The Missing Pieces? How CEE Can Contribute to a Stronger European Approach to China

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Summary

This paper seeks to answer the question of how Central and Eastern European (CEE) countries can use their experience and unique perspectives on relations with China to contribute to a more unified, competent, and self-confident European policy towards Beijing. To this end, the paper analyzes the CEE perspectives on the issue of European strategic autonomy, Russia’s war against Ukraine and Sino-Russian ties, and the development of relations with Taiwan.

The more than a decade since China approached the region in 2012 via the establishment of the China-CEE cooperation format has provided a wide array of different experiences in the respective CEE nations’ engagement with China. Even as the China-CEE framework has encountered setbacks and many countries have grown hesitant to cooperate with Beijing due to economic, value-based or geopolitical reasons, others have expanded the cooperation. This is especially true for Hungary and Serbia, who remain the pillar of the Chinese presence in CEE. Thus, the overall landscape of China-CEE relations remains complicated, making it difficult to make generalized assessments. However, certain trends are discernible, showing how the experience with China informs these countries’ views on issues on the EU agenda.

On strategic autonomy, most CEE countries do not belong to the camp advocating for the EU to weaken its transatlantic link – a definition of strategic autonomy vocally supported by China itself as it conforms to its geopolitical designs. Instead, they call for closer coordination with Washington, including on China policy. Experience with Chinese coercion also makes Lithuania and other countries stand out in alerting the EU to the threat of weaponizable economic dependencies on China. Meanwhile, the changing trends of EU-China trade and the influx of new Chinese investment in electromobility are bringing new dilemmas about preserving European technological and economic autonomy, with the CEE countries standing at the forefront of this dynamic.

With its direct support of Russia’s strategic interests in Europe, including the rebuilding of European security infrastructure, China has positioned itself on the opposite side of many CEE countries’ vital interest. While most CEE countries are highly supportive of Ukraine facing Russian aggression, both in words and in deeds, framing of China’s role differs. The Baltics, Czechia and Poland often see Russia and China in conjunction, and do not shy away from criticizing China’s pro-Russian neutrality or calling upon China to help end the war. Southeast European countries, on the other hand, do not factor
in China’s role in the war, although most of them are staunch supporters of Ukraine’s Euro-Atlantic integration and are severely affected by the economic and energy implications of the war.

On the issue of ties with Taiwan, CEE countries have notably stood at the forefront of the new wave of increased engagement with the island nation seen since the pandemic. This engagement has been motivated by both normative and economic factors. While the ‘honeymoon’ phase in some CEE countries’ ties with Taiwan provides an opportunity for advocating for the EU to increase its attention to the island nation, there is also the risk of a replay of CEE countries getting similarly disillusioned with Taiwan as they did with China due to unmet economic expectations.
Recommendations

CEE countries should become more involved in incorporating their perspectives on China into the European mainstream. In the context of the EU’s efforts to develop its strategic autonomy, acknowledging CEE sensitivities will play a vital role in designing policies that truly reflect the complexity of interests throughout the continent, making them more sustainable in the long run.

When it comes to Beijing’s economic coercion, Lithuania’s experiences should be well-understood as a cautionary tale of how dependence on China can be weaponized in times of political tensions. European unity remains a crucial factor in effectively countering China’s weaponization of economic ties, and the EU’s recently adopted Anti-Coercion Instrument (ACI) will only be effective as long as it is used consistently from the very beginning.

Regarding the impact of Russia-China relations on Europe, the concerns of the CEE countries should be continuously highlighted, paying heed to the lessons of neglected warnings about Russia in the past. The fact that Beijing’s stance towards Moscow will determine the future of EU-China relations needs to be communicated consistently to Beijing.

This perspective can be further exploited to create a counter-narrative to Beijing’s vision of global security, advocated through its new Global Security Initiative (GSI). The way China has neglected Ukraine while simultaneously strengthening political, economic, and security ties with Russia proves that China’s alternative to the US-led international order is not a viable option for small and medium states which require specific rules, rooted in respect for international law, to be upheld in order to secure their existence. This counter-narrative, based on the idea of irreplaceability of the rules-based international order, could prove useful when interacting with the so-called Global South, where China’s perspective finds fertile ground due to historical factors.

The CEE countries need to advocate for a broader vision of European strategic autonomy, that also takes into account the interest of firmly embedding the Western Balkan countries and Ukraine into a vision of geopolitical Europe, and guarding against the negative impact of the Chinese presence. This concerns sharing lessons with the implementation of European legislation, conducting twinning projects and TAIEX missions, but also being actively engaged in the post-war reconstruction of Ukraine while warning about the potential negative impact of the involvement of China.
→ As far as relations with Taiwan are concerned, cooperation should be further exploited, but it should not be instrumentalized, neither in relations with China, nor with the US. Expectations should be kept in check to avoid a scenario known from the recent history of CEE-China relations, where a period of close political ties did not translate into tangible results on the ground. This way, CEE states will be able to maintain a steady level of cooperation while avoiding ‘Taiwan fatigue’, also contributing to the higher priority of Taiwan issues on the EU agenda.

→ CEE states should also strengthen their Indo-Pacific policies. Equipped with its new understanding of revisionist China and a willingness to diversify their Asian partnerships, CEE could also become a motor of growth for the broader European Indo-Pacific policy that goes beyond China.
Central and Eastern Europe (CEE) is an umbrella term, that in its widest interpretation typically encompasses a mix of regions, including Central Europe, the Baltic states, Southeast Europe or the Balkans, spanning across EU members and candidates, and some parts of Eastern Europe such as Ukraine, Belarus, and Moldova.1

CEE can be a contested notion. First, it is a geographically, historically, linguistically, politically, and socio-economically diverse set of nations, “which are often, though mistakenly, treated as a collective category of countries of ‘commensurable type’.”2 There are no overarching characteristics, aside from those countries having experienced some form of socialism during the Cold War, and one should remember that differences in political structure, ideology and alignment persisted even then – case in point, the Baltic states completely lost their statehood upon Soviet occupation in 1940, whereas Bulgaria, Hungary, Poland and Czechoslovakia were able to maintain limited sovereignty as satellite states. Communist European ideologies were varied and even mutually hostile at times, as illustrated by the Soviet-Yugoslav split of the late 1940s. Second, the term can be problematic as it suggests and reinforces the ‘otherness’ with which CEE was historically seen by the Western part of Europe.3

And yet, problems and limitations notwithstanding, the notion of Central and Eastern Europeanness has persisted as an analytical and an identity category. Indeed, as upon the collapse of communism the countries embarked on a journey of transition towards democracy and a free market, an expectation emerged that the division between Western and Eastern Europe would disappear altogether.4 Still, over thirty years later, the term CEE is still in use, including by many of the countries themselves – admittedly, with the exception of the Baltic states.

When talking about CEE as a region for the purpose of this research, it encompasses the 16 original countries that were party to China’s cooperation mechanism with CEE, or the “16+1”: Poland, Hungary, Czechia, Slovakia, Estonia, Latvia, Lithuania, Bulgaria, Romania, Slovenia, Croatia, Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, and Serbia.

It was through the lens of CEE that China approached the grouping when first testing the “16+1” format at the China-CEE Economic and Trade forum in Budapest in 20115 and then moving to hold the first China-CEE leaders’ summit in Warsaw, 2012.6 The platform sparked suspicion in Brussels due to its disruptive nature – instead of looking at the EU as a bloc, China had teased out the dividing line Europe had spent years trying to heal. China’s strategy was nicknamed “Trojan horse” and “divide and rule” by Western Europeans, thus expressing concerns about China’s growing influence in Europe. The inventory of risks contained potential geopolitical implications, debt traps, and the undermining of EU standards and unity. Within the CEE region, perceptions varied significantly. Some viewed Chinese investments as opportunities for economic growth, while others were wary of the potential political strings attached and the quality of investments.
More than a decade after its inception, the China-CEE platform seems to be in a semi-dormant state. The last high level summit was held in 2019 and the subsequent exit of the three Baltic states has decreased the number of participating countries to 14. In reaction to these negative developments, Beijing has seemingly downgraded the profile of the platform, trying instead to focus more on tangible cooperation and bilateral ties.

