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Political and Economic Activities of the PRC on the Balkan Peninsula Romania: A Case Study

Abstract

The recent growing political and economic presence of the People's Republic of China on the Balkan Peninsula draws more and more attention from the European Union, the United States, and Japan, as well as Russia and Turkey. The institutionalized expression of Chinese interest in the Central and Eastern Europe region is the 16+1 format launched in Warsaw in 2012 by the then Chinese Prime Minister, Wen Jiabao, which, by definition, should be a multilateral platform for cooperation between the countries of Central and Eastern Europe and China. The current bilateral relations between China and Romania are based on the declaration of an enhanced agreement concluded in 2013. In the context of economic cooperation with China, the identification of key sectors and investment projects of Chinese interest remains the most critical task for Romanian diplomacy. In the case of Romania, the most advanced negotiation projects undertaken by Chinese entities include, among others: possible introduction of Huawei's 5G technology and the Cernavoda Nuclear Power Plant. Through quantitative and qualitative analysis, this study analyses Chinese investment in Romania as well as its limitations. The primary aim of this research is to identify Chinese motivations regarding investments in Romania, as well as their efficiency and impact on the domestic economy. In this context, the growing importance of Sino-American interactions in the region – including Romania – reflects the global tensions in relations between Washington and Beijing.

Keywords: China, Romania, Multilateralism, Bilateralism, 16+1 (17+1) cooperation mechanism, USA, Trade War, Huawei, 5G

1. Introduction

The age of humiliation (*bainian guochi*) and a series of internal reforms led by Mao Zedong, directing emphasis onto the internal development of the state with progressive international isolationism, led the People's Republic of China into a catastrophic economic situation. The construction of the new strategy was to be based on principles rejecting economic isolationism. The first series of economic reforms and openness to the world (*gaige kaifang*), implemented in December 1978, allowed China to gradually increase its presence on the international arena – both politically and economically. The real breakthrough came after China's so-called second opening to the world, i.e. after President Deng Xiaoping's trip to the south of the country – where the effect of the reforms was most visible (Góralczyk, 2009). As a consequence, Deng Xiaoping called for the continuation of economic reforms, which caused China's rapid demand for energy resources and thus its opening to foreign markets. Under Jiang Zemin's and Zhu Rongji's leadership, the attitude in China's foreign policy underwent fundamental changes. The slow break with the "victim complex" and "age of humiliation" as well as the "great rejuvenation of the Chinese nation" (*Zhonghua minzu weida fuxing*) forced by Jiang Zemin (Mierzejewski, 2014), ultimately led to the introduction of China's official policy of opening up to the world (*zou chuqu*) in 1997. After a state visit to the African continent, Jiang Zemin advocated the creation of large state conglomerates (*da jituan*) that would be successful on the international market and also help in establishing multilateral dialogue with developing regions and countries. The first of the proposed regional cooperation formats within the multilateral institution led by the People's Republic of China was the Forum on China-Africa Cooperation (FOCAC) in 2000. Specific actions in this matter were taken as early as 1995, when The Import-Export Bank of China became the financial tool of the People's Republic of China, granting preferential loans to domestic companies showing investment interest in Africa. The establishment of FOCAC was motivated by the need to create an institutional tool for coordinating cooperation and supporting consultations at the political and business level (Zeng & Shu, 2018).

The involvement of the People's Republic of China in multilateral processes was initially most evident in the region of East Asia, where the

Middle Kingdom became a participant in forums and institutions of international cooperation, i.e. ASEAN + China, East Asia Summit (EAS) and Asia-Pacific Economic Cooperation (APEC). China's participation in these organizations is balanced by other economic and political forces, including India, Japan and the Russian Federation. Over the years, China has proposed several multilateral formats of international cooperation in which – formally or informally – it takes the role of leader, including FO-CAC, China-CELAC Forum (CCF) and the China + Central and Eastern Europe 16+1 cooperation mechanism.

