

U.S. Europe Policy in 2020 Should Focus on Invigorating the Valuable Three Seas Initiative

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KEY TAKEAWAYS

A strong, prosperous, and secure Eastern Europe is in America's interest, and the Three Seas Initiative can play a role in strengthening the transatlantic bond.

Three Seas will allow the U.S. to strengthen transatlantic business, energy, and geopolitical ties to the region, while also counterbalancing China and Russia.

The U.S. should work with Estonia, host of the 2020 Three Seas summit, to advance an agenda that enhances cooperation among the nations of the initiative.

Next year Estonia will host the annual summit of the Three Seas Initiative (3SI). Launched in 2016 to facilitate the development of energy and infrastructure ties among 12 nations in Eastern, Central, and Southern Europe, the 3SI aims to strengthen trade, infrastructure, energy, and political cooperation among countries bordering the Adriatic Sea, the Baltic Sea, and the Black Sea.

A strong, prosperous, and secure Eastern Europe is in America's interest, and the 3SI can play a role in making this happen. The U.S. should work with Estonia to advance an agenda that enhances cooperation among the nations of the 3SI, offering top-level U.S. political support to the initiative, and when in the national interest to do so, work with countries of the 3SI to jointly fund projects.

This paper, in its entirety, can be found at <http://report.heritage.org/ib5012>

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From Sea to Shining Sea

The territory located between the Baltic, Black, and Adriatic Seas is strategically important. The countries in the 3SI (Austria, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia) account for 28 percent of European Union territory and 22 percent of its population, but only for 10 percent of its gross domestic product (GDP). Once the U.K. leaves the EU, these figures will go up, increasing the region's importance to Europe.¹

A vestige of the Cold War means that most infrastructure in the region runs east to west, stymieing greater regional interconnectedness. Developing north-south interconnections, pipelines, roads, rails, and electrical grids will spur economic growth, prosperity, and security. This north-south corridor in Eastern Europe could one day become the backbone of Europe.

The nations involved in 3SI are largely dependent on Russian energy, and the threat from Russia, especially in the realm of cyberattacks, influence operations, and propaganda is real. The Three Seas Initiative will help these nations resist Russian pressure, while also developing greater interconnections between the nations themselves, and providing an opportunity to build strengthened transatlantic business, energy, and geopolitical ties with the United States. As noted by President Donald Trump in Warsaw in 2017, "The Three Seas Initiative will not only empower your people to prosper, but it will ensure that your nations remain sovereign, secure, and free from foreign coercion."²

Historical Importance of the Region

The economic and trade importance of the Danube River and its tributaries has made Eastern Europe (covering today's 3SI) important for centuries. Eastern Europe has also played a key role in many of Europe's most significant events. The starting point of both World Wars is found in the region of the Three Seas. The importance of the territory located between the Baltic, Black, and Adriatic Seas is nothing new in the study of geopolitics. The founder of modern geopolitics, Sir Halford Mackinder,³ wrote in 1919: "Who rules East Europe commands the Heartland; who rules the Heartland commands the World-Island; who rules the World-Island commands the world."⁴

In the 1920s in the aftermath of World War I, Polish leader Józef Piłsudski called for an "Intermarium," or a federation of states located between the Baltic and Black Seas, as a balance of power against Russia and Germany

(loosely based on the Polish–Lithuanian Commonwealth from the end of the 16th century to the end of the 18th century).⁵

China is a new entrant into the region, launching the 16+1 Initiative seeking to build inroads with 16 countries (including every western Balkan nation except Kosovo) in Eastern and Central Europe in 2012. In the past seven years, 16+1 has lost some steam and has not achieved the impact yet that China had hoped. For instance, Chinese investment in Eastern Europe, the Czech Republic, Austria, Bulgaria, Hungary, Poland, Romania, and Slovakia remains relatively small, only accounting for 1.5 percent of Chinese investments in the EU in 2018.⁶ However, China remains ambitious, looking to make long-term investments in the region, especially in critical sectors, to garner economic, diplomatic, and political influence. The U.S. must remain keenly aware of China’s ambitions and the importance of American investment. If nations in Central and Eastern Europe cannot get American, or British, or German investment, they will increasingly turn to China.

America’s Interests

A stable, secure, and economically viable Europe is in America’s economic interest. Some of America’s oldest and closest allies are in Europe. The U.S. shares with this region a strong commitment to the rule of law, human rights, free markets, and democracy. The economies of Europe, along with the United States, account for almost half of the global economy. The U.S. and Europe are each other’s principal trading partners. The U.S. and Europe are each other’s top source of foreign direct investment.

