PARTNERSHIP WITHOUT SUBSTANCE
Sino-Russian Relations in Central and Eastern Europe

By Bobo Lo and Edward Lucas
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Cover: Russia’s Foreign Minister Sergei Lavrov attends a meeting with China’s State Councilor and Foreign Minister Wang Yi in Guilin, China March 22, 2021. Russian Foreign Ministry/Handout via REUTERS.
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About the Authors

**Bobo Lo** is a Nonresident Senior Fellow with the Democratic Resilience Program at the Center for European Policy Analysis and an independent international relations analyst. He is also an Associate Research Fellow with the Russia/NIS Center at IFRI, and a Non-Resident Fellow with the Lowy Institute, Sydney, Australia. Previously, he was Head of the Russia and Eurasia Programme at Chatham House, and Deputy Head of Mission at the Australian Embassy in Moscow.

**Edward Lucas** is a Nonresident Senior Fellow at the Center for European Policy Analysis. He was formerly a senior editor at The Economist. Lucas has covered Central and Eastern European affairs since 1986, writing, broadcasting, and speaking on the politics, economics, and security of the region.

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Executive Summary

• The Sino-Russian partnership is strong, multifaceted, and resilient to internal and external shocks. China and Russia agree on much, including the need to contain U.S. power. However, they are strategically autonomous actors, and there is little substantive policy coordination between them.

• Policy coordination is especially limited in the Central and Eastern Europe (CEE) region. Each side pursues its own objectives, with virtually no reference to the other, or interest in developing a common agenda. Beijing’s chief concern is avoiding damage to relations with Moscow.

• China is focused on building bilateral relationships, notably with Serbia, Hungary, and Belarus. Results vary, but none has displaced or weakened its relations with Russia.

• The 17+1 framework, China’s showcase regional initiative, has proved overly ambitious. Its future is now in doubt.

• China and Russia could conceivably step up their bilateral engagement in Central and Eastern Europe as part of a larger strategic convergence. But for now the region will remain a backwater. Other avenues for deepening Sino-Russian partnership are more likely.

• The most effective Western response to Chinese and Russian influence is to address governance and policy failures inside the European Union and its neighborhood.
Introduction

In recent years, the Sino-Russian partnership has emerged in Western eyes as the principal threat to the post-Cold War, rules-based international order.¹ According to this narrative, the challenge is no longer simply one of China’s rise or Russia’s resurgence, but a growing strategic convergence: a mutually reinforcing “axis of authoritarians.”² Talk of an alliance has become commonplace.³ In leading Western capitals, the Sino-Russian “comprehensive strategic partnership of coordination for a new era”⁴ has become the existential menace of our time. This sense of alarm has been heightened by a feverish international context, dominated by great-power rivalry and the devastating consequences of the covid-19 pandemic.

One region, however, has been largely exempt from such speculation. Central and Eastern Europe (CEE) remains a backwater of Sino-Russian engagement and Western reactions have been correspondingly muted. Nevertheless, the region provides a useful window through which to assess the dynamics of the relationship.

1. It highlights the extent to which Beijing and Moscow pursue their own foreign policy agendas. The usual self-serving rhetoric about partnership is absent. Here, more than anywhere else, it is all about individual national interests.

2. In the longer term, greater Chinese activity in Central and Eastern Europe could expose latent tensions in the partnership, given Russia’s perception of the region as a sphere of special interests.

So far, though, there is little sign of trouble between them. Russia and China have achieved an implicit modus vivendi. Their relationship is defined neither by cooperation nor competition, but by compartmentalization and distancing. It helps that the region is of peripheral importance to Beijing, while Moscow feels unthreatened by the level of Chinese activity. For both sides, success is judged principally by the avoidance of negative outcomes.
The Sino-Russian partnership is one of the most remarkable stories of the post-Cold War era. Beijing and Moscow have transcended centuries of mistrust, imperial hangovers, national humiliations, major cultural differences, and achieved an unprecedented level and breadth of cooperation. Their multidimensional partnership encompasses close political and institutional ties, expanding defense and security cooperation, like-mindedness on many international issues, and economic complementarity.

Yet the partnership is also a classic relationship between autonomous great powers, with their own perspectives, priorities, and interests. It is not based on affection, values, or even trust, but on results. The two sides identify significant political, security, strategic, economic, and technological dividends from cooperation. This realism enables them to maximize the gains, moderate expectations, and glide over differences.

