I. Introduction

The Three Seas Initiative has been established as a new platform of political communication and financial cooperation among 12 European Union (EU) member countries (states) located between the Baltic, the Black and Adriatic seas. These 12 states – Austria, Bulgaria, Croatia, Czechia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia, work together and undertake joint projects related to transport, energy, digital sector, innovation and connectivity. Through implementing common projects, participating countries aim at a better economic integration as well as the development of the 3SI whole region.

First, this paper presents origins of 3SI, how it functions as well as its relations with EU. Second, the objectives of 3SI will be discussed and the existence of the shocking financial disparity between 3SI and the rest of the EU countries will be revealed. Lastly, cooperation with Japan is presented. This paper focuses on establishment of relations, the key arrangements of partnership as well as the disparity, and the potential areas of future
cooperation with countries outside of EU in order to mitigate that disparity.

II. The Three Seas Initiative: Establishment and individual summits

The Three Seas Initiative is a political platform which brings together 12 EU member states as mentioned above. The 3SI was originally proposed in 2015 by the President of Croatia, Kolinda Grabar-Kitarović and the President of Poland, Andrzej Duda as a response to the report entitled ‘Completing Europe – From the North-South Corridor to Energy, Transportation, and Telecommunications Union’ presented in November 2014 by a US think tank, the Atlantic Council and Central Europe Energy Partners (CEEP). The report brought attention to Europe’s disparity in development along North-South corridor and outlined possible threats that may hinder cooperation in the future. It also included recommendations for policymakers at national and regional levels in the EU, policy-makers in the United States, and decision-makers in various business sectors.

On the initiative of Presidents of Croatia and Poland, the meeting of presidents (of Bulgaria, Croatia, Poland and Romania, Foreign Affairs Ministers (of Estonia, Latvia, Lithuania, Hungary and Slovakia) took place on the eve of the 70th Session of United Nations General Assembly, on September 29th, 2015. At the meeting, the establishment of 3SI was decided, and Dubrovnik was chosen as the venue for the next meeting.

Map 1: The Three Seas Initiative countries (states) in Europe

Source: Own drawings by using MapChart
Many scholars view the cooperation among countries located between the Baltic, Black and Adriatic seas as a modern embodiment of Intermarium (Between the Seas) idea. It was viewed as a geopolitical idea dating from 1919 to 1920, which was envisioned as a federation of independent Central and East European states, based mainly on an ethnic principle. It was proposed by the Polish ruler, Marshall Piłsudski (Kurecic 2018). However, it never came to fruition, in part due to conflicting national interests (Gera 2017).

Almost 80 years later, the Intermarium idea has finally resurfaced (Górka 2018). The inaugural summit of the Three Seas Initiative entitled “Strengthening Europe by Connecting North and South” was held in Dubrovnik, Croatia on August 25th and 26th 2016, and was attended by the representatives of 3SI – 12 states, as well as the USA, China and Turkey (Zbińkowski 2019). Bulgaria, Croatia, Hungary, Lithuania, Poland and Slovenia were represented by their presidents, while from the other 3SI – 12 states other governmental representatives attended. The summit was concluded with 12 EU member states signing The Joint Statement on The Tree Seas Initiative, the key provisions of which are:

- recognizing importance of connecting Central and Eastern European economies and infrastructure form North to South;
- expanding the existing cooperation in the fields of energy, transportation, digital communication and economic sectors will lead to more secure, competitive and safer Central and Eastern European, which will result in strengthening EU as a whole;
- refraining from creating a parallel structure to the existing mechanisms of cooperation;
- confirming openness to partnerships with entities around the world which respect values and principles of EU.
- endorsing 3SI as an informal platform for securing political support for projects involved in energy, transportation, digital communication and economic sectors in Central and Eastern Europe.

The first 3SI summit was held in Dubrovnik, Croatia, on August 25th and 26th 2016, ended with a declaration of economic cooperation. Polish President Andrzej Duda called the initiative “a new concept to promote Europe’s unity and cohesion.”