Initially brought together on this platform rather unexpectedly, the CEE countries have nonetheless approached the past decade as a learning process. Despite not having reached the initial economic objectives of most, if not all members, the engagement with China has been a useful exercise nonetheless. It nudged nations previously exclusively focused on European, transatlantic, and neighborhood issues into exploring regions outside their immediate alliances, ushering in a new, more ambitious foreign policy, including on the Indo-Pacific. It put Western Balkan candidate countries at the same table as EU members, allowing all parties to gain invaluable first-hand experience with negotiating with China and with each other. It created a necessity for mutual coordination on China in settings unofficially referred to as “16+0”. It sparked sub-regional debates on the trade-offs that cooperation with China could lead to in terms of security and values. It contributed to a generation of experts fostered by direct access to Chinese businesses, local governments, and other institutions, supercharging excellent Mandarin skills and in-depth China knowledge. Also, and perhaps most importantly, it has produced a distinct CEE voice in European China policy.

Economic relations between China and Europe have followed distinct trajectories, with the starting position of Western Europe being initially more advanced than that of CEE. Over time, some CEE countries experienced a peak in their economic engagement with China, rivaling that of Western Europe. However, this peak was transient, and currently, their level of economic interaction with China is once again significantly below that of Western Europe. In other cases, such as in Serbia and Hungary, economic ties have instead flourished, and new trends in investments in electromobility might also skew the picture in Poland, Slovakia and elsewhere.

China had approached CEE with a toolkit which it had initially developed as a basis for South-South cooperation, leading to different results within and outside the EU, due to the incompatibility of certain Chinese offers with EU legislation. Recent years have seen a cooling of enthusiasm especially among those CEE countries that are EU members – with some exceptions, notably Hungary – due to unmet expectations and increasing awareness of the potential downsides of dependence on Chinese investments. The treatment of non-EU members in these dynamics has been complex. The EU often viewed the Western Balkan nations either as liabilities or as arenas for competition with China. This perspective has led to the underappreciation of the agency of Western Balkan countries, overlooking their potential roles and contributions in the broader context of Europe’s economic relations with China. In contrast to CEE EU members, the Western Balkan candidate states are still exploring ways to engage with China economically, and approach China as a partner, not as a rival in their strategic documents.

Given this decade-long, shared, extensive and unique experience, it is high time to move from narratives and labels that are often incorrectly applied to CEE states in their engagement with China, and to assume a more proactive vision for the CEE
countries. Namely, the question should be: how can the CEE countries contribute to a joint European approach to China? To this end, the report examines three European China-related debates, on which the Central and Eastern European impact is arguably the most visible, namely, the search for European strategic autonomy, the reaction to Russia’s attack on Ukraine and the exploration of relations with Taiwan.

The first section demonstrates how CEE nations often present a contrasting perspective to France’s stance on strategic autonomy, pushing against the distancing of Europe from the US. It also speaks of the significant role CEE, especially Lithuania, has played in raising awareness within Europe about its economic reliance on China, emphasizing the importance of European unity as a crucial factor in effectively countering China’s economic coercion.

The second section speaks of how Russia’s full-scale invasion of Ukraine since February 24, 2022 has been of existential importance for most CEE countries, leading to the position of several CEE countries that China’s tacit approval of Russia is a play to influence regional security architecture in line with Russia’s (and by extension, China’s own) interests. The case of Ukraine, however, is a clear demonstration that CEE is by no means a monolith. Reactions to China’s approach to Ukraine mark a clear division between the CEE states, with some countries seeing China and Russia as two parts of the same process, and others approaching them separately.

The third section teases out a general trend among CEE states of consciously turning their attention towards Taiwan for both pragmatic and normative reasons. Against this backdrop, Hungary and the Western Balkan states provide unique perspectives. Hungary stands out for its contrasting economic and political approaches: while being Beijing’s staunchest ally in the EU, it also leads in attracting Taiwanese investment in the CEE region. In contrast, Western Balkan countries, except for Kosovo, generally stay peripheral in CEE-Taiwan relations.
Strategic Autonomy

The past decade saw the concept of strategic autonomy, initially mentioned in the French White Paper on Defense from 1994, being gradually pushed to the European level. The debate about Europe's “capacity to act” dates back to the Yugoslav wars in the 1990s. Similar concerns related to technological independence also featured prominently in the efforts to strengthen the EU’s space policy in the 1990’s, with the Galileo space program subsequently becoming one of the symbols of European strategic autonomy. The EU’s Global Strategy for Security and Defense, adopted in 2016, defines strategic autonomy as the “ability to act and cooperate with international and regional partners wherever possible, while being able to operate autonomously when and where necessary.” The European Commission opted for “open strategic autonomy” in an attempt to dissipate concerns related to relations with key partners, emphasizing instead that “openness, as well as rules-based, international and multi-lateral cooperation are strategic choices”.

While Europe’s strategic autonomy has traditionally been associated with the development of the EU's own defense capabilities and in opposition to its dependence on NATO and the US as main security providers for the European continent, recent geopolitical and geo-economic developments have seen its gradual penetration across other issue areas, including critical raw materials, energy, technology, sanitary materials during the COVID-19 pandemic, and agricultural products.

This chapter examines how the concept of European strategic autonomy resonates in the CEE region and how CEE countries (could) shape its evolution in policy terms. In particular, it looks into the role of China as one of the main factors driving reflections on strategic autonomy in Europe, taking into account the nuances in the engagement with China of EU and non-EU countries in the CEE region, as opposed to China's relationship with other EU member states. In that context, the issues of economic security and relations with the US seem to play a decisive role in CEE capitals, especially in light of the war in Ukraine, China’s ever-more visible support for Russia and their joint efforts to undermine the Western, liberal-democratic order led by the US.

MAIN DRIVERS OF THE DEBATE

In 2017, President Macron in his Sorbonne speech provided the contours of, without explicitly mentioning, a broader strategic autonomy which encompasses defense, economy, technology, environment, agriculture and infrastructure. The notion made waves across Europe, and over the past six years it has gradually become the dominant thought in European policy-making circles. The devil is in the details, though, when it comes to the degree of autonomy accepted or desired by different EU member states in different areas, as well as the means to achieving it. Different
European capitals, guided by their own concerns of economic or national security, have voiced different levels of (dis)agreement with the French positions.