Russia and China converge on core principles: the unacceptability of U.S. “unilateralism,” the privileged role of great powers, the United Nations (Security Council) as the primary decision-making body in world affairs, and the abiding importance of state sovereignty. They agree on a “sovereign internet,” reject Western “interference” in their domestic affairs, and oppose sanctions. They have neutralized potential disagreements between them, notably over the expansion of Chinese President Xi Jinping’s Belt and Road Initiative (BRI) into Central Asia, and growing Chinese interest in the Arctic. There is also a new convergence in their public messaging.

Many Western policymakers assume, therefore, that Russia and China have a common — and malign — purpose, compounding the threats they pose individually to Western interests and values. But the reality is more complicated. We underestimate what divides them, and how jealously they guard their strategic independence and freedom of maneuver. We also overestimate the extent to which their relationship revolves around the West.
China is a system-player. It is a revisionist power, but its revisionism is incremental rather than revolutionary, with an approach that is often less strategic than opportunistic. Far from seeking to establish a new authoritarian world, it games the advantages and weaknesses of the existing order, profiting from global and regional trade, investment, norms, and institutions. Beijing recognizes that a stable external environment is critical to China’s prosperity and the regime’s security.8

Russia is a system-disruptor. Viewed from the Kremlin, the U.S.-led post-Cold War order wrecked Russia’s economy in the 1990s while riding roughshod over its geopolitical interests. Today, President Vladimir Putin not only believes that liberalism is obsolete,9 but also that the demise of the liberal international order should be expedited in favor of a 21st-century Concert of Great Powers.10 In the meantime, he has shown a readiness to use force in support of Russian interests. For Moscow, international instability is helpful. The messier the environment, the more possibilities for Russia to influence events.
These differences in worldview between Beijing and Moscow are manageable. But they limit their capacity for strategic coordination. Tellingly, every major Chinese or Russian foreign policy venture of recent times has been unilateral. Putin did not inform, much less consult, the Chinese before launching military interventions in Georgia (2008), Ukraine (2014), or Syria (2015). Equally, the Chinese People’s Liberation Army (PLA) Navy’s activities in the South China Sea, Beijing’s increasingly aggressive stance toward Taiwan, and “foreign influence” operations are deemed the sole business of China. Xi launched the BRI in 2013 in Astana, Kazakhstan, without so much as a by-your-leave from Moscow. It was only later that Beijing saw fit to massage Russian sensitivities — with the 2015 agreement between the Silk Road Economic Belt (SREB) and the Russian-led Eurasian Economic Union (EAEU). Even today, Russia’s practical involvement in the BRI remains modest. Beijing promotes Chinese interests, not those of some mythical conjoined entity.

The CEE region in Russian and Chinese foreign policy

Central and Eastern Europe is not a unitary geographical or political space. It encompasses diverse subregions: Central Europe, the Baltic states, the Eastern Partnership countries, and the Balkans. Neither Russia nor China has an overarching approach toward the region. The importance of the countries varies, as does the policy attention they receive.

Yet abiding realities shape Russian and Chinese policy. Chiefly, the CEE region matters more to Moscow. Some countries, such as Ukraine and Belarus, are of first-order geopolitical, security, and cultural-emotional significance. Others, such as the Baltic states and Poland, are direct neighbors. Russia also has longstanding historical, linguistic, and religious ties with the Balkans. More broadly, the Kremlin views much of the region as the front line in its ongoing confrontation with the West.

None of this applies to China. Beijing has no compelling reason to invest heavily in economic, political, or security cooperation in Central and Eastern Europe. The countries of the region matter mainly as a (secondary) conduit for goods and services to China’s primary export markets in Western Europe. They possess few significant natural resources — unlike Central Asia, Indochina, Africa, and Latin America. Even if the BRI (overcoming manifold disappointments so far) spread across the region, China would still be an outsider in all but the economic dimension. For all the furor it has caused, Beijing’s 17+1 framework (see below) has had negligible practical impact. Indeed, by inflating expectations and delivering disappointment it has proved counterproductive for Chinese interests.

The marginal relevance of the region for China means that Beijing is disinclined to risk damage to the Sino-Russian partnership, especially at a time when it faces mounting pressure on multiple fronts. Moreover, Russia’s sensitivities are more
acute here than in Central Asia, which at least lies in their common neighborhood. Such considerations dictate a cautious approach. For the Chinese leadership, not offending the Kremlin far outweighs tapping into minor commercial opportunities.¹⁶

Sino-Russian interaction in the region is, therefore, minimal. Nowhere else is their strategic partnership more formalistic. Each side does their own (unimpressive) thing, with virtually no reference to the other. Chinese ships participated in military exercises with the Russian navy in the Mediterranean Sea in 2015 and the Baltic Sea in 2017. But otherwise defense cooperation has centered overwhelmingly on Asia.¹⁷ It is telling that Beijing did not support Moscow’s annexation of Crimea and de facto occupation of the Donbass, and has generally refrained from attacking the EU and NATO. Maintaining a discreet neutrality preserves China’s options with the West, while keeping Russia onside.¹⁸
The Awkward Squad: Serbia, Hungary, Belarus, and Ukraine

For these four countries, two points stand out. First is asymmetry. Their relationship with China is far more important for them than it is for Beijing. Second, events, and Russian and Chinese media coverage, show little or no sign of friction between the two outside powers.