The format of China's cooperation with the countries of Central, Eastern and Southern Europe 16+1 was initiated by the then Prime Minister Wen Jiabao in Warsaw in 2012. Initially, this mechanism, considered as an initiative of a Chinese politician, did not promise any significant impact in China's foreign policy. Over time, however, it has become an interesting form of promoting Chinese interests, as well as a more complex picture of the country's activities in international politics. It should be recognized that this was to lead in the long run to the creation of a mechanism of political and economic cooperation based on the division of work of format participants. The analysis of messages announced after successive summits of the 16+1 cooperation mechanism indicates three basic issues: (1) isolation of cooperation leaders with China, (2) division of work among format participants, (3) marginalization of countries not interested in the initiative. Based on the quantitative statement, it should be pointed out that the leaders of cooperation with China in the 16+1 format are: Hungary, Serbia, the Czech Republic and Poland. Countries that should be considered as intermediate are: Bulgaria, Romania, Macedonia, Latvia, Slovenia, Croatia, and countries interested in one or two sectors of cooperation are Bosnia and Herzegovina, Lithuania, Montenegro, Slovakia, Albania and Estonia (Mierzejewski, Kowalski & Ciborek, 2018).

All of the platforms proposed by Beijing have a number of common features in terms of their institutionalization, normative foundations or sectors covered by cooperation (Jakóbski, 2018). Another common feature is the clear asymmetry of trade exchange between China and individual member countries of regional cooperation formats. Therefore, for the purposes of this article, from a theoretical perspective, we shall look at the Chinese understanding of multilateralism with a basic definition.

2. Classic Multilateralism Vis-à-vis Its Chinese Interpretation

According to the classic definition of multilateralism presented by Robert Keohane, the term is defined as the coordination of national policies in groups of three or more countries through ad-hoc arrangements or through the use of institutional means (Keohane, 1990). The above definition is also related to theories of William Diebold and John Gerard Ruggie, who introduced the division of multilateralism into formal or actual, and normative or qualitative, respectively. However, the key to our considerations is the division introduced by Kenneth S. Donahue and Therry Warin, who divide multilateralism into two aspects. The first is hard multilateralism in which all members have equal access to information and independently participate in the decision-making process. The second is the so-called soft multilateralism, which is characterized by so-called “Mutual bilateralism” and occurs when the donor state demands certain concessions on the part of the recipient state in exchange for the assistance provided. It is worth mentioning that Donahue and Warin use constructivist theory when defining a bilateral or multilateral strategy of state policy (Jati, 2018).

With regard to “Chinese multilateralism,” it should be noted at the outset that historically the People’s Republic of China in its foreign policy has undertaken mainly bilateral or unilateral cooperation. This was mainly due to Confucian values and, consequently, convictions about the superiority of Chinese civilization and the Middle Kingdom over other participants on the international scene, resulting in a classic model of Chinese bilateralism (Kwieciński, 2015). In Chinese belief, it was the most effective way to conduct foreign policy, and relations with global powers were conducted in a spirit of realism (Kwieciński, 2015). In the 1970s and 1980s, we observe China’s return to the active participation of the PRC in international organizations on the global scale. Joining the United Nations (1971), the International Bank for Reconstruction and Development (IBRD, 1980), and the International Monetary Fund (IMF, 1986) testified to the growing importance of multilateral foreign policy. In 1997, the PRC officially committed itself to taking an active role in multilateral diplomacy by the statement of Foreign Minister Qian Qichen. The practical adoption of multilateralism was possible thanks to the introduction of Deng Xiaoping’s theory and openness to the world (1978) as well as the implementation of Jiang Zemin’s Three Representation Rules (1997), because Mao’s Cold War policy of “two camps” and “opposing

imperialism and revisionism" rejected multilateralism in its nominal definition (Chai, 2003). According to Wang Yizhou and Tan Xiuying, the concept of multilateral diplomacy in Chinese academic discourse did not appear until 2001, when a seminar entitled "International Economy and Politics" was organized in China for the first time (Wang & Tan, 2016). The development of multilateral diplomacy with Chinese characteristics was, therefore, perceived both as element of shaping the foreign policy strategy, but also as an element of adaptation and self-improvement. International institutions, multilateral cooperation, shared identity, collective recognition and global management have been recognized as inherent elements of multilateralism, while structural, strategic, functional and social analyses have become the main tools for studying this phenomenon.