The debate on strategic autonomy in the EU has been driven by a number of global and domestic developments that showcased Europe's vulnerability to external shocks, as well as the need to devise appropriate policy solutions to respond and protect Europe's interests. On the geopolitical side, the US “pivot to Asia” and especially the mandate of President Trump challenged the EU's assumption of unwavering transatlantic unity and solidarity, leaving a lingering fear of a potential new shift in American policy if Trump wins the next presidential elections in the US. The possibility of a new American administration withdrawing its support for Ukraine makes paramount the need for Europe to shoulder a bigger share of the burden in the area of collective security and react to crises in its own neighborhood, which have recently multiplied (Ukraine, Nagorno-Karabakh, Gaza). This realization has made the discussion over strategic autonomy even more pressing and led to more reluctant European leaders softening their positions. Germany, for instance, one of the countries that showed the most skepticism towards strategic autonomy prior to the war in Ukraine, decided to increase its military spending prompted by the Russian invasion.13

At the same time, geo-economic considerations, largely related to China's economic ascent and increasingly assertive global posture, seem to have helped convince the rest about the importance of strategic autonomy. The renewed focus on the state as the omnipotent market player in China's domestic and foreign policies under Xi Jinping has raised alarm in most Western countries whose companies and economies have started to see a fierce competitor in China's state-owned and state-supported companies. China's economic policies have started to deviate from and undermine the market orientation of the (neo)liberal world order, enhancing China's self-sufficiency and its lead in emerging industries, as well as inducing global asymmetric dependencies, potent enough to serve China's (geo)political goals.14

Under President Xi’s increasingly ideological and authoritarian turn, the dependencies largely enabled by open and often China-dominated supply chains have started to imply greater risks, not only for the European economy, but also for the EU's ambition to further its normative and soft power. China's economic coercion towards Lithuania made a case in point for the need to engage in de-risking and imposed the conclusion worded in Germany's China strategy that “in key areas, the EU must not become dependent on technologies from third countries that do not share [our] fundamental values.”15

In addition, China's flagrant human rights violations put into question the 'business as usual principle', making it difficult for European and other Western companies to balance their business interests in China, with the perception of their brands in the Western world and the obligation to abide by the newly adopted rules of their home governments concerning ethical business and due diligence.16

China's civil-military fusion, which blurs the lines between civilian technologies and high-end military tech has further exacerbated the worries of European governments and companies doing business with China. It implies a rationale which had thus far been absent from the mind of policy-makers in countries where business and state affairs run on separate tracks: if other countries, such as the US, Russia
or China combine defense with non-military issues, like trade or different kinds of hybrid action, then Europeans will need to think in broader terms too.17

Reflections on these shifts, but also actions, are already underway in Europe. The new European Economic Security Strategy from June 2023, under the motto of de-risking, aims to address the risks to the resilience of supply chains, physical and cyber security of critical infrastructure, technology security and technology leakage and the weaponization of economic dependencies or economic coercion.18 The inbound FDI screening mechanism, the foreign subsidy regulation and the potential of expanded export controls, all tacitly aimed at Chinese companies, are also intended to prevent sensitive European technologies, leading companies and critical infrastructure from falling into the hands of foreign governments.19 With the envisaged mechanisms on outbound investments and trade defense, the EU is looking to complete the toolbox for improving its global competitiveness, while reducing vulnerabilities and risks. The October 2023 launch of an investigation into Chinese electric vehicles by the European Commission, mostly pushed forward by France, intends to show that the policy instruments have the ‘teeth to bite.’20

AN EAST-WEST DIVIDE?

The debate on strategic autonomy in the CEE countries bears the particular imprint of the looming Russian threat. Russia’s military buildup before 2014 and the annexation of Crimea already rang alarm bells in CEE that they should be wary, even at a time when some Western European countries, in particular Germany, continued their cooperation with Russia.21 Ever since, the prevailing position in most CEE countries has gone in the direction that Europe’s security and defense endeavors should be closely aligned with the US and channeled within the framework of NATO. Most of the CEE countries depend on the US for the provision of their security and do not want to endanger their relations with their most important ally.22 Moreover, they do not seem to be convinced by the potential of European defense initiatives or the concept of strategic autonomy as initially conceived by France.23

In April 2023, President Macron sparked a controversy when he warned Europe against being drawn into a conflict which is not Europe’s own, between the United States and China over Taiwan.24 His portrayal of Ukraine as a European problem and Taiwan as an American one was rebuked by many CEE voices. In the words of the Polish Prime Minister at the time, Morawiecki, European autonomy would mean “shifting the center of gravity towards China and severing ties with the US” and would mean nothing if it led towards a repetition of the mistake of dependence that Europe made with Russia.25

CEE countries are more likely to speak in favor of protecting European values and economic sovereignty, which is related to the relatively smaller dependence of their economies vis-à-vis China, compared to France or Germany for instance, as well as the smaller clout of their business interest groups on national policy-making.26 They also tend to side with the US and are more supportive of measures aimed at de-risking from China. An example is the role of the Czech Republic in pushing for an understanding of 5G security that highlights “non-technical” risks related to the home
country of the manufacturer as embodied in the 2019 Prague proposals, which have informed the understanding of the threat posed by relying on Chinese suppliers.27

Many CEE countries, namely the Baltics and the Visegrad countries, have also been eager to attract investments and develop their own know-how and capacity to join the race in new technologies where Europe faces a risk of lagging behind. The Baltics have stepped up their efforts to further develop their semiconductor manufacturing capabilities, in the case of Lithuania through a partnership with Taiwan,28 and in the case of Latvia, through home-grown initiatives.29

However, the challenge of boosting the EU’s own economic security by improving the position of European manufacturing and limiting dependencies, while simultaneously addressing climate commitments is leading to difficult dilemmas. Nowhere is it as evident as in the electromobility sector, where Chinese companies have a key role across the supply chains. With the struggle of traditional German automakers facing Chinese competition, the future of CEE exports of automotive components to the German market, which formed a significant backdrop of many countries’ economies, seems increasingly uncertain. At the same time, Chinese companies are increasing their EV-related investments, especially in Hungary, Poland and Slovakia. While these investments may offset the impact of the weakening traditional sectors, there are questions about the long-term ability of CEE countries to reach high value-added from this production, all the while risking creating new dependencies on China.30

Nevertheless, the dividing line when it comes to advocating for more or less strategic autonomy is not geographic. North European countries like Sweden, Finland, the Netherlands or Ireland have also been supportive of aligning with the American positions and the recent introduction of export controls on advanced semiconductors by the Netherlands is a case in point.31 On the other hand, on the side of CEE countries, Hungary and Serbia as prominent outliers maintain ever-closer ties with China (and Russia) and continuously provide China with a channel to export its goods, capital and ideas to Europe. Hungary’s Foreign Minister, Péter Szijjártó, for example, does not see China as a threat and stands against decoupling and even de-risking from China, claiming that it will “kill the European economy.”32 Serbia’s national security strategy builds on its four-pillar foreign policy and identifies China (and Russia) as partners with which it aims to deepen cooperation, to the same level as the EU and the US.33

China’s position has been highly supportive of European strategic autonomy as it fits China’s idea of a multipolar world where the EU would be an independent “pole” and not a supporter of China’s main rival – the US.34 At the same time, China’s deeds are inconsistent with this wording, given its recurrent efforts to undermine the EU’s ability to speak with one voice, which is essential for a “pole” to have weight in global affairs.

Although some EU officials have fallen into the trap of talking about multipolarity instead of multilateralism, the contribution of CEE countries lies in re-centering the discussions on multilateralism. This is in line with the geopolitical logic of small states, a label that covers most of the CEE countries and for which the rules-based multilateral order is the best bet to survive and thrive vis-à-vis Russia, but also other threats. Hence, China’s insistence on multipolarity as its preferred world order, alongside its open support for Russia, lead many CEE countries to conceive of European strategic autonomy in a way that is radically different from China’s preferences. In
such a context, the Baltic countries, which led the way in the decaying of China-CEE cooperation, have the biggest credibility in advocating for a united, European China policy and channeling cooperation with China through the established EU-level mechanisms. Speaking on the topic, Lithuania’s Foreign Minister, Gabrielius Landsbergis, stressed that the 27+1 format is “the only possibility for a dialogue on an equal footing with Beijing.”

**EUROPEAN STRATEGIC AUTONOMY BEYOND THE EU**

In May 2022, France, as the leading proponent of European strategic autonomy, put forward the idea of a European Political Community (EPC). On three occasions thus far – in Prague, in Chisinau and in Grenada, the leaders of a wider Europe gathered to discuss issues of interest for the entire continent, such as the war in Ukraine. While the broad format of those meetings could certainly have some utility, the most recent summit which was snubbed by Turkey and Azerbaijan put into question the EPC’s potential to contribute to sketching Europe-wide solutions.