The most striking example of Chinese influence in the CEE region is in Serbia. The global financial crisis in 2008 increased the country’s need for external support while denting the credibility of the European economic model. It also prompted “enlargement fatigue” in which possible future membership of the EU receded into the distance. Whereas Western countries tend to treat the Western Balkans as a backwater, China sees possibilities for logistics development in this neglected and vulnerable region.

Diplomatic ties are strong. Xi visited in 2016; China backs Serbia over nonrecognition of Kosovo, its most important priority in international relations. Serbian President Aleksandar Vučić describes ties with Beijing as “iron” and Xi as his “brother.” Billboards in Belgrade marking the arrival of Chinese aid at the start of the pandemic in 2020 stated: “Thank you, brother Xi.” The close relationship is manifest in the Comprehensive Strategic Partnership Agreement (though this should not be overstated: Italy, for example, has one with China as well). Outward signs of close cooperation abound: Confucius Institutes in Belgrade and Novi Sad, and a media collaboration agreement which enables numerous exchanges and content sharing. This leads to a highly positive picture of China in state-approved media.

The most conspicuous recent signs of cooperation are in vaccine diplomacy. Hard-hit by the pandemic, Serbia was the first European country to approve Beijing-based biopharmaceutical company Sinovac’s coronavirus vaccine; it has obtained one million doses and has the second-fastest vaccine rollout in Europe. But technology and industry have been success stories too. Serbia has signed up for the “Digital Silk Road.” There are two deals with Chinese telecommunications company Huawei — one on “smart cities” in Belgrade, Novi Sad, and Niš, the other on high-speed broadband and a regional data center (the third in Europe after the Netherlands and Germany). Serbia is a European bridgehead for Chinese surveillance technology.

Other notable projects in Serbia that involve Chinese investments include:

- The Smederevo steelworks (sold back to the Serbian government for a symbolic $1 by its previous owner, US Steel, in 2012), was purchased by China’s state-run
HBIS Group, or Hesteel Group, in 2016 for €46 million. It is now Serbia’s largest exporter.26

- At least €800 million of planned investment in the Zrenjanin tire factory, €486 million in the Kostolac coal-fired power plant, and a €730 million investment in the Zijin Bor copper mine;26 and

- The Pupin Bridge over the Danube River in Belgrade, which was constructed by China Road and Bridge Corporation (CRBC) with a €145 million loan and completed in 2014.27

China’s arms sales to Serbia are significant as well. China’s first European export of military aviation equipment (CH-92A combat drones) transferred not only new weaponry but also more fundamental knowledge and technology, testing the waters for future attempts to enter the European defense market. For its part, Serbia has become the largest drone operator in the Balkans.28 In August 2020, Serbia also agreed to purchase the Chinese anti-aircraft FK-3 missile system instead of the Russian S-300 system.29

Yet China’s $4 billion in investments plus $5 billion in loans and infrastructural projects puts it at only 6.6% of total foreign direct investment (FDI), behind the EU (72.3%) and Russia (11.2%).30 Under the surface, developments are less promising.

- The Budapest-to-Belgrade high-speed rail line, announced in November 2013, is the flagship of the 17+1 and the BRI in Europe. But the €2.89 billion (original budget, now €4 billion), 350 km (220 mi) project is behind schedule and over budget.31

- Under U.S. pressure, Serbia apparently excluded Huawei from its 5G rollout.32

- Chinese workers at the copper mine in Bor complain of slavery-like conditions;33 locals there, in Smederevo, and elsewhere complain about environmental damage.34

- For all the fanfare over Chinese weapons sales, between 2008 and 2018 the United States was the largest provider of military hardware to Serbia.35

