China’s Engagement in Central and Eastern European Countries
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Introduction

Over the last decade, world affairs have become increasingly dominated by geopolitical tension between major global actors as each strives to maintain or acquire a strategic advantage over the other – economically, technologically, diplomatically and militarily. Particular attention has been dedicated to the case of China, which many commentators believe may become the world’s biggest economy and superpower in the years to come, and to its increasingly assertive behaviour on the international stage.

The Covid-19 pandemic, during which, China was the only major economy to experience economic growth in 2020, has strengthened the sense in some parts of the world that China’s rise to global dominance is unstoppable. While it remains to be seen whether this is attainable, it is legitimate in the current context – as we plot a pathway towards a sustainable economic recovery based on democratic values – to consider how China’s international engagement continues to evolve in the European context and to consider what the long-term policy response should look like.

Against this background, the Austrian Institute for European and Security Policy (AIES) set out through this study to understand better how China’s engagement in CEE countries has developed over the course of the Covid-19 pandemic. The result is nine country profiles (from Bulgaria, the Czech Republic, Hungary, Montenegro, North Macedonia, Poland, Serbia, Slovakia and Slovenia), each written by a local author, on the role and influence of China and how this has been received by the general public and policy makers. These perspectives illustrate that engagement with China can bring positive outcomes. But in some cases, countries have engaged with China on assumptions that have led either to undesirable outcomes or unfulfilled expectations. Engagement with China remains important, or even essential: the challenge is to engage in ways that deliver the benefits European countries seek, while maintaining the values central to their democracies and maintaining the security on which their prosperity is founded.

We hope you enjoy the results!

Werner Fasslabend
AIES President

Velina Tchakarova
AIES Director

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Summary

This study assembles data and analysis, presented as individual country profiles, on how the COVID-19 pandemic has affected bilateral relations between China and a number of Central and Eastern European countries (CEE). The nine CEE countries in this sample are all members of the 17+1 (now 16+1) Format – China’s most significant initiative in the region. Three, in the West Balkans, are not yet members of the European Union (EU). These countries differ in size, location and population, and have distinct bilateral relations with Beijing. Each profile describes evolving government and public perceptions of China prior to and during the pandemic, and resultant policy adjustments. A summary of key themes follows.

For the last decade, most governments in the sample have courted China as a potentially valuable economic partner. China in turn engaged with them, chiefly to further its geostrategic Belt and Road Initiative (BRI). Earlier government differences with Beijing based on liberal values were generally replaced by economic-driven pragmatism, although scepticism emerged in some opposition circles.

In 2012 China established the 16+1 Initiative as a mechanism for co-ordinating and organising its regional engagement under BRI, and to provide an additional platform for strategic foreign direct investments (FDI) in the region. This was generally welcomed as a counterbalance to EU regional engagement, locally perceived as too bureaucratic, slow and conditional.

In the last few years, Serbia and Hungary have increasingly served as Chinese proxies. Both were undeterred by the pandemic and helped to spread Chinese soft power messages around ‘mask and vaccine diplomacy’. In general however, this politicised exploitation of the pandemic attracted limited criticism in profiled countries, since impressively swift Chinese deliveries of masks and later vaccines had met immediate local needs - which at this time the EU was unable to provide for.

Some profiles in this study indicate that domestic perceptions of China have long been polarised on party lines (Czech Republic, Hungary, Slovakia). In the Czech Republic, a vigorously China-friendly President Zeman, keen to benefit from Chinese investments, abandoned the liberal democratic approach first embodied by President Havel, but this is still shared by his political opponents. In a similar vein, Hungarian President Orban has favoured pro-China policies, but most opposition parties are critical of China. In Slovakia a new government elected in early 2020
opposes China on ideological grounds; their left-wing predecessors were pragmatic supporters of China on economic grounds. It is noteworthy that following recent elections, possibly reflecting impacts of the pandemic, some of the other newly elected governments in the region are more inclined to perceive China as a challenge and are adjusting policies accordingly. For example, Slovenia is moving away from China following an extended period of limited, ambivalent engagement. However, Hungary and Serbia remain obdurate.

