transportation infrastructure in Serbia has not developed appropriately. For 30 years, the railway in Serbia was not modernized, regional roads were in poor condition, and the high-speed highways were not in the best shape. While working on economic recovery after 2001, Serbia slowly started to rebuild its transportation infrastructure. Funds for infrastructure projects were provided in several ways. For some of them, Serbia provided money through its budget. For others, loans were used, which were given either by international financial institutions or bilaterally negotiated with other countries. Specifically, transportation infrastructure projects (TIP) in Serbia, for which China provided loans, were negotiated with China through the China-CEEC cooperation mechanism and the Belt and Road Initiative. The paper's purpose is to explain and assess (evaluate) the cooperation between Serbia and China in the transportation field.

METHODOLOGY

The author will use descriptive statistics to analyse and evaluate the results of Sino-Serbian cooperation. Previous research findings about the importance of transportation infrastructure in developing national economies will be used as well. Secondary data issued by the Serbian

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Ministry of Construction, Transport, and Infrastructure about infrastructural projects in Serbia are also used in the analysis.

PRACTICAL IMPLICATIONS

Transportation infrastructure is the backbone of any economy; without proper infrastructure, an economy cannot develop. By developing its transportation infrastructure, the Serbian government is not only increasing the quality of life of its citizens but is also, at the same time, providing conditions to improve the domestic economy by enabling better conditions for enterprises and their work. By looking at the Sino-Serbian cooperation in the transportation field, we can examine the importance of those projects for the economic development of the Serbian economy.

FINDINGS

Serbia is cooperating with China on TIP in two ways. The first is by using Chinese loans, and the second is by solely financing projects on which the Chinese companies are working. Since Serbia is in the process of joining the EU, the procedures and standards for building transportation infrastructure are in line with the EU regulations. Although projects with China are negotiated and done bilaterally, procedures and standards used in building transportation infrastructure are according to EU rules. The achieved results regarding TIP so far are good, with both parties respecting their responsibilities and obligations. The Serbian economy is benefiting due to improved transportation infrastructure.

KEYWORDS

China, Serbia, transportation infrastructure, EU standards and procedures, results, goals.

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4. CULTURAL PATHS, DIGITAL ROADS, INFORMATION HIGHWAYS – WHAT HAVE WE LEARNED FROM EACH OTHER?

ANALYSIS OF THE PATH AND PERFORMANCE TO PROMOTE CHINA-CEEC ECONOMIC AND TRADE COOPERATION FROM THE PERSPECTIVE OF LOCAL COOPERATION

Haiyan ZHANG,¹ Yi CHEN²

PURPOSE OF THE PAPER

The purpose of this paper is to explore the performance and path of local cooperation to promote China-CEEC economic and trade cooperation. This paper identifies the challenges in China-CEEC cooperation, analyses the role and specific function path of local cooperation in overcoming these challenges, and conducts performance measurement and analysis on current local cooperation.

METHODOLOGY

This paper adopts methods of qualitative analysis, quantitative analysis, and case study. Firstly, the concept of "subnational actors" is clarified by qualitative analysis, which makes the research focus clear. Secondly, this paper adopts quantitative analysis methods to compare and analyse the trade and investment data between China, Chinese local provinces, and Central and Eastern European countries in the past decade. Based on the analysis of the current situation, the qualitative analysis will be used to analyse the performance and path of local cooperation in promoting

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economic and trade cooperation between China and CEE countries. In the process, the cases of outstanding cities and enterprises will be studied.

PRACTICAL IMPLICATIONS

This paper focuses on local cooperation in China-CEEC cooperation, especially on economic and trade cooperation in the past decade, and the role and path of local cooperation. This paper gives a general overview of the development of economic and trade cooperation with Central and Eastern European countries from the perspective of Chinese local governments. This paper continues to analyse how local cooperation can alleviate the difficulties mentioned in China-CEEC cooperation. In the process of analysis, this paper takes Ningbo, Xiamen, and Tianjin as city examples, and CATL (Contemporary Amperex Technology Ltd.) and Chint Group as enterprise examples to finish the case study. This paper will further deepen research to sort out the problems existing in the current China-CEEC local cooperation and provide countermeasures and suggestions for deepening the local cooperation between China and Central and Eastern European countries.