Serbian ties with Russia strengthened after Kosovo’s unilateral declaration of independence in 2008. The Kremlin blocks international recognition of Kosovo and also backs the Republika Srpska, the ethnic-Serbian entity in Bosnia.36 The humanitarian emergencies facility in Niš, believed by Western intelligence to be a base for espionage and special operations, exemplifies the relationship. It is Russia’s only quasi-military facility in Europe (outside the former Soviet Union).37 Russia has supplied MiG-29 fighter jets, T-72 tanks, Mi-35 helicopter gunships, combat patrol vehicles, and the Pantsir air defense system to Serbia.38 Delivering these shipments across the territory of NATO members causes diplomatic tension.39
The most substantial Russian engagement with Serbia is in energy. In 2008, Gazprom Neft, a subsidiary of the Russian energy major Gazprom, took a controlling stake in Serbia’s Naftna Industrija Srbije (NIS) oil and gas company, a deal worth more than $450 million, and committed to invest at least $600 million more in the company. The Turkstream gas pipeline, inaugurated in January 2020, entrenches Serbia’s energy dependence on Russia, which supplies two-thirds of the country’s gas and oil.40

In terms of infrastructure, Russian Railways (RZD International) is part-constructing the Stara Pazova-Novis Sad section of the Budapest-Belgrade line.41

As in other countries of the Western Balkans, however, Serbia’s ties to Russia are more performative and pragmatic than reflecting deep loyalties or ideological sympathy. Irritants and hiccups in the relationship abound; the Serbian leadership does not want to burn its bridges with Brussels or Washington. Relations with the Kremlin cooled notably after Vučić visited the White House in September 2020, during the Trump administration’s unsuccessful attempt to broker a deal between
Serbia and Kosovo. A crude personal jibe by the Kremlin spokeswoman caught the headlines, but was just the latest twist in a decline that began three years before.\textsuperscript{42} Earlier in 2020, Serbian authorities used the state propaganda apparatus to blame Russian provocateurs for political unrest (the nationalist opposition is ardently pro-Kremlin).\textsuperscript{43} They also cancelled participation in the annual Russo-Belarus-Serbian “Slavic Brotherhood” military exercises.\textsuperscript{44}

For its part, Serbia does not have to choose between Moscow and Beijing, but uses both to balance pressure from Brussels and Washington. Of the two, China is more useful to Belgrade.

The second main example of Chinese influence in the CEE region is \textbf{Hungary}.

Since Hungarian Prime Minister Viktor Orbán returned to power in the 2010 parliamentary election, Hungary’s ties with the West have deteriorated. The government is under pressure from the European Commission for curbs on media freedom, civil society, political competition, and the rule of law. In response, Hungary has boosted its economic and political ties with Russia and China, to the point that it is seen as China’s main supporter within the EU. Hungary’s “Opening to the East” policy was launched in 2011 and a comprehensive strategic partnership signed with China in May 2017. In 2015, Hungary was the first European country to sign up to what was then called the “One Belt, One Road” (now the BRI).

This has brought some results, especially in vaccine diplomacy: supplies of Chinese state-owned pharmaceutical firm Sinopharm’s jab are likely to boost Orbán’s chances in elections next year.\textsuperscript{45} In 2017, Hungary vetoed an EU statement criticizing Chinese human rights abuses.\textsuperscript{46} In February 2021, it was the only EU country not to sign a Canadian declaration denouncing the incarceration of foreign nationals as a bargaining tactic in international disputes (which was implicitly aimed at China). It did not, however, seek to block the EU from signing the declaration.\textsuperscript{47}

Symbolic ties include China’s Fudan University opening a campus in Budapest\textsuperscript{48}. The Hungarian capital is home to China’s first think tank in Europe, the China-CEE Institute.\textsuperscript{49} And Budapest has a large Chinese community, with the region’s only Chinese-Hungarian bilingual elementary school.

Business ties are beneficial, particularly for Hungary, which hosts by far the largest amount of Chinese direct investments among the EU member states in the CEE region — $5 billion (2020).\textsuperscript{50} Orbán’s close friend Lőrinc Mészáros is constructing the 150 km (93 mi) Hungarian section of the Budapest-Belgrade railway, which is
expected to be completed by 2025. Terms of the $2.1 billion project are classified for the next 10 years.\textsuperscript{51} China is Hungary’s biggest non-EU trading partner. Rail freight is booming, up tenfold year-on-year in 2020.\textsuperscript{52} A Chinese-built 100 MW solar power plant is coming on stream in 2021.\textsuperscript{53} Chinese and Hungarian central banks signed a currency swap deal in 2013, renewed in 2016 and 2020: this is part of China’s attempt to internationalize the renminbi and dent dollar hegemony.\textsuperscript{54} Budapest is the CEE headquarters of the Bank of China.\textsuperscript{55} Huawei’s biggest supply center outside China is in Hungary and it also has an R&D facility in Budapest.\textsuperscript{56}

However, the relationship with China is stronger on show than substance. No major investments have been made since 2010, with the exception of the financing deal for the railway.\textsuperscript{57} It is unclear if Hungary will allow Huawei to play a role in its 5G network when other EU countries ban it.