Partners (notably Poland) that have traditionally been less critical are now publicly dissatisfied with China’s directive approach to the 17+1 process and its failure to follow up on promised projects. The latest 17+1 summit in February was a serious snub to Xi Jinping. His appeal to rally round BRI projects as a panacea for post-pandemic recovery did not gain traction; several leaders of member states declined to attend, and the normal post-forum ‘Guidelines’ document had to be scrapped. The credibility of the 17+1 formula seems to be dwindling – particularly now that Lithuania has said it will not participate in future meetings.

In 2019 and 2020 robust US diplomacy dramatically shifted the established regional balance that had been in favour of Huawei 5G technology and other Chinese tech companies. Nearly all the countries profiled in this study, notably including Serbia (though not Hungary) signed MoUs with the US under the Clean Network Initiative, which effectively excludes Huawei from becoming a 5G vendor.

This study also informs the following contextual analysis:

China’s principle aim in Central and Eastern Europe is to improve local transport infrastructure so as to facilitate better access for Chinese exports to Western European markets. BRI activity in Europe, as elsewhere, has geostrategic implications. China’s competitive objectives are political as well as economic. Boosting exports to Western Europe creates dependencies and increases PRC influence, directly and by undermining wider economic alliances including with the US. Chinese control of major infrastructure developments (such as Piraeus port in Greece) also secures significant strategic advantages. The CEEC area is both a strategic gateway to Europe and a potential bottleneck.

China uses a targeted approach, focused on countries possessing potentially strategic ports or through which strategic road and rail routes will pass (Hungary, Serbia, Montenegro). It also
favours weaker or less liberal governments (Serbia, Hungary, Montenegro, previous government in North Macedonia) with lower levels of transparency and concern about the environment. Offering large loans that prove hard to repay creates debt-diplomacy leverage. The Montenegro profile notes that around 40% of national debt derives from a single BRI loan. Some profiles also report significant trade deficits with China and little increase in export levels (Bulgaria, Poland, Slovenia).

Euroscepticism appears prevalent in the sample. In the pandemic context this is linked to the EU’s delay in producing and distributing medical supplies. The EU is also perceived by some as lacking a strategy for the region at large, which leaves individual states to address their economic imperatives alone. This becomes a driver for closer reliance on China by default, described in profiles as a potential EU policy failure in the making that would drive CEE into the hands of systemic competitors. Closer alignment with China thus slows down progress on complying with EU standards, and increases the temptation to accept funds from less scrupulous actors. In turn, this makes it harder for the EU to leverage its own incentives to promote reforms in the region. China, likely deliberately, thus acts as a blocker of successful EU integration and autonomous growth.

A number of the country profiles (Czech Republic, Hungary, Montenegro, North Macedonia, Serbia, Slovakia and Slovenia) make concrete recommendations as to how best to remedy this threat.

**Recommendations**

It appears from this study that directly or indirectly, the COVID-19 pandemic may have triggered countries in the sample to reflect upon and modify the current trajectory of CEE engagement with the PRC. To that end, the following broad recommendations are drawn from this paper.

- Sovereign nations, other actors and especially the EU, with its immediate interests and capacity to intervene under existing European frameworks, should review their current policy towards CEE countries in the light of the evolving geopolitical situation and re-assess China’s impact and the related risks (economic, political and security);
• Other activity replicating or increasing risk from harmful Chinese engagement in the region should also be identified (via regular and transparent policy-sharing initiatives involving relevant partners), systematically logged and disrupted;

Specific mitigations might include:

