Polish Economic Institute

China's Belt and Road meets the Three Seas Initiative

Chinese and US sticky power in the context of the COVID-19 pandemic and Poland's strategic interests

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Author: Grzegorz Lewicki
Editing: Jakub Nowak, Małgorzata Wieteska
Graphic design: Anna Olczak
Graphic design cooperation: Liliana Gałązka, Tomasz Gałązka, Sebastian Grzybowski
Polish Economic Institute
Al. Jerozolimskie 87
02-001 Warsaw, Poland

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Table of contents

Executive Summary

- The power of Western civilization seems to be waning, in contrast to the power of Confucian civilization. After superimposing civilizational identities in accordance with modern civilization theory onto data from the In.Europa *State Power Index*, Confucian civilization (i.e. China and other countries with notable identity-related impact of Confucianism) emerges as already outsmarting the West (i.e. the US, Europe and Australia) in terms of quantifiable, smart international power. This will have consequences in many dimensions, from the ethics of scientific research, through desirable public policies, to the evolution of political systems globally.
- China's rise as a prospering non-democratic Confucian power has already alarmed the United States: in recent years, the US administration has dramatically changed its assessment of China, openly speaking of it as a "strategic competitor" coming from "different civilization" that wants to transform the world in a direction not necessarily desirable to the US. China's rise is related mainly to adapting to the logic of pure capitalism that grants significant influence to innovators. While still benefitting from its role as a global manufacturer and "copycat" of technologies, China became an innovator – especially in areas such as artificial intelligence or production and management of global Internet infrastructure. These areas of research are allowing China to achieve great political influence during the ongoing digital transformation of global economy.
- Both China and the US effectively use their sticky power; their ability to shape the rules of globalization to their benefit by projecting economic power onto external entities and networks. In the American case, before Donald Trump's presidency, sticky power has been exercised by promoting liberal world order aiming at expanding global zones of economic and individual freedom (Bretton Woods System, BWS). In the Chinese case, their brand new sticky power manifests itself in the promotion of a stable, predictable, but not necessarily liberal and transparent order with China as its anchor and stabilizing force (Belt and Road System, BRS). Whereas the former is rooted in capitalism and democracy, the latter demonstrates that capitalist principles can go well with communism and other authoritarian political systems.
- As the BWS and BRS were established by representatives of different civilizations, their preferred modes of expansion might differ, which could lead to ethical tensions. China was accused of promoting behaviour that may be labelled "corruption" (by Western ethical standards) as well as frequent use of debt traps (a mechanism that forces some countries into political submission in exchange for China reducing unpayable loans). A similar tension is relates to the global application of Confucian principles to the

management of foreign companies in China. As the government extrapolates its non-transparent Social Credit System (that scores citizens' behaviour) to foreign companies, peculiar phenomena are being noted. One is networked corporate responsibility, which assumes that a company may be punished by the government for actions by its independent contractors. Although such system may be compatible with Confucian ethics, Western companies are currently unprepared. What is more, this system may be used as a tool for tacit international pressure on big companies.

→ The part of the European Union known as the Three Seas region currently attracts the sticky power of both the US and China. The region is a longitudinal belt consisting of 12 Central Eastern European states (from Estonia, through Poland, to Bulgaria) the majority of which experienced decades of Russian communism after World War II that resulted in technological backwardness. Committed to technological and infrastructural development, the region currently offers significant investment potential. Firstly, it is of geopolitical importance for the US as it represents the easternmost Western barrier potentially capable of taming roguish Russian politics; secondly, it is also important to China, as it constitutes a gateway to Europe for the overland Belt and Road corridors. Although in many dimensions both sticky powers (the American BWS and the Chinese BRS) can permeate each other in the Three Seas region without conflict, there seems to be one dimension that could remain conflictual – digital security.

→ To some extent, it is precisely digital security and surveillance of network infrastructure that sparked the Chinese-American trade war. More specifically, both powers are aware that control and surveillance of 5G Internet infrastructure in the Three Seas region and the EU will grant increased capacity for intelligence and political influence to the infrastructure's vendor and manager. This is very important, because in unlikely, extreme scenarios such as war or crisis, every producer of key 5G components may not only alter information flow, but also turn off its own infrastructure, rendering the region partially incapacitated. The creation of these geopolitical "kill switches" for the Internet was not necessarily intended by producers – their existence is an emergent property of every sufficiently complex communications system managed in a centralized way. Nevertheless, it is clear that the US does not want to allow China – which currently offers infrastructure with the best price/quality ratio, making it an attractive 5G provider – to control networks in the Three Seas region, which is crucial to the security of the West.

→ With the EU rather reluctant to officially introduce a 5G security strategy, the Three Seas states keep making individual decisions on cooperation with China and US when it comes to 5G. Although none of them officially excluded Chinese companies from business competition, some, like Poland and Romania, are leaning towards prioritizing strategic partnership with European and American companies; some opt for strategic partnership with Chinese companies, like Hungary, whereas others (e.g. Bulgaria, Croatia) do not intend to introduce strategic partnerships at this point.

→ Although, for historical reasons, Poland may be willing to side with Western companies on security to attract American investment to the Three Seas region, it also wants to attract Chinese Belt and Road investments. This is especially the case with the government plans to construct a Central Transport Hub by 2027. The hub will be a cargo and passenger-oriented transfer airport between Warsaw and Lodz, supported by an international railway network. Poland is also readying itself for a period of increased investments thanks to the Three Seas Exchange Index, which was launched at the Warsaw Stock Exchange in September 2019. According to the Polish Prime Minister Mateusz Morawiecki, the Three Seas region may one day become "the economic heart of Europe".

→ Before this happens, the Three Seas region will have to face the consequences of the COVID-19 pandemic marked by the following processes: (1) the fierce battle of narratives between the US and China on moral responsibility for the outbreak of COVID-19; (2) the recalibration of globalization that will lead to more emphasis on economic security and predictability at the cost of efficiency and financial profitability; (3) the reorganization of selected value chains in accordance with new, post-pandemic assumptions about geopolitical risk.

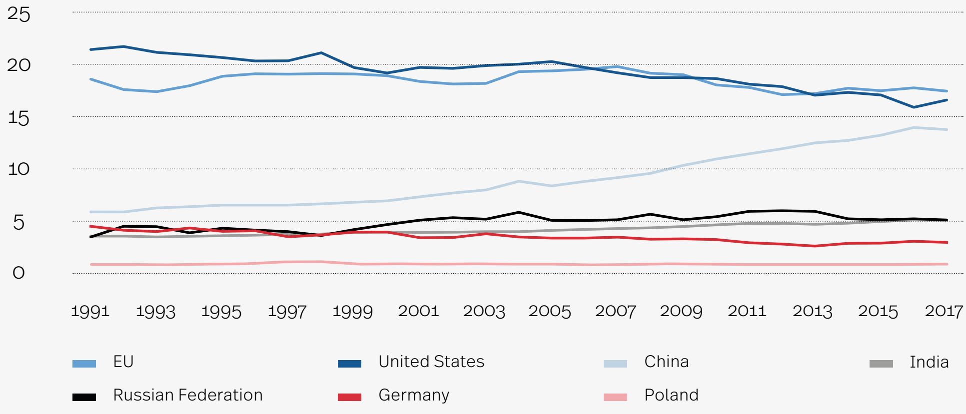
→ In spite of the ongoing US-China economic friction, Poland is actively preparing for its role as one of the leaders of both the Three Seas and the Belt and Road in Europe. The Polish elites perceive this rivalry as competition between two powers: of them an ally and a security provider, and a powerful, friendly business partner. It seems that staying on good terms with both requires a proportional distribution of trust. Located on the edge of the EU, Poland remains committed to Western values, while seeking opportunities in the East, recognizing that the world is becoming increasingly multilateral.

Civilizations. The US, China and the Biblical logic of capitalism

You have certainly heard of Sun Tzu's "Art of War", but have you heard of the "Thirty-Six Stratagems" (Taylor, 2013)? This work on effective warfare and cunning tactics contains laconic pieces of advice, or stratagems, on actions that guarantee personal and political success. One of them, which advises readers to "remove the firewood from under the pot" owned by their rival, is very useful for describing the roots of the ongoing trade war between China and the US. It encourages actions aiming at disrupting somebody's advantage and nullify his or her strategic assets through actions that do not require direct, physical confrontation.

This is precisely what is happening in US-China bilateral relations. The US has realized that the bubbling hotpot of Chinese economic development threatens the US-led unipolar world (Harris, 2019), in which no single power can compete with the global influence of the US. This American conviction was stated explicitly, among others, by Kiron Skinner, director of policy planning at the US Department of State (Sept 2018 – Aug 2019)(Skinner, 2019), who framed US-China competition as "a fight with a really different civilization and a different ideology, and the United States hasn't had that before". Skinner also claimed that "in China we have an economic competitor, we have an ideo logical competitor, one that really does seek a kind of global reach that many of us didn't expect a couple of decades ago" (Skinner, 2019).