Such an outcome is understandable as the EU has different relations and leverage over different countries in its neighborhood. Some of the countries aspiring for EU membership, like the ones in the Western Balkans, are required to align with the EU’s Common Foreign and Security Policy (CFSP) and the acquis communautaire in the accession process. However, while Albania, Montenegro and North Macedonia are 100 percent aligned with the EU’s CFSP positions, Bosnia and Herzegovina and Serbia seem to rank EU accession second to their interests in cooperation with China (and Russia). In the case of Serbia, alignment with the CFSP stands at 48 percent precisely because the country refuses to align with the EU’s sanctions against Russia and China. Moreover, it was one of the three European countries (together with Hungary and Belarus) represented at the third Belt and Road Forum by a head of state/government and used the forum to sign a Free Trade Agreement (FTA) with China, further reducing its alignment with the EU in the area of trade. Given the track record that countries with close China ties (like Hungary or previously Greece) have had in the adoption of CFSP positions, or the blocking thereof, it is questionable to what extent CEE countries like Serbia could contribute to Europe’s strategic autonomy.

On the other hand, it is imperative to think in the direction of anchoring the Western Balkans more firmly as a region in various EU policies and ultimately in the EU, as leaving those countries out increases China’s leverage to undermine the EU’s economic, political, normative and ideational power. At present, China has a quasi-monopoly in copper mining in Serbia and Albania, as well as in Albania’s oil, copper and chromium exploitation, all of which constitute important resources and/or critical raw materials much needed by the EU. In addition, Serbia is buying China’s advanced weapons systems, which strengthens Serbia’s position on the Kosovo issue and at the same time increases the risk of instability which could easily spill over in a region located in the heart of Europe.
CONCLUSIONS AND RECOMMENDATIONS

When it comes to the question of European strategic autonomy, relations with the US seem to play a decisive role in shaping different countries’ perceptions, as well as their size, dependence on China and proximity to Russia. Although they do not constitute a monolithic bloc, CEE countries tend to represent a counterweight to the French positions on strategic autonomy as a path that may distance Europe from the US on some key issues, like Ukraine or Taiwan. They have also contributed to Europe’s ‘wake-up call’ when it comes to its economic dependence on China and demonstrated, especially in the case of Lithuania, that European unity is the only way to stand up to China’s economic coercion.

CEE countries could further shape the concept and the policy tools to achieve strategic autonomy in the framework of an incremental and issue-driven agenda. In such an approach, areas where the EU has strong competence, tools and subsequently leverage, such as trade, investments, development aid, neighborhood policy and enlargement, should come first. CEE countries could lead the way in devising appropriate strategies to approach those non-EU countries which can support Europe’s strategic autonomy, first and foremost the Western Balkans and the new candidate countries, like Moldova and Georgia, but also other countries in the EU’s neighborhood. Their non-colonial past, recent experience in the EU accession process, geographic proximity and shared history with the Eastern neighborhood provide them with credibility and opportunity to make significant progress in all three EU neighborhood regions.

For that purpose, EU member states in CEE could share their experience and expertise in the framework of twinning projects and TAIEX missions, provided that topics related to strategic autonomy feature among those requested by non-EU countries, and are also made available and put forward by the European Commission. The establishment of FDI screening mechanisms, and the use of the 5G Toolkit and the Hybrid Toolbox should be among the priority topics considered by all parties. Moreover, EU member states in CEE could take the lead in the creation of a “privileged partnership” on critical raw materials, that would include CEE non-EU member states by leveraging the resources of non-EU member states and technology transfer to improve their exploitation capacities in a sustainable and mutually beneficial manner.
Russia’s War On Ukraine

Russia’s war in Ukraine has become a question of existential importance for most CEE countries, and they have reacted actively, by issuing political statements of solidarity with Kyiv, donating significant portions of their GDP as military and other aid, and introducing open-door policies for Ukrainian displaced persons. However, if the support for Ukraine is mostly uniform across CEE, the perception of the role of China or even the debate about China’s importance in the conflict is not.

For some, especially Poland and the Baltic states, China’s tacit approval of Russia is increasingly seen as a play to influence regional security architecture in line with Russia’s interests, with this angle changing the cost-benefit calculation of maintaining ‘business as usual’ ties with China. For others, the conversations on Russia and on China are kept separate. The Balkans both inside and outside of the EU are mostly supportive of Ukraine: most countries have introduced sanctions, are sending weapons, and are affected by Russian retaliation, with the exception of Serbia and Bosnia. However, there is a lack of discussion of how China’s “pro-Russian neutrality” position undermines Europe’s standing and contributes to the dire economic and energy crisis. This marks a clear division between the CEE states with some seeing China and Russia as two parts of the same process, and others approaching them separately.

With the aim of gauging how China’s pro-Russian neutrality has contributed to the Sinoskepticism in the region(-s) of Central and Eastern Europe, the chapter explores to what extent and with what argumentation CEE EU member and non-member states are willing to condition their relations with China upon the latter’s position on the Russian invasion.

THE EXISTENTIAL IMPORTANCE OF UKRAINE

Since Russia invaded Ukraine on February 24, 2022, most countries in the CEE region have expressed strong support for the Ukrainian cause. The statements of the leaders of the region following the Russian aggression have been swift, united, and heard globally.40

The individual countries leadership’s messages were strongly backed by public opinion in the CEE countries. According to “GLOBSEC Trends 2023” the public in six EU countries, Poland, Lithuania, Latvia, Czechia, Romania, and Hungary, overwhelmingly consider Russia to be the aggressor41. The majority of the respondents in Poland, Lithuania, Latvia, Czechia, Estonia, and Romania) also welcome Ukraine to be part of either the EU and/or NATO.42

It is important to point out that the CEE region has been at the forefront of supporting Ukraine not just rhetorically, but also financially, even though the region’s assets are strained as it is generally below the EU average in economic indicators. The five donors that provided the most bilateral aid commitments as a percentage of their
GDP to Ukraine between January 24, 2022, and January 15, 2024, were from the region: Estonia (3.55 percent), Latvia (1.15 percent), Lithuania (1.54 percent), Poland (0.69 percent) and Slovakia (0.65 percent). Czechia, Bulgaria, and Croatia also feature prominently in the statistics, with circa 0.3 percent of their GDPs going towards Ukraine. Although with a significantly lower portion of GDP, Slovenia (0.14 percent), Romania (0.05 percent), and Hungary (0.03 percent) are on the donors list as well.

Several alarming issues between CEE and Ukraine have emerged over time, e.g., Hungary’s Viktor Orban’s unwillingness to grant more EU aid to Ukraine, the Polish dispute with Ukraine over grain exports and threats to halt weapons deliveries, and the election victory of Robert Fico in Slovakia, who halted government (but not commercial) arms and ammunition deliveries to Ukraine, opposed EU sanctions on Russia, and wanted “to use Slovakia’s membership in NATO to block Ukraine from joining.” Still, it is safe to say that in CEE nations, especially most of the 13 of them that are also NATO members, Ukraine has found backing that goes beyond political statements. Traumatized by their national experiences with Russia and the Soviet Union, such as the Molotov-Ribbentrop pact, most of these countries view Ukraine’s fight to keep its sovereignty as a part of a wider existential struggle for the Western future of the smaller European nations once stranded on the wrong side of the Iron Curtain. Russia’s attack on Ukraine has been such a shock that it jolted the nations into unprecedented active behavior. The wide engagement of the traditionally politically underperforming CEE civil societies in providing relief, as well as the open-door policy towards Ukrainian displaced persons in countries that previously did not score above 50 out of 100 on the “Migrant integration policy index” serves as a testament to this.

