

WORKING PAPER

Influence of the Łódź-Chengdu railway on the perception of 16+1 in Poland

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Abstract

Introduction of the first direct train connection between Poland and China marked a beginning of the new type of interest in mutual relations that later included in the 16+1 format. Perception of the Polish role in this infrastructural project, particularly the ability of Polish companies to offer attractive goods to be shipped for the Chinese market, became the critical lens through which the entire Beijing engagement in the Central and Eastern Europe started to be seen. As far as Polish policy-makers, analysts and public opinion are concerned, the railway will continue to be a primary testing ground for any long-term projects involving the two countries.

Introduction

Since the emergence of China as one of the world's most dynamic economies, there was relatively little direct economy-driven engagements between China and Poland. Contrary to the experience of most of the globe, for policy-makers, and for the general public in Poland, China remained a distant, theoretical concept. Central and Eastern Europe became effectively one of the last regions in the world where China arrived as a new superpower¹ which bears essential consequences. The relevance of any significant economic or political setting linking to China is not taken for granted. Contrary it must prove its usefulness in practice.

Perception of its economic viability, condition, and future opportunities that it offers for Polish business, are of crucial importance in shaping Polish perspective for the relations between China and the Central and Eastern Europe. In Poland introduction of both 16+1 format (2012) and the broader vision for a New Silk Road / One Belt One Road (2013) remained at the margins of interest of the expert community, let alone the general public. Only when information about the running train route Chengdu-Łódź become circulating did the Chinese-led initiative became read as "reality" and the very idea of including China in Poland's strategic calculations started to be considered.

Origins

Before the inception of the Chengdu-Łódź connection, the only significant, and publicly recognisable experience with the major Chinese infrastructural project was the infamous

¹ R. Pyffel, O „zestknięciu się” Międzymorza i Jedwabnego Szlaku raz jeszcze, Centrum Studiów Polska-Azja, 18.07.2016, <http://www.polska-azja.pl/r-pyffel-o-zetknieciu-sie-miedzymorza-i-jedwabnego-szlaku-raz-jeszcze/>; text included extracts from the article R. Pyffel, *Chińska perspektywa Międzymorza*, Teologia Polityczna nr 10/2016, <http://www.teologiapolityczna.pl/radoslaw-pyffel-chinska-perspektywa-miedzymorza/>

contract won by the Chinese-led consortium Covec for constructing a section of the A2 highway linking Warsaw with Łódź. The contract was won in 2009, and the construction was about to be completed before the Euro2012 cup: the most important sports event in Poland in the current decade. Promotion of achievements of the recent development drive was part of the Polish government's effort to present the country internationally as a success story. The Euro2012 deadline was considered a major mobilising point of reference for completion of many symbolic construction projects. Successes or failures in meeting the deadline were, therefore, a highly sensitive indication of usefulness and one's capacities of contributing to national priorities. Frustrating delays, refusals to pay sub-contractors, and eventual walk-away from the construction site by Covec (in 2011)² defined the perception of Chinese investments in Poland as unreliable, surrounded by non-transparent business networks, and in the end became mostly virtual. In this context, access to the Chinese-led regional initiative 16+1, announced in 2012, did not bear any significance in Poland. Economic partnership with China was a non-scenario and there were significant shortcomings in considering China as a trustworthy partner in development of the critical infrastructure.

Last days of the same year marked the official launch of the Chengdu-Łódź cargo train connection. Due to a spectacular failure of the first attempt to build a foothold in Poland, initially the rail-route didn't attract much attention, and skepticism prevailed. Achievements of the Łódź regional authorities in establishing a link with Chinese regions, and being potentially able to reach to Chinese markets³ won some favourable coverage, but its resonance was very limited. The arrival of the first cargo train from China on the 2nd January 2013, after a 2-week journey, was described by the local press with some level of curiosity. The arrival of 41 carriages, mostly filled with electronics, was welcomed by experts with hopes that the Łódź region would become a significant regional transportation hub. Also, a reference was made to the fact, that since 2011, first Polish exporters of meat were allowed to sell their products in China, but it was highlighted that the growth in Polish exports is smaller than that of other comparable countries and that the trade balance is negative. Regular flow of trains was initiated in May 2013⁴.