Polish political scientist Edward Halizak considers Chinese understanding of multilateralism as an opposition not only to one-sidedness on the international stage, but also a natural inclination to a single superpower dominance in world affairs as one of the most important features (Halizak, 2005). As for Chinese scholars regarding the main understanding of multilateralism, Ye Zicheng (1998) characterizes multilateralism (multipolarization – *duojihua*) as a process of change (*hua*). In this concept, a multipolar world means adapting China's foreign policy and diplomacy and strengthening the bilateral relationship with other powers such as Russia and France to stop the United States from creating a unipolar world (Mierzejewski, 2015). Ye therefore sees polarity as an element of balance of power. In the context of Chinese theoretical considerations on multilateralism, one should also mention the definition proposed by Qin Yaqing (2001), where multilateralism (multilateralism – *duobian zhuyi*) is understood as ideology, a set of principles (-ism, - *zhuyi*). In this ideology, most important element is a multilateral institutional structure, where the nation-state remains the basic element of this structure and in the international environment there are common rules, norms and procedures in the decision-making process (*ibid.*).

3. Brief History of Diplomatic Relations between Romania and the People's Republic of China

The beginning of bilateral diplomatic relations between Romania and the People's Republic of China is dated October 5, 1949, however, the rapprochement between the two countries came about thanks to joint

participation in the Eastern Bloc during the Cold War. After the Sino-Soviet split at the end of the decade, the Romanian government, led by Gheorghe Gheorghiu-Dej, politically moving away from Moscow led to rapprochement with the People's Republic of China. According to Sarmiza Pencea and Iulia Monica Oehler-Sincai, Romania in the 1960s and 70s was the most important partner of the People's Republic of China in Europe. Romania, which started the industrialization process much earlier than China, adopted some Western technologies in the process. In view of the above, Romania became a very attractive partner for China, becoming China's second partner country after the Soviet Union, which actively contributed to China's industrial modernization, especially in the heavy industry and energy sectors (Pencea & Oehler-Sincai, 2012). Nicolae Ceausescu also advocated strengthening relations with the People's Republic of China, which resulted in the visit of the Romanian leader to Beijing in 1971, but changes in the state's internal policy led to the erosion of trade between the countries (Chiriu & Liu, 2015).

After the collapse of the Ceausescu regime in December 1989, the People's Republic of China immediately recognized the government of Petre Roman, giving a clear signal to warm up diplomatic relations. Unlike some Central and Eastern European countries, Romania has never questioned the policy of one China, avoided formal meetings with the Dalai Lama, did not maintain diplomatic relations with Taiwan, and did not raise the issue of respect for human rights in China. Despite the visit of Ion Iliescu to Beijing in January 1991, Romania turned to the West, which was a clear trend of the CEE countries in the 1990s during the ongoing political transformation. In 1997, in the face of the further erosion of bilateral trade, the Beijing government suspended its preferential policy of exporting Romanian goods to China, ultimately leading Romanian entrepreneurs to have almost no interest in the Chinese market. This led to a situation where, in 1999, bilateral trade recorded a record low level (USD 0.17 billion). The rapid economic growth of the People's Republic of China in the first decade of the 21st century led to an increase in Romania's trade deficit with the Middle Kingdom, which several times led to the official expression of concern over the situation by the government in Bucharest and urging the Asian partner to take steps to balance trade. The visit of the President of the PRC, Hu Jintao, in 2004 highlighted the correctness of political relations between states, establishing an "all-round friendly cooperative partnership," but Romania's accession to the

European Union in 2007 obliged the state to implement the EU Common Foreign Trade Policy, the beneficiary of which was the People's Republic of China under the General System of Preferences (GSP) and Free Trade Agreement (FTA). The above situation has had a negative impact on the Romanian economy, because increased imports of goods from China have become a serious challenge for domestic producers, consequently leading to an increasing negative balance in trade with China (Pencea & Oehler-Sincai, 2012).

