

Prospect and Forecast of “16+1” Local Cooperation

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***Abstract:** In 2012, the platform for “16 + 1” cooperation was born. The China-CEECs Association of Provincial Governors (the Association) was formed in August 2014. A number of 15 provinces and municipalities from China and 29 provinces (states, cities) from CEECs became founding members of the Association. Until now, the Local Leaders Meeting has been held three times. The local governments and enterprises of “16+1” have used the meetings to promote interconnection, boost trade and investment and work together in energy conservation, environmental protection, clean energy and other areas. In the future, the Association needs to attract more partners into local cooperation in order to pave the way for the connection of the “OBOR” initiative and the “16+1” platform, set the stage for increased friendship and prosperity for China, the CEECs and the EU.*

***Keywords:** “16+1”, China, CEECs, local cooperation, “OBOR”, SWOT analysis*

1. Introduction

In 2012, the platform for “16 + 1” cooperation was born. Just a few years later, cooperation in all kinds of fields between China and 16 Central and Eastern European Countries (CEECs) has achieved remarkable results. Especially since 2013, China and the 16 CEECs have developed exchanges in the fields of politics, economy, science and technology and humanities. Local leader’s cooperation also has gained rapid development.

On July 2013, the first “16+1” local leaders meeting was held in the Chongqing municipality and on that occasion the “Chongqing Initiative” was issued. From a historical perspective, this may be an innovation in terms of cooperation style for the “16+1” platform. As the first attempt, leaders of 15 Chinese provinces (autonomous regions, municipalities) and leaders of provinces (states, cities) in the 16 CEECs attended the meeting. This meeting has offered a good chance for the interconnection between the enterprises from China and the CEECs, also including people-to-people exchanges and the opportunity to strengthen the friendship and understanding between participants.

In August 2014, the second “16+1” local leaders' meeting was held in Prague, the Czech Republic. This meeting announced the establishment of the China-CEEC Association of Provincial Governors (named further on “the Association”). A number of 15 provinces and municipalities from China and 29 provinces (states, cities) from the CEECs became the founding members of the Association.

On the 16th -17th of June, 2016, the third “16+1” local leaders' meeting was held in Tangshan, the province of Hebei. High level leaders from China and CEECs attended the conference and 58 local leaders and some enterprise delegations from the CEECs also attended. The meeting set “New Opportunities, New Fields and New Spaces for Local Cooperation between China and CEECs” as the main theme of debates. 14 activities, such as the “Cross-border investment and trade cooperation forum”, 6 exhibitions, such as the Province/state

industrial cooperation show have been organized, and the international economic and trade fair in Hebei province was held in the same period. The meeting included five forums: (i) “OBOR” construction and international production capacity cooperation, (ii) Mass entrepreneurship and innovation, (iii) Environmental protection and clean energy, (iv) Higher education and employment and (v) Agrifood safety and development of international trade.

On the 16th of June, the Association held the second working meeting on the *Constitution of the China-CEEC Association of Provincial Governors* and issued the *Tangshan consensus*. From Tangshan meeting, we could find out that the local leaders' meetings of the “16+1” focused on economic cooperation and people-to-people exchanges. The opening ceremony revealed the national attention to local cooperation issues, the forums focused on the “16 + 1” cooperation initiative as part of the OBOR and exhibitions made the participants understand each other better. Until now, the meetings have been held in different countries and in China, which chose the western and central cities with a view to promoting the development in the Mid-west.

The China-CEEC Association of Provincial Governors is an important platform for local communication and cooperation. All members of the Association are willing to promote its further growth, to offer better services to the cooperation among enterprises, and to welcome the voluntary accession of more provinces (states, cities), so as to jointly promote the local development.

"*The Tangshan consensus*" made it clear that it is necessary to: (i) bring into full play the role of the China-CEEC Association of Provincial Governors, (ii) actively promote the friendly exchanges among localities, (iii) accelerate the cooperation in connectivity, (iv) promote the cooperation in trade and investment, (v) carry out international cooperation in productivity enhancement, (vi) carry forward cooperation in energy conservation, environmental protection and clean energy, (vii) further expand the cooperation in agriculture, (viii) strengthen the cooperation in technology and innovation and (ix) intensify the people-to-people exchanges.