History shows that a stable Eastern Europe means a stable Europe as a whole. This is why the 3SI is so important to the U.S. As the U.S. engages with the 3SI, it should:

- **Consider opportunities to fund 3SI projects that help to advance America’s interests.** The U.S. should consider using the Better Utilization of Investments Leading to Development (BUILD) Act of 2018 to allow American funding for 3SI projects that help advance U.S. economic, security, and geopolitical interest.
- **Work closely with Estonia.** Being a frontline state in Eastern Europe, Estonia is acutely aware of the importance of the 3SI. The meeting in Tallinn in June 2020 will be the fourth for the 3SI. Now is the time to focus U.S. attention on an initiative that represents a significant economic and political opportunity.

- **Promote the idea of non-EU states joining the initiative.** Currently, the Three Seas Initiative only includes EU member states. This serves as an artificial constraint to regional cooperation, since so many countries, such as Ukraine, Georgia, Turkey, and much of the Western Balkans, are not EU members. China investments have often focused on those nations which are not fully ensconced within the transatlantic community. Broadening the scope of the 3SI will help to steel vulnerable nations against undue influence from China.
- **Take a sophisticated approach to U.S. engagement with the 3SI.** U.S. policymakers should refrain from seeing the 3SI as a monolithic grouping. While the countries of the 3SI share many of the same goals, the U.S. should not forget that these are 12 individual sovereign nation-states. The U.S. should bear this in mind as it develops its policies toward the region.
- **Consider the creation of a Four Seas Initiative to include the Caspian Sea region.** This could be based on, and compliment, the existing 3SI. Including the Caspian and associated countries in the region is a better reflection of the interdependence of the region when it comes to economic development and transport.
- **Strengthen ties to the 3SI region by expanding the Visa Waiver Program (VWP).** The VWP pays security dividends as countries in the program share information on serious criminals, terrorists, and lost and stolen passports with the U.S. in exchange for visa-free travel up to 90 days. In addition, the VWP smooths business travel and tourism between foreign countries and the U.S., and further strengthens the transatlantic bond. Congress should evaluate alternative eligibility that considers overstay rates and other national security objectives, such as defense spending by members of the North Atlantic Treaty Organization.

Conclusion

The upcoming year will likely prove a pivotal moment for 3SI—either with tangible outcomes starting to magnify, or with the initiative fading away as a missed opportunity due to a lack of political will. Three Seas will allow the U.S. to build strengthened transatlantic business, energy, and geopolitical ties to the region, while also counterbalancing Chinese and

Russian efforts to forge regional inroads. The U.S. should work with Estonia, which is hosting the 2020 summit, to ensure that an important inflection point for 3SI is not missed.

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Endnotes

1. The U.K. accounts for 5.4 percent of EU territory, 13 percent of its population, and 14.67 percent of its GDP.
2. Madeline Farber, "Read Donald Trump's Remarks at the Three Seas Initiative Summit in Poland," *Time*, July 6, 2017, <https://time.com/4846780/read-donald-trump-speech-warsaw-poland-transcript/> (accessed November 20, 2019).
3. In his 1904 "Heartland theory," Sir Halford Mackinder wrote that the earth is divided into four main geopolitical areas: (1) the World Island (the Eurasian landmass along with Africa); (2) the Offshore Islands (Japan and Great Britain); (3) the Outlying Islands (Australia and the North and South American continents); and (4) the Heartland (the middle of the World Island stretching from the Volga to the Yangtze and from the Himalayas to the Arctic). See H. J. Mackinder, "The Geographical Pivot of History," *The Geographical Journal*, Vol. 23, No.4 (April 1904), pp. 421-437, <http://intersci.ss.uci.edu/wiki/eBooks/Articles/1904%20HEARTLAND%20THEORY%20HALFORD%20MACKINDER.pdf> (accessed November 19, 2019).
4. Halford Mackinder, *Democratic Ideals and Reality: A Study in the Politics of Reconstruction* (Henry Holt and Company: New York, 1919), p. 186.
5. Emil Avdaliani, "Poland & the Success of its 'Intermarium' Project," *Georgia Today*, March 28, 2019, <http://georgiatoday.ge/news/15029/Poland-%26-the-Success-of-its-%E2%80%9CIntermarium%E2%80%9D-Project> (accessed November 2019).
6. Thilo Hanemann, Mikko Huotari, and Agatha Kratz, "Chinese FDI in Europe: 2018 Trends and Impact of New Screening Policies," Rhodium Group and the Mercator Institute for China Studies, March 2019, <https://www.merics.org/en/papers-on-china/chinese-fdi-in-europe-2018> (accessed November 19, 2019).