In the face of a preferential policy towards Chinese emigrants from the 1990s on the Balkan Peninsula – including Romania – by the end of the first decade of the 21st century we could observe numerous SME sector enterprises and several Chinese production investments that mainly specialized in producing simple, not technologically advanced products. In addition, Romania was one of the first European countries officially selected by the Chinese government to implement the strategy introduced in 1999, the so-called “Go Out Policy” (MOFCOM). Thanks to this strategy, Chinese business representatives implemented several investments, including: Eurosport DHS – bicycle manufacturer (USD 20 million), China Tobacco International Europe (USD 35 million), Dongguan Yuncheng Plate Making Co. in Prahova Oblast in the south of the country (4 USD million), and Shantou Agricultural Machinery Equipment (USD 20 million) in Rasnov, Brasov region. In 2005, according to statistics, Romania accumulated 2/3 of Chinese investments in Central and Eastern Europe. After the implementation of the 16+1 mechanism in April 2012, the Romanian market also gained the interest of Chinese energy companies, eventually leading to the purchase of 100% of shares in Romanian Lucas Est by Chinese Renesola in September 2012, resulting in the creation of a solar farm in the Prahova region (Oleinic, 2012). The value of this investment has not been disclosed to the public.

From the perspective of seven years since the implementation of the 16+1 *ab hinc* called 17+1 mechanism (after Greece's inclusion in April, 2019) and six years from the implementation of the Belt and Road initiative, economic results as well as the quantity and value of Chinese FDI can be assessed as relatively low. Most large projects, whose value exceeds EUR 1 billion, are still in the sphere of declarations. For a long time, the most advanced negotiated project undertaken by the Chinese side was the expansion of the Cernavoda nuclear power plant by China General Nuclear Power (CGN), whose estimated value exceeds EUR 6 billion

(Dalton, 2017). Another project expected by the Romanian side is the extension and modernization of the Rovinari CHP plant worth EUR 1 billion, which according to media reports is to be undertaken by China Huadian Engineering.

It is also necessary to mention the indirect presence on the Romanian market, because Chinese investors in the process of taking over or acquiring foreign companies have become an indirect contributor to the Romanian economy, primarily in the context of maintaining and creating new jobs as well as generating revenues from paying taxes. Examples of such companies are: Pirelli (acquisition from Italian hands by ChemChina), Nider (acquisition from Dutch hands by COFCO) and Smithfield Foods (acquisition from American hands by Shuanghui International) (Pencea, 2017).

4. The Economic Dimension of Romanian-Chinese Trade Cooperation

As can be seen in Table 7.1, the value of bilateral trade in the year of entry into force of the China-Central and Eastern Europe 17+1 Cooperation Mechanism (2012) was USD 3.18 billion (export: 494.4m; import: 2687.5m). Interestingly, in 2011, i.e. a year before the implementation of the 17+1 initiative, this value was higher, as it amounted to USD 4.06 billion (export: 543.9m; import: 3524.7m). In 2012, mainly timber and wooden articles (113.9m); mechanical machinery and equipment (89.9m) as well as electrical machinery and equipment (86.0m) were exported from China to Romania. At that time, the structure of Romanian imports from China was mainly based on electrical machinery and equipment and spare parts (1614.1m); machines and mechanical devices (446.8m) as well as materials of iron or steel (98.3m). The negative foreign trade balance in Romania in the given period amounted to USD 2.98 billion.

Six years after the introduction of the cooperation mechanism of the People's Republic of China with the countries of Central and Eastern Europe (2018), the value of bilateral trade amounted to USD 5.94 billion (export: 762.2m; import: 5187.2m). The structure of Romanian exports to China in the given period changed, because electrical machinery and equipment (177.5m) had the largest share in exports, but wood and wooden articles (146.2m), and machinery and mechanical devices (117.6m) still constituted an important part of Romanian exports. Electric ma-

chines and devices still dominated in the structure of Romanian imports from China (1461.6m); machinery and mechanical appliances (1210.4m) as well as optical, photographic and cinematographic instruments and apparatus (267.7m). The negative foreign trade balance of Romania with the People's Republic of China increased by 48.3%, reaching USD 4.42 billion in 2018.