However, there is a second layer to the problem, that goes beyond just Russia. How should these countries frame their policies vis-à-vis other actors that to some extent provide support to the Russian worldview, especially China? The fact that all 11 EU countries that were original members of China’s Cooperation with CEE Countries (“16+1”) grouping are providing assistance to Ukraine must be a signal to China regarding the region’s geopolitical priorities. Nevertheless CEE countries do not share the same outlook on China’s role, and fall into two categories: those openly calling for Beijing to rethink its current or future support to Russia, and those ignoring the China link. The following sections examine these different policy approaches.

**GROUP 1: BACKING UKRAINE LEADS TO SUSPICION VIS-À-VIS BEIJING**

During his introductory remarks at a press conference with Chinese and international media in Beijing on September 26, 2023, the EU’s Commissioner for Trade, Valdis Dombrovskis, declared that the EU’s cooperation with China is conditional upon Beijing’s stance on Ukraine: “We believe Russia’s aggression to be unprovoked, unjustified, illegal, and barbaric... Under international law, Ukraine is entitled to pursue whatever alliances it wants. In this context, it’s very difficult for us to understand China’s stance... And, China’s position is affecting the country’s image, not only with European consumers, but also businesses. Over a third of EU companies in this country have indicated that China’s position on the war is making it a less attractive
investment destination. China’s response and its contribution to resolving the war is a way that is important for us to engage.  

Given Dombrovskis’ background as a Latvian politician, his message on China’s responsibility rings particularly true for many CEE nations that have been staunch supporters of Ukraine’s fight against Russian aggression. More to the point, national foreign policy documents and statements in the region do not shy away from criticizing China’s position. The Baltics, wary of China’s support for Russia due to their proximity to the immediate threat, also increasingly identify China with new and hybrid threats, especially in the areas of technology, cyber-security and also the Polar region.48 Lithuania’s Indo-Pacific Strategy states: “Beijing’s warming relationship with Moscow, illustrated by China’s stance regarding Russia’s aggression against Ukraine, is fueling tensions between China and democratic states.”49 The Czech Foreign Minister Jan Lipavský expressed the link in an interview for the Washington Post almost immediately after Russia’s invasion: “We in the Czech Republic are very closely following China’s position on the Russian aggression in Ukraine, and we are signaling to them in a very clear way, if China supports Russia more, it will seriously damage [European Union]-China relations,”50 – a position since reiterated by the Czech president51 and prime minister52 as well. The Czech national security strategy published in 2023 portrays China as a long-term systemic competitor which, together with Russia, could “undermine the unity and influence of democratic countries.”53

Although the Polish Foreign Minister, Zbigniew Rau, took a milder tone when presenting the foreign policy priorities for 2023 at the lower house of parliament, the motif of China’s responsibility and the impact of Beijing’s position on Sino-European relations was still present: “China bears particular responsibility for maintaining peace in the world. We hope that it will be more active in its reactions to the destruction of peace by Russia.”54 This sentiment is especially pronounced among the post-2004 NATO members which Putin’s Russia sees as belonging to its strategic space. In the ‘Olympic’ joint communiqué of February 2022, just before the invasion in Ukraine, “China backed Moscow’s December [2021] proposals in which Putin demanded NATO remove any troops or weapons from most of Eastern Europe, including Poland, Czechia, Slovakia, and the Baltic states.”55 This move by China did not go unnoticed in the region.

GROUP 2: LEAVING CHINA OUT OF THE EQUATION

The link between Russia and China on the Ukraine issue is not considered to be as evident in Southeast Europe.

Romania and Bulgaria and the Balkan EU and candidate countries, except for Serbia and Bosnia, are mostly supportive of Ukraine: they have introduced sanctions, are sending weapons, and are therefore directly affected by Russian retaliation. Politically, Albania,56 Bulgaria,57 Montenegro,58 North Macedonia,59 and Romania60 are on board with Ukrainian EU aspirations. Ukraine has found support in the Balkans even regarding the more contested question of its future NATO membership.

Among these states, however, there is a lack of discussion of China’s position – the ways in which it undermines Europe’s stance, contributes to the dire economic
and energy crisis, or affects the security of smaller states. This marks a clear division between the CEE states that are pairing the Russia invasion with European China relations, and those that are not. Even the states that can be branded as strong US allies in the region, e.g., Romania, exercise a different narrative on China than the CEE countries in the North. Although Romania is in general “quite skeptical of engaging with China, mainly because of the geopolitical tensions between Beijing and the West and because, economically, China has failed to prove that it is a trustworthy partner,”61 still, there is no evident link maintained in the foreign policy communication on China’s role in the Russian invasion.62

One more case in point – few countries have been as visible and vocal in their support of Ukraine as Albania has been, personified by its Prime Minister, Edi Rama. Albania has been an advocate for Ukraine’s Euroatlantic integration, stating that it will “stand with Ukraine for as long as it takes ... [and] continue to provide political, military, technical, defense, and humanitarian support to Ukraine, individually as well as through international cooperation within NATO, the United Nations and other formats.”63 At the same time, Albania is also not drawing a link between China’s position and the Russian invasion, and the prime minister, although not an advocate for large scale engagement with China, has endorsed the China-CEE cooperation mechanism (“14+1”) – the very mechanism which the Baltic states had previously withdrawn from – as a platform for conversation: “We are going to stay, and I think withdrawing in principle is not a good idea.”64

CONCLUSION AND RECOMMENDATIONS

The Russian invasion of Ukraine has proven that CEE voices can make a difference when it comes to questions the region deems to be of existential importance – in a swift reaction preceding the general EU position, the countries bordering Russia and Ukraine showed previously unwitnessed resolve, both in terms of communication and action. However this is not the only way in which the Russian attack has raised the prominence on the international scene of the CEE states. The region is home to countries that have conditioned their relations with China upon China’s position vis-à-vis the Russian invasion of Ukraine.

Even though CEE is not uniform in its approach to China in the context of the Russian invasion, this is still a major moment that raises the region’s international standing. CEE is composed of mostly small and medium-sized countries that are extremely dependent on having a rules-based international order, hence strongly opposed to Russia’s unprovoked attack on Ukraine. Initially, as Xi Jinping came to power in 2012/2013, his laments over the fall of the Soviet Communist Party65 and the disintegration of the Soviet Union – the developments that in the eyes of the region returned it to democracy and set it on the path to prosperity – were perceived as a necessary bow to the Chinese socialist system, and not as an active undermining of the CEE statehoods. Still, as the PRC’s official statements broadcast distaste for “color revolutions,”66 of which, in Beijing’s eyes, the February 2014 Maidan revolution in Ukraine is an example, and as China’s ambassador to France openly calls the sovereignty of post-Soviet states into question,67 and Xi Jinping continues to endorse
Vladimir Putin’s worldview, many CEE countries are becoming suspicious of China’s position.

By showing how Beijing has failed to stand by Ukraine, a sovereign state and China’s strategic partner, while it is being attacked by its bigger neighbor, the region is presenting the most compelling counter-argument to the China-proposed global security vision to date: the Chinese competing proposal of the world order is not a viable alternative for global security because it just does not offer a legitimate and reliable safe space for small and medium states.

Therefore, in terms of policy, first, it is important for CEE to use international fora to continue to underscore the importance and irreplaceability of the existing rules-based order as the single guarantor of small and medium states’ sovereignty globally. This position can rally wider support, including in the Global South, because instead of being ideological or pro-Western, it is simply pro national survival.