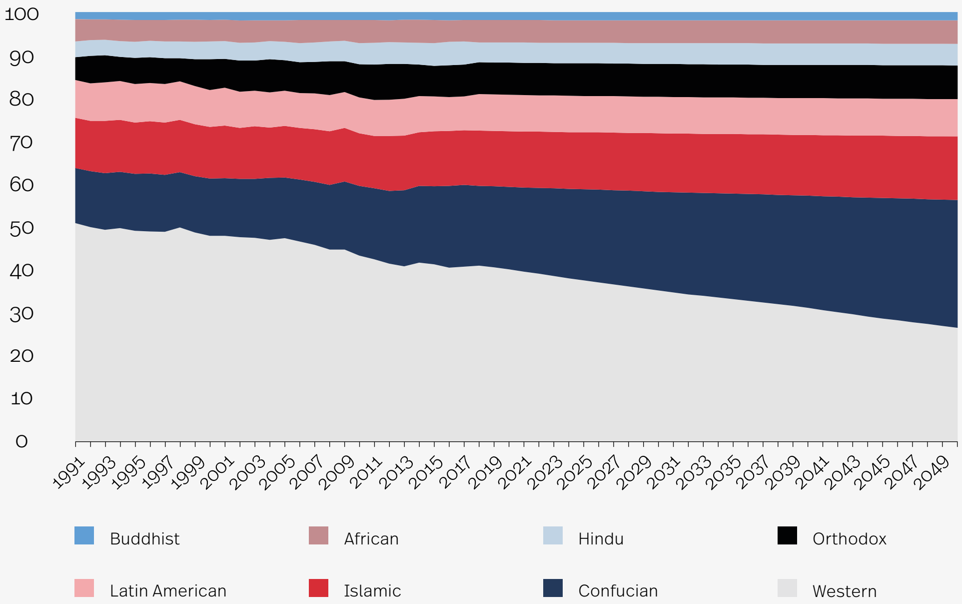
Figure 1. *State Power Index* (1991-2017)



Source: Arak, Lewicki (2018).

Although the modern Chinese socioeconomic system may have many vulnerabilities, it is evident that – in the timeframe referred to by Skinner – the rise of China has indeed taken place. The *State Power Index* that measures the power of 161 countries in 1991-2018 in seven dimensions (economic, military, cultural diplomatic, resourcesrelated, demography-related and territory-related subindices) (Arak, Lewicki, 2017) illustrates this well. The index aggregates measures of power into a composite "smart power" (Nye, 2011)[1] index:

↘ Figure 2. **Civilizations' power in 1991-2050**



Source: data and forecast based on *State Power Index* 2018.

According to the Index, China is the second most powerful country in the world, giving way only to the US (and the hypothetical potential of a fully integrated EU). However, considering the ongoing fluctuations of power, China may catch up with the US or even take the lead in the decades to come. If this happens, China's global leadership may not only mean the long-term grounding of a bipolar world and a profound geopolitical shift, but also a shift of a "civilizational" nature. As long as one follows civilization theory

[1] Smart power is generally referred to as the sum of hard power (military capabilities, resources and economic impact) and soft power (diplomacy culture and other types of indirect influence).

(Little, 2012; Stearns, 2011) that tends to treat China as a representative of Confucian civilization and the US as a representative of the West, it seems that the prolonged global leadership of China could mean the gradual waning of individual-centered Western values, while strengthening collective-centered Confucian values (Lewicki, 2018a).

> The dynamics of the ongoing civilizational transformation of the global order and weakening of the West in particular can be illustrated by superimposing of civilizational demarcation lines (Lewicki, 2017) on the State Power Index and extrapolating caeteris paribus, current development trends the to the next thirty years (Arak, Lewicki, 2018)

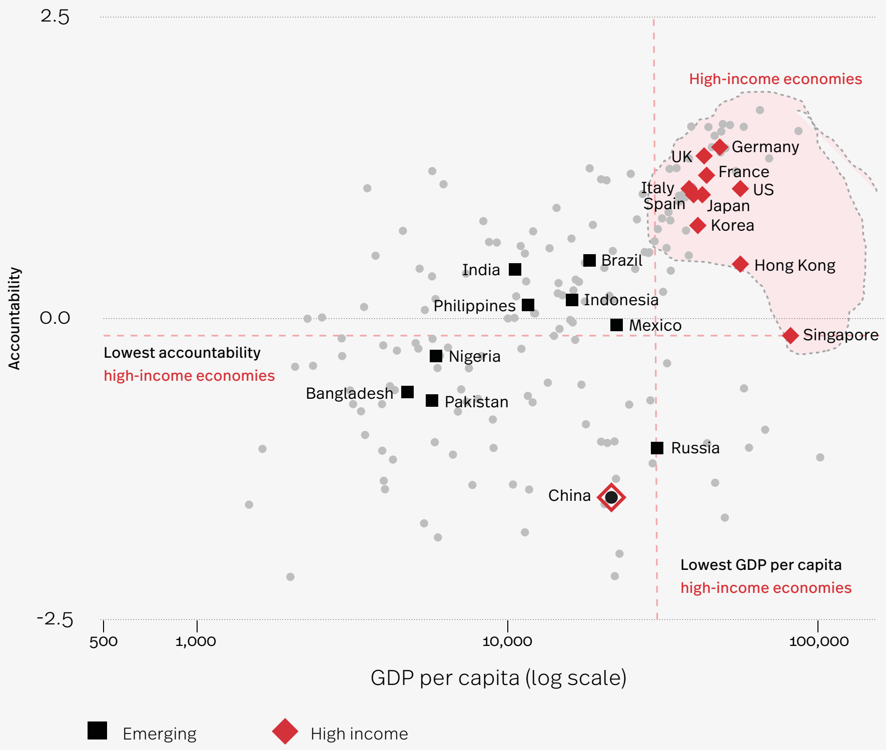
The resulting graph shows a slow, but gradual decline of the Western civilization (which includes the US, EU and Australia) and the rise of Confucian civilization (China, Japan and other countries of the East Asia where Confucianism is an important component of identity) (Lewicki, 2017).

A set of factors contributed to the emergence of this trend. Many of them are of economic and technological origin. For example, the American outsourcing of economic production chains to East Asia (Miller, 2019) contributed – in the long run – to pauperization of the American middle class, while stimulating the emergence of the middle class in China. Another economic factor is China's effective economic espionage that has allowed it to acquire Western technologies without bearing extensive, costs of research and development (Lindsay et al., 2015).

It also seems that, while supplying products and services for the rest of the world, some East Asian powers launched the mechanism of perpetual learning that have allowed them to become centres of innovation themselves. This is most visible in China, which managed to go beyond its global role as a leading manufacturer and "copy-cat" of technologies and become a leading innovator in select information technologies – such as artificial intelligence, mobile devices and global Internet infrastructure. This technological focus seems to have been deliberate: incapable of competing with the US in many branches of industry, China focused on dynamic, emerging market niches, which offer great potential. In particular, the Chinese focused on mastering niches that are allowing them to secure political influence during the ongoing digital transformation of the global knowledge-based economy (Lewicki, 2019b).

This focus has paid off – as home to global tech giants such as Huawei and Baidu, China has acquired enough economic weight to be viewed by the US administration as a fully fledged "competitor" (Skinner, 2019). What is more, it has emerged as a competitor that has successfully and sustainably combined communism with capitalism – something many American analysts a few decades ago had declared impossible (Fukuyama, 2006). With this combination, China can not only offer competitive products and their competitive values that differ from Western ones; it can also popularize a new model of non-democratic prosperity in a world that recklessly assumed that all high-income countries must be democratic (Wolf, 2019).

↘ Figure 3. GDP per capita, current prices PPP (int. USD per capita) and Voice and Accountability (2017)



Source: IMF – https://www.imf.org/external/datamapper/PPPPC@WEO/THA?year=2019 [accessed: 10.10.2019], WGI – http://info.worldbank.org/governance/wgi/#home [accessed: 10.10.2019], Graphic design: FT - https://www.ft.com/content/671a8fdc-57ca-11e9-91f9-b6515a54c5b1 [accessed: 10.10.2019].

CHINA AND DEMOCRATIC ACCOUNTABILITY

How did China emerge as a prospering non-democratic power? By hacking the logic of capitalism and employing it to its advantage. Explaining this process starts with the assumption that neoliberalism or "pure capitalism" is an income-based system, which promotes free trade and the unhindered circulation of goods (Neoliberalism, 2019). A distinctive feature of the logic of neoliberalism is that – like the Biblical God – neoliberal capitalism does not show favouritism[2]: it will favour anyone capable of tapping into its underlying rules. For decades, the West, and the US in particular, benefitted from pure capitalism , which was the hallmark

[2] Acts 10, 34.

of US-led globalization. However, as China has worked hard to unlock its demographic and economic potential for decades, the logic of pure capitalism is slowly starting to amplify its advantages. Thanks to its ability to develop or cheaply acquire technologies, China has become not only a regional geopolitical leader but a power with enough geopolitical weight to shape the international system to its advantage. As a result, China like the US, can now affect the process of globalization. In the Chinese case, this is done through large-scale foreign investments called the Belt and Road Initiative, which may be seen as designed to weaken the US, focused order and push it in a bipolar direction.

Faced with such momentum the US, previously the global hegemon, set forth to remove the firewood from under the cauldron of Chinese economic potential, following an old Chinese stratagem. As long as this stratagem is adhered to by the US, the immediate future will be marked by US-Chinese economic tensions. They will be particularly visible in regions where American and Chinese influences overlap – including the parts of the EU known as the Three Seas region – a geographical area between the Baltic Sea, the Adriatic Sea and the Black Sea, which is of crucial geopolitical importance to both powers.

