



Weekly Briefing

**Lithuania External Relations briefing:
Lithuania's achievements at the 16+1 Summit in Sofia
bring forward a sense of trepidation**

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Lithuania's achievements at the 16+1 Summit in Sofia bring forward a sense of trepidation

The 7th annual Central Eastern Europe-China Summit (further to be referred here as the 16+1 Summit) which took place in Sofia on 6 and 7 July has brought some good news to Lithuania, however, these news have been received, unexpectedly, with a sense of trepidation rather than recognition and acknowledgement from the public. Below is the analysis of the national context within which the Sofia Summit took place and the explanations of some of the anxieties which have manifested at the time when, for the first time, Lithuania has yielded significant political benefits by being selected as the Fintech coordination hub for the 16+1 cooperation – a clear signal that Lithuania is being recognized as a country which has a talent for technology.

The 16+1 Summit took place at the time when two sets of circumstances intervened in the developing relations between Lithuania and China. The first set of circumstances was very fortunate and was related to the increasing realization on both parts that the strengthening of economic relations is a clear win-win. During the last few years Lithuania has shown an increased interest in opening up towards China through the 16+1 cooperation and which was attested by the supporting role played by Ambassador Ms Ina Marčiulionytė (who was appointed in 2016 to re-start the relationships and give them a new quality which is being realized).

The Lithuanian diplomatic service in Beijing led by the energetic, open-minded and very knowledgeable Ambassador (a former Ambassador to UNESCO in 2003-2010) helped to communicate the new policy of the Government towards China by engaging with the 16+1 cooperation and helping to facilitate the economic relations in certain sectors. Three sectors have been singled out by the Government as the priority sectors for the cooperation with the 16 Central and Eastern European countries and China, namely transport and

logistics, agriculture and financial sector, as confirmed, most recently, by Ambassador Ms Ina Marčiulionytė at a seminar for local cooperation between China and Central and Eastern European Countries held in Jinan on April 16. The increased focus on the economic brief have raised the public profile of China in Lithuania's media, has attracted a new interest from business and, overall, has contributed to a positive reception of the collaboration, at least as long as the cooperation was concerned with mostly economic and trade relations.

The second set circumstances which impacted the relations in unfortunate ways was related to a visit of Dalai Lama in Vilnius on 13-14 June. Although his visit was advertised as private and did not carry explicitly any agenda except reading public lectures (during his two-day visit Dalai Lama gave a public lecture entitled "The art of happiness" at the sports arena and a more academic lecture on human values in education). However, this visit attracted media attention due to the celebrity status of the speaker. The visit was organized by a private body with no links to any political organizations or official institutions, yet it created an impression that it was somehow a public visit (due to the high profile of the visitor). The Chinese Embassy in Vilnius was quick to publicly denounce the visit signalling that any meetings of officials with Dalai Lama could negatively impact the relations. The issue of Tibet had overshadowed the relations with China in the past and it still hangs over them even today. This is largely due to the fact that the issue is not publicly discussed and no information is provided to the public concerning this issue in an informed and knowledgeable way. Lithuania still lacks experts on the Chinese relations and that contributes to the lack of informed opinions covered by media where an idealized picture of ancient Tibet persists among people with cultural interests in Buddhism.

The above circumstances (both fortunate and unfortunate) have created some tension in the public eye as related to deepening the further relations with China. On the one hand side, the economic cooperation has been seen as very important and beneficial to the country's growth and the 16+1 forum of China-

CEE agriculture ministers which was held in Vilnius in 23-24 attested to that (the forum was positively received in political circles and received an extensive coverage in media). On the other hand, the visit of Dalai Lama (though it was unrelated to any political agenda domestically) attracted attention to the issue of Tibet and created the media field in which Lithuania's deepening cooperation with China could be questioned if not altogether doubted by some. Thus, these two opposite sets of circumstances formed a very polarized and indeed confusing public discourse in media exactly at the time when the 7th 16+1 Summit took place in Sofia.

The fact that Lithuania's Prime Minister could not attend the Summit should be interpreted within a broader national context (unrelated to the circumstances above); he was participating in the national festivities which coincided with the dates of the Sofia Summit and which required his attendance as one of the country leaders and the contenders for the President's office next year. Instead of the Prime Minister, the Minister of Finance Mr Vilius Šapoka, one of the most publicly appreciated members of the Cabinet, was delegated to the Summit. His participation with support of the Ministry of Foreign Affairs yielded very significant results for Lithuania. The Summit agreed to establish a Fintech coordination centre of 16+1 format in Vilnius and to organize high-level fintech conference in 2019, thus elevating the engagement of Lithuania to a new level.

On this occasion the Minister Šapoka spoke on the record (and it is very important to take notice of that):

“On this occasion, I would like to thank all 16+1 countries for their expressed evaluation of and support to the Lithuanian initiative. It is a perfect example that China and Central and Eastern European countries are linked by common interests, i.e. creation of attractive environment for financial innovations and promotion of the development of innovative business. Having established the fintech coordination centre, we shall not only increase awareness of Lithuania, as a fintech country, worldwide and get more investment and new

job places. By this, we shall also create opportunities for sharing of the newest knowledge on innovations and measures assuring financial stability, fight against money laundering and terrorism financing, cyber security and consumer protection.“

However, the reception of Lithuania’s achievements at the 16+1 Summit has brought forward a sense of trepidation and caused even some distress among some on the political fringe. An independent, vociferous Member of Parliament Ms Aušra Maldeikienė who is an economist-turned-politician known for her maverick behaviour in public (whose views on China were formed during her brief, a three-month, stay in Taipei as a visiting professor, as she publicly admitted that on numerous occasions) publicly questioned the decision taken by the Government to establish the Fintech coordination hub for the 16+1 countries in Vilnius and even tried to question the mandate of the Minister to do that. Although her reaction was caused by political impulses (as Ms Maldeikienė recently announced her resolve to participate in the Presidential elections), yet it has failed to attract any support for the simple fact that the general public is still uninformed about China and cannot formulate any opinions, except of some based on a hear-say.

More importantly, the Government has showed an unwavering support for the cooperation within the 16+1 format. The current position could be very well understood by following the words the Ambassador Ms Marčiulionytė put on the record: “Lithuania values the 16+1 format as the additional instrument for strengthening the strategic cooperation between the EU and China”. In attempt to breech the gap between the people of Lithuania and the people of China and keep the politics out of the ongoing dialogue, the Government has been very supportive of strengthening the cooperation at the level of local municipalities and regions of two countries. This is where the interests of both China and Lithuania come together – to increase the wellbeing of their populations in the regions, especially those which were previously deprived of the opportunities of economic prosperity which was created in the main urban areas. Slowly but

surely it is realized on a wider scale on both sides that people-to-people diplomacy and the informed opinions of the people's representatives are key to making the cooperation a source of appreciation rather than trepidation.