With the signing of the Joint Declaration of 12 EU member states: Austria, Bulgaria, Croatia, Czechia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia have officially inaugurated cooperation in the 3SI format. At the end of Dubrovnik summit, Poland was chosen to host the next meeting of 3SI in 2017.

The second 3SI summit entitled “Connectivity, Commerciality, Complementarity” was held in Warsaw, Poland, on July 6th and 7th 2017. The Warsaw Summit was attended by the representatives of all 12 member states, as well as the President of the United States at that time, Donald Trump. Compared with the summit in Dubrovnik, four more 3SI presidents out
of the 12 states attended the second summit: Estonia, Latvia, Romania and Slovakia. The main reason for involvement on presidential side was undoubtedly a visit of US President to Warsaw just before G20 Summit in Hamburg. It must be emphasized that the US President Trump’s speech in Warsaw “was the first programmatic, public speech devoted to international affairs after his inauguration as President of the USA” (Wiśniewski 2017). Since the establishment of 3SI, USA has been participating in summits, however, speech at the Warsaw summit led to collaboration between America and CEE (Central and Eastern Europe) (Wiśniewski 2017).

The key provisions of the Warsaw Summit are, to a large extent, the same as those included in Dubrovnik Statement. However, Warsaw Joint Declaration pays more attention to emphasizing complementarity, cohesion and support of European Union’ policies and initiatives. Moreover, it includes the following priorities: “enhanced transportation connections of our region to develop and further integrate into the trans-European transport (TEN-T) network, implementation of the EU’s energy policy objectives, promote business character of joint economic projects, full synergy with the EU policies”, as well as principles: “membership of the EU, long-term nature of joint plans, openness to business circles, as well as better defining and promoting drivers of modernization in the region”, which were absent in Dubrovnik Declaration.

At Warsaw Summit, the establishment of the 3 Seas Business Forum was also decided. The aim of which is to “bring together economic entities interested in economic cooperation aimed at enhancing economic bonds within the region”.

At the time of 3SI establishment, many politicians and researchers claimed that the initiative was an attempt to break up the EU from the inside; or the initiative was an entity competitive to EU. However, a firm assurance presented in Warsaw Declaration made it clear that 3SI is a tool aimed at enhancing European integration and strengthening the implementation of European Union’s policies.

Strong relations with EU were reaffirmed during next summit in Bucharest in 2018, where apart from representatives of 3SI – 12 states, the meeting was also attended by the President of the European Commission, Jean-Claude Junker. The representative of USA was also present. Meanwhile, the accompanying 3 Seas Business Forum was attended by representatives of other countries, chambers of commerce, think tanks, individual companies and economic organizations.

Compared with Dubrovnik and Warsaw Declarations, Bucharest statement, apart from strengthening the cohesion of the EU, emphasizes additional two dimensions to cooperation, namely: transatlantic ties and relations with the Western Balkans and the Eastern Partnership. An increased economic presence of the United States in the 3SI region as well as interconnectivity with neighborhood regions are directions in which Initiative should develop. Moreover, Bucharest Declaration firmly emphasizes concrete projects, results, and deliverables. That is why, a list of priority interconnection projects has been proposed. Those
projects will be financed through Three Seas Investment Fund, which was established during the summit in Romania. In addition, 3SI Business Forum was set as a regular event, to monitor their implementation. What is more, to support the future activities of 3SI Business Forum, the creation of 3SI Network of Chambers of Commerce was decided during the Romania Summit.

The next 3SI summit was hosted by Slovenia in Ljubljana on 5th and 6th June 2019. Along with the heads of the Member States, EU Commission President Jean-Claude Juncker, German president Frank-Walter Steinmeier and US Secretary of Energy Rick Perry attended the Ljubljana summit.