To theorize the logic of these tensions, we should first consider the concept of “sticky power” in international relations.

Sticky power. China's dream of a new Bretton Woods and the gravity of globalization

What is sticky power? According to the classic definition of the term by Walter Russel Mead, it is another phrase for economic power (Mead, 2005). This type of power is considered "sticky" because entities engaged in a network of trade and investment created by a sufficiently powerful foreign entity become heavily dependent on this network and its underlying rules. This results in the entanglement of the two entities: like a carnivorous plant's prey, the weaker power will experience difficulties if it tries to opt out.

Mead illustrates this dependency with some examples from history. A few centuries ago, America's global trade was dependent on the British navy that guarded the seas, which created a pro-British lobby in the US. However America is now the sea-faring guardian of global trade.

According to Mead, American sticky power may prevent or limit the extent of a future clash with powers such as China, which seems "inevitable" as China's power grows: "Some in both China and the United States believe that the laws of history mean that the rising power of China will someday clash with the reigning American power (...) Sticky power offers a way out, and one of America's most important foreign policy priorities today is to ensure that the path of integration into the global economy is attractive enough to bring China into the system" (Mead, 2005).

The US and China are in the same system now, which makes both countries economically interdependent. However, if sticky power is all about economics, what is the point in speaking of "sticky power" instead of "economic power"?

With this problem in mind, this report operationalizes "sticky power" by differentiating it from economic power. Sticky power will be understood as the conditional and emergent power of the greatest economic actors to shape the international system to their advantage by projecting economic power. This power is "conditional" as it manifests itself only after a country's power exceeds some threshold of economic weight and political influence; it is "emergent" as it becomes internationally noticeable by itself as this threshold is crossed.

↘ Table 1. **Selected types of power in international relations**

Some type of power in international relations	Characteristics
Hard power	Traditionally understood as military and economic power
Soft power	The persuasive power of cultural image, cultural radiation and diplomacy
Smart power	combines Hard and soft power combined
Sharp power	Manipulative power to undermine the stability of a target's society and political system, including through misinformation or hacking
Sticky power	The ability to project economic power on external entities to shape the rules of globalization
Digital power	The power to exert control over global digital flows

Source: prepared by author.

SELECTED TYPES OF POWER IN INTERNATIONAL RELATIONS

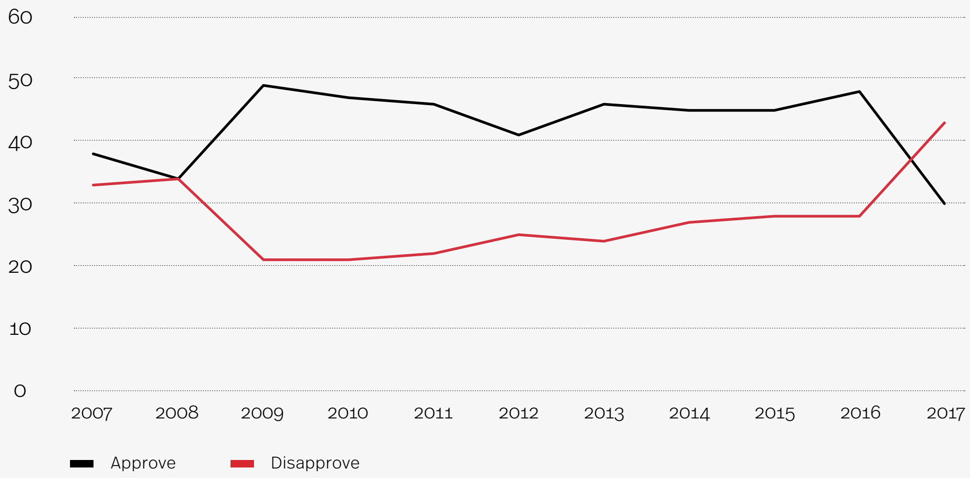
Framed in this way, sticky power may be likened to the force of gravity: although all heavenly bodies in the universe attract one another, in case of small bodies their gravity is negligible , without a notable impact on their surroundings. The same applies to sticky power – although all countries possess some sticky power, in practice the weak ones' sticky power negligible; only the gravitational power of the most powerful entities can shape the international system to their advantage.

A good example of this stickiness is the Bretton Woods system created in 1944, which led to the emergence of US-led globalization, with the dollar as the central global currency, the principle of free trade (neoliberalism), the Federal Reserve as a depressurizing lever, and US warships and military aircraft as warranty of stable trade networks. The order is sticky because the US-maintained system included an attractive offer for other countries: to permanently reshape their legal and economic, political and cultural networks to maximize the of benefits from belonging to a new global structure.

The Bretton Woods system was also sticky because the reforms to root smaller economies in the system were generally viewed as beneficial by all Western and many non-Western states. To use Mead's words, "American trade deficits stimulated production and consumption in the rest of the world, significantly increasing both the prosperity of other countries and their willingness to participate in the American system" (Mead, 2005). In spite of the crises in the 1970s (Mead, 2005), the system worked well until today.

However, this has been changing recently, as America wants to lower the costs of maintaining the global order by itself, it is urging all its allies to pay for their own security (Trump, 2019) and testing alliances, ready to reorganize the global order into one less burdensome for the US (Arak, Lewicki, 2018). This is reducing trust in America's future role as a global leader, especially among some of its previous allies (Ray, 2018).

↘ Figure 4. **Global approval for US leadership**

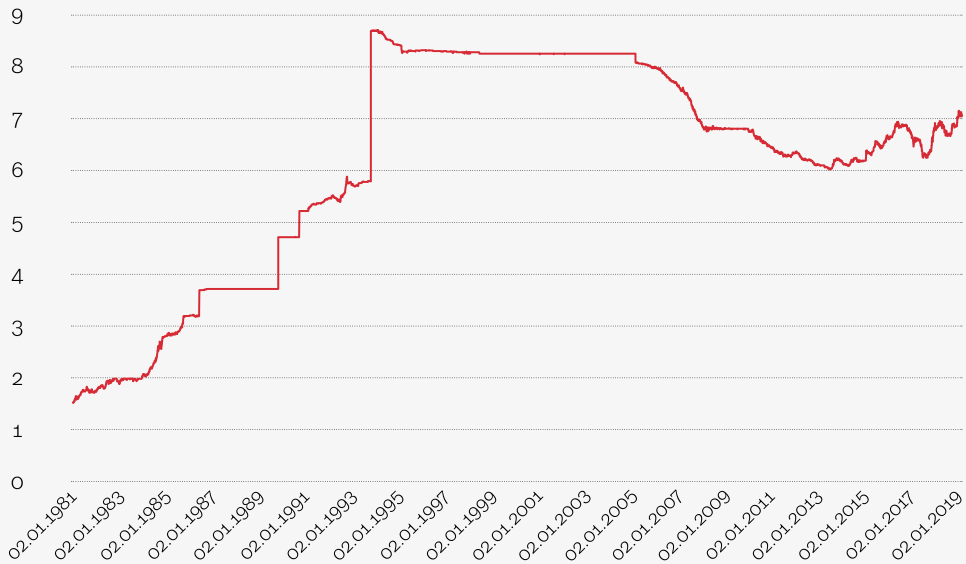


Source: Gallup - https://news.gallup.com/poll/225761/world-approval-leadership-drops-new-low.aspx [accessed: 10.10.2019].

DISAPPROVAL OF AMERICA'S ROLE AS A GLOBAL LEADER ON THE RISE

Not without relation to the ongoing trade war with China, some go as far as to question the very backbone of Bretton Woods system, namely the leading role of the dollar as a reserve currency. In August 2019, governor of Bank of England Mark Carney claimed that due to the dollar's "destabilizing" role in the global economy central banks might need

↘ Figure 5. **China's rise in the global economy - the yuan-dollar exchange rate since 1981**



Source: Macro Trends - https://www.macrotrends.net/2575/us-dollar-yuan-exchange-rate-historical-chart [accessed: 10.10.2019].

to collectively create their own replacement reserve currency (Hole, 2019). Although Carney acknowledged that "while the world economy is being reordered, the US dollar remains as important as when Bretton Woods collapsed [in 1970s]", he also claimed that "ultimately a multi-polar global economy requires a new IMFS [international monetary and financial system] to realize its full potential" (Hole, 2019). According to Carney, a digital currency (Synthetic Hegemonic Currency) similar to Facebook's proposed Libra created through collective action by central banks could be a good temporary candidate. On another occasion, however, he stated that in the long run China's currency could become a reserve currency alongside the US dollar (Reuters, 2019).

Having witnessed the growing acquiescence for a multi-polar order, China is trying to gain more sticky power to achieve its full civilizational potential. Although, due to the trade war, it is certain that a "Chinese Bretton Woods" system cannot materialize overnight, the Belt and Road Initiative seems to be designed as the chrysalis of an economic structure that will enable this kind of system to be introduced one day.

Belt and Road. The dynamics of Confucian sticky power

Officially, the Belt and Road Initiative (BRI, also known as the New Silk Road) is a potentially global trade network linking China with the rest of the world via overland corridors (“belts) and maritime shipping lanes (“roads”). The overland part links Central and South Asia with Europe, while the maritime part reaches towards Southeast Asia, What do you mean? Should be "the Gulf countries" – or even "the Persian Gulf countries", if that is what the author means, Africa and Europe. The BRI was designed in 2013 to improve connectivity and cooperation on a transcontinental scale (The World Bank, 2018). Although there is no official list of participating countries, by March 2019, 125 countries had signed collaboration agreements with China and the estimated total investment needed to complete the initiative could be worth USD 575 billion (The World Bank, 2019, p. 5, 13).