FINDINGS

This paper finds that transforming the main body of local cooperation is able to alleviate the five problems of the cooperation, which include the unequal market size of the partners; the interference of international political affairs; the mismatch between the supply and demand of the partners; the gap between cooperation expectations and outcomes; and the poor transmission mechanism of cooperation performance and cooperation gain. The primary paths of local cooperation to promote China-CEEC economic and trade cooperation are building cooperation platforms, creating cooperation carriers, optimising the business environment, and smoothing cooperation mechanisms. Even though local cooperation is helpful to promote China-CEEC cooperation, countermeasures should also be taken to solve the problems of local cooperation, such as the dynamic and working mechanism of local cooperation, the multi-dimensional mismatch of cooperation subjects, and the supply-demand imbalance in economic and trade cooperation.

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China-CEEC cooperation, local cooperation, economic and trade, multilevel framework, subnational actors.

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(RE)DIGITALIZATION OF DIPLOMATIC PRACTICE DURING COVID-19: IMPLICATIONS FOR THE DEVELOPMENT OF CHINA-WESTERN BALKANS RELATIONS

Muamer HIRKIĆ¹

PURPOSE OF THE PAPER

The aim of the paper is to explore the three pivotal pillars of Track One and Track Two diplomacy (time, space, and protocol) by situating them in the context of the imposed digitalization of diplomatic practice during COVID-19 and digital diplomacy *per se.* Moreover, the paper attempts to record some of the recent changes in the dynamics of the conduct of digital diplomacy through the prism of China-Western Balkans relations. This study starts from the premise that contemporary diplomatic practice (objective-oriented diplomacy) mainly includes a wide range of state and non-state actors at its core, which theoretically and terminologically can be classified as either Track One or Track Two diplomacy. The processes of globalization and modernization have further blurred the lines between the actors, placing online sphere actions at the forefront of various agendas – meaning that digital diplomacy, in a way, represents the intersection between Track One and Track Two diplomacy due to the widespread use of digital tools by all parties involved.

METHODOLOGY

This small-scale, empirical, qualitative study is based on a total of 10 interviews, which were conducted during the months of August and September 2021 with diplomatic actors from state institutions, embassies, civil society organizations, media, and academia. All the actors come from a

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variety of institutions from Bosnia and Herzegovina, Montenegro, and Serbia, and work directly or indirectly on strengthening or analyzing relations between China and the Western Balkans.

PRACTICAL IMPLICATIONS

First, institutions that previously underwent digitalization of practices did not encounter problems with a thorough transition to the online sphere – whereas some of them even benefited, taking over work from partners who were unable to continue. Second, the implementation of cultural exchanges has proven to be impossible in the online sphere, primarily because of the concept of human-to-human interaction and its relevance in Chinese society. Third, interest in activities such as conferences, seminars, and roundtables has declined due to a lack of opportunities to make acquaintances, and frequent changes in positions within partner institutions during COVID-19 affected the ability to build trust between staff. Fourth, Serbia is a country whose interaction with China reached a record high level during the pandemic due to the large number of joint actions in the field of health care and vaccination. Fifth, the noticeable digitalization of China's diplomatic missions in the region, which leads to easier communication with the citizens of the Western Balkans, is singled out as an example of positive practice during COVID-19.

FINDINGS

First, although the digitalization of practice reduces the time frame for carrying out activities, the prevailing view is that the acceleration of the process does not necessarily equal quality. Second, the issue of the spatial placement of diplomacy in the online sphere has shown several advantages, such as the ability to gather prominent officials and experts without worrying about distance, which could lead to an increase in hybrid events in the future. Third, the emergence of digitalized protocol has yielded several instances of both good and bad organizational characteristics, including easier arrangements for leaders' participation, more possibilities for high-level speakers, cost-efficiency, time-saving, convenience, and openness to the public – but, on the other hand, also the inability to interact during the "coffee break", vulnerability to cyber-attacks, poor internet connection, and a sense of distance.