Despite the fervent anti-communism of his youth, Orbán has shunned Western criticism of the Putin regime. He invited Putin to Budapest in 2015, at a time when the Russian leader was treated as a pariah in other Western capitals following the attack on Ukraine.\textsuperscript{58} Hungary was the first EU state to trial the Russian Sputnik V covid-19 vaccine.\textsuperscript{59}

Notable controversies include:

- **Energy**: In 2014, Hungary picked the Russian atomic energy corporation Rosatom (without a tender) in a €12.5 billion deal to build two 1,200 MW reactors at the Paks nuclear power plant. Russia is financing 80% of the cost. Hungary has signed up to the Turkstream natural gas pipeline and will begin receiving supplies in late 2021.\textsuperscript{60} Cheap gas underpins Orbán’s popularity.

- **Espionage**: Hungary controversially agreed that a Soviet-era financial relic, the International Investment Bank, should open its headquarters in Budapest, and granted the staff of the institution wide-ranging diplomatic privileges. Western intelligence agencies believe the bank is a cover for clandestine operations.\textsuperscript{61}

Nevertheless, Hungary remains a member of the EU and NATO. It has not blocked either institution’s decision-making on issues such as sanctions against Russia or military planning to protect frontline states.

As in the case of Serbia, Hungary’s relationships with Russia and China are pragmatic. They bring political and economic dividends, which help entrench the authorities’ grip on power. Diplomatic flirtation and spoiler tactics help underline the importance of Hungary to decision-makers in Berlin, Brussels, and Washington. Hungary may sometimes relay Russian and Chinese talking points (mostly with counterproductive results). But neither outsider (nor indeed any foreign power) exerts serious influence in the country. That is Orbán’s prerogative.
In Belarus, Alyaksandr Lukashenka’s regime has enthusiastically cultivated ties with China, partly to bolster the economy (which is heavily dependent on subsidized Russian energy), and partly to balance the Kremlin’s overbearing political and diplomatic influence. For China, Belarus was, after 2014, an attractive alternative to crisis-stricken Ukraine.62

Outward signs of friendship are conspicuous. Xi visited Belarus in 2010 to open the Great Stone industrial park, which he has since called the “pearl” of the BRI, and again in 2015. China is building a new embassy in Minsk.63 Belarus has five Confucius Institutes.64 China finances aid projects such as a new soccer stadium, international-standard swimming pool, and social housing.65 Minsk international airport has Chinese-language signage. But the results of the relationship are mainly disappointing.66 The trade imbalance is striking: $675.5 million in exports (mainly fertilizer) from Belarus to China and $3.8 billion in imports to Belarus from China.67 Chinese investments and technology transfers have been insignificant. Belarus is not interested in selling its industrial “crown jewels,” such as its potash (Belaruskali) and nitrogen fertilizer (Grodno Azot) companies. Several investment projects have flopped. For example, production of Geely cars (assembled for the Russian market) halted in 2020. Lukashenka blamed “sloppy” work by Chinese investors and said he would raise the issue with Xi.68 Construction of a battery plant in Brest was suspended following environmental protests.69

Perhaps most gallingly for Lukashenka, though Xi congratulated him after his rigged election victory, China has not given the regime in Minsk diplomatic or other support against the pro-democracy protesters.70

China has made it clear that it has no interest in being a geopolitical counterweight to Russia in Belarus. Its interests are logistical — chiefly to develop overland freight to Europe. In future, Ukraine may be a more interesting prospect for China because its relations with the West are better.71 Russia does not object to China’s role in Belarus. In fact, Russia favors it because it would prefer east-west freight routes to take a northern route (through Russia and Belarus). Lukashenka’s dreams of geopolitical balancing are just that: dreams, indulged by China and ignored by the Kremlin. Russia decides what happens in Belarus.

China’s relationship with Ukraine is superficially more promising. The authorities in Kyiv seek to balance the influence of Russia, their sole adversary.72 The authorities in Beijing are allergic to border changes and separatism. They did not like Russia’s annexation of Crimea or its backing for separatist forces in the Donbass. Ukraine is the largest country in the CEE region and an important link in east-west transit. Notable features of the relationship include:

- **Trade.** China was, by the end of 2020, Ukraine’s largest trading partner, accounting for 15% of foreign trade.73 Key Ukrainian exports are iron ore, grain, sunflower oil, arms (air-to-air missiles, aircraft, and tank engines).
Partnership without Substance

- **Technology.** Huawei has had a presence in Ukraine since 2000. In 2017, it set up an R&D center in Kyiv. The company provides scholarships and supports Ukraine’s flagship e-government program.74