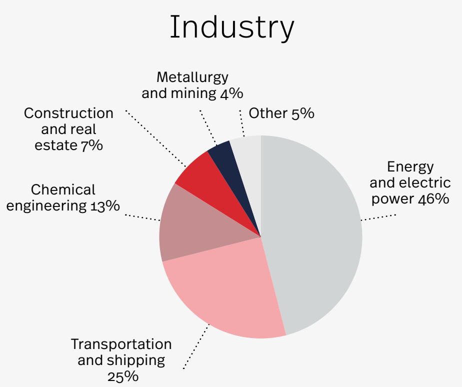
Apart from an infrastructural project, the BRI aims to build a new economic order based on networks of value chains created mainly by China and in line with with its political interests (the World Bank claims that 60 percent of Chinese-funded BRI projects are allocated to Chinese companies, while acknowledging that little is known about the selection procedure)(Raiser, Ruta, 2019). These networks will be designed to unlock China's economic surplus and stimulate the Chinese economy after what the Chinese elites call “the century of humiliation” – 1839-1949, when, according to their narrative, China lived in underserved humiliation as a subject of Western imperialism (Rappeport, 2019).

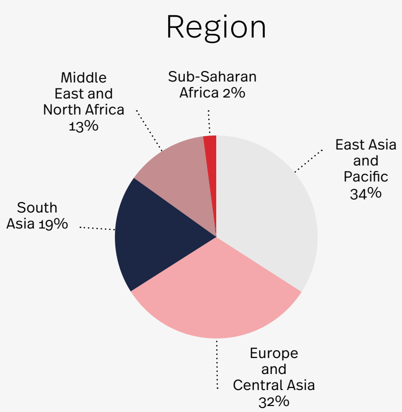
The BRI, which aims to end this humiliation, will be financed by a network of banks, funds and think tanks. Among the most important banks are Asian Infrastructure Investment Bank (AIIB), Exim Bank, China Development Bank (CDB) and Bank of China (BoC). There are also funds for the BRI's expansion in Central and Eastern Europe such as China the CEE Investment Cooperation Fund and the Sino-CEE Fund. The CEE Investment Cooperation Fund will use a variety of diversified investment models, such as equity investments, mezzanine debt and hybrid financial products. A typical investment will be between USD 10 million and 70 million (China-CEE Fund, 2019). The single equity investment size as part of the the Sino-CEE Fund will be up to EUR 500m (Sino-CEE Fund, 2019).

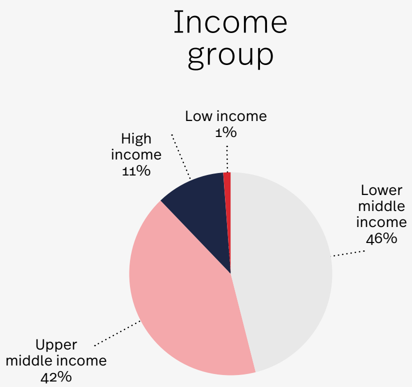
↘ Figure 6. **Belt and Road in numbers**

USD 4-8 trillion	total estimated BRI project volume
USD 575 billion	total estimated investment needed to complete the infrastructural project diverse finding channels such as → BRI bonds → private capital investment and public-private partnerships (PPP) → State-Owned Enterprise (SOE) investment
125 countries	have signed collaboration agreements with China
6	corridors

BRI INVESTMENTS IN BELT AND ROAD CORRIDOR ECONOMOIES (% SHARE OF USD 575 BN)







Source: https://www.beltroad-initiative.com/belt-and-road/ [accessed: 20.09.2019];
The World Bank, Belt and Road Economics, Opportunities and risks of transport corridors,
https://openknowledge.worldbank.org/bitstream/handle/10986/31878/9781464813924.pdf [accessed: 10.10.2019].

According to the Chinese government's whitepaper published for the 70th anniversary of the founding of the People's Republic of China, the world is entering a new era and China is destined to be the "main stabilizing force and power source of the world economy" (*China and the World in the New Era. "The State Council Information Office of the People's Republic of China"*, 2019). The philosophical-historical narrative in this report assumes that the ultimate driver of China's success is a choice of "the right path", namely "socialism with Chinese characteristics, under the leadership of the Communist Party of China" and that the BRI will serve as the means to fairly share this success with the rest of humanity. The whitepaper also assumes that the BRI is met with a "warm response" in the international community.

Indeed, the international reception of the BRI idea has been generally favourable or mixed. During the Belt and Road Forum in Beijing in 2017, United Nations Secretary General António Guterres endorsed the project. Gutteres presented the BRI as an inclusive undertaking capable of the economic invigoration of countries that have been on the peripheries of the global economic system. He said that by offering better access to markets, the BRI will be especially beneficial to countries "yearning to become more integrated with the global economy" (Guterres, 2017).

A similar tone can be found in World Bank analyses, which predict that the BRI could substantially improve global trade, foreign investment and living conditions in participating countries as long as all the countries involved, including China, conduct policy reforms aimed at expanding trade, improving debt sustainability, increasing transparency and mitigating various risks (including environmental, social and corruption-related ones). To implement these reforms, all the countries involved would have to move beyond bilateral arrangements to form an overarching multilateral framework that will oversee the development of BRI initiative. This would allow the emergence of a mechanism of institutionalized coordination and control of the BRI (The World Bank, 2019, p. 128).

It is evident that by advocating multilateral, international control and procedural transparency of the BRI the World Bank in advising China to create BRI "the Western way" – in accordance with the ethical principles that have so far characterised the Western liberal world order. While this might be doable, at this point it is not certain whether these values will be adhered to in the process of developing the BRI. This is because the Chinese approach to globalization is based on partially different philosophical and ethical principles stemming from civilizational difference. These may manifest themselves in partially different approach to management, technology or social organization. In fact, one does not need to refer back to Skinner's remark on China being "different civilization" feeding on "different ideology" (Skinner, 2019) to realize that fundamental assumptions about human nature, or the ideal society or political order, will result in different preferences and practices in some areas of human activity. Although this report does not aim to unpack the comparative complexity of Confucian and Western civilizations, it is assumed that they differ culturally, which translates into non-identical preferences when it comes to managing globalization using sticky power.

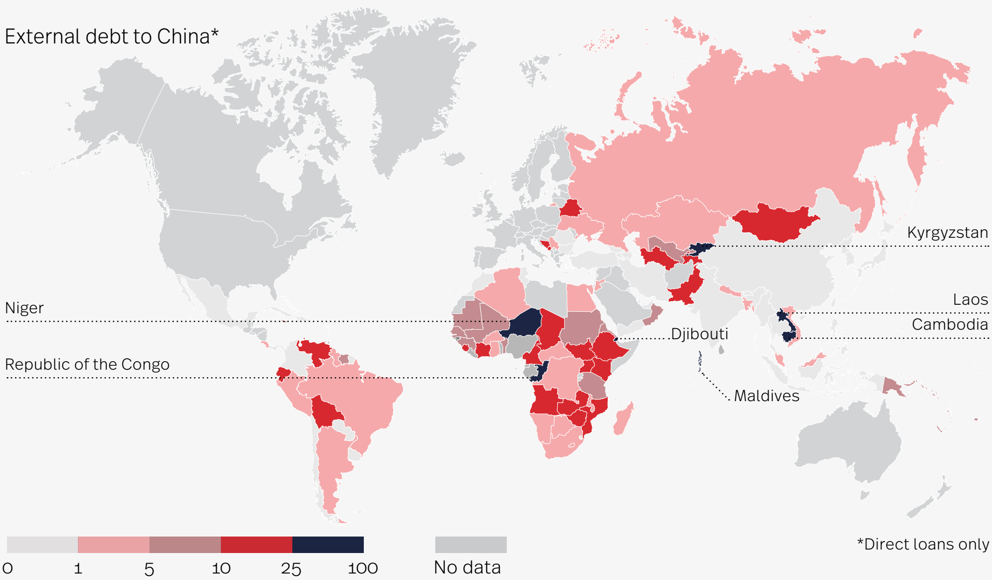
One example of this difference is the approach to ethical norms in science and technology – whereas Western ethics reiterate Christian personalism, individual dignity and freedom, Confucian ethics reiterate the benefit of the collective whole over the individual person and elevates the ideal of stability. This is echoed in the old Chinese proverb "what is good for the hive is good for the bee" (Lau et al., 2013, p. 19), which indicates that the collective is more important than the individual. However, in Western culture, this is not necessarily the case. It is precisely this difference that affects scientific progress these days: as long Western universities and scientific journals dictate which ethical norms define best practices in science, Chinese institutions will not publicly boast about controversial scientific experiments (e.g. on embryos) that go against the dignity of the individual, due to fear of scientific ostracism. However, if the West weakens economically and technologically, this kind of research, acceptable from the perspective of Confucian ethics, will become mainstream (Lewicki, 2018b).