Table 7.1. Value of the Trade between Romania and China 2011–2018
(USD thousand)

	2011	2012	2013	2014	2015	2016	2017	2018
Import	543,963	494,395	663,628	753,042	582,668	679,527	832,519	762,239
Export	3524,775	2687,505	2620,886	3118,610	3195,836	3794,094	4262,390	5187,269
Total	4068,738	3181,900	3284,514	3853,652	3778,524	4473,621	5094,909	5949,508

Source: International Trade Centre data, Trade Map – International Trade Statistics (2019).

Based on the above data, it should be stated that Romanian exports during the six years of operation of the 17+1 mechanism increased by 40.1%, slightly changing their structure, because as the value of exports increased, the share of low-processed electronic components increased in place of articles made from wood in 2012. In the same period, the value of Romanian imports from China increased by 93.0%, though its structure has not changed and electronic devices are still the dominant group of products; however, we can observe a significant increase in Romanian interest in Chinese gas turbines, which dominated imports in the machinery sector. The significant increase in Romania's negative trade balance with the People's Republic of China led to an increase in Romanian dissatisfaction, forcing Bucharest to ask Beijing several times for a renewed policy addressing this issue.

5. External Factors Affecting China-Romania Cooperation

Washington's relations with Bucharest are more and more clearly determining the levels of Chinese-Romanian cooperation. One of the most serious tasks for Romanian President Klaus Iohannis after his re-election is to consolidate the strategic partnership with the United States (Ciurtin,

2019). Among the key issues being discussed by both parties is the extension of cooperation within NATO, counteracting threats posed by the Russian Federation, as well as anti-corruption activities and economic relations. Particularly important for the American side is cooperation under the aforementioned NATO, where the key issue remains the remilitarization of the Black Sea area as well as avoiding threats within the critical infrastructure of the state, including avoiding cooperation with Huawei as part of creating the Romanian 5G network (Marinas, 2019). The increasing tension on Huawei in Romania, as in other CEE countries, is the aftermath of the diplomatic tension between Beijing and Washington. An escalating factor was the statement of the US ambassador to the EU, Gordon Sondland, who openly admitted that the best way out for the Balkan state would be to refrain from cooperation with the Chinese telecommunications giant (Deacu, 2019). In August 2019, a meeting of the presidents of Romania and the USA took place, during which a memorandum of understanding was signed regarding the planned technological development of Romania's 5G network. According to Sondland, Romania carried out a risk analysis using 5G networks and concluded that the use of Chinese technology is not the best solution and the US government approves this position. In response to this interview, Huawei issued a statement accusing Sondland of "unfounded allegations and interference in the Romanian business environment." The company's announcement also includes calls for specific arguments as well as stating that the whole situation is only a "politically motivated action against Huawei."

The visit of the Romanian president to the White House in August 2019 sheds new light on the potential cooperation of local operators with the Chinese giant Huawei. According to the Chinese media portal *guan-cha.cn*, Romania and the United States have agreed on the construction of the Romanian 5G network, expressed in a joint memorandum, which states that both countries will try to avoid the investment risk associated with the construction of the 5G network by the Chinese concern Huawei. The United States has granted a 90-day license for Huawei to do business in the US, thus lifting the imposition of duties on Chinese products as part of the Trade War, but they still require their European allies to be extremely cautious about negotiating terms of cooperation with the Chinese corporation. Despite the temporary license being granted, Huawei postulates that its activities in the US or European countries are excessively restricted. The portal also calculates that none of the leading European

countries categorically refused Huawei participation in the construction of a 5G network and among these countries are Germany, the United Kingdom, France, Spain, Austria, Italy, Malta, Latvia and Portugal. Another widely commented issue, especially in the PRC, having an impact on bilateral relations is the instability of the Romanian government (Han, 2018). The collapse of the ruling coalition in August 2019 may provide an opportunity for renegotiating the terms of Huawei's potential contract with the Romanian government.