Secondly, CEE should support the EU message that China’s position vis-à-vis the Russian invasion of Ukraine is a pivotal factor in determining the EU-China relationship in the future.

Third, if Ukraine at some point considers China as a partner for post-war reconstruction, the experience of CEE could prove to be very valuable in making sure that the issue of Ukraine’s reconstruction involves an evaluation of political and security risks connected to China. Both the EU CEE members as well as candidates have accumulated lessons during the decade of trying to reconcile China’s BRI offer with EU frameworks that should be shared with Kyiv.
Relations With Taiwan

In a move surprising to some observers, CEE has in recent years become the engine behind the growth of cooperation with Taiwan on the European continent. Although different countries in the region have embraced relations with Taipei to varying extents, the general trend seems clear: CEE states are consciously turning their attention towards Taiwan for both pragmatic and normative reasons. According to the EU-Taiwan Tracker, a tool created by the Central European Institute of Asian Studies (CEIAS), interactions between Taiwan and CEE states in 2022 constituted 60 percent of all Taiwan-EU exchanges. While in 2019 there were only six recorded interactions between Taiwan and CEE states, three years later their total number amounted to 96. Interestingly, Czechia and Poland had more yearly interactions with the Taiwanese side than the EU’s most influential countries such as Germany or France.

The region hosts five Taipei Representative Offices (in Latvia, Poland, Czechia, Slovakia and Hungary) and one Taiwanese Representative Office (in Lithuania, where its opening caused a drastic deterioration of Vilnius’ relations with Beijing). In November 2023, it was also announced that a new Taipei representation should be established in Tallinn, Estonia. Western Balkan countries’ relations with Taiwan are handled by Taipei missions in neighboring EU states, such as Italy.

Overall, CEE ties with Taipei date back to the 1990s, the period of democratic transition for many countries in the region. Currently, because of geopolitical shifts taking place in the world, accelerated by both the COVID-19 pandemic and the war in Ukraine, CEE countries have become more eager to cooperate with Taiwan, Asia’s most progressive democracy and an important economic node on the high-tech map of the world. It is important, however, to note that there exists a considerable diversity of views and approaches between CEE states when it comes to the level of economic and political engagement with Taiwan. While some countries in the region can be labeled as “vanguards” (Lithuania, Czechia, Poland, and Slovakia), others are more pragmatic (most notably Hungary), while many can still be categorized as “laggards” (most Western Balkan states). In other words, despite an evident revival of Taiwan-CEE cooperation in recent years, this trend concentrates around a still limited number of countries that are ahead of the curve.

Nevertheless, there are at least two important, and to a certain degree universal, dimensions of Taiwan-CEE ties that require more attention as they will most probably play an important role in pushing cooperation with Taiwan ahead in the nearest future. Those include normative motives for cooperation (stemming from a strategic diagnosis of the current global situation among some CEE states and the role of specific values in maintaining the rules-based international order) and low-key yet intensive bilateral exchanges of a pragmatic nature (economic, legal, high-tech, educational, etc.). What follows is an analysis of these two dimensions and their development in respective CEE states in recent years.
When CEE was going through an almost decade-long stage of political and economic infatuation with China, normative considerations did not play a significant role in the cost-benefit calculus of regional capitals. Ten years ago, market logic was the dominant force shaping China-CEE cooperation, both in the 16+1 format and bilaterally. It was a sign of the times – regional countries felt that they needed to
catch up with their Western European counterparts, who had started cooperating with China much earlier. Simultaneously, Beijing was reaping the rewards of its decades-long efforts to portray itself as a “pragmatic actor,” interested only in economic cooperation, with allegedly no political strings attached. In essence, both political elites and the public were preoccupied with strengthening ties with Beijing to either attract investment or gain access to the Chinese market. In this sense, CEE was lagging much behind Western Europe.

Over time, however, China’s assertive, and to a certain degree revisionist, foreign and domestic policy began to change European perceptions of Beijing. With Xi Jinping increasingly stressing the importance of ideology and security, and turning his ideas into action, China has turned into a much more oppressive and interventionist state. In what some scholars have labeled an “autocratic reclosure,” the Chinese Communist Party (CCP) with Xi Jinping at its core returned to occupying the center stage of socio-economic and political life in the country. It has also extended its ambitions to control regions that enjoyed relative freedom, most notably Hong Kong, where a draconian national security law came into effect in mid-2020, practically eradicating its autonomy. After a decade of Xi Jinping’s rule, Beijing’s mindset became fully security-centric, with additional laws and regulations specifying new types of offenses against the party-state, and security becoming a whole-of-society endeavor.

Accelerating Sino-American rivalry was yet another element changing the perception of China in the CEE region, turning Beijing into not only an economic partner, but also a competitor in the realm of values. The nature of Beijing’s strategic interests and the norms that underpin them became especially stark after Russia’s war against Ukraine broke out. By economically and diplomatically supporting Moscow in its war against Kyiv and being very open about its desire to “democratize” international relations together with Russia (i.e., weaken the US-led international order), Beijing started to be seen as a disruptive actor undermining CEE states’ security on NATO’s eastern flank. Two years into the war, there are no signs of qualitative change in China’s approach towards Russia.

Against this backdrop, and the fact that China did not deliver economically in CEE countries, deeper cooperation with Taipei began to appear as a potentially attractive and strategically viable option. Taiwan’s democratic development over the past decades has made it what is often referred to by various political actors and commentators as a “beacon of democracy” – the first democratic country in the Chinese-speaking world, and a living proof that such a political system can be compatible with a broadly defined Chinese culture. Some Taiwanese political elites capitalize on this perception, which in recent years has gained an even more progressive edge, mostly in relation to Taiwan becoming the first place in Asia to legalize same-sex marriage, including with foreigners from countries that do not recognize this kind of arrangement. Coupled with its successful strategy towards dealing with the COVID-19 pandemic, part of Taiwan’s soft power is based on an image of an efficient, open, and resilient democracy, especially in contrast to Mainland China and its aggressive behavior at home and abroad.

This view has found quite a few proponents in CEE countries, with Lithuania’s story of opening the Taiwanese Representative Office in Vilnius in late 2021, and redirecting its foreign policy away from China, serving as a case in point.
Lithuania’s Foreign Minister, Gabrielius Landsbergis, has been among the most vocal supporters of strong EU-Taiwan ties, arguing that Taiwan and its people should be acknowledged as part of the rules-based international order and that “we will fight against any attempt to change the status quo by force, because we are willing and able to do what’s right.”83 Petr Pavel, Czechia’s president, has been similarly vocal about the need to support Taiwan. When he took office in January 2023, he became the first elected European head of state to hold a phone conversation with Taiwan’s President Tsai Ing-wen, during which he assured Taipei that Prague shares the values of freedom, democracy, and human rights.84 Apart from these high-level shows of support, visits to Taiwan by members of CEE parliaments also intensified in recent years, oftentimes accompanied by normative rhetoric about the need to support democracy worldwide.85

Moreover, having survived as a distinct entity in the shadow of a much larger and economically more powerful neighbor – China – CEE countries turned towards Taiwan as a source of inspiration and cross-regional analysis in domains such as countering economic coercion and disinformation. For states such as Lithuania, Poland, or Czechia, comparing China’s tactics with those of Russia can offer important insights into the way these two actors work to undermine the rules-based international order. Given Taiwan’s good performance during the pandemic, its broader governance successes and in recognition of its agency, some in the CEE region also voice their support for Taipei to be officially recognized or involved in international institutions such as the World Health Organization (WHO), International Civil Aviation Organization (ICAO), the International Maritime Organization (IMO), and Interpol.86

Nevertheless, the normative dimension of strengthening ties with Taiwan is unevenly accentuated across the CEE region. Yet again, states with the highest perception of threat coming from Russia also appear the most motivated to cooperate with Taiwan. This could be explained by the fact that China’s strategic closeness with Russia is now seen as overshadowing any perceived gains from continuing ‘business as usual’ with China. Simultaneously, value-driven policy towards Taiwan is not very visible in many Southern CEE countries, especially those with a less immediate assessment of the threat coming from Russia. Those include Hungary, Bulgaria, Croatia, Slovenia, and most Western Balkan states.