This also applies to the Chinese dream of a new Bretton Woods. As long as the strongest Western entities such as the EU make transparency, the rule of law and multilateralism a prerequisite for cooperation as part of the Belt and Road Initiative China may be willing to abide by Western norms. However, in the case of weaker countries, which do not insist on following Western ethics, China might pragmatically prioritize political gains over someone else's ideals or sovereignty, thus focusing on spreading sticky power through bilateral BRI developments. This is happening in Europe – in spite of declarations that the most stable economies in Central and Eastern Europe and the EU environment in general are a priority for Chinese investments, China has so far tended to favour investments along the southern pathway to Europe – especially in weaker and less accountable countries, such as Serbia or Bosnia and Hercegovina (Behrendt, 2018). In doing so, the Chinese have a great advantage over the undecided EU – they do not delay their offers. As one Serbian businessman said: "The EU is telling Serbia you will have something tomorrow, but today you must starve, while the Chinese come with the money right away" (Shullman, 2019).

This attitude is welcomed in many other parts of the world, too. As a result, China's loans have risen from almost nothing in 2000 to more than USD 700 billion today

("The Economist", 2019). In fact, China recently became the largest creditor in the world, offering loans in exchange for sticky influence, especially in less developed countries.

Figure 7. **China's overseas lending (% of GDP, 2017)**



Source: Horn, Reinhart, Trebesch (2019).

CHINA'S INTERNATIONAL LENDING

From the perspective of sticky power logic, this selection of borrowers is understandable – weaker, unfederated countries are easier to subject to the field of gravity of geopolitical influence in exchange for loans. This dynamic is even more clearly visible in East Asia and Africa, where some weak countries have been entangled in debt traps, inflated and practically unrepayable loans that ultimately result in substantial political submission to the creditor. For example, thanks to a debt trap in Sri Lanka, China forced the government to lease Hambantota port for 99 years as part of debt repayment (Stacey, 2017). A similar situation in the Maldives allowed Chinese bases to be built on the islands. There have also been similar cases in Bangladesh, Pakistan and many other countries (Shullman, 2019; Behrendt, 2018).

Besides a preference for bilateral relations with weak countries and debt traps another tool for projecting Chinese sticky power may involve some form of tributary system. Historically, a tributary system referred to recognition of Chinese political supremacy in the form of annual tributes, and unlocking – in exchange – Chinese markets for a tributary state as well as access to other privileges bestowed by the Emperor (Behrendt, 2018). Something similar seems to be emerging today as China is forcing foreign companies to participate in its Social Credit System – a technology-enabled system originally designed to rate citizens' behaviour. Within the original framework, using data from millions of cameras, mobile devices and other digitalized datasets, citizens were issued a score based on whether their actions and qualities are desirable by the state. A person can gain points for lawful behaviour, but also for having a family member in the Communist Party. One can also lose points for unlawful behaviour, but also for questioning the political status quo or even for buying too much alcohol or working at a company with a person who has a low social score (spatial and social proximity seems to matter here: it is assumed the very presence of a person with a low score raises probability of his or her having a negative impact on the surroundings). The points translate into privileges or penalties: a high score may mean access to an elite school or discounts at shops, whereas low score may lead to joblessness and the inability to travel by plane or train.

In principle, extending this system to companies around 2020 will mean that foreign companies will be ranked in accordance with an unknown, possibly non-transparent set of around 300 rules and that collateral damage will become a real risk: it is already known that if a company's supplier has its rating affected, the company's score could be affected as well (Hancock, 2019). While this networking of corporate responsibility and transmission of (dis)trust may be compatible with a Confucian understanding of ethical norms, it is not necessarily understandable from the perspective of Western norms.

What is more, a company's score could also be affected by its impact on "national security". It goes without saying that this vaguely defined framework could leave space for nudging and political pressure on companies and entire states on issues that China's elites deem important or sensitive. As a result, much will be gained by companies and countries that remain open for penetration by Chinese political power. In this context, it is entirely conceivable that companies from European states that allow Chinese 5G network components in their key infrastructure (handing in their digital security to China) will get better conditions for entering Chinese markets or special tax relief.

Apparently, just as foreign traders in the past were treated differently depending on the tribute paid by their countries, the access of modern corporate "traders" will be determined by many variables dependent on the level of political submission. This carrot-and-stick model will become yet another tool of Chinese international sticky power.

In fact, even in case of the BRI, the global expansion of China's sticky power may be more important than the BRI itself, especially in spite of declarations since, in spite of declarations that the BRI will be integrated into a global, coordinated and multilateral system, the "BRI is being developed on a much smaller scale that it is suggested by widespread declarations and strategic maps" (Iwanek, Pietrewicz, 2017, p. 6). With the exception of regions in the immediate geographical proximity of China (e.g. Pakistan, Burma, Sri Lanka), Chinese companies contribute to international infrastructural projects, but do not seem to be creating a coherent and unified chain of connections.

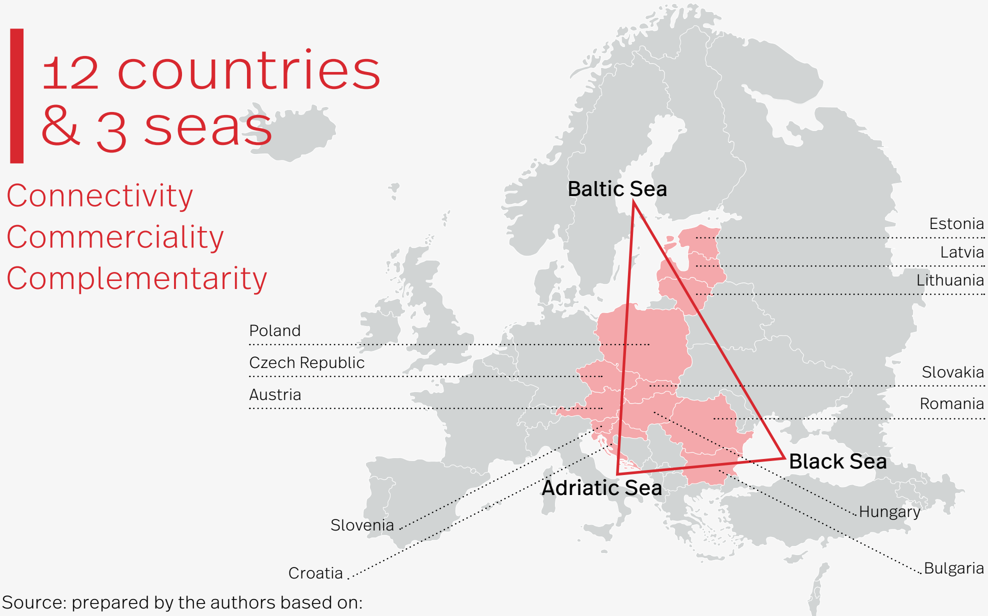
This formal unification aside, it is evident that dreaming of a new Bretton Woods China means starting to build a peculiar new order –

a hierarchical network of dependencies with China as its hub. It is a parallel international order rather than alternative one. In contrast to an alternative system that would require "either-or" choices by states, a parallel system allows them to participate in both systems at the same time (Kaczmarski, 2016, p. 27-28). It can also be argued that China is complementing the current system by approaching its peripheries and offering infrastructure and technology in regions where similar offers have not been made before. As a result, some think tanks in Kenya acknowledge that China has already overtaken America and Europe as Africa's trading partner and are eager to view Beijing as the new leader of globalization, while perceiving current US actions as harmful and threatening (Kagwanja, 2019).

Three Seas. Where Belt and Road meets Bretton Woods

It is not Africa, however, that will experience the substantial geopolitical pressure of the ongoing US-China trade war. The sticky power of both countries will meet in areas of special and prolonged interest by both countries. As the US is "removing the firewood from under the Chinese pot", the sparks are being ignited in Central and Eastern Europe (CEE).; more precisely, in the region known as Three Seas, the geopolitical area between the Baltic, Adriatic and Black Seas. A north-south belt of 12 countries (Estonia, Latvia, Lithuania, Poland, Slovakia, Czech Republic, Hungary, Austria Slovenia, Croatia, Romania and Bulgaria), the Three Seas is not only the EU's eastern borderland, but also NATO's eastern flank.

↘ Figure 8. The Three Seas Initiative



Source: prepared by the authors based on: https://www.ceep.be/three-seas-initiative-investment-fund-established/ [accessed: 31.10.2019].