The presence of the representatives of EU, Germany and USA reaffirmed the 3SI’s message of concentrating on strengthening the cohesion and unity of the EU, as well as enriching transatlantic ties.

The key arrangements of the 3SI Ljubljana Summit repeat those reached in Bucharest to a large extent. However, the 2019 Declaration emphasizes the importance of sustainable development and the necessity to aim towards the safety and preservation of water, energy and food resources, as well as effective water management. It is a visible shift towards green economy which is in accordance with the overall policy of EU.

The Ljubljana Declaration also confirms that 3SI is open to partnership with Western Balkans and Eastern Partnership countries - regions in which there are potential candidates for membership in EU. Representatives of aforementioned states participated in the second 3SI Business Forum which was accompanied by the Ljubljana Summit.

The fifth 3SI summit was held in Tallinn on 19th October 2020 in a hybrid format (both in person and virtually). The Presidents and high-level representatives of 3SI countries were joined by European Commission Executive Vice-President Margrethe Vestager, United States Secretary of State Mike Pompeo and US Under Secretary for Economic Growth, Energy, and the Environment Keith Krach.

At Tallinn Summit, apart from reaffirming the objectives and key directions of the initiative set during past summits, the Smart Connectivity vision for Three Seas was introduced. It is an idea to link energy and transport infrastructure with digital platforms and services. The aim is to support new business models and technologies and help make investments in energy and transport future-proof, as well as to help the Three Seas region flourish as a global hotspot for smart mobility and energy innovation, which will also help 3SI to develop and sell smart solutions around the globe.

The last-to-date 3SI Summit was organized by Bulgaria in Sofia on 8th and 9th July 2021. It was attended by the Presidents and high-level representatives of 12 participating countries as well as by European Commission Executive Vice-President Margrethe Vestager, Managing Director of International Monetary Fund Kristalina Georgieva, President of Germany Frank-Walter Steinmeier and President of Hellenic Republic of Greece Katerina Sakellaropoulou and the representatives of USA.
Sofia Declaration mainly repeats the key arrangements from previous summits, however, adds a few new dimensions of cooperation as well. One of the emphasized areas is to enhance connectivity in science, education, technology, and innovation. Increased cooperation in those fields will lead to smart, efficient and innovative solutions.

The next 3SI -12 Summit is currently scheduled to take place in Latvia in 2022.

III. Objectives of The Three Seas Initiative

As explained, the 3SI was established by 12 EU member states with the goal of a better integration of those countries on the North-South axis by connecting infrastructure across the energy, transport and telecommunications sectors. In short, the initiative seeks to overcome the traditional division of Europe into East and West. It should also increase connections inside EU single market (Wiśniewski 2017).

Through discussions held during those summits stated above, the Initiative grew beyond the initial objective. New dimensions of cooperation started to be incorporated into an action plan for 3SI. As stated on the official webpage of 3SI, the objectives are stipulated as follows:

1. Economic growth. The main aim of the overall initiative is to boost economic growth and well-being in the region. More activity in trade and the provision of services within the region and with neighboring countries creates such opportunities and makes Europe, as a whole, more competitive in global terms.

2. Greater interest among investors. In the context of the European Union, the countries in the Three Seas Initiative have stood out for many years for their above-average rates of economic growth. As such, they offer investors potentially higher rates of return. By working together and pursuing similar policies, these countries will make the region more attractive on the global financial market.

3. Energy security. Energy is not only an economic issue, but has also become a strategic and security concern. A cohesive, well-functioning energy market and the freedom to choose between suppliers will increase open competition, ensure that the region is better supplied, and boost energy security.

4. Geopolitics. Strong economic development across the board in Europe, including the Three Seas region, will help to more effectively defend current geopolitical interests, while at the same time making a stand against interests that are not conducive.

5. Smart connectivity. Where new investments are concerned, the aim is to make the most of the region’s experience and potential for implementing digital solutions. This goes beyond the development of digital infrastructure, and encompasses the creation of smart, modern solutions for data exchange and the more efficient use of information.