**BILATERAL EXCHANGES OF A PRAGMATIC NATURE**

Although joint support for democratic norms and values has constituted an important element of the recent revival of Taiwan–CEE ties, pragmatic aspects of cooperation have also been accentuated across the region. This very trend, however, is not entirely new, since Taipei has a history of trying to engage economically with the region in the hope of gaining more diplomatic leverage. This story dates back to the 1990s, with North Macedonia, having briefly recognized Taipei, being one of the most striking examples of a country with a track record of ‘Taiwan adventure,’ albeit not a very successful one.87 Although this dimension remains rather low-key in terms of visibility, in stark contrast to China’s grandiose approach known from the 16+1 format, its development has accelerated in recent years, including economic
cooperation, high-tech and innovation development, as well as legal and educational exchanges.

One of Taiwan's biggest comparative advantages in the international arena is its crucial role as a producer and innovator of cutting-edge microchips. The island's crown jewel, Taiwan Semiconductor Manufacturing Company (TSMC), is the world's most important chip foundry, with over 60 percent of the global market share in this strategically important sector.\textsuperscript{58} Closer cooperation with TSMC, and related Taiwanese firms, has been attractive to many, especially with Western economies having learnt the pandemic-era lesson of the far-reaching nature of disrupted supply chains. With semiconductors now seen as indispensable to sustainable growth of innovations, technological cooperation appears high on the Taiwan-CEE agenda, especially on the latter side.

Coupled with a positive political climate and Taipei's goodwill, some countries in the CEE region have already managed to capitalize on these trends. Again, Lithuania appears at the forefront of this competition. In January 2022, Taiwan's National Development Council offered Lithuania a US$1 billion loan fund for joint projects, a move following the signing of six cooperation agreements a few months earlier, covering areas such as microchips and biotechnology.\textsuperscript{89} In January 2023, three Lithuanian high-tech companies (Teltonika, Solitek and Oxipit) announced their plans to expand cooperation with Taiwan with the support of its Foreign Ministry and the Bank of Taiwan.\textsuperscript{90} Moreover, Taiwan–Lithuania Center for Semiconductors and Materials Science was opened in Vilnius in 2022, marking Lithuania's growing appetite to position itself as a more proactive player in the rapidly evolving global microchip landscape.\textsuperscript{91} Bilateral industrial cooperation with Taiwan is perceived as key in these efforts. In the context of Vilnius remaining under heavy pressure from Beijing, these developments are also widely seen as an attempt to keep the Taiwan-Lithuania cooperation momentum going and continuing to translate into tangible results.

Apart from Lithuania, other CEE countries have also managed to initiate some forms of cooperation in the field of high-tech and innovation with Taipei. In September 2022, Taiwan National Development Council announced the CEE Credit Fund, administered by Taiwan EximBank to support industrial development in the CEE region.\textsuperscript{92} In May 2023, the fund approved an almost €10 million credit facility to deepen Taiwan's economic and trade ties with Czechia and Slovenia.\textsuperscript{93} In the Czech case, it supports the expansion of Inventec to strengthen the digital supply chain of this high-end server producer.\textsuperscript{94} When it comes to Slovenia, a loan was provided to Leadforce, a producer of carbon framed bikes.\textsuperscript{95}

Simultaneously, a Taipei-backed venture capital fund Taiwania Capital, worth $200 million, has been eyeing up CEE states to strengthen cooperation in the innovation sector, including biotechnology, aerospace, semiconductors, laser optics, and electric vehicles, just to name a few.\textsuperscript{96} Taiwania Capital has been particularly interested in investing in Slovakia, Czechia, Lithuania and Poland, allegedly in recognition of these countries’ involvement in supporting Taiwan with vaccines during the COVID-19 pandemic.\textsuperscript{97} According to Mitch Yang, managing partner of Taiwania Capital's CEE Investment Fund, successful start-ups from CEE countries might in the future be involved in Ukraine's reconstruction, and the fund wants to invest in them right now to build their competitive advantage.\textsuperscript{98} It has already begun cooperation
with Litlit, a Lithuanian laser start-up; Photoneo Brightpick, a Slovakian computer vision and robotics firm; and Oxitit, another Lithuanian start-up specializing in AI medical imaging.99

Slovakia has also tried to strengthen cooperation with Taiwan in these domains. For example, seven agreements were signed between Taipei and Bratislava in 2021, including on electric vehicles, space development, digitalization of small and medium enterprises, as well as smart cities.100 In June 2023, an agreement on semiconductor cooperation was also signed between Taiwan and Slovakia, with the Taiwanese Industrial Technology Research Institute, the Slovak Academy of Sciences, and the Slovak University of Technology joining up to work on research and development projects in the microchips domain.101

Poland can also be classified as a relatively pro-active country, although the results of its pragmatic cooperation with Taiwan have been so far less visible. Nevertheless, a Polish-Taiwanese memorandum on research and development, good laboratory practice and electric vehicle cooperation was signed in May 2022, and a bilateral working group on semiconductors was established.102 In the people-to-people realm, the first Taiwan-Poland Higher Education Forum was also hosted by the Polish National Agency for Academic Exchange (NAWA) in 2022, marking a more concerted attempt to expand collaboration with Taiwanese academic institutions.103 Last but not least, Poland and Slovakia signed agreements on judicial cooperation with Taiwan in recent years, and both documents have been judged by lawyers as a model in terms of their scope, including extradition, information sharing, legal assistance, and bilateral consultation.104

When it comes to outliers, Hungary and most Western Balkan states offer diverging yet important insights into the nature of their cooperation with Taiwan. The former is probably the most intriguing example of the divergence between economic interests and political posture. Budapest, the strongest ally of Beijing in the EU, is also the top destination for Taiwanese investment in the CEE region.105 Although seemingly surprising, this trend also illustrates the purely economic rationale of some Taiwanese firms, such as Foxconn, investing in Hungary because of the overall attractiveness of its market.106 Meanwhile, the Western Balkans remain on the margins of CEE-Taiwan developments, with only minor investments and low-key economic cooperation unfolding on the ground. Apart from Kosovo, a country whose difficult relations with Serbia are often compared to the dynamics between Taiwan and China, Western Balkan states seem to largely ignore the economic existence of Taiwan, and vice versa.107 One significant exception to this rule is a recently announced investment by YAGEO, a Taiwanese electronic component and service provider, in North Macedonia. The firm has pledged to invest over 205 million EUR in the next ten years to build new plants in the Technological Industrial Development Zones in Skopje and Stip.108 If the project is implemented, this will be North Macedonia’s largest greenfield investment since the country gained independence in 1991.109

At the EU level, some CEE countries have also been active in pushing forward the idea of a bilateral investment agreement (BIA) or a free trade agreement (FTA) with Taiwan. This topic has reverberated especially strongly in Czechia, where the possibility of advancing this kind of cooperation with Taipei has entered the public debate with full swing. Many point out that although FTAs with countries such
as South Korea, Vietnam or Singapore are being completed, Taiwan remains unacknowledged despite its economic potential and strategic closeness with Europe. Nevertheless, the current potential for this idea to be taken seriously at the EU level remains limited.