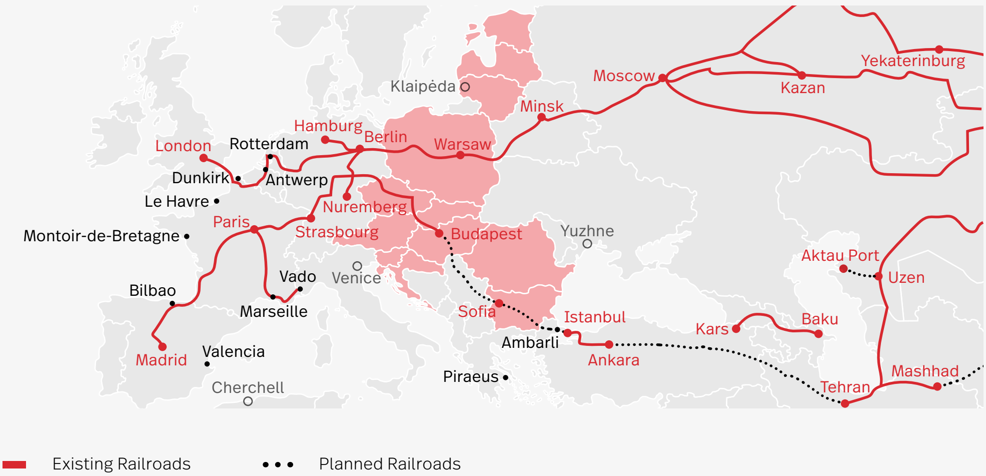
THE THREE SEAS REGION

The Three Seas Initiative (TSI) is an undertaking that not only sparked regional intra-EU cooperation, but also popularized the identity of "Three Seas" as a geographical area. It was launched by Poland and Croatia in 2015 and founded at the Dubrovnik Summit the following year. Initially ridiculed or opposed by politicians and intellectuals in some European countries as a strange concept by the overconfident CEE, it has established itself as a new type of mainstream platform for cooperation within the EU (Lewicki, 2018) – to large extent thanks to US President Donald Trump, who openly endorsed it and attended its summits (The White House, 2017).

In short, TSI is an infrastructural project aimed at modernizing the EU's eastern borderland, increasing security and inter-state technological integration in the EU as a whole. The TSI's shared identity, with some exceptions, is related to the shared experience of Russian totalitarianism (communism), the legacies of which include infrastructural, economic and organizational backwardness (Tucker, 2015). TSI members share firsthand, vivid memories of Moscow's geopolitical dominance, which makes them determined to combat military, infrastructural, logistic, energy or misinformation-related threats from modern-day Russia (Turecki, 2018).

The TSI region is important for both the US and China. For the US, it constitutes the easternmost boundary of Western civilization in Europe. Throughout history, this region has frequently been a battlefield for geopolitical influence between the West and the East, including democratic Europe and the US's struggle with against communist Russia that ended in 1989 with help from the Polish "Solidarity" movement. In 2019, this region still has to withstand the geopolitical pressure from neighbouring Russia, which is trying to subjugate the EU's neighbours by military and economic means. Following the annexation of Crimea and the war in eastern Ukraine and Moscow's plans to "integrate" with Belarus (Belsat, 2019), no respected analyst today doubts that Russia's expansion will continue and that the Three Seas region will invest in security, infrastructure and defence to deter this expansionism. This need for major investment is an opportunity for the US, allowing it to secure new markets for its

Figure 9. Belt and Road meets Three Seas



Source: prepared by the authors based on: Eder (2018).
Graphic design: Merics (2018).
https://www.merics.org/en/bri-tracker/interactive-map [accessed: 10.10.2019].

technology and energy, but also to control Moscow's predatory politics, while supporting countries that support Western culture, customs and traditions.

As an intra-EU, spontaneous and bottom-up initiative that was not designed by Brussels, but, rather, by countries experiencing a common threat (Lewicki, 2019b), the TSI has already been endorsed by NATO officials as a model for spontaneous leadership in the energy sector and Euro-Atlantic cooperation (Turecki, 2018).

The TSI region is also important for China, as it constitutes the gateway to Europe from the perspective of overland BRI development: the southern BRI corridor leads from Turkey through Bulgaria and Hungary and the eastern corridor will lead through Belarus to Poland (Eder, 2018). In many Three Seas countries – including Poland – China wants to tap into local infrastructural needs and invest in the development of logistics centres and other infrastructural projects.

BELT AND ROAD MEETS THREE SEAS. THREE SEAS MEMBERS AND BRI CORRIDORS

Still, it is not entirely clear whether China-Three Seas and China-EU relations will be multilateral or focus on bilateral agreements. One the one hand, German minister of the economy Peter Altmaier said in 2019 that the EU as a whole should join the BRI. On the other hand, EU officials say that this will not happen and instead speak of bilateral agreements that must be compatible with EU law (Valero, 2019). In any case, at the 2019 EU-China Summit, China promised to abide by the multilateral Western rules of market transparency, open procurement and fair competition (Joint statement of the 21st EU-China summit, 2019). This was planned to appease politicians like International Monetary Fund managing director Christine Lagarde, who suggested that due to lack of transparency and debt-related risks China must introduce a debt sustainability framework to advance the BRI in Europe. "Debt sustainability and green sustainability will strengthen BRI sustainability", she said (*IMF's Lagarde says China's Belt and Road should only go where sustainable*, 2019).

In this context, China is likely to increase the sustainability and transparency of its initiatives on EU territory in accordance with Western rules to achieve strategic BRI goals in Europe. Why? Because as the Chinese sow the seeds of the BRI system in the EU, they must operate within the stronger gravitational field of the US-led Bretton Woods system. As a start of a parallel system, the Belt and Road can avoid conflict with the dominating system only by obeying its rules wherever the latter is capable of enforcing them. Only then can China stabilize and expand its BRI network on the West's geopolitical territory, held together by American and European sticky power.

There is one dimension where the parallel coexistence of two systems is problematic and conflict is hardly avoidable: national security and digital security in particular. In this area the Bretton Woods system may clash with the theoretically parallel Belt and Road system. To understand this, one must first understand the logic and risk related to developing key digital infrastructure.

5G Internet. How digital geopolitics shapes the Three Seas' development

The durability and potential reach of the international system is conditioned by and rooted in technological advancement. The Bretton Woods system was easier to maintain because its main guarantor, the US, has long had technological advantage over its greatest competitors. This advantage was related not only to technological excellence in the production of aircraft and ships and – later on – American ownership of Global Positioning System (GPS), which facilitates the geostrategic mapping of vehicles on land and at sea. The US's advantage was also related to its pioneering role in the universal introduction of the Internet and its material infrastructure. Because American technology (routers, cables, algorithms, etc.) has long been unparalleled in terms of quality and affordability, key Internet infrastructure in most parts of the world was American. This is important because whoever controls the web's infrastructure can map the Internet, control data flows and conduct intelligence, providing increased security and geostrategic influence. Simply put, with each router sold, its producer can map a single node of the global network. The more equipment is sold, the more influence. In extreme scenarios such as war, each producer can turn off its own segment of the network, halting communication in a region.

The creation of these theoretical, geopolitical "kill switches" for the Internet was not necessarily intended by the producers of infrastructure – they are part part of every sufficiently complex communications system managed and updated in a centralized way. However, the benefits controlling these "kill switches" leads to a greater, albeit tacit, impact on global communications and politics. A country's digital excellence is a great multiplier of its power.

Although the US used be the digital leader, with time China managed to keep up with America – as shown by the spectacular rise of companies such as ZTE or Huawei. The latter has become the biggest producer of network infrastructure equipment in the world, offering the best quality/price ratio and leaving US behind.

Although initially China's excellence did not endanger American control of data flows in its areas of geopolitical dominance and beyond, everything changed with the prospect of upgrading global Internet infrastructure to a new, better standard, 5G. This means that all countries will buy new technologies that can significantly increase the data-processing and intelligence capabilities of the company and country that produces them. This is why, when Chinese and American tech companies started to compete for 5G contracts in the EU and Three Seas region, America increased diplomatic pressure by saying that not only affordability, but also security, must be taken into account, claiming

Chinese Huawei infrastructure may be used for intelligence purposes. The Three Seas faced a dilemma: whether to hand surveillance of the Internet, which will soon permeate all spheres of national activity (including key infrastructure and classified information management), to US, to China or to both. The international pressure in the Three Seas culminated after Poland arrested a Huawei employee on spying allegations in January 2019 (Plucinska, Witenberg, Stubbs, 2019). A month later, US Secretary of State Mike Pompeo reinforced the message by stating in Hungary that if Chinese equipment "is co-located where we have important American systems, it makes it more difficult for us to partner alongside them" (TVN24, 2019).

The choice of Hungary was not random – it is one of the few EU countries that have opened their telecom market for strategic partnership with the Chinese. Today, Huawei cooperates with most telecom providers and its technology is used by 70 percent of citizens in Hungary.

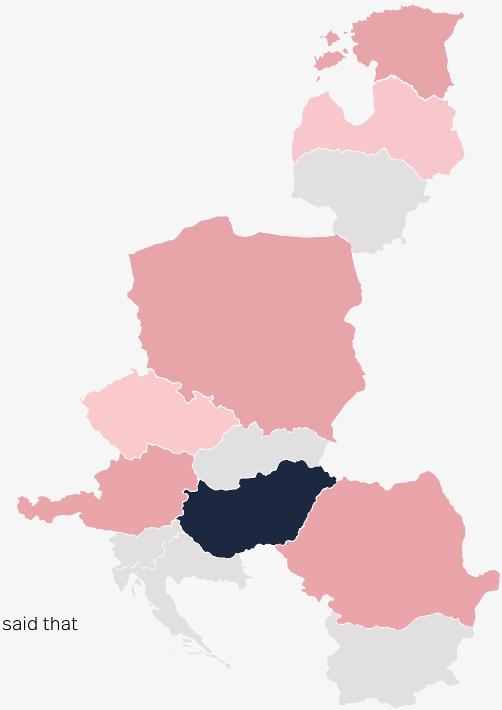
Although it is not clear whether Pompeo's message had an impact on Hungarian politics, it clearly affected one of the leading Three Seas countries – Poland. As a result, in early September 2019, the US and Poland signed an agreement to cooperate on 5G technology (Colvin, 2019). Although Chinese giant Huawei was not mentioned and the Polish side indicated that no company or equipment from any particular country would be excluded, it is now evident Poland will focus on special, strategic cooperation with Washington and European companies that cooperate with the US, such as Ericcson.