- **Vaccines.** Ukraine signed up for Sinopharm’s covid-19 vaccine after expressing disappointment with its Western partners, the EU and the United States, for failing to provide help during the pandemic.75

Nevertheless, Ukraine’s political orientation remains pro-Western. Under U.S. pressure, the government in Kyiv imposed sanctions on three Chinese individuals and four legal entities involved in the (80% Chinese-owned) Motor Sich company.76 As the pro-Kremlin Regnum news agency noted gleefully, “thunder” from China resulted, with a halt to purchases of agricultural goods and metal products.77 Motor Sich is also an irritant between Moscow and Beijing, as the Chinese acquisition cut out Russia’s lucrative intermediary role in sales to China. Under U.S. pressure Ukraine is also moving away from Huawei, replacing it with Cisco in the “smart city” digitalization program for Kyiv.78
Launched in 2012, the 17+1 framework is the flagship venture for Chinese cooperation with the countries of the CEE region. Its members are Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Greece (since 2019), Hungary, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia, and Slovenia. From the start, the project has attracted controversy. As well as the seemingly uncontroversial mission of boosting trade and cultural ties, it was seen in Brussels and Washington as an attempt to divide the EU between East and West, and also to divide the CEE countries by offering preferential terms for those prepared to adopt Chinese positions on other issues. Some commentators rebut this view, saying that the aim from the outset has been economic and that Chinese investment in the region has been minimal and plagued by setbacks. In 2019, the combined stock of Chinese investment in the 11 EU countries of the 17+1 was a mere €7.1 billion, one-third of the amount invested in Germany. Chinese projects have been plagued by delays, rows over funding, and other obstacles.

Enthusiasm for the 17+1 has diminished markedly as a result of disgust at human rights abuses in China, concerns about Beijing’s foreign policy, and a desire to follow the United States’ lead in global politics. The 2019 summit in Croatia was a flop. In the summer of 2020, all members, apart from Hungary, Greece, and Serbia, stayed away from a BRI conference convened by China. A hurriedly convened virtual summit in February 2021 was a debacle, thanks to a rebellion led by Lithuania’s new Atlanticist government, with the support of Estonia and other countries.

Further:

- Estonia, Latvia, Lithuania, Bulgaria, Romania, and Slovenia rejected the summit invitation to send prime ministers or presidents;
- Attempts by China to insert political talking points into the communiqué prompted a boycott of the drafting process; and
- No announcement was made of the location or date of the next summit.

The episode highlighted some fundamental weaknesses in China’s approach, particularly in dealing with distant, small countries in a multilateral context. Treating them like European versions of Laos and Cambodia was ill-advised. The idea that fervently Atlanticist countries with determined anti-communist views and deep sympathies for Tibet and other human rights causes would fit neatly into the same framework as those with anti-Western and mercantilist outlooks was flawed from the start. Bland talking points are no substitute for a strategy. For their part, Chinese
commentators blame the stalled relationship with the CEE region on ideological differences, pushback from the EU and the United States (the latter resulting from “distrustful” thinking), tougher regulatory scrutiny, and the uncompetitiveness of the region’s agricultural products.85

It is worth noting that China’s approach is long-term, and that much of the 17+1 activity happens outside the high-profile annual summits and through bilateral relationships. The annex to the communiqué issued after the Dubrovnik summit in 2019, for example, lists 71 subsidiary events and organizations, ranging from central bankers’ meetings to the “China-CEEC Veterinary Research Center” opened in Sarajevo in December 2018.86 China prizes the creation of bureaucratic and personal relationships that such initiatives enable, believing them to have long-term value.87

For now, the real utility of the 17+1 is that it allows Eurosceptic leaders such as Orbán and Czech President Miloš Zeman to demonstrate their diplomatic independence, shunning U.S. and other pressure to boycott the forum or downgrade involvement.88 Photo-ops with Xi and other Chinese leaders are also political currency at home, countering perceptions of diplomatic isolation. But this does little to promote China’s interests in the region.
The Scorecard

Sino-Russian engagement in the CEE region is unimpressive. However, results should be measured against intentions and capabilities. What do Moscow and Beijing want from their relationship in Central and Eastern Europe? Is either side unhappy about the outcomes so far, or worried about the future of their interaction in the region?

In this case, less is more. Sino-Russian cooperation may be practically nonexistent, but more relevant is the lack of mutual tensions. What could have been a troublesome area for their relationship has turned out to be anything but. Both sides appear content with the state of play.