Embracing and questioning strategic location

As the train link was increasingly becoming the first point of reference for Polish relations with China, it became identified with the surrounding new policy formats. These policy formats are the New Silk Road / One Belt One Road and the 16+1, and those – in the ordinary perception – were reduced mainly to the surrounding of the train link. Similarly, the fifth 16+1 summit in Riga, attended by Chinese Prime Minister Li Keqiang was accompanied

² *Chińczycy oddają pieniądze za polską autostradę*, Newsweek Polska, 05.02.2015,

<http://www.newsweek.pl/biznes/chinczycy-z-covec-oddaja-pieniadze-za-autostrade-a2,artykuly,356529,1.html>

³ M. Frąk, *Pierwszy pociąg z Chin przyjechał w środę do Łodzi*, Gazeta Wyborcza Łódź, 02.01.2013,

http://lodz.wyborcza.pl/lodz/1,35136,13134316,Pierwszy_pociag_z_Chin_przyjechał_w_srode_do_Lodzi.html

⁴ M. Jandula, *Hatrans: Przetarliśmy szlak dla pociągów Chiny – Polska*, Rynek Kolejowy, 23.12.2016,

<http://www.rynek-kolejowy.pl/wiadomosci/hatrans-przetarliśmy-szlak-dla-pociagow-chiny--polska-79567.html>

by a celebrated arrival of the first pilot cargo train from the East China hub of Yiwu⁵. The train links became increasingly promoted in the countries of destinations, where they were named as entry-gates to the EU, therefore the critical centres of the New Silk Road / One Belt and One Road. In Poland, it resonated with voices placing the country as a central hub, a key to success of the New Silk Road. This perception goes in line with the long-lasting tradition of embracing “centrality” of the Polish location and its (unrecognised) significance in general – derived from the XIXth century national mythology associated with Romanticism. However, it is rarely recognised in Poland that other countries in the region can attribute the same attributes to their roles. This pattern of evolving self-perception was not restricted to the 16+1 format: similarly, the cargo train route Chongqing-Xinjiang-Duisburg (Germany) opened in 2011, and later became seen and referred to as a central component of the New Silk Road⁶. In this case (as in many others), establishing a direct link to Western Europe didn’t require intermediation of any CEE-located “entry gate.” The very necessity of the “entry gates” can, therefore, be questioned. Polish-centred perception of the Europe-China connections can be illustrated by a statement by Jacek Żak, member of the board of Hatrans, a company operating the Chengdu-Łódź route: „if you as a Chinese person from the logistics industry on the rail connection to Europe, he would point to Łódź, not Duisburg [or other location]”⁷.

In Poland, there was a significant surge in circulation of opinions among the expert community, policy-makers as well as the general public, which tried to conceptualise advantages derived from the “key,” and “central” location within the One Belt One Road scheme – without much consideration put on the questionable grounds for such an assumption. In this sense, the Chengdu-Łódź line became instrumental in boosting Polish self-perception in the new Chinese-led economic setting and within the 16+1 framework in particular. The long-harboured aspirations for taking a leading role in the region were, therefore boosted. Analysts like Jacek Bartosiak argued that Poland is almost inclined to gain power in the region due to its “strategic” location as soon as the China-EU route will be smartly capitalised on and when Russia would fall deeper into the (expected) decline mode⁸. Other authors, including analysts of the influential think-tanks Centre for Eastern Studies (Marcin Kaczmarek⁹), and Poland-Asia Research Center (Radosław Pyffel¹⁰, Stanisław Niewiński¹¹)

⁵ M. Makocki, *One Way Train from China to Central Europe*, in: M. Andžāns (ed.), *Afterthoughts: Riga 2016 International Forum of China and Central and Eastern European Countries*, Latvian Institute of International Affairs, Riga 2016, p. 43