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Time, space, protocol, digital diplomacy, China, Western Balkans, COVID-19.

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CHINA-CEECS SINO-BALKAN DECADE: THE JINGCHU-SINO-MACEDONIAN BEING DEVELOPING CHANNEL

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PURPOSE OF THE PAPER

In synergy with the BRI, the establishment of the China-CEEC Cooperation Mechanism in the last ten years of China's and the CEE countries' shared walks has reflected its initial goal of continuing to become a platform for bilateral and multilateral cooperation and realizing new momentum in their shared development.

To date, as a logistic network facilitating Asia-Europe land connectivity, the CEEC has been and continues to be an essential component of the vitality of economic, social, and local development in the countries encompassed by this mega scheme.

By looking back on the China-CEEC collaboration, this work focuses on the key areas of Sino-Macedonian friendship and the development of the Jingchu-Sino-Macedonian Channel, the challenges encountered along the way, the current risks, and the next steps in bringing China and the CEEC, China and the Western Balkans (hereinafter WB), and Macedonia, as well as Hubei and the CEEC, closer together. The paper also looks at the post-COVID-19 pandemic era and the Jingchu-Sino-Macedonian vision for the future directions of Sino-Balkan and Hubei-Wuhan-Macedonia, resulting in the realization of the "healthy and green" shared future for serving the multifield cooperation and exchange between the two under the platform of the Digital Jingchu-Sino-Macedonian Channel.

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METHODOLOGY

This work reveals the China culture walks in Macedonia and their very roots connections, while also heading to the Jingchu-Sino-Macedonian afterpandemic digital spots, based on an overall screening of previous research results in this direction. This work is uncovering China's cultural walks in Macedonia and their very root linkages while simultaneously moving to the Jingchu-Sino-Macedonian post-pandemic digital places, relying on the general screening of the past research results in this direction. The author emphasizes the significance of the very need for the mutual understanding of Hubei and Macedonia and their multifield collaboration upgraded with culture by offering suggestions for improving the "Jingchu Walk Out Walks" in the CEEC, the WB, and Macedonia.

PRACTICAL IMPLICATIONS

The Chu people began the relationship between China and Europe with the CEEC embroidered weaving in the sixth century BC, four centuries before silk began to travel through the Boli Dao, or The Glass Road, which began in Wuhan, China.

When Confucius heard *Bianzhong*'s sounds for the first, he said, "Music produces a kind of pleasure which human nature cannot do without". By reflecting on the diversity but also the harmony that is being created when each different bell is perfectly tuned and played in its proper sequence, where everyone in their allotted place is making music with their fellows, he saw Bianzhong as the right metaphor for an ideal society "as a consequence of virtuous individuals working together in a complementary way".

In these ten years of the shared walk towards the shared future, following the Confucius metaphor of Bianzhong for a harmonious world, China and the CEEC, China-Hubei-Western Balkans, and China and Macedonia have developed the roots for the China-CEEC cooperation mechanism growth and have built platforms for cooperation in different directions.

FINDINGS

Scoping out the remarkable BRI and China-CEEC contributions to global development in this 10th anniversary year demonstrates the very strong mutual benefits and interests shared by the CEEC and China.

Completing the "Balkan Silk Road" running from Beijing to Athens and connecting with Belgrade, Sarajevo, Skopje, Budapest, Tirana, and other cities
mostly located in CEE, North Macedonia's central geographical position is becoming an asset for the BRI's trails in the Balkans. The Sino-Macedonian walks reached their peak during the 2012-14 period. The Kicevo-Ohrid and Miladinovci-Stip highways are the two significant infrastructure projects marked by the Initiative.

After the establishment of the CEEC-Hubei Channel and the China-CEE Culture Coordination Center in Skopje in 2018, regional cooperation between China and the CEEC has brought new opportunities for regional China Storytelling, and new doors have been opened for the Sino-Macedonian rapprochement.

In the fight against the pandemic unseen in centuries, China and Jingchu's spirit of Wuhan have been a model that should have been followed a long time ago, and showed that solidarity is the most powerful weapon. People and knowledge have always been the greatest values of a society, and in this new post-pandemic world, their sharing has become the crucial key to progress.