Unlike in Central Asia, where Beijing is pursuing an ambitious, multifaceted, and well-resourced agenda, the Kremlin can be confident that the Chinese have no intention, let alone capability, of displacing Russian influence in the CEE region anytime soon. Paradoxically, China’s modest CEE profile gives it scope to pursue some BRI-related projects. Since these are not seen to threaten Russian interests, Moscow is not obstructive; strategic comfort breeds benignity.

Looking ahead ...

The widening asymmetry of the overall Sino-Russian partnership raises questions about its longevity. Will Russian decision-makers reconcile themselves to a lasting strategic inferiority or instead become increasingly allergic and resentful? Will the Chinese leadership overplay its hand, and stop giving Moscow the great-power respect it demands by right? The answers to these questions will remain unclear for some time. But it is already evident that Sino-Russian interaction in the CEE region will have little bearing on how the overall relationship evolves. The real tests lie elsewhere — Northeast Asia, Central Asia, the Arctic, Antarctica, and the future of global order. If there is a change in the nature of Sino-Russian interaction in Central and Eastern Europe, it will be a by-product of a larger structural shift.

It is far-fetched to imagine that Moscow would run interference on Beijing’s behalf in the event of Sino-U.S. confrontation in the Asia-Pacific — for example, through disruptive behavior in Ukraine, the Baltic states, and the Western Balkans. For one thing, serving as Beijing’s proxy in Central and Eastern Europe would jeopardize Russia’s security and economic interests to no discernible advantage. It would also contradict the central goal of Putin’s foreign policy over the past two decades: to position Russia as an independent center of regional and global power. His latest actions in relation to Ukraine are intended to serve specifically Russian aims. Putin
has no intention of Moscow becoming a “mere sidekick” to Beijing. In the last two years, he has diversified Russia’s relations in the Asia-Pacific, reinforced political and security ties with the ex-Soviet republics, flirted with mainstream European leaders such as French President Emmanuel Macron, and stepped up efforts to promote Russia as a good international citizen. In a Sino-U.S. confrontation, his first priority will be to avoid damage to Russian interests. Beyond that, he may be tempted to position Russia as the global “swing power” — gaining leverage with both China and the United States.

It is even more implausible that China would become involved in a conflict in Europe. Not only does it lack the means, but the Kremlin might also interpret any such move as an attempt to expand Chinese geopolitical influence at Russia’s expense. Beijing would scarcely embark on an enterprise so far from home that could simultaneously alienate Moscow, Washington, and Brussels.
Policy Implications

• For all their rhetoric about like-mindedness, substantive policy coordination between Beijing and Moscow is generally limited. The Sino-Russian partnership is less than the sum of its parts — and nowhere more so than in Central and Eastern Europe.

• Efforts to revive strategic triangularism in response to a putative Sino-Russian threat are pointless. It is delusional to imagine that being “nicer” to Putin, for example over Ukraine or on sanctions, will persuade him to loosen ties with Beijing. It only encourages him to play Western policymakers for suckers, thereby enhancing Moscow’s leverage. Nothing the West is able to offer would compensate Russia for the weakening of its partnership with China.

• Western policy should focus on concrete problems rather than deal in abstractions (“authoritarian governance model,” “debt-trap diplomacy,” etc.). The poor record of Chinese projects suggests it will be a long time before China makes serious inroads in the CEE region.

• It would also be a mistake to overfocus on China at the expense of Russia. It is the Kremlin, not Beijing, that is the main threat to Western interests in Central and Eastern Europe and to regional security — as recent events on the Ukrainian border have shown.

• The best way of countering the challenges posed by Russia and China, globally and in the CEE region, is to demonstrate that liberal democracy works — by tackling basic failures of governance and the rule of law; investing properly in infrastructure; modernizing security capabilities, especially in areas such as cyber; working more closely with allies and regional partners; and showing a greater commitment to meeting existential threats such as accelerating climate change.
Appendix: Maps

Map 1. International Participation in the Shanghai Cooperation Organization & 17+1 Initiative.

The People’s Republic of China is a founding member of both the Shanghai Cooperation Organization (2001) and the 17+1 Initiative (2012)

Map: Center for European Policy Analysis • Created with Datawrapper


Not Pictured | Cuba = Eurasian Economic Union Observer.
Map: Center for European Policy Analysis • Created with Datawrapper

A. = Albania, BH. = Bosnia and Herzegovina, C. = Croatia, M. = Montenegro, NM. = North Macedonia, SR. = Serbia, SL. = Slovenia

Map: Center for European Policy Analysis • Created with Datawrapper
Map 4. Russian & Chinese Railroad Investment in Central Asia

The above map depicts a selected number of Chinese and Russian public and private infrastructure projects across Central Asia. Map: Center for European Policy Analysis • Created with Datawinner