⁶ S. Vasic, *China’s New Silk Road: what investment opportunities for Central and Eastern Europe?* Friends of Europe, 11.08.2016, <http://www.friendsofeurope.org/global-europe/chinas-new-silk-road-what-investment-opportunities-for-central-and-eastern-europe>

⁷ M. Jandula, *Hatrans: Przetarliśmy...*

⁸ J. Bartosiak, *Polska na Jedwabnym Szlaku*, Internetowy Miesięcznik Idei, nr 6 (72)/2016, 1 czerwca–5 lipca 2016

⁹ M. Kaczmarek, *Nowy Jedwabny Szlak: uniwersalne narzędzie chińskiej polityki*, Komentarze OSW, nr 161, Warsaw 09.02.2015

¹⁰ R. Pyffel, O „zatknięciu się” Międzymorza

¹¹ S. Niewiński, *Polska na Jedwabnym Szlaku – szanse, mity i zagrożenia*, Centrum Studiów Polska Azja, 18.06.2016, <http://www.polska-azja.pl/polska-na-jedwabnym-szlaku-szansy-mity-i-zagrozenia/>

were more reserved in pointing to ambiguous and opaque nature of the One Belt One Road, as well as to the *de facto* unilateral (fully Chinese-designed) character of the 16+1 format.

Apart for the increased interest among analysts, for the first time, the 16+1 and the New Silk Road started to be included in the political messaging by the politicians communicating with their constituencies. As Polish Ministry of Defence raised reservations about the further expansion of the Łódź hub, particularity in relation to ownership of the train terminal infrastructure, Member of the Parliament Piotr Marzec, vice-chair of the Poland-China bilateral group, filed in February 2017 a parliamentary question to the Minister of Development requesting clarification on whether Poland wants to implement the New Silk Road vision. In this intervention he made a clear reference that development of the railway-driven partnership would bring a new geopolitical setting that will strengthen Poland, and if one rejects it, “understands nothing from geopolitical realities”¹².

Certainly, existence of the railway, combined with selective understanding of the 16+1 in the One Belt One Road framework started to resonate among certain segments of the society, including analysts and political actors, who look forward a major change in the international setting that would lift Polish position in the region. In this sense, one can call the Chengdu-Łódź-Chengdu connection a point of reference that helped to bring the discussion on perspective for relations with China, including the 16+1, into the general discourse.

Empty trains

The very fact of *existence* of the train connection served the role of a leverage to bring *the very existence* of 16+1 into the public debate. But details of the *economic relevance* of the railway and its profitability to the Polish business had a critical role in shaping perceptions on whether it is or potentially could be a *successful* initiative. After initial cautious reception noting the potential in running a regular connection, attention of the media, experts and commentators concentrated on the fact that the trains are loaded with goods from China, but are returning empty. This circumstance became very symbolic and illustrative for presenting the condition of the China-Central Eastern Europe relations. Brief analysis of the one-way movements of goods led to shaping the general perception of the cooperation, that can be summarized as follows:

- Beijing has something to offer while the Central and Eastern Europe doesn't;
- China is subsidizing the train route because it has an interest in it, while Poland (as others in the region) remain passive;
- The relationship is highly asymmetrical: China is the side with resources; it is projecting, taking strategic decisions and implementing mechanisms of the cooperation. For the CEE existence of the connection / 16+1 format doesn't bring any real profit and its very existence is not relevant;

¹² *Posel Liroy-Marzec dopytuje co dalej z Jedwabnym Szlakiem. Złożył interpelację do ministerstwa, Do Rzeczy, 12.01.2017* <https://dorzeczy.pl/kraj/19225/Posel-Liroy-Marzec-dopytuje-co-dalej-z-Jedwabnym-Szlakiem-Zlozyl-interpelacje-do-ministerstwa.html>

All the hopes for the profitable cooperation ended “as usual”: with little left for the weaker side.