**CONCLUSION AND RECOMMENDATIONS**

The current revival of Taiwan-CEE ties follows similar dynamics to the “honey-moon phase” of China-CEE relations in the past decade: while political will seems to be on the rise, different capitals have their own sets of interests and considerations. Simultaneously, expectations towards economic promises from the Taiwanese side are high, especially in the high-tech and innovation sector. It is crucial to remember that this kind of attitude works as a double-edged sword: while capitalizing on the current friendly political climate between CEE states and Taipei seems perfectly reasonable, it is important to bear in mind that political statements of sympathy should be turned into tangible cooperation. This could help the region avoid a future ‘Taiwan fatigue’ – a reiteration of the current ‘China fatigue’ experienced since Beijing did not deliver on its economic promises, while its strategic mindset of undermining the US-led world order now appears fundamentally to clash with the core interests of many CEE states. At the same time, the relationship should not be instrumentalized, and Taiwan’s agency and interests must always be kept in mind to strike the right balance between normative and pragmatic dimensions of cooperation.

Indo-Pacific policies and frameworks for cooperation could offer a useful avenue for CEE states to explore their future relations with Taiwan in a more strategic manner. Simultaneously, by reframing cooperation with Taipei through a larger lens, such an attitude could prove less confrontational to China in terms of its international optics. This kind of approach could also bring to light the existing connections between Taiwan and other actors on the Indo-Pacific – a perspective still overlooked in some CEE states that tend to focus on cooperation with respective Asian states instead of looking at them from the perspective of broader regional dynamics and their impact on Europe.

Moreover, subnational diplomacy could be further explored when it comes to establishing more tangible cooperation between Taiwanese and CEE entities. As a step towards further institutionalization of ties with Taiwan, new sister city agreements could be introduced, since currently only a few such initiatives exist in the CEE region. In this way, people-to-people relations can be fostered, enabling more interactions at the local level.
Conclusion

This report zoomed in on the contribution of the CEE region towards a joint, European approach to China by analyzing the position of CEE countries on the three most topical China-related debates in Europe: the concept of European strategic autonomy, Russia’s war against Ukraine and China-Russia ties, as well as the exploration of relations with Taiwan. It confirms that the CEE region cannot be considered as a monolithic bloc and there are observable differences in the positions between different sub-regions and/or individual countries when it comes to their relationship with China. Namely, Hungary and Serbia (Slovakia might be on a way to join them under the new government) are outliers on all the three issues and consistently provide a foothold for Chinese interests and official positions in the region. However, there are some patterns, lessons learnt and important contributions stemming from the CEE experience in dealing with China that need to be considered when devising the broader European policy framework.

Mostly under the influence of China’s global ascent and increased assertiveness, strategic autonomy has evolved beyond the realm of European security and defense to include attempts to reduce dependence on China in key economic areas. While differences remain among European capitals on how to strengthen the EU's strategic autonomy, the CEE region has been instrumental in raising awareness about the risks of overreliance on China in terms of technology, critical infrastructure, trade and supply chains.

Lithuania’s experience of economic coercion following the opening of a Taiwan representative office in Vilnius served as an alarm across the EU, signaling that given the complexity of the single market, no European country is immune to undue Chinese pressure, hence vulnerabilities need to be identified and mitigated. In that context, most of the CEE countries have adopted a consistent and principled, values-based approach in dealing with China, which seems to be more difficult to achieve in some Western-European countries with higher business exposure and more intense company presence in China. At the same time, the new trends of Chinese investment in electromobility, targeting especially the V4 countries, threaten to lead to new dependencies that may disproportionately affect those countries dependent on car manufacturing.

China has maintained high hopes that Europe’s quest for strategic autonomy would lead to the ‘old continent’s' increased independence from the US and that the EU’s China-related policies would be friendlier, or at least less hostile than those of the US. Nevertheless, with the exception of Hungary and Serbia, in recent years most of the CEE countries have actually strengthened their ties with the US and expressed strong support for transatlantic unity. This is visible and understandable in the issues of both Ukraine and Taiwan: most CEE countries predominantly count on US support for Ukraine and are ready to stand by the US on the issue of Taiwan, making the transatlantic cooperation a ‘two way street.'
While most CEE countries are highly supportive of Ukraine both in words and in deeds, there is, however, a different framing of China's role. The Baltics, Czechia and Poland often see Russia and China in conjunction, and do not shy away from criticizing China's pro-Russian neutrality or calling upon China to help end the war. Southeast European countries, on the other hand, do not factor in China's (potential) role in the war, although most of them are staunch supporters of Ukraine's Euro-Atlantic integration and are severely affected by the economic and energy implications of the aggression.

Moreover, CEE's general suspicion towards China's position on the war in Ukraine embodies a strong counter-argument to China's vision for a new global order based on multipolarity. Namely, China's support for Russia's unprovoked aggression has demonstrated that a rules-based international order is the only alternative for the security of small and medium states.

On the issue of Taiwan, the drivers behind the renewed cooperation of different CEE countries with the island state are twofold: normative, or values-based motives, and bilateral exchanges of a pragmatic nature. The countries which emphasize Taiwan's democratic system and mutual resemblance in terms of values are also more vocal on China's role in the Ukraine war and tend to speak out against a violent change of the status-quo in the Taiwan Strait. This group includes the Baltic countries, Poland and the Czech Republic, namely some of the countries feeling most threatened by Russia and affected by China's vision of a new global order.

On the other hand, although rather low-key, pragmatic motives have dominated the engagement as CEE countries recognize Taiwan's strong position in global value chains, especially in the area of semiconductors. Hence, Lithuania, Czechia, Slovakia, Poland and Hungary are the countries which have mostly benefited from Taiwan's willingness to invest and economically engage in the CEE region. Among the non-EU countries in CEE, Kosovo with its contested statehood and fate similar to that of Taiwan is the only one maintaining relations with Taiwan on the political level. The rest of the Western Balkans are proponents of the ‘One-China Policy’ and have been wary of engaging in any kind of cooperation for fear of China's possible retaliation.

In contrast to the image of the ‘Trojan horse’ they were once accused of being, in recent years most CEE countries have been consistently advocating for a unified, EU-led approach in dealing with China. This shift has been driven in part by the lack of tangible economic benefits for most CEE countries in their cooperation with China, and in part by the broader security and geopolitical landscape which has largely been shaped by China's positions on the war in Ukraine and Taiwan. Still, while there has been certain “triumphalism”\textsuperscript{113} and vindication emerging in CEE over its correct assessment of the Russian threat which had been ignored by some of the Western EU member states, it is important, also, to translate this into a more proactive role on the European level in forming EU foreign policies, rather than just being content with the position of moral grandstanding. CEE countries have a crucial role to play in shaping Europe's strategic autonomy and overall policy vis-à-vis China. Given that the CEE region includes non-EU member states, the EU-wide approach to China should take into account the broader geographic and political landscape of countries which are formally not in the EU, but are affected by and could potentially be influencing the EU and its policies. Such an inclusive approach will allow for shaping a stronger European response to the challenges posed by China.
The Missing Pieces? How CEE Can Contribute to a Stronger European Approach to China

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Footnotes


“Nord Stream 2 was a mistake. We simply didn’t listen to the Eastern Europeans,” Atlantik-Brücke, May 18, 2022, https://www.atlantik-bruecke.org/en/nord-stream-2-was-a-mistake/.


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The precise naming of these offices varies from country to country: some of them are called “missions”, while others “economic and cultural offices”, or just plainly “representative offices”. In essence, despite different designations, they all function as unofficial diplomatic missions or consular offices of the government in Taipei. See “ROC Embassies and Missions Abroad,” Ministry of Foreign Affairs, Republic of China, 2023, https://www.roc-taiwan.org/portalOfDiplomaticMission_en.html#Europe.


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