The aforementioned memorandum signed by Klaus Iohannis and Donald Trump was to contain provisions regarding the criteria for choosing a 5G technology supplier. These include ethical behavior, no negative history of espionage, and transparency in shareholding structure to avoid any links with foreign governments. After signing the memorandum, President Iohannis said that it does not strictly refer to a specific company, but only defines some criteria of transparency, compliance with the rule of law, etc. The American motivation to block Huawei's activities in the CEE region is the fact that most of the region's countries are NATO members. In this context, Romania is one of the key countries of the Eastern Flank of NATO, because in 2016 elements of the American Aegis Ballistic Missile Shield were installed there. In this context, one should also mention the visit of Radosław Kędzia, Huawei's Vice President for Central and Eastern Europe and the Nordic Countries, who went to Romania to discuss a potential ban against Huawei at the 5G frequency band auction (*Huawei sends...*, 2019). The auctioneer is ANCOM (National Authority for Management and Regulation in Communications of Romania). During the visit, Radosław Kędzia expressed his surprise and described the state's action as "unjustified acceptance of vague and unfair accusations expressed by the USA." In addition, Huawei's regional vice president emphasized that the company is an important foreign investor in Romania, paying taxes of hundreds of millions of euros per year. Earlier, Radosław Kędzia did not rule out a lawsuit against the Romanian administration in the event of its imposing an unjustified ban on the operation of the company.

In the context of Chinese-Romanian cooperation in the field of energy, the interest of China General Nuclear Power (CGN) in the Cernavoda Nuclear Power Plant expansion project is noteworthy. It would seem that the proceedings of the CGN Memorandum of Understanding signed in 2015 and the Romanian Government would be complicated by the fact

that the US detained a CGN employee on charges of industrial espionage. The US has thus dragged the company onto the “blacklist of economic entities,” in theory excluding the participation of CGN in the work on nuclear energy in Romania, a US ally. Yet again, one of the leading topics was the unstable political environment in Romania, which was to limit the Chinese side in taking further steps to carry out the investment. Negotiations began in 2013, and the latest findings, excluding 2019, came from 2016. In May 2019 there was a breakthrough, as an initial agreement between Romania’s Nuclearelectrica and China’s General Nuclear (CGN) was signed (World Nuclear News, 2019). Nuclearelectrica is 80% owned by the Romanian government, while the majority of the remaining 20% is owned by the Fondul Proprietatea investment fund. The agreement concerns the extension of units 3 and 4 of the nuclear power plant in the city of Cernavoda. The document was signed in the presence of Romanian deputy prime minister Viorel Stefan, energy minister Anton Anton, PRC ambassador to Romania Jiang Yu and economic advisor to the PRC in Romania Guan Gang (Romania Insider, 2019b). The power station with the same name is located in Dobrogea, in the Constanta district near the river port on the Danube. The location of this potential Chinese investment is crucial because Romania, in the face of the presence of NATO ships in the port of Constanta, is pushing the development of logistics cooperation with China based on river transport on the Danube. Also for this reason, the potential expansion of the port of Constanta by Chinese investors has been suspended. The increased presence of NATO in the Black Sea basin is associated with the annexation of Crimea by the Russian Federation. In order to facilitate investment and avoid major controversy, the agreement calls for the creation of a joint venture. The newly created joint-venture will grant CGN 51% of shares, while Nuclearelectrica will take up the remaining 49%. This action is dictated by procedural requirements sanctioned by the European Union. The Romanian Minister of Energy, Anton, gave assurances that during the first two years a specific cooperation model will be defined along with the preparation of the nuclear power plant expansion project. CGN CEO Bian Shuming emphasized that the Chinese side is fully engaged in close cooperation with the Romanian partner. The rush on the Chinese and Romanian sides is caused by the upcoming changes in environmental regulations. As a result, several of the power plants based on coal combustion and not meeting EU requirements will be closed. The Cernavoda nuclear power plant is therefore to fulfill the

role of state energy security in the face of the implementation of these provisions. Representatives of the opposition National Liberal Party have many reservations about the contract with the Chinese company. First of all, it is about choosing a partner, CGN, which, as previously mentioned, was accused of espionage in the US (Kolbay, 2019). In addition, it is still unclear whether the proposed partnership means exclusivity for the Chinese side to operate and manage the project, and under what conditions the Romanian side could terminate the contract. Additional complications in the latest energy agreements are introduced by the conviction of Liviu Dragnea for corruption by the Romanian Supreme Court. Dragnea is considered the most influential politician in Romania, currently serving as *de facto* leader of the ruling Social Democratic Party. Bringing an influential politician to prison can have a significant impact on progress in the implementation of the Cernavoda 3 and 4 projects. The possible success of Chinese investment in Romania would introduce a completely new dynamic in political and economic relations.