Finding a niche: emergence of the Polish export

It was only after more than 2 years of one-way movement of goods that Polish business started to fill the cars with goods. The fact that Warsaw managed to begin to move away from the role of the passive recipient of the Chinese interconnectivity policy into an exporter, and therefore a beneficiary of the railroad, had a profound effect on the perception of the connection and the 16+1 format surrounding the present-day Polish-Chinese relations. Regular movement of cargo trains from Łódź to Chengdu was initiated in August 2015, 2,5 years after trains started to arrive from China. This proved to be possible thanks to an effort by Polish companies to look for business opportunities in Chengdu and further in China, to analyse local market, adapt to Chinese consumers’ demand and to re-evaluate their own capacities and business models. A “Polish Showroom” opened in Chengdu where some 100 Polish producers display their products¹³. This steps led to inception and later increase in volumes of exports of Polish products such as mineral water, juices, chocolates, vodka. Ability of Polish companies to take advantage of the circumstances to gain foothold in the distant market was part of the wider phenomenon of opening-up towards the overseas markets. Polish producers hit by Russian-imposed embargo managed to penetrate the new markets to sell apples and other agricultural products. In 2015 export of Polish apples increased by 47% comparing to 2014, and Polish food products were being sold in 73 countries. This marked a trend which later enabled many producers to capitalise on the existing train link to China. Despite successes of many exporters, and later development of the number and frequency of shipments, coverage of the new dynamics remained limited and the change in perception of the 16+1 remained largely reduced to representatives of local self-governments and experts. Only a handful of the nation-wide media outlets described the new, Łódź-centred drive to export by the land connection¹⁴. A 2016 inauguration of the new connection, Kutno-Sichuan attracted similarly little coverage¹⁵.

Surprisingly, after 2 years of successful use of train connection by Polish exporters, the expert community seems to be comfortable with the judgements and assumptions of the state-of-affairs-before-2015: on high-level conferences dedicated to analysis of implementation of the One Belt One Road and 16+1, such as “Initiatives of the ‘New Silk Road’ - Achievements and Challenges” (Belgrade, 12.07.2017) or “Warsaw Security Forum” (Warsaw, 8-9.11.2017)¹⁶, speakers repeatedly come back to the issue of “empty trains” – and it is Polish experts who are, on such occasions, updating them and enforcing re-evaluation of concepts of functioning of the 16+1. It is arguable that the fact that the fundamental change in the modes

¹³ M. Jandula, *Hatrans: Przetarliśmy...*

¹⁴ Those include: K. Zuchowicz, *Polskie „Chinatown”, czyli jak Łódź wysyła do Chin tony polskiego piwa, wody i soków. „Uwielbiają polskie mleko”*, NaTemat, 26.08.2015, <http://natemat.pl/152739,polskie-chinatown-czyli-jak-lodz-wysyla-do-chin-ony-polskiego-piwa-wody-i-sokow-uwielbiaja-polskie-mleko-kochaja-bursztyn>

¹⁵ *Z Kutna do Sycuanu. Rusza kolejne połączenie kolejowe z Chinami*, PAP, 30.04.2016, <http://www.tvp.info/wersja-do-druku?id=25125790&mod=undefined>

¹⁶ author’s observation from participation in Belt and Road-dedicated conferences

of operating the Chengdu-Łódź-Chengdu connection had been well internalised by the Polish expert community, local self-governments and the business, but continue to remain obscure for the general public and for the experts in the Central and Eastern European region, brings additional dimension to the rift in perceptions of the 16+1 between Polish and regional observers. Objective interpretations of the condition of the 16+1 format must take this circumstance into account.

Conclusion

Reception and understanding of the 16+1 initiative in Poland is highly connected with the general condition and public perception of the Chengdu-Łódź / Łódź-Chengdu rail connection. Models of running the rail route provided illustrative visualisations to describe the entire state of Polish-China relations within the 16+1 format. As the perception of the one-way profitability (for Chinese only) remained dominant among the CEE observers, in Poland successful use of the route for exports of the food items translated into a more practical, business-oriented view of the format, driven by local-self-government officials, exporters and experts.

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