• Countries in the region producing ‘live’ China strategies that clearly define red lines and ‘grey’ areas where cooperation requires careful consideration and mitigation of risk before decisions regarding cooperation are made. Such endeavours would be well served by the EU (1) articulating how in practical terms it intends to engage China simultaneously as a strategic partner, economic competitor, and systemic rival; (2) strengthening its involvement in the protection of strategic European infrastructure, particularly ports and other critical national infrastructure (CNI) from coming under the control of systemic rivals; and (3) strengthening collaboration between liberal democracies to consider how best to balance the protection of freedom of speech and information and other factors relating to national and economic security;

• Enhanced and simplified access for CEE countries to EU funds for development purposes, subject to compliance with all relevant EU standards, and support for post-pandemic revival, alongside enhanced and more visible economic offers, including for regional infrastructure, from other like-minded partners active in the region;

• Investing more into promoting awareness of the CCP among ordinary people to enhance understanding of the driving forces behind Chinese investment, cooperation initiatives and influence operations;

• Increased security and intelligence effort against undetected or difficult-to-detect influence and interference operations, human and cyber espionage and other illegal activity by systemic competitors in CEE space; enhanced cooperation with allies and partners in this field.
Special Credits

We would like to sincerely thank all the authors and staff involved, who put together a detailed and high-quality study within a very short period of time. Special thanks go out to former diplomat Matthew Henderson for taking on the role of executive editor and AIES Senior Research Fellow Sofia Maria Satanakis for coordinating the entire process.
China’s Influence in Bulgaria
Dimitar Bechev

Abstract Over the past decade, China’s economic footprint in Bulgaria has grown at a steady pace. Accordingly, Bulgaria has been working to deepen diplomatic ties and court Chinese investment, both bilaterally and through the 17+1 initiative. For its part, China has put effort into boosting its soft power before, and especially, after the advent of the COVID-19 pandemic. However, engagement has yielded mixed results. Bulgaria has done worse than its neighbours in the Western Balkans, as well as other EU members in Central and Eastern Europe, in terms of attracting Chinese FDI. It has joined America’s initiative on keeping tech firms like Huawei and ZTE away from the 5G network. Sofia’s preference is not to take sides in the standoff between Beijing and the West but, if pressed to make a choice, it will align with the US and the EU.

Keywords Bulgaria, China, EU, investment, soft power, 17+1 initiative, COVID-19

Introduction

On 7 July 2018, Bulgaria hosted the 17+1 Summit. Having just completed a stint as president of the Council of the European Union, Sofia was still cashing in on foreign policy opportunities. The forum brought together the countries of Central and Eastern Europe (CEE) and China, and offered Bulgarians a chance to upgrade ties with Beijing. In Sofia, Prime Ministers Boyko Borisov and Li Keqiang floated plans for a joint China-CEE consultation centre; half think tank, half service provider, to advise government agencies and businesses (Novinite 2019). At the next 17+1 Summit in Dubrovnik (12 April 2019), the centre became a reality, with Borisov and Andrej Plenković, Croatia’s Prime Minister, taking credit.

The period between 2018-19 marked the high point in Sofia’s effort to cultivate ties with Beijing. In July 2019, President Rumen Radev travelled to China to mark the 70th anniversary of Sino-Bulgarian diplomatic relations. Bulgaria was the second state after the Soviet Union to recognise the People’s Republic of China (PRC) soon after the communists’ win in the civil war fought
against the nationalists. Interviewed by a Chinese news portal, Radev remarked: “We would welcome a much stronger presence of Chinese business, investments, and technologies in the Bulgarian economy” (Belt and Road News 2019). Though never missing an opportunity to spar with Borisov on domestic issues, the President was singing from the same sheet when it came to relations with China.