The digital era has shown new mediums and directions for the Sino-Macedonian walks and brings out the essential outcomes for the development of the Digital Jingchu-Sino-Macedonian Channel walks towards the Sino-Macedonian shared "healthy and green" win-win future.

KEYWORDS

China-CEEC cooperation mechanism, Jingchu-Sino-Macedonia, COVID-19, culture, spots, direction.

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CHINA-CEE COOPERATION IN THE NEW WORLD ORDER

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PURPOSE OF THE PAPER

In the 21st century, we are witnessing the birth of new, multipolar world order, in which, in addition to the Western hegemonic power, China and emerging Asian countries will also play a major role. The Atlantic era, based on 500 years of Western superpower's domination, is coming to an end, and a new Eurasian era based on multi-polar, mutually beneficial cooperation is emerging.

With China's economic rise, it can become one of the protagonists of the multipolar world order through the Belt and Road initiative, which includes China's multilateral cooperation, including China-CEEC cooperation.

The China-Central and Eastern Countries cooperation was founded in 2012, and since then, in addition to the prime minister's summits, numerous ministerial, municipal and other professional conferences and forums have been held every year. The cooperation now has a successful history of 10 years, however, the US-China trade, technological, economic and financial war – which can be traced back to the transformation of the world order – had a great impact on the cooperation as well, after the initial increase in the number of participants, it started to decrease. However the cooperation is not an alliance, but rather a platform, so originally joining and leaving are not particularly politically significant.

The Eastern and Central European countries are located between the West and the East and have played the role of a conflicting region many times throughout history. During the formation of the new world order, several CEE

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countries were put to the test to choose West or East, mostly due to pressure from the Western powers. For historical and political reasons, the Baltic States decided to withdraw from the China-CEEC cooperation, henceforth the China-CEEC cooperation will continue to operate with 14 participating countries. In the future, the CEE region will be an important location for the reorganization of the world order.

The transformation of the world order will have a great impact on the countries of the CEEC region, and thus on China-CEEC cooperation. In order for the region to be able to properly position itself in the new world order, taking into account its own interests, it is important to examine the opportunities and possibilities, including the future of China-CEEC cooperation in the new world order.

METHODOLOGY

After processing the literature on China-CEEC cooperation, the changing world order and the political and economic cooperation of the CEE region with the western and eastern regions, based on the nature of the research topic, the hypotheses set up in my study – according to which the CEEC region is greatly affected by the change in the world order, in the CEEC region Chinese influence is increasing, the CEE region has great opportunities in cooperation with China – through deductive proof based on primary and secondary analyses.

Based on my previous studies and work in China, I was able to conduct primary research on the topic. During my university studies at Fudan University in Shanghai, as well as during my work as the Consul General of Hungary in Shanghai, as the Chief Advisor to the Governor of the Central Bank of Hungary and as the director of Eurasia Center of John von Neumann University, I had the opportunity to personally experience the birth and development of the China-CEEC cooperation and the Belt and Road Initiative. As Consul General and Chief Advisor to the Governor, I participated in various platforms of the Chinese initiative. These personal experiences helped a lot in setting up the hypotheses raised in connection with the topic, which I answered during further observations, investigations and secondary analysis.

PRACTICAL IMPLICATIONS

By learning about the changes in the world order taking place in the 21st century, and also by learning about the strengths and weaknesses of China-CEEC cooperation, as well as the political and economic influence of the

Western powers present in the CEEC region, we can consider the role and importance of the CEEC region in the transforming world order. It is important to use well-known ancient sayings from both the Western world and the Eastern world, i.e. "Let the other side be heard as well" mentioned by Seneca, as well as the wisdom said by Sun-tse, according to which "... knowing the enemy and yourself will get you unscathed through a hundred battles", the CEE region can properly prepare for the dangers and opportunities of the transformation of the world order, they can properly position the region and emerge victorious from the great reorganization.