6. Achieving climate goals. A cohesive approach from the Central European nations
focused on developing new and modern infrastructure will help the region move towards lower carbon emissions and achieve carbon neutrality.

To achieve those goals, the introduction of Interconnection Priority Projects has been announced during the third 3SI summit held in Bucharest in 2018. Projects are financed by Three Seas Initiative Investment Fund.

By implementing Priority Projects, the member states work together in order to contribute to the overall objectives of 3SI. According to the official data, as of July 2021, 90 projects with an estimated value of 180.9 billion euros were put in action. Out of which 49% were in transport, 37% in energy and 14% in digital sector².

**Table 1** Population, land coverage, and GDP of Total EU and 3SI countries, in the Year 2020

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>TOTAL POPULATION (MILLIONS)</th>
<th>LAND COVER (SQUARE KILOMETRES)</th>
<th>GDP (CURRENT PRICES, EUR MILLIONS)</th>
<th>REAL GDP PER CAPITA, EUR MILLIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL EU-27</td>
<td>447.32</td>
<td>4 125 107</td>
<td>13 393 729.4</td>
<td>26 380</td>
</tr>
<tr>
<td>BULGARIA</td>
<td>6.95</td>
<td>110 996</td>
<td>61 331.0</td>
<td>6 380</td>
</tr>
<tr>
<td>CZECHIA</td>
<td>10.69</td>
<td>78 871</td>
<td>215 257.0</td>
<td>17 340</td>
</tr>
<tr>
<td>ESTONIA</td>
<td>1.33</td>
<td>45 336</td>
<td>26 834.5</td>
<td>15 010</td>
</tr>
<tr>
<td>CROATIA</td>
<td>4.05</td>
<td>56 594</td>
<td>50 189.6</td>
<td>11 720</td>
</tr>
<tr>
<td>LATVIA</td>
<td>1.91</td>
<td>64 586</td>
<td>29 511.0</td>
<td>12 150</td>
</tr>
<tr>
<td>LITHUANIA</td>
<td>2.79</td>
<td>65 284</td>
<td>49 507.2</td>
<td>14 030</td>
</tr>
<tr>
<td>HUNGARY</td>
<td>9.77</td>
<td>93 012</td>
<td>136 622.0</td>
<td>12 680</td>
</tr>
<tr>
<td>AUSTRIA</td>
<td>8.90</td>
<td>83 878</td>
<td>379 320.6</td>
<td>35 390</td>
</tr>
<tr>
<td>POLAND</td>
<td>37.96</td>
<td>311 929</td>
<td>523 667.8</td>
<td>12 700</td>
</tr>
<tr>
<td>ROMANIA</td>
<td>19.33</td>
<td>238 398</td>
<td>218 165.2</td>
<td>19 720</td>
</tr>
<tr>
<td>SLOVENIA</td>
<td>2.10</td>
<td>20 273</td>
<td>46 918.0</td>
<td>15 180</td>
</tr>
<tr>
<td>SLOVAKIA</td>
<td>5.46</td>
<td>49 035</td>
<td>92 079.3</td>
<td>15 180</td>
</tr>
<tr>
<td>TOTAL 3SI</td>
<td>111.24</td>
<td>1 218 192</td>
<td>1 829 403.2</td>
<td>Average 15 623</td>
</tr>
<tr>
<td>3SI (%) OF EU</td>
<td>25%</td>
<td>30%</td>
<td>14%</td>
<td>59% (COMPARED TO EU)</td>
</tr>
</tbody>
</table>

12 Three Seas Initiative countries constitute for approximately 25% of European Union total population and cover approximately 30% of its land. In terms of population and territory, Poland is the biggest 3SI - 12 member states, followed by Romania. On the other hand, Estonia and Latvia have the lowest population, while Slovenia has the smallest land cover.