In the Three Seas region as a whole, attitudes towards cooperation with Western or Chinese companies when constructing the core of 5G network are diversified, as the infographic below shows. At least half of the TSI countries are likely to side with the US.

This development sets the scene for the further development of both the Three Seas and the Belt and Road in Europe. To return to the Chinese stratagem from the beginning of this report: although the Polish-American partnership does not remove the firewood from under the Chinese pot in the Three Seas region, it certainly defines the framework of cooperation. With some exceptions like Hungary or – possibly – Slovakia or Bulgaria, the interconnected 5G infrastructure in the Three Seas region (airports, trains, warehouses, control systems, etc.) will be most likely be under EU-US digital surveillance, with China capable of providing only non-key components of network infrastructure. Given that, in general, each producer can disable its own infrastructure as long as it can communicate via the Internet (Lewicki, 2019b), this is an important development in the context of a potential international conflict, in which a hostile power is lobbying for Beijing to turn off the Chinese clusters of networks in Europe.

In geopolitical terms, it seems that the dynamic development of the Belt and Road system in the Three Seas region will take place in the framework partially secured by the existing Bretton Woods system.

↘ Figure 10. **Attitude towards American and Chinese 5G tech providers in the Three Seas region**



Legend

- strategic reliance on Western companies (US/Europe)
- undecided, but strategically leaning towards Western companies
- strategic reliance on Chinese Huawei
- so far, both Western and Chinese firms may apply for contracts without security-related caveats

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Disclaimer: none of the Three Seas countries has said that they will discriminate against Huawei a priori.

Source: euractiv.pl, lrt.it, mobilebulgaria.com, novinite.com, reuters.com, scmp.com [acessed:10.09-17.10.2018].

Poland. The Central Transport Hub and Three Sees Fund as gateways for the US and China

Poland's choice when it comes to 5G is pragmatic, although it is dictated by Polish history. Poland, which lost its independence in 1795 for more than 100 years, is extremely attached to freedom and security. Throughout the 20th [make the "th" small/supertext] century, it had to keep fighting for its freedom. First, it regained its independence in 1918. Then, in 1920, it had to defend it, saving Europe from the Russian invasion from the east. In 1939, Poland was invaded by Germany, which marked the start of World War II. After the war ended, it had communism imposed on it by the Soviet Union and did not regain full independence until 1989. More than any other nation, the Poles believe that whoever provides a major degree of freedom and security, be it digital, military or cultural deserves special treatment. Today, this security is ensured by Western powers: the US, NATO and the EU.

The Polish choice sets an example for the Three Seas countries and extends American sticky power in the region. This may limit Beijing's access to EU infrastructural markets and intelligence capabilities, which limits its sticky power. At the same time, due to Western surveillance, China will be more motivated to honour multilateral agreements and rules in the process of expanding the Belt and Road system in Europe.

Meanwhile, Poland is preparing to unlock its potential as both a BRI and a TSI logistics hub. In terms of cooperation with the US, its ambitions are to become, a base for US troops and a regional distributor of LNG gas that will increase energy security in the entire Three Seas region. In terms of cooperation with China, Warsaw not only wants to develop rail connections with the east, but also to build distribution centres focused on both overland and air transport. These centres, such as the Central Transport Hub (CTH), will be capable of participating in both BRI and TSI-related undertakings.

The CTH will be a medium-sized, cargo and passenger-oriented transfer airport hub between Warsaw and Lodz, supported by an international railway network. A flagship project of the current Law and Justice government, the CTH is designed to increase Poland's participation in global trade and tourism. Since it was designed as a transport hub from the start, the CTH will not only solve the problem of airport overcrowding in Poland that may occur in 5-7 years (Sipiński, Czerniak et al., 2019), but also remain expansion-ready after the construction process, which should take place in 2021-2027. The project will also stimulate the Polish aviation industry, where there has been a shortage of investment, but which is nevertheless one of the most efficient sectors in the Polish economy. Furthermore, the CTH will unlock the synergy of air transport with road and rail corridors within the Three Seas framework, while the increasing connectivity between EU and Asia via air and rail connections – among others, as part of the EU-China Connectivity Platform that plans to create multimodal hubs along EU-China corridors (EU Commission, 2019). Apart from this, it may increase region's geopolitical security, if some of its modules are designed for the transfer of allied military units (Smura, 2018).

↘ **Figure 11. CTH railway investments**

Railways that remain

:::: Modernized and constructed by PKP Polish State Railways

Constructed by CTH

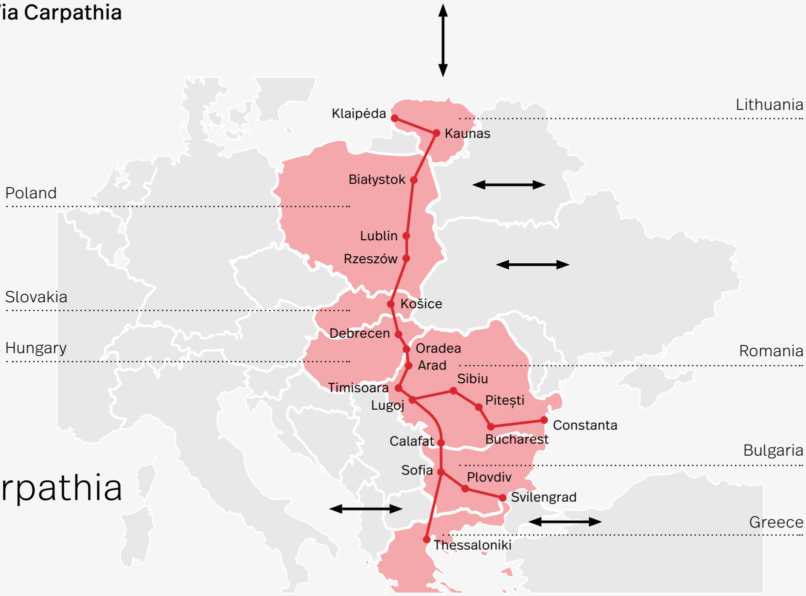
7 Number of a railway cluster

Source: Dziennik Gazeta Prawna, https://forsal.pl/artykuly/1404690,dzieki-cpk-powstanie-nowa-os-komunikacyjna-w-polsce.html [accessed: 10.10.2019].

THE INTERNATIONAL RAILWAY NETWORK THAT WILL SUPPORT THE CTH

The CTH will may also be logistically integrated with another TSI-related project – the Via Carpathia, an international highway from Lithuania in the north to Bulgaria and Greece in the south, linking the Baltic Sea with the Black Sea and Aegean Sea. The highway will substantially improve the condition of north-south the transport in the Three Seas region.

↘ Figure 12. The Via Carpathia



Source: Ministry of Infrastructure and Construction, http://www.sejm.gov.pl/sejm8.nsf/komunikat.xsp?documentId=455A9D50D319DD10C12581480049C7DD [accessed: 10.10.2019].

THE VIA CARPATHIA. AN INTER-THREE SEAS HIGHWAY FROM LITHUANIA TO GREECE

The road will go through four Polish regions (podkarpackie, lubelskie, mazowieckie, podlaskie), three of which have already established partnerships with Chinese provinces after Poland signed the Polish-Chinese declaration of strategic partnership in 2011 (Skorupska, Szczudlik, 2019, p. 23). Today, 13 of 16 Polish regions are cooperating with at least one province in China, which makes it the most popular non-European partner for regional cooperation. However, according to Polish officials, significant potential for cooperation remains largely unused and could be better operationalized in the future, especially since, despite Poland's focus on increasing domestic export, Poland's trade deficit with China amounts to more than EUR 20 bln (a ration of 12:1). Some analysts believe that a mutual focus on support for local entrepreneurs on foreign markets, rather than carrying out the central government's foreign policy, would be beneficial for cooperation between regions (Skorupska, Szczudlik, 2019, p. 25).

It therefore seems that the Belt and Road and the Three Seas could be realized in Poland at the same time if there is a sufficient degree of procedural transparence and harmonization of goals. Funding needs to be secured, too. To fund the Three Seas initiative, Poland's established a special fund using state development bank Bank Gospodarstwa Krajowego (BGK) called the TSI Investment Fund. It is inviting other Three Seas countries to join it and is seeking investors to reach the assumed value of EUR 3.5 bln. It will be used to carry out infrastructural projects worth up to EUR 100 bln. The Three Seas region's total infrastructural needs are estimated to be around EUR 570 bln (Rudke, 2019).

To further facilitate regional development, the Warsaw Stock Exchange (GPW) launched the Three Seas Exchange Index in September 2019. The index calculated daily by the GPW will include in its portfolio the largest and most liquid stocks listed on the exchanges in the Visegrad Group countries (Poland, Slovakia, the Czech Republic and Hungary), Croatia, Romania and Slovenia. It is an answer to growing interest among investors looking for diversified investment opportunities. The index will be based on the daily closing prices converted at the exchange rate of the National Bank of Poland for local currencies, the euro, and the US dollar. “The Three Seas region could become the economic heart of Europe; while the European Union undergoes a crisis of economic slow-down, Central Europe has a potential that is not fully tapped," Polish PM Mateusz Morawiecki said on this occasion (GPW, 2019).