FINDINGS

In the paper we will receive the answer to the hypotheses – the CEEC region is greatly affected by the change in the world order, in the CEEC region Chinese influence is increasing, the CEE region has great opportunities in cooperation with China – after the research is completed. In the 21st century, there is a big change in the well-known world order, the unipolar world order becomes multipolar, and the various regions have a great need to diversify their international relations on both the political and economic levels. In addition to Western relations, the CEE region must also be in close cooperation with the rising economies of the world economy and maintain good relations. The CEEC region is greatly affected by the transformation of the world order, as the CEEC region is one of the battlefields of the West and the East. In addition to the already existing Western influence, Chinese economic influence has also appeared, however, looking at the economic data, we can see that the Chinese economic presence is still dwarfed by the Western economic influence established in the last 30 years, and that the proportion of Chinese investments is much higher than that of the USA and Western Europe as in the CEE region.

In any case, China has performed an economic miracle in the past 40 years with its policy of reform and opening up, and has continuously maintained this economic growth, thanks to which it is now the second-largest economy in the world economy. By diversifying its international relations, the CEEC region can consider China as an important cooperative economic partner, which does not presuppose that it renounces the Western alliance and enters into an alliance with the Asian country, which many Western media are worried about. In the globalized world, more and more economic partners are needed so that countries and regions can maintain sustainable economic development and build cooperation based on mutual benefits.

KEYWORDS

China, CEE, US, world order

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CHINA-CEEC EXPO: LINKAGE, COMBINATION, AND RADIATION

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PURPOSE OF THE PAPER

As an important platform for gathering exhibitors and purchasers and matching transactions, the China-CEEC Expo is an indispensable part of the process of economic globalization. As a specific landing carrier platform in the cooperation mechanism between China and CEEC countries, the China-CEEC Expo has been upgraded to a national exhibition from holding the CEEC Special Commodities Exhibition in 2014, which has produced a linkage. combination, and radiation effect centred around the Expo. Since 2020, the new COVID-19 pandemic, the disconnection between China and the US, and the conflict between Russia and Ukraine have changed the direction of economic globalisation and seriously affected the healthy development of the China-CEEC cooperation mechanism. This paper aims to observe the new changes in cooperation between China and CEEC by analysing the development process, functions, and challenges of the China-CEEC Expo, as well as the impact and challenges of the new COVID-19 pandemic on the Expo. Besides, it explores how to stabilise the direction of China-CEEC cooperation and the new connotation of economic globalisation changes through innovative responses.

METHODOLOGY

This paper mainly uses the methods of documentary analysis and expert interviews to sort out the development process and functional characteristics

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of the China-CEEC Expo. It analyses the reasons for the volatility and vulnerability of the China-CEEC Expo through causal analysis and logical induction. This method also reveals the deep reasons behind the changes in China-CEEC cooperation and economic globalization, and then puts forward countermeasures.

PRACTICAL IMPLICATIONS

The China-CEEC Expo is an important economic and trade platform that represents a link between China and CEE countries, and even Europe. It is more conducive to the development of economic globalisation to predict the development of China-CEEC cooperation and China-EU relations by observing the changes of the Expo. The purpose of this paper is to summarise the past, face challenges, propose future strategies, and provide suggestions for China-CEEC cooperation.

FINDINGS

1. Since 2014, by observing the development process of the China-CEEC Expo platform and its functions, we have been able find the huge energy contained in the China-CEEC cooperation mechanism, which is the value of the global division of the industrial chain and supply chain driven by economic globalization. The China-CEEC Expo has been upgraded to a national exhibition in 2019 from holding the CEEC Special Commodities Exhibition in 2014, which has produced a linkage, combination, and radiation effect centred around the Expo.

2. Since 2020, the new COVID-19 pandemic has broken out and spread all over the world, and major events such as the conflict between Russia and Ukraine and the disconnection between China and the US have changed the direction of globalisation, and even a certain degree of anti-globalization has emerged. By observing the holding and effectiveness of the China-CEEC Expo since 2020, we can find that the linkage, combination, and radiation of the Expo have been subject to a certain degree of volatility and vulnerability.