The local cooperation within the 16+1 format is closely linked with, and implemented by observing the *Bucharest Guidelines for Cooperation between China and Central and Eastern European Countries* (2013) and the *Belgrade Guidelines* (2014). In November 2015 the 4th Meeting of the Heads of Government of China and the Central and Eastern European Countries was held in Suzhou and the “*Suzhou Guidelines*” and the “*Medium-Term Agenda for Cooperation between China and Central and Eastern European Countries*” (“*Agenda*”) were set up. The “*Agenda*” supports cooperation at the local level. The 3rd local leader’s meeting has created *Tangshan effects*.

2. Tangshan effects

Through the Tangshan meeting, the 16 CEECs, as well as the attending domestic provinces and cities could have a deeper perceptual cognition of the Hebei province. The Hebei province also made full use of the many platforms set by the meeting to show their own characteristics and advantages and to create opportunities for cooperation between the local administrations of other countries and their own. The multiple “cards” showed by the Hebei province promoter’s triggered good “Tangshan effects”.

2.1. The “Cultural and Communication Card”

Although the meeting lasted just a few days, governments at all levels in Hebei paid great importance and was organized carefully. Some of the teachers, students and officials of Hebei had graduated Beijing University of Foreign Studies, the CEECs languages, and some of them had even gone to CEECs to strengthen

their language skill and professional knowledge for service to the meeting. During the meeting, all the staff and volunteers have closely contacted more than thousand diplomatic, official staff and entrepreneurs from the CEECs. These experiences are very important for Hebei province to reserve human resources with international view.

Recently, the Hebei province has launched the "international language talent plan". In the next five years, the Hebei foreign languages college plans to set up language courses of more than 60 countries along the OBOR routes, to train more language talents.

In recent years, Hebei Foreign Languages College has signed cooperation agreements with 17 universities from 14 CEECs and set up 13 language courses, covering all of the 16 CEECs. In addition, many universities in Hebei have established research centers for CEECs. For example, the Hebei Geological University established the Czech Research Center and the Czech Prime Minister, Sobotka, went to the opening ceremony. In order to promote the cooperation between Czech and Hebei provinces, the Center invited domestic experts on CEECs to study Czech politics, economy and culture and so on. For Latvia, several universities have established exchanging mechanisms with Huabei Science and Technology College. The College has established the "Center of OBOR for China and Latvia". In November 2015, the Center hosted visiting Latvian Prime Minister.

2.2. The "Friendship Card"

When it comes to history of friendly cooperation between China and Central and Eastern Europe, elderly people will probably know *Sino-Czechoslovakia Friendship Farm*. It is located in Cangzhou city, Hebei province. This farm with 60 years history is the witness of friendship between China and the Czech and Slovak republics. The farm reflected the foresight and wisdom of the local government and people of Hebei.

After the Shanghai Expo in 2010, the Czech and Slovak pavilions were moved to the Farm as tourist attractions. An industrial park has been set up in the farm to attract Czech and Slovak investment. Nowadays, one training center has been created by FAIR aviation training school of Czech and the farm. The industrial park introduced Slovakia wine and Czech beer processing production line, making high quality products to domestic consumers. On the "16 + 1" local cooperation platform, the farm as the symbol of friendly cooperation between China and CEECs became a unique card for Hebei.

During the Tangshan meeting, the Hebei province established friendly province/state relations with the Molavia-Silisia region in the Czech Republic, Województwo Mazowieckie in Poland and Pest Megye in Hungary and it signed a memorandum with Prešovský kraj in Slovakia. Also, Shijiazhuang established friendship relations with the city of Nagykanizsa, Hungary.

2.3. The "Production Capacity Card"

The economic structure of Hebei province is dominated by heavy industry and energy sectors. In recent years, facing the low carbon policy, the innovation-driven economy goal and the "New Normal" of China's economy, Hebei started industrial transformation and upgrading and also started to encourage competitive industries to go out for international business with the countries along the OBOR routes. In November 2015, at the 4th meeting of Heads of Government of China and Central and Eastern European Countries, Premier Li Keqiang invited the CEECs leaders to take a ride together by one of China's high-speed trains. The train, marked with the sign "16 + 1 > 17" was produced by Tangshan Railway Vehicle co., LTD. At present, China's high-speed train has run on the railway tracks in Macedonia. More than 400 world leaders experienced the

voyage by high speed train, and also experienced the Hebei or China strength of the railway equipment and technology. During the conference, foreign guests of CEECs also visited the high-speed train producing company.