Fast forward to the present and the Bulgarian government seems to have changed track. On 23 October 2020, Bulgaria along with North Macedonia and Kosovo signed joint declarations with the United States on the security of 5G networks. Sofia became part of the Clean Network initiative, which seeks to keep Chinese tech companies like Huawei and ZTE at arm’s length. Essentially, Bulgaria has sided with the West in the tech race with China, much as it probably would have liked to have kept out of the fray. On 9 February 2021, Bulgaria delegated Deputy Prime Minister Mariyana Nikolova to represent it, via video link, at the regular 17+1 gathering. It was therefore one of six countries, together with Lithuania, Latvia, Estonia, Romania and Slovenia, whose head of state or government did not attend. This was a clear snub for the Chinese, including President Xi Jinping who addressed the summit. Notably, one of the goals of the annual get-together was to promote the Chinese vaccines against COVID-19, Sinovac and Sinopharm. Furthermore, the decision was a nod to the Biden administration, which like Trump’s administration before it, has taken a tough line on Beijing; and also to key EU capitals suspicious of China’s policy of divide and conquer (Standish 2021).

**Perceptions of China**

This cool-down aside, Bulgarian attitudes towards China are positive overall. Bulgarian political and business elites of all hues view ties with Beijing as an opportunity rather than a threat. As the analyst Rumena Filipova (2019) has observed, China is knocking on a wide-open door thanks to “expectations of Chinese cash flowing into the country.” It is worth noting that China does not polarize public opinion to the extent that other non-Western actors, Russia first and foremost, do. It does not have a history in Bulgaria, nor is it an immediate neighbour. While the post-communist left, that is the Bulgarian Socialist Party, is on the whole more open to Beijing, for the same reason its rank and file tends to hold Vladimir Putin in high regard, while other leading parties favour
closer commercial links as well. Borisov, leader of the centre-right GERB (“Citizens for European Development of Bulgaria”), tried to attract Chinese investment into ventures with high political stakes such as the Belene Nuclear Power Plant (see below). Concerns about human rights or even Chinese economic protectionism, salient in Western Europe, do not resonate with Bulgarian elites nor with the public at large.

**China’s Economic Footprint**

Bulgaria’s trade with China boomed in the 2010s. According to data by the National Statistical Institute, Bulgarian exports leaped from about €95 million in 2009 to €793 million in 2020. Imports went up from €445.5 million to €1.349 billion over the same period. In 2009-12 alone, they soared by 80%. China is still a long way behind the EU as a whole, with about €33 billion in turnover, and even lags behind neighbouring countries such as Turkey, Romania or Greece (National Statistical Institute 2021). However, it is still the largest trading partner for Bulgaria in Asia – well ahead of Japan and the Republic of Korea. China also comes before the US and, on the side of exports, Russia – two states wielding considerable political and diplomatic clout in Bulgaria and the surrounding region. If the current trend holds, Beijing is likely in due course to become Bulgaria’s largest non-EU partner, overtaking Turkey.

The trade relationship is skewed in China’s favour, an issue Bulgarian officials are now beginning to come to grips with. On 9 February 2021, ahead of the 17+1 summit, Deputy Prime Minister Nikolova characterised the trade deficit run with China as "a real problem for Bulgaria". Bulgaria’s main exports are raw materials and low-added value products (e.g. refined copper and copper alloy, copper ore, aluminium scrap etc). It imports machinery, electronics, telecoms equipment, spare parts for cars, toys, and other consumer goods (Kandilarov and Dimitrov 2018). Online marketing platforms such as Aliexpress, owned by the retail giant Alibaba, have made inroads into the market too.

China plays a key role in information and communication technology (ICT) thanks to Huawei and ZTE, present in Bulgaria since the mid-2000s. In 2014-15, Huawei partnered with GLOBUL (currently Telenor), the country’s largest mobile operator, in developing its 4G network. Telenor has also carried out trials for 5G jointly with the Chinese technology giant. In 2017, Huawei
concluded a partnership with Vivacom, successor to the former national telecom BTC, in the area of cloud computing, with ambitions for expansion into the regional market. Vivacom is a leading internet provider as well as the third largest mobile network. In September 2020, it tested 5G in all of the country’s 27 district centres using Huawei technology (Popov 2020). Vivacom’s parent company, United Group, which operates mostly in former Yugoslavia, has now acquired NOVA TV, a popular Bulgarian channel.