Moreover, 3SI - 12 contributes 14% of EU - 27 total GDP with Poland and Austria having the largest GDP. However, there is a significant difference in the prosperity between the EU as a whole and Initiative area. Except for Austria, all other 3SI countries have lower GDP per capita than EU-27 average.

Data presented in Table 1 reflects the importance of the 3SI member states, especially with regards to overall EU’s population and land cover. Moreover, strategic location of these 12 countries must be emphasized – between the Baltic, the Black and Adriatic seas with area spanning from North to South part of Europe, constituting for the east border of EU.

However, the data clearly shows the disparity in the development between 3SI area and the rest of EU. Except for Austria, all other countries have experienced communism, which left a mark on their development. Due to legacy and long history of Soviet Union, Central-East European area has been left behind with respect to development, and is lacking infrastructure such as: highways, railways, and pipelines, along its north-south corridor. Table 1 shows Austria’s real GDP per capita alone far exceeds those of the rest of all other 3SI countries. That is why, for the whole 3SI region it is essential to implement and coordinate common projects aimed at improving their infrastructure, standard of living as well as energy security and delivery of information by digital technologies. A fast and marginal increase in development of the 3SI area will have a significantly positive influence on the development of the whole EU as well.

In another view (Table 2), we can observe the foreign direct investment (FDI) stock figures in all 3SI states (173.9 billion Euros) account for only 2.2% of all estimated EU FDI figures (7,880 billion Euros). Also, the aggregate imports share of all 3SI countries occupies only 12.9% of all EU countries. These two sets of data (Table 2) clearly shows goods and investment money flows from all over the world to 3SI countries are extremely small and limited, compared to those to the rest of EU countries.

In addition, EU statistics on balance of payments present data on current and financial accounts for the EU and its member countries. Table 2 reveals relatively low net financial account figures of 3SI countries percentage of GDP, especially Romania and Hungary, both in negative figures.

In summary, the above analysis clearly shows the goods and investment money disparity between the 3SI area and the rest of the EU.
IV. Cooperation between The Three Seas Initiative and Japan

Compared with a fast approach of the United States towards 3SI, Japan has shown rather a delayed interest in this partnership. Although in 2018, Japanese Prime Minister Shinzo Abe
visited five 3SI countries (Lithuania, Latvia, Estonia, Bulgaria and Romania), it was not until 2021 that the Initiative started to receive more attention from the Japanese government. In April 2021, Japanese Secretary of State at the Ministry of Foreign Affairs Takashi Uto participated in the seminar entitled Visegrad 4 (V4) plus Japan Seminar 2021 held in Tokyo: Connectivity in Central and Eastern Europe as an integral part of Japan-EU Connectivity Partnership, hosted by Poland’s Embassy in Tokyo, in cooperation with the Japanese Ministry of Foreign Affairs and Josai University, a private university in Japan. One of the main topics discussed during meeting was Three Seas Initiative, its foundations, and goals as well as possible sources of interest for potential Japanese financial and direct investors.

Increased presence and participation of Japan in 3SI was also stressed in the topic of the 7th “V4 plus Japan” Foreign Ministers’ Meeting, hosted in May 7th 2021 in Poland, and attended by Minister of Foreign Affairs Toshimitsu Motegi. Minister Motegi stated that Japan will continue considering its engagement under 3SI. Moreover, during the meeting with Polish Minister of Foreign Affairs Zbigniew Rau, Minister Motegi also noted that the 3SI, which has been led by Poland, is a meaningful endeavor which would promote the Japan-EU Connectivity Partnership and the unity of Europe and expressed Japan’s intention to consider ways in which Japan could become involved.

In June 2021, Ministry of Foreign Affairs of Japan, Embassy of the Republic of Poland in Tokyo, and Japan Institute for Overseas Investment (JOI) have co-organized a virtual seminar entitled Three Seas Initiative – Opportunities for Japan and Japanese Investors. The event aimed to promote 3SI among Japanese financial and direct investors, explaining in details investment opportunities in energy, transport, digitalization and finance sectors. More than 180 representatives of business and diplomacy have participated in that seminar.