3. Economic globalisation is no longer the globalisation of the past. It needs to be endowed with new connotations. Cooperation between China and CEEC has developed over time, acting as a linker, stabilizer, and enabling engine for the healthy and sustainable development of the China-CEEC cooperation mechanism by enhancing the breadth, depth, and innovation of the linkage, combination, and radiation of the Expo.

KEYWORDS

China-CEEC Expo, Linkage, Combination, Radiation, economic globalisation, Ningbo

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HOW TO NEGOTIATE WITH THE CHINESE?

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PURPOSE OF THE PAPER

To improve economic and political cooperation between China and Eastern Europe by improving negotiation skills.

METHODOLOGY

A review of the literature and empirical experiences of managers and politicians.

PRACTICAL IMPLICATIONS

Cooperation can be improved, and mistakes that usually occur in bilateral cooperation can be avoided by better knowing and conquering cross-cultural differences.

FINDINGS

China and the region are changing at an accelerating pace. Not knowing and understanding or ignoring/underestimating cultural differences leads to frequent problems in negotiating business deals or other forms of cooperation, which represents a barrier to enhancing cooperation and leads to suboptimal results. Due to similar political history, it is frequently assumed that the region is culturally homogeneous in terms of culture. Similarly, the Chinese negotiation style has also dramatically changed in the period of going global. Traditional approaches need to be accordingly changed.

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KEYWORDS

Negotiations, cultural differences, relationships, guanxi, contracts.

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TIANXIA天下CONCEPT - UNDERSTANDING OF THE CULTURAL REALM

Ljiljana STEVIĆ¹

PURPOSE OF THE PAPER

This paper aims to present the Chinese concept "All under heaven", or *Tianxia*, according to the Levenson theory, as the cultural realm and sharing of common values, thus making the comparative analysis with the community with the shared future for mankind and common values narrative. Half a century ago, Joseph Levenson defined the traditional concept of *tianxia* $\mathcal{F}\mathcal{F}$ ("world"), (All under Heaven) as referring primarily to a cultural realm, being "a regime of value" as opposed to a political unit, *guo*, "a state". According to Levenson, the concept itself represented an issue when China was entering into the modern world of nation-states. The basis of China's international relations is the affirmation of the nation-state. The concept was once new to China and the Chinese. Before the 20th century, China's conception of itself was very different from the concept of a nation-state developed in the West since the mid-1600s. Many Western scholars have asserted that China is more civilization than a modern state.

METHODOLOGY

The main research question of the paper is whether we can use *tianxia* theory to understand Chinese behaviour in the international arena and whether the concept is limited to the cultural realm. Does China's tianxia concept go along with a vision and purpose for the interests and future of humanity, through joint efforts to improve the economic conditions of everyone, under the driving force and support of major players and existing

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international institutions? Does that make tianxia, as seen like that, both a view of the world and of inter-nation relations?

We aim to present the origin of the concept and theory, as well as Chinese scholars' take on the current Chinese position in the global order. The research approach in the work will be such that none of the methodological procedures will be given exclusive priority.

Of the basic methods used in this work, it is especially necessary to emphasize the methods of analysis, synthesis, classification, and inductive and deductive methods. Through the analysis, they would break down the elements of Chinese foreign policy in the last few decades, the need for, and the origin of the debate on Chinese theories of foreign relations.

PRACTICAL IMPLICATIONS

Comparative analyses of Chinese concepts and theories of foreign relations, specifically the tianxia concept and its origin.

FINDINGS

Dominating theories of international relations are still the norm within diplomatic and academic circles worldwide. But these theories cannot fully explain what is happening in the world today. Some find it difficult to fit China's behaviour into a simple geopolitical narrative. Nevertheless, many are still seeing and explaining China's foreign policy in this framework. China, as a rising power, is the second largest economy in the world. As China has inevitably become the focus of this discussion, and as expected, its scholars have been presenting their views on international relations and the current world order. Suspicions and doubts about Beijing's intentions and ambitions are unavoidable. So far, China is trying hard to explain its positions, with limited success. It offers a new narrative for its view of the world and its international relations.

KEYWORDS

Tianxia concept, international relations theories, foreign policy, nationstates, cultural realm.

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