**Elusive Chinese Investment**

Like others in the CEE group, Bulgaria has been trying to capitalize on its EU membership and geographic location in order to attract FDI. Interest in China specifically soared in the late 2000s and 2010s when the global financial crisis and the subsequent crisis in the Eurozone led to a dramatic decline of FDI in local economies, coupled with a credit crunch as EU-based banks sought to shore up their core assets and reduced lending to subsidiaries. China, in the meantime, recovered quickly from the 2008 slump to assume a larger role as lender and investor in critical sectors such as energy and infrastructure across much of the world.

Economic relations between Bulgaria and China are embedded in a nexus of legal and institutional arrangements. An economic cooperation agreement has been in place since 2007, along with a double-tax avoidance treaty dating back to 2003. A visit by the then Vice President Xi Jinping in 2009 yielded a Memorandum of Understanding (MoU) between the respective economy ministries. All these legal instruments are overseen by an intergovernmental commission, around since the mid-1980s but revamped with the 2007 economic agreement. The commission facilitated the signing of MoUs between Bulgarian and Chinese entities – e.g. Eximbank and the Bulgarian Bank for Development or between the Bulgarian Investment Agency and the Shanghai-based China Council for Promotion of International Trade (Kandilarov and Dimitrov 2018). The Economy Ministry has agreements with multiple Chinese provinces: Henan, Anhui, Shanghai, Guangdong, Jiangsu and Zhejiang. It appears however that the agreements and twinning arrangements in question have not been followed up and, as a rule, remain on paper (Tonchev 2020).
Despite these efforts, Bulgaria has been performing worse than other CEE countries in terms of attracting Chinese FDI or loans. The cumulative stock of Chinese investment is €105 million compared to €515 million in Serbia and about 1.8 bn in Greece (Kirchev 2019). Bulgaria’s record pales in comparison with non-EU countries in the neighbouring Western Balkans, which account for about a half of the financial flows to CEEC-16 thanks to soft loans allocated under the BRI to large-scale infrastructure and energy projects. Hopes of bringing in Chinese investors into industrial zones – e.g. Trakia in the vicinity of Plovdiv, Bulgaria’s second largest city, Sofia-Bozhurishte, Karlovo, Telish-Pleven etc. – have not materialized. Talks with the China National Nuclear Corporation (CNNC) in 2019 with regard to the planned nuclear power plant at Belene, built by Russia’s state-owned corporation Rosatom, did not go far either. Overall, Bulgaria’s top priority is to absorb EU financing, including the so-called Recovery Fund adopted in response to COVID-19. China’s soft loans under the BRI play a much smaller part in Bulgaria than in the Western Balkans.

The most high-profile Chinese industrial project in Bulgaria proved to be a flop. A joint venture between the carmaker Great Wall Corporation and the Lovech-based Litex Motors had planned to assemble up to 50,000 Chinese vehicles a year for the EU market. It was unveiled during the visit by then Vice President Xi Jinping in Bulgaria in 2009, when the future supreme leader travelled to Lovech together with Prime Minister Borisov. However, the partnership did not live up to its high expectations. Litex Motors, which ended up supplying cars primarily to the Bulgarian domestic market, declared bankruptcy in 2017. This followed the implosion of Corporate Commercial Bank (KTB), Bulgaria’s fourth largest lender, which went down amidst political infighting and corruption scandals, but was also a reflection of poor pre-investment planning. Despite incentives offered by the government, Great Wall left Bulgaria (Subev 2017).