Map 5. TurkStream Pipeline

Map: Center for European Policy Analysis • Source: Deutsche Welle • Created with Datawinner
Map 6. Russian & Chinese Railroad Investment in Serbia


Ma, Alexandra. “The US is scrambling to invest more in Asia to counter China’s ‘Belt and Road’ mega-project. Here’s what China’s plan to connect the world through infrastructure is like.” *Business Insider*, November 11, 2019, https://www.businessinsider.com/what-is-belt-and-road-china-infrastructure-project-2018-1


Endnotes


5. The so-called “unbreakable friendship” established by Stalin and Mao in 1950 lasted only a decade, before dissolving in mutual recriminations. In 1960, Khrushchev withdrew all Soviet advisors from China. The next 30 years saw a protracted cold, and occasionally hot, war. Although there were some tentative moves toward a rapprochement in the 1980s, it was not until Boris Yeltsin became Russian president in 1991 that the relationship started to improve noticeably. Since then, it has been on a consistently upward trajectory, boosted at key moments by catalytic events, such as the 2008 global financial crisis and the 2014 Russian annexation of Crimea.


10. The latest iteration of this idea is Putin’s proposal for a G-5 summit involving the five permanent members of the UN Security Council, aimed at ‘reaffirming the key principles of behaviour in international affairs’ – “75th Session of the UN General Assembly,” President of Russia, September 22, 2020, http://en.kremlin.ru/events/president/news/64074.


“Serious joint work is needed on the part of the EAEU countries and China in order for the alignment project to achieve tangible economic results” – Sergey Luzyanin and Zhao Huasheng, “Russia–China Dialogue: The 2020 Model,” Russian International Affairs Council (RIAC, August 27, 2020), https://russiancouncil.ru/en/activity/publications/russia-china-dialogue-the-2020-model/. The latest casualty of Sino-Russian cooperation within the joint BRI/EAEU framework is the Moscow–Kazan railway, which was finally cancelled in March 2020 after years of delay.

For example, Ukraine, Belarus and Moldova rank near the bottom of the top 100 countries in direct investment from China – see Temur Umarov and Maxim Samorukov, “China’s Relations with Ukraine, Belarus, and Moldova: Less Than Meets the Eye,” Carnegie Moscow Center (Carnegie Endowment for International Peace, March 19, 2021), https://carnegie.ru/commentary/83538. Although the volume of goods carried by rail has increased substantially in recent years, it is still a fraction of the volume of sea freight from China to Europe.


Ryhor Nizhnikau and Marciń Kaczmarski, ‘China’s policy towards Belarus and Ukraine’, FIIA briefing paper, no.298, December 2020, pp.7-8

For example, the massive Vostok-2018 exercise took place across Siberia and the Russian Far East. Most Sino-Russian naval exercises (‘Joint Sea’) have been in the Western Pacific. And two controversial joint bomber patrols in July 2019 and December 2020 flew in the vicinity of the Dokdo/Takeshima islands in the Sea of Japan.

As Dmitri Trenin notes, the Sino-Russian relationship is guided by the principle of “never against each other, not always with each other” – in Dmitri Trenin, “How Russia Can Maintain Equilibrium in the Post-Pandemic Bipolar World,” Carnegie Moscow Center (Carnegie Endowment for International Peace, May 1, 2020), https://carnegie.ru/commentary/81702.


Duško Dimitrijević, “Serbia-China Comprehensive Strategic Partnership — the Foreign Policy Paradigm of the ‘New Silk Road,’” EURASIAN INTEGRATION: Economics, Law, Politics 4 (2019): pp. 94-106. For an explanation of the significance of the terminology, see David Cowhig, “China’s Diplomacy: How Many Kinds of Major and Minor Partner ‘Relations’ 夥伴關係 Does China Have?,” 大衛.trailingblog.wordpress.com/2021/02/04/chinas-diplomacy-how-many-kinds-of-major-and-minor-partner-relations-%E5%A4%A5%E4%BC%B4%E9%97%9C%E4%BF%82-does-china-have/.


Partnership without Substance


Gazetaby, “Китай Уходит От Беларуси”


Brînză, “How China’s 17+1 Became a Zombie Mechanism”


87 Matura, “16+1 Is Here to Stay”


92 If, as many expect, Armin Laschet becomes German Chancellor after the Bundestag election in September 2021, the chances of some kind of rapprochement between Berlin and Moscow might be boosted. See Dmitri Stratievski, “Armin Laschet: A Merkelian Putinversteher?,” RIDDLE Russia, January 20, 2021, https://www.ridl.io/en/armin-laschet?a-merkelian-putinversteher%2F.


