



By: *Tomorrow's Affairs Staff*

It is time for Eastern Europe to leave the 14+1 programme with China



What the COVID-19 pandemic started, the Russian aggression against Ukraine could end, when it concerns the economic cooperation of Central and Eastern European countries with China.

The bloc, which for a short period had 17 partners with China, has been reduced to 14, and the prospects are that it could further decline.

That would be bad news for the strategic plans of the Chinese leadership and their leader Xi Jinping, as the architect of the Belt and Road strategic initiative, a branch of which reached Central and Eastern Europe 11 years ago.

Lithuania was the first from a large group of EU members to leave the joint China-Europe investment forum in May 2021. In August last year, the remaining two Baltic states, Estonia and Latvia, followed.

“From our perspective, it is high time for the EU to move from a dividing 16+1 format to a more uniting and therefore much more efficient 27+1. The EU is strongest when all 27 member states act together along with EU institutions”, said Gabrielius Landsbergis, head of Lithuanian diplomacy, when leaving the cooperation forum with China.

Neighbours from Estonia and Latvia left the forum in August last year, prompted by China's support for the Russian aggression against Ukraine: its declaration of "no-limits friendship" with Vladimir Putin in the midst of aggression against Ukraine.

Russia's attack on Ukraine: a trigger for a break with China

Since the start of the aggression, the Baltic States have been the initiator and loudest supporter of Ukraine within the EU.

Baltic States leaders, like the Estonian Prime Minister Kaja Kallas, have dictated the strong pace of European support for Ukraine since the first days of the aggression, when the EU

was still confused and undecided about Russia's aggression.

Their departure from the Chinese initiative, in which they have participated for a full decade, was only partly motivated by economic reasons. Their motive for leaving was primarily political.

When leaving the 17+1 group, Lithuania demanded that the EU act with one voice towards China, and for policy towards it to be formed jointly, without leaving it to the largest member states, such as Germany and France, and their huge business interests with China.

Russia's aggression against Ukraine and China's silent support for Putin's actions only accelerated the abandonment of the regional partnership with China.

Economics is no longer a motive for cooperation

The volume of Chinese investments in the EU and the UK has recorded a sharp decline since 2016, when it was at its peak with around EUR 45 billion, while at the end of 2020 it amounted to around EUR 6.5 billion.

COVID-19 caused investments and business with China to decline further. Then came the Russian aggression in Ukraine, which further worsened the prospects for Chinese involvement in Europe, particularly in its pro-Ukrainian east.

There are several reasons to believe that the China-Europe investment bloc will continue to fall apart.

First is the regrouping of Eastern European partners towards the European centre, and away from non-European (in this case Chinese) partners due to Russian aggression against Ukraine.

Second, the strengthening of US engagement in the Indo-Pacific region, in order to counter China's growing ambitions to dominate this

region including security threats to partners (Taiwan).

In setting this course towards China, the US finds much greater support in the eastern EU members than in its "old" and more influential states. Germany, primarily, seeks to continue to shape the EU's course according to its business interests with China.

China's poor handling of the COVID-19 pandemic, and its sudden reversals in economic policy in order to extricate itself from the uncertainty created during the pandemic, make it an unreliable partner for long-term investment.

Finally, there is a new European counterpart to the Belt and Road project: the Global Gateway, which mobilises around EUR 300 billion for more than 70 strategic projects, mostly in developing economies.

Who is next to leave 14+1?

Faced with a choice of whether to remain committed to Chinese investment and possible political dependence on the cheap credit trap, or to work together on a major European project, the Central and Eastern Europe states should not have a difficult choice.

Following the three Baltic States, the Czech Republic, one of the flagships of cooperation in this programme so far, could soon be on its way to the exit door of the stalled 14+1 initiative.

Petr Pavel, the former first uniformed NATO official, who is a strong opponent of China, has been elected as its president.

From March, he will sit in the office of Miloš Zeman, the pro-Chinese president of the Czech Republic, who, during his two presidential terms, brought his country very close to China and made it one of the most active members of the European arm of the Belt and Road project.

The arrival of Mr. Pavel completes the political

dislike of China. The government and the parliament in Prague have been showing signs of wanting to leave the cooperation programme with China.

One of the first talks that the new president of the Czech Republic held with foreign statesmen, just a day after winning the elections, was with the president of Taiwan, Tsai Ing-wen, which caused considerable anger in Beijing.

The possible exit of the Czech Republic from the 14+1 cooperation programme with China would open the door wide to new withdrawals, given the leading economic and political position of the Czech Republic among the Eastern European EU members.

The dispersal of the China-Eastern Europe bloc could continue after the parliamentary elections in Poland, if the opposition pro-EU forces prevail, and there is a realistic prospect that it will.

The exit of the Czech Republic, and possibly Poland, as by far the two largest and most influential economies within the joint project with China, would practically mark the end of this ten-year initiative.

By the end of the year, the current 14+1 bloc could lose all meaning for its current nine members from the EU and five more candidates for EU membership.

After a decade, China's attempt to achieve not only economic, but also political, technological and even intelligence influence on the EU, via the "side door" of Eastern Europe, would be extinguished.