There have of course also been positive examples. In April 2019, the China Machinery Engineering Corporation (CMEC) signed a contract to modernise the port of Varna, Bulgaria’s third largest city, on the Black Sea coast. There are talks about a similar project targeting the port of Burgas too. In 2015, the China-CEE Fund, backed by Eximbank, acquired a 10% stake in Walltopia, a leading Bulgarian producer of sports goods with a substantial presence in Western markets (Filipova 2019). Another area where China has made inroads is agriculture. Chinese entities have been buying land in Bulgaria, though no reliable data seems to exist as this is done
through local subsidiaries. They export wheat, maize and wine back to China, with the 10% flat tax and environmental standards quoted as advantages (Bachev et al 2018; Trifonova 2019). The sector has benefited state-to-state relations too. In 2018, the two countries’ agriculture ministers inaugurated a 17+1 Logistics Center and Pavilion for E-Commerce in Agricultural and Other Products in Plovdiv.

**Soft Power**

As elsewhere in Europe, China has been engaging with society, media, and the education system. Confucius Centres operate at the Universities of Sofia and Veliko Tarnovo. Shanghai Jiao Tong University has opened an office at the Bulgarian-Chinese Centre hosted by the University of National and World Economy. Huawei has teamed up with Bulgarian schools to promote IT literacy. A Bulgarian-Chinese Friendship Federation goes back to 1994, but appears to be for the most part dormant. There are no less than four business associations which are likely to become more active in the future, as the COVID-19 assistance campaign suggests (Tonchev 2020: 7).

Beijing has channeled resources into the media. *China Today*, translated into Bulgarian, started as a free supplement to *Zemya* newspaper, published by Svetlana Sharenkova, who also chairs the Bulgaria-Russia Forum (Tonchev 2020: 16). Since 2019, it has been a self-standing publication. *24 Hours*, a daily owned by influential oligarch Delyan Peevski, started a China-focused supplement in partnership with China Radio International. The public impact of such initiatives is hard to measure. In all likelihood, members of the Chinese diaspora – born or raised in Bulgaria and fluent in the local language - play a more prominent role. One such example is the businessman Zheng Zhong. He is a frequent commentator on China in the media and heads the Council on Economic and Diplomatic Relations, a think tank focusing on BRI and China-EU relations. Mr. Zhong has a social media following too, which boosts his visibility among the younger, tech-savvy demographic (Shopov 2021).

For all its efforts, China has not been prominent in Bulgarian society at large and is not in the same league as the EU or indeed Russia and Turkey. A survey by the Hungarian pollster GKI has found, for instance, that a mere 11% of Bulgarians have heard of the 17+1 initiative, compared to 31% of
Serbs and 26% of Romanians (Tonchev 2020: 20). Racial prejudice against the Chinese as well as other Asians remains common too.

The Impact of COVID-19

In the spring of 2020, China provided assistance to Bulgaria in combating COVID-19. On 13 March 2020, the Bulgarian Health Ministry took part in a video conference under the 17+1 initiative. On 18 March, Prime Minister Borisov had a telephone call with Li Keqiang who offered personal protective equipment (PPE) as well as know-how on containing the infection. As a follow-up, the government of Jiangxi Province, the China-Europe Association for Economic and Technical Cooperation, Huawei, the Bulgarian-Chinese Business Association as well as the Chinese community in Bulgaria delivered masks and other PPE to the Health Ministry, several hospitals, and the Bulgarian Red Cross. In addition, the government placed orders for respirators and other medical equipment worth about €3 million along with purchases of medications such as Hydrochloroquine Sulphate and Azithromycin from China’s National Pharmaceutical Corporation for Foreign Trade (Tchakarova and Tonchev 2020).

Though the assistance did not make a huge difference, as Velina Tchakarova and Plamen Tonchev (2020) noted, China seized the opportunity to engage in vigorous public diplomacy. For instance, Chinese representatives appeared in national media to challenge the view that the virus originated from the city of Wuhan, indirectly blaming the West for the pandemic. Messages of solidarity with Bulgaria by Chinese citizens speaking in Bulgarian were aired on the national channel bTV, owned by Petr Kellner, a Czech billionaire with extensive business links to China (Shopov 2021). Assistance from the European Commission meanwhile received more modest coverage.