The mighty sea of coronavirus. COVID-19 as a trigger of dappled globalisation

Fast forward to March 2019 and the economic slow-down has spread globally in an unprecedented way. What started as a local outbreak of a flu-like illness in the Chinese province of Wuhan in late 2019 became a global pandemic in just a few months. COVID-19, a disease caused by a novel coronavirus, suddenly froze the global economy, resulting in an international lock-down and claiming a few hundred thousand lives so far. The numbers are expected to keep rising until a vaccine is available worldwide. However, the fall-out of the economic whirlwind that disrupted the international order is likely to change economies and certain principles of the capitalist system. Some of these recession-induced changes will be long lasting and some may change the path of global development forever.

Economists are currently grappling with what the Polish Economic Institute has termed ‘pandenomics’ – a set of fiscal and monetary policy tools capable of reducing the immediate socio-economic damage of the pandemic (Grzeszak i in. 2020), including the rapid rise of unemployment, the overburdening of public health systems and the mass deterioration of human well-being. Even if these policies succeed, one thing will not be easily rebuilt – global, mutual trust. The epidemic has already led to the international decline of trust. This is because when medical resources and medicines suddenly became scarce all over the world countries realised something eerie: the offshoring of key industrial processes – once praised as an excellent strategy – led to a decline in their national security. In other words, offshoring, a great idea when the governing economic principle was efficiency, suddenly showed its darker side when security became key.

For example, when demand for alcohol-based hand disinfectant suddenly rose in Poland in March 2020, the key components were nowhere to be found, so Polish companies could not complete their production chains and deliver the final product. This happened because producers in Germany and the Netherlands decided to allocate the key component on their local market to supporting their own populations first (Jadczak, 2020). An even more serious vulnerability was highlighted in March, when the mouthpiece of the Chinese Communist Party, the Xinhua portal, threatened that China could impose pharmaceutical export controls that would result in America being ‘plunged into the mighty sea of coronavirus’ (Whiton, 2020). Indeed, China can weaponise production chains whenever it finds it necessary thanks to Beijing’s dominant role in manufacturing generic medicinal products that comprise 90 per cent of what Americans take (Whiton, 2020).

It therefore seems that control of crucial links in many production and value chains around the world has made China's sticky power even stickier during the pandemic. Even the greatest power, the US, can be reminded of this stickiness. This was also the case when Europe ordered medical equipment from China. Beijing seized the opportunity to conduct so-called 'mask diplomacy' (Ma, 2020), aimed at changing China's international image, from the site of the outbreak to a friendly helper in the times of need. China tried to use 'mask diplomacy' domestically, claiming that its handling of the epidemic showed the superiority of Chinese collectivism over Western individualism. This narrative went as far as accusing the West of abandoning its own citizens. Similar claims lead to very embarrassing results when exported at the international level: after Chinese diplomats in France repeated similar claims in public, many interpreted it as propaganda boasting not only of economic superiority but also of systemic superiority (Żakowski, 2020). By mid-April, apart from France, the United Kingdom and nearly two dozen African countries had also rebuked self-praising actions or statements by the Chinese government, accusing Beijing of hubris and hypocrisy (Myers, 2020). Suddenly, China's efforts to manage its image backfired as the narrative of a 'friendly helper' was countered by a narrative about dangerous competition between civilizational and political systems with different sets of values.

This narrative will not disappear even after the vaccine is distributed globally. Although the global balance of power should not change rapidly in the post-pandemic years (Heim, Miller, 2020), policy makers' approach to national security and risk calculation will shift. Global risk models will be recalibrated and the spatial dimension of strategic production chains will be deemed more important than before. As a result, governments and companies will be more eager to reconsider offshoring and cost cutting when it comes to the production of goods such as medicines, safety-related items or other products deemed strategic and necessary during crises. It is very likely that the post-epidemic world will feed on fear, so a new crisis – another epidemic, disaster or unpredictable proxy conflict – will loom large in the eyes of policy makers and the public for decades. While American production of T-shirts in China might not be affected by the recession, the manufacturing of medicines could rely much less on Chinese components in the future. If this is the case, medical products and other items will join Wi-Fi routers on the US list of strategic production chains, all of which must be located in geopolitically and culturally 'safe' parts of the world. In this vein, members of other civilizations will have to reassess their approach to free trade, deciding which powers should be relied on when it comes to strategic goods. For example, Confucian Japan seems to be eager to take over at least some aspects of the previous US–China cooperation (Nakazawa, 2020). Strategic decisions in countries around the world will alter the future dynamics of both the Bretton Woods system and the ambitious Belt and Road world system. It is possible the existing Belt and Road Initiative plan will have to be reinvented after these decisions are made.

Globalisation as we know it will certainly not end in the process, but the liberal economic order will witness the emergence of new business strategies. It can be argued that the future 'will see companies fall into one of two categories. There will be those that don't do anything, hoping such a disruption won't ever happen again. ... And there will be firms that heed the lessons of this crisis and make investments in mapping their supply networks so they do not have to operate blind when the next crisis strikes and rewrite their contracts so they can quickly figure out solutions when disruptions occur' (Choi, Rogers, Vakil, 2020).

In the long term, globalisation will become more 'dappled'[3]; more prone to temporary slowdowns and speed-ups in different regions due to political decisions and the dynamics of global events. In fact, this dappled globalisation will stem from the changing approach to safety. In this new approach, countries, traumatised by the pandemic, will start to experiment with potential institutional kill switches of civilizational complexity. These switches will be invented to safely halt certain networked phenomena (such as air travel, the Internet, migration and international production) if the need arises during a high-impact, low-probability event such as a pandemic.

[3] The term "dappled globalization" is loosely inspired by the "The Dappled World" by Nancy Cartwright (1999).

A new perspective. Beyond the snipe and the clam

In spite of the ongoing US–China economic friction and the raging pandemic, Poland is actively preparing for its role as one of the leaders of both the TSI and the BRI in Europe. Certainly, Warsaw did not maintain full neutrality in the US–China trade war and sided with the US on digital security, which is expected to bring in TSI-related US investments to the country. However, Poland also continues to seek various BRI-connected investments.

It might seem that Poland's decision on 5G goes against the Chinese traditional folk saying that 'when the snipe and the clam fight the fisherman benefits'. It refers to a situation in which a snipe flies down to prey on a clam, but the clam slams its shell shut, trapping the snipe's beak. While the snipe and the clam grapple, a third party, the fisherman, benefits from the situation. In China, this story is used as an analogy for a situation in which neutrality in a conflict between two parties creates opportunities for a third party. In the case of Poland, however, this logic has never applied: from its perspective, contrary to what some analysts claim, the rivalry between the US and China is not a rivalry between two entities, potentially exchangeable as allies. Rather, it is a rivalry between an ally who is also a security provider and a powerful, friendly business partner. Staying on good terms with both of them requires a proportional distribution of trust. While Poland – and at least some other Western countries – will gladly participate in an emerging Belt and Road Initiative, they want to remain committed to the Bretton Woods system as long as it guarantees civilizational stability in the Three Seas region and the EU.

At the same time, at the business level, European experts are also committed to fair, non-discriminatory business practices regarding China. In a recent poll, the European IGM Economic Experts Panel (which explores the views of European economists on public policy) asked 36 experts if European firms should be preferred over Chinese ones, even if this sometimes means choosing a higher-cost bidder. Most experts disagreed, arguing that this preference might be harmful and leave space for abuse (European IGM Economic Experts Panel, 2019). It suggests that European elites are well aware that the world is moving towards a multilateral order and an open, unbiased approach is a priority.

How will China–US friction evolve in this context? Some analysts point to future competition between the US and Europe, picturing China as a potential balancing factor (Mokrzycka, 2020). Other analysts focus on the many factors that facilitate cooperation between Russia and China (Kulesa, Szczudlik, 2020): the areas of potential convergence include ongoing cooperation regarding military and Internet infrastructure, the similarity of political systems and values (authoritarianism), as well as political goals (becoming a critical stakeholder in a more multipolar order, expansion in the Arctic region, etc.). In any future scenario, we can expect China–US battle of narratives related to COVID-19, as well as the effectiveness and civilizational attractiveness of the Chinese and US political systems. In this battle, China will repeat its narrative about the superiority of Confucian collectivism, whereas the US will keep stigmatising the Chinese model as a system where ‘market forces, entrepreneurship and the logic of profits are only welcome if they advance national strategic goals’ (Holzmann, 2020) and the stability of the Communist Party. In spite of this battle of narratives, Europe will remain an important partner for China and the Three Seas region will continue to be an EU region suitable for large-scale investments – both Western and Chinese ones. With high investment needs, the Three Seas will be a perfect region for major investment and permanently changing the east of the EU.

Geopolitically speaking, the east of the EU is also the easternmost part of the West. Located on the edge of the West, Poland emphasizes its commitment to Western values in its openness to business interactions with the East. According to Arnold Toynbee, a British philosopher of history who inspired thinkers such as Samuel Huntington, this is no coincidence. For Toynbee, the border regions of a civilization can be likened to medieval marches (Lewicki, 2012) – durable borderlands that tend to cultivate historically tested identities. The marches rely on their identities to maintain stability and assume leadership in times of crisis.

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