Hebei steel co., Ltd is another "China industry card". In June, 2016, President Xi Jinping visited Serbia, and on that occasion, the Hebei steel co., Ltd decided to merge with steel enterprises in Serbia. It has become an important achievement for Hebei province to promote the international productivity cooperation with CEECs. In addition, relying on the "Made in China 2025" and the "Internet plus " plan devised by the central government, Hebei promoted advanced domestic manufacturing linked with industries of CEECs through exhibitions such as the ones on Big data, Healthcare, Intelligent terminal, Biological medicine, New energy vehicles and other strategic emerging industries. China-CEECs enterprise cross-border investment and trade fair attracted more than 200 enterprises from CEECs and 500 domestic enterprises. The organizer manages to facilitate the exchanges among the entrepreneurs from China and foreign countries by offering interpreters on spots or online service.

For the "2022 Winter Olympics", the Tangshan meeting also set up special exhibition, displaying Zhangjiakou's new opportunities in the field of ice and snow sports industry, to the guests. Slovenia, Croatia and Bosnia and Herzegovina have been looking for business opportunities for the 2022 Winter Olympics and also for cooperation in the health industry. On the occasion of this meeting, the Hebei administration and companies signed 16 projects, including five foreign investment projects, a total investment worth of 563 million dollars. In addition, it also signed two technical cooperation projects and three education cooperation projects.

2.4. The "Local Card"

Hebei also actively used the meeting to promote the characteristic industries of counties, showing the characteristic industries of 39 counties to the domestic and foreign businessmen. Specialty products such as Tangshan ceramics and paper cutting in Yu County have been showed. Similarly, the represented provinces/states from the Central and Eastern European countries have also brought their best and most competitive industries to the Meeting, including Skoda cars, the world's most advanced level of flight simulator, health care products and wine, etc. nearly two hundred kinds of exhibits. The exhibition attracted more than 120 companies from abroad, such as the Czech automobile, electrical equipment, medicine and so on.

In 2015, the trade of China with the Central and Eastern European countries reached \$56.2 billion, among which, the total trade of Hebei province with CEECs amounted to \$510 million. By the end of 2015, 113 enterprises from CEECs invested in Hebei province, cumulating a total investment of \$196 million. In recent years, cooperation in equipment manufacturing, aviation, food processing, education, tourism and other fields between Hebei and CEECs has achieved positive results. The Tangshan meeting announced that the fourth "16+1" local leaders' meeting will be held in 2018 in Bulgaria.

3. SWOT analysis for “16+1” local cooperation and Conclusions

Strengths	Weaknesses
Based on the Sino-EU comprehensive strategic partnership; China-EU 2020 Strategic Agenda for Cooperation; Political friendship between "16 + 1"; Based on OBOR and "16 + 1" cooperation; CHINA RAILWAY Express; AIIB, Silk Fund;	Asymmetry between the China and CEECs; Different culture ; Aging society; Hard to finance; Absence website of 16+1 local cooperation; Visa difficulties ; Absence of direct airline;
Opportunities	Threats
Strong cooperation desire of China and CEECs ; Transition in CEECs; Economy growth; China as the member of EBRD; Smart growth and innovation for both sides; Delay of accessing the Euro area;	Terrorism; Far-right political power rises in CEECs; Support for independence of Chinese Taiwan, Tibet and Xinjiang by some political power in CEECs; Brexit; Fund will be reduced from EU; Instability of the International system;

As the SWOT analysis shows, we need to take advantage of the cooperation between China and CEECs to create a good environment for 16+1 local cooperation. All the participants should make their efforts to solve the weaknesses through communication and coordination. The 16+1 participants may not control the threats faced by all countries. We should develop multiple cooperation with other countries.

Cooperation at the local level can contribute to the all-round and balanced growth of China and of the CEECs. There are broad prospects for China-CEEC cooperation. The connection between the *One Belt and One Road Initiative* and the development strategy of CEECs provides new opportunities for the local cooperation between China and CEECs in such fields as economy and trade, technology, culture and education, as *Tangshan effects* show us.

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