Conclusion

China’s charm offensive appears to have had limited impact on public perceptions in Bulgaria. The government’s U-turn on the issue of 5G suggests that COVID-19 has not tipped the political balance towards Beijing. While China’s economic footprint is bound to grow in the future, especially with regards to trade, Bulgaria will tread with greater caution on the political front. As is the case with Russia, Sofia’s preference is not to take sides in the standoff between Beijing and the West but, if pressed to make a choice, it will align with the US and the EU.


*Bulgarian National Radio*, 4 May.  


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The Peculiar Case of Czech Relations with China: A divided nation

Richard Q. Turcsanyi

Abstract Czech-China relations are unique in Europe for their volatility over the past decade. The Czech Republic under President Zeman distanced itself from the previous tradition of Havel’s ‘moral’ foreign policy and chose to re-position as a trusted partner of China in Europe with an eye on material benefits. As this did not work out, and other factors contributed to the worsening image of China, new Czech officials after 2017 started to reverse the approach yet again, to become some of China’s toughest critics in Europe. China has become much more than solely a foreign policy issue for state officials to deal with – the Czech public at large has become divided on how it perceives China as well. As the People’s Republic of China (PRC) under President Xi Jinping continues its assertive behaviour both domestically and internationally, it is difficult to imagine how Czech-China relations could get out of the current deadlock any time soon.

Keywords Czech Republic, China, Czech-China relations, Covid-19, Chinese foreign policy

Introduction

Czech relations with China are unique in Europe. Not because they entail an extraordinarily high level of trade or investments – in fact, China plays a smaller economic role here than in most other European countries. What makes the Czech Republic different is the political aspect of its relations with China, and particularly how divided the country is regarding the relationship. Indeed, China has become a hot political issue in the Czech Republic, perhaps more so in domestic politics than as part of foreign policy. According to a public opinion survey conducted in 13 European countries, no other country in the survey has such significant differences among the voters of various political parties when it comes to China (Turcsanyi et al. 2020a). While the Czech President Zeman has built a reputation as being one of the most China-friendly politicians in Europe, his opponents such

1 Parts of this text build on a paper co-authored with Alžbeta Bajerová (see Bajerová and Turcsanyi 2019) and with Martin Šebeňa (currently submitted to China Review).
as Senate Speaker Vystrčil or Prague’s Mayor Hřib are competing internationally in the category of the best friend of Taiwan (Turcsanyi 2020).

These divisions between the so-called proponents of realpolitik and values in the debate about Czech identity go back decades - even centuries (see Šebeňa 2020) but they have escalated recently – and China has played an important role in the process. COVID-19 has been an important driving force of Czech attitudes towards China in 2020. Yet even before, issues such as the Czech 5G network, diplomatic scandals, and economic troubles have soured the relationship. It is curious that after Xi Jinping visited Prague in 2016 and Czech-China relations were declared to be the “best ever”, matters went into reverse almost immediately afterwards. This paper will discuss the state of affairs in Sino-Czech relations at the beginning of 2021 and explain both why Czech attitudes towards China are in constant flux, and what to expect in the future.