Moreover, to show an increased interest in Three Seas Initiative State Minister Uto participated in 2021 3SI Summit and Business Forum in Sofia as a one of the speakers. In his message, State Minister Uto noted that connectivity in the region through 3SI contributes to improving the business environment in the Europe as well as that Japan makes efforts for Japanese investors to deepen the understanding of the importance of 3SI and the potential of economic development in the region.

Lastly, during meeting with Polish President Andrzej Duda in July 2021 during Tokyo Olympics Games, Japanese Prime Minister Yoshihide Suga reaffirmed that Japan is strongly interested in participating in projects related to the initiative, along with other nonmember partners, such as the United States and Germany.

In our recognition, a real and practical cooperation between Three Seas Initiative and Japan on a larger scale started in the year 2021. For both parties increased collaboration will lead to gaining mutual benefits. To make initiative successful, 3SI - 12 countries need financial funds to implement Priority Projects. That is why, gaining strong investment partner such as Japan would contribute greatly to development of the whole region as well as to achieve Initiative’s objectives.
On the other hand, Japan may use this opportunity as a tool to make its presence stronger in EU as well as to increase the area of its influence in Central and Eastern parts of the Europe. It is especially important with regards to competition with China which aims to cover and go beyond Asian continent. Unlike Japan, Chinese government has already shown an interest in 3SI from the very beginning – a representative of China has participated in the first 3SI summit in Dubrovnik in 2016. Development of CEE area has been in line with 16+1 (now, 17+1) cooperation format and the Belt and Road Initiative (formerly known as One Belt One Road) policies which China has been vigorously pursuing since 2012. However, strong engagement of United States in 3SI led to China backing off from strong support for the Initiative. In addition, China-CEE relations started to crumble as well. On the other hand, Japan – as a long-term ally of USA may make its appearance and show a strong support for 3SI. For Japanese companies investing in the 3SI region is undoubtedly to bring many business opportunities and potential benefits.

For 3SI, the priority areas are reiterated, energy, transport, and digital sectors. Those are the fields in which high technological capabilities including energy efficient technologies of Japanese companies can be utilized. Especially, cooperation in the energy sector seems like a natural choice for both sides considering their development strategies. For example, both Japan and 3SI strive for green economy while lowering carbon emissions.

V. Conclusion

In our recognition, 3SI has been established with an intention to lessen the development gap between “the old” European Union member states and the rest countries which joined after 2004 (except for Austria). To achieve set objectives, priority projects are implemented financed by Three Seas Initiative Investment Fund, a commercially venture fund set in 2019. The constitutive act of that Fund was signed by the presidents of development banks from Poland (Bank Gospodarstwa Krajowego) and Romania (Exim Bank). Within the regions of EU, sources of the Fund will naturally be self-financed and limited. As we stated, except for Austria, all other countries have experienced communism, which left a mark on their industrial development behind. Therefore, 3SI member states are looking for the Fund partner countries worldwide outside of Europe which will bring fresh money to the Fund. One of the countries that 3SI is seeking partnership with is apparently Japan.

Although Japan has shown an interest in 3SI only recently, in a short period of time many meetings regarding future cooperation have already taken place. For both sides, establishing closer relations seems to bring many benefits. The European side can expect extra direct investments with cutting-edge technology as well as reliable traditional imports such as transportation vehicles, machinery and electrical equipment as we see in Table 2, while Japan can increase its business opportunities in Europe. Considering the potential in the 3SI region, for Japanese companies an increased investment participation in that area should bring many
benefits in the near future.

Moreover, 3SI and Japan share the same new objectives regarding green development thus through cooperation they can work together towards achieving them. For an example, Japan holds far advanced technologies of greening lands as well as purifying both water and air. For both parties an increased collaboration leads to contribute to a win-win situation in the next decade.

Notes
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