Despite the proceeding of investment agreements, it should still be stated with certainty that political instability and ongoing anti-corruption cases against the highest-ranking politicians in the country negatively affect bilateral relations between China and Romania. In the Chinese media, more attention is being paid to the internal situation in Romania. Reports about an inefficient anti-corruption system raise concerns about the future of Chinese investment. The escalation of tension related to changes in the leadership of the National Anti-Corruption Directorate (DNA) in Romania's internal policy coincided with the Romanian Presidency of the Council of the European Union, which began on January 1, 2019. The problem of corruption is still visible within the Balkan EU members, however, it seems to have been marginalized, since during the Romanian Presidency it is expected above all to create a "spirit and atmosphere of solidarity" in the context of Brexit, as well as efficient management of the refugee crisis. According to the President of the European Commission, Jean-Claude Juncker, Romania took over the presidency at the hardest moment for the EU. The head of the EC also mentioned that Romania would make every effort to limit "exports of home affairs to Europe." As it turns out, such Brussels action can paradoxically bring some benefits to the entire community. What is a threat to the EU itself is also a serious brake on the rapid development of Chinese investment in Romania. The Beijing government will want to avoid a corruption scandal at all

costs, especially in the face of Xi Jinping's unprecedented anti-corruption campaign, which since 2012 has removed more than 1 million government officials from public life.

6. Conclusion

China is undoubtedly an important political and economical partner for Romania, but the value of bilateral exchange indicates a clear asymmetry and sets limitations on the possibilities of further cooperation. The priority for the Romanian government is, therefore, to further develop positive relations with the European Union. China is Romania's strategic partner, but the efforts of the government in Bucharest strive primarily to reduce asymmetry in bilateral economic relations and also to attract infrastructure investments. According to information obtained during research trips to the People's Republic of China and Romania, meetings of the heads of ministries devoted to China take place once a month, which indicates the essence of bilateral relations with regard to Romanian foreign policy.

In the context of the perception of the 17+1 mechanism in the case of Romania, it provides a good opportunity to renew bilateral relations between countries, even though the initiative is multilateral. Local cooperation is crucial in this matter, because it should be the basis for achieving new economic connections in bilateral exchange as well as the entire 17+1 mechanism. The annual meetings of the heads of governments of the 17+1 cooperation mechanism serve, in principle, to achieve political goals in bilateral relations, but they are far too small for the practical dimension of economic cooperation. Romanian practice shows that contact at ministerial level (MOFCOM) or with the National Commission for Reform and Development of the PRC is specific and difficult. Another advantage of initiating local cooperation with Chinese local governments is the fact that they have autonomy in terms of trade with foreign entities and often internal competition between Chinese provinces leads to a better negotiating position or offer for European local governments or the business community. One of the problems with attempting to attract direct investment from China at the local level indicated by the Romanian side is also the fact that most prosperous Chinese enterprises with investment aspirations in Europe are centralized, which creates negotiating difficulties and additional asymmetry in economic relations. In addition, the integration of the 17+1 mechanism with the Belt and Road Initiative

introduces confusion, as Romanian officials and entrepreneurs cannot read Chinese expectations.

In the context of the Secretariat for Energy of the 17+1 mechanism in Romania, no transnational projects have been developed at the moment, but focal points for potential energy cooperation have been established for each country, which will be gradually implemented. The Romanian side indicated that perhaps cooperation on the Three Seas concept would create a specific offer for China, in which energy projects based on international cooperation would be undertaken.

Referring to the influence of external actors on Chinese–Romanian relations, much depends on the investment success of the projects in Cernavoda and also the solution of the future of 5G technology with Huawei. The recent findings of the Romanian government are quite contrary to the position previously developed together with the EU and the US regarding these investments. From China's point of view, conducting active exchanges with Romania under the 17+1 format is an element of balancing EU and US influence in the region. This is undoubtedly related to the Chinese understanding of multilateralism striving to move away from the unipolar world and promoting multipolarity in the region of Central and Eastern Europe in order to ensure a balance of power.

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