Czech Political Attitudes Towards China

To understand where Czech-China relations are in 2021, a quick review of history is necessary – and in particular to focus on the roles of two presidents of the Czech Republic who have defined the main features of Czech attitudes towards China. The first is Václav Havel, the last president of Czechoslovakia and subsequently the first president of the independent state. An anti-communist revolutionary, his steps in office were driven by moral values of defending democracy and human rights. This led him to become the first head of state to invite the Dalai Lama for a visit, and he repeatedly called for Taiwan to be admitted to the United Nations (UN). Havel earned great international acclaim and his legacy has continued to influence Czech politics, foreign policy, and national identity at large (Bajerová and Turcsanyi 2019). The second president to reckon with is Miloš Zeman, who has been in office since 2013. It is fair to say that Zeman has tried to make a legacy for himself in opposition to Havel. Originally from the social-democratic party, Zeman has positioned himself as a pragmatic fighter for ‘material’ national interests as opposed to ‘abstract’ moral values. Early on, he made cooperation with China one of his flagship policy stances, arguing that making friends with the rising power would be beneficial for the Czech Republic as a new export market and a source of FDI. China would serve as a way to diversify away from economic dependency on Germany and Western Europe, especially after the 2008 financial crisis. He went
even further, however, by publicly announcing that the Czech Republic was ‘China’s unsinkable aircraft carrier in Europe’. While in China, he stated that he had come to learn how to stabilize society (Turcsanyi 2015).

Zeman’s approach was not, however, universally accepted by Czech society. Czech media, civil society, and political opposition were growing critical to what they perceived as the undoing of Havel’s legacy of moral politics based on supporting democratic values and human rights as foreign policy goals. Even worse, Zeman was accused of moving his own country away from the democratic West and closer to authoritarian Russia and China. This has prompted opposition politicians to label themselves as the defenders of the pro-Western and pro-democratic strategic direction, with China becoming one of the most potent symbols of this political struggle (Bajerová and Turcsanyi 2019).

The political climate changed in 2017 when the ANO 2011 party of entrepreneur-cum-politician Andrej Babiš won the parliamentary election. The previously ruling social democrats, who were the leading force within the government’s attempt to benefit from the improved relations with China, remained in government as a junior party with diminished influence. Meanwhile, sentiment started to turn against China as complaints grew stronger that expectations of Chinese investments and exports to China were not being fulfilled. The approach of Babiš towards China, however, remained neutral for a while (Karásková et al 2018). That changed at the end of 2018 when the Czech National Cyber Security Centre (a government institution) issued a security warning against the use of Huawei and ZTE products in critical infrastructure. This was one of the first high-profile steps of an EU country against the Chinese companies’ participation in the build-up of 5G networks. It also prompted the Chinese ambassador to request a meeting with Babiš just before Christmas. However, when the Chinese Embassy informed the public on its Facebook page about the meeting, Babiš accused the ambassador of lying. In the following months, more Czech officials experienced similar exchanges, and there were even calls for the ambassador to be replaced (Bachulska and Turcsanyi 2019).

Meanwhile, the city of Prague got new representation too. The new mayor Zdeněk Hřib was openly critical of China and of the ‘sister city’ (twinning) links which the previous city leadership had established with Beijing and Shanghai. After Hřib suggested he was considering cancelling them,
Beijing and Shanghai made the first step and cancelled the agreements themselves (Šimalčík and Kalivoda 2020; Eckert and Turcsanyi 2019).

At the beginning of 2020, Sino-Czech relations were already in a completely different state from only four years previously. The COVID-19 pandemic has further escalated the dynamics. Soon after the virus reached the country, the government realised that it did not have sufficient medical supplies. This paved the way for what came to be termed as China’s ‘mask diplomacy’. The first Chinese aircraft carrying medical supplies was personally welcomed at the airport by a high-level delegation led by Prime Minister Babiš and Minister of Interior Jan Hamáček. It was Hamáček, from the social democratic party, who would become one of the most visible public figures during the pandemic. He would argue that the good contacts his party had established with China had now come to fruition since they could arrange this prompt help (Furst 2020).

However, this attempt to justify the earlier China-friendly approach was not accepted by the opposition. Instead, critical voices emphasised that this Chinese assistance mostly comprised commercial purchases and that China, as the original epicentre of the pandemic, was the source of the problem to begin with. In this vein, a number of high-profile opposition politicians and public figures referred to COVID-19 as a “Chinese virus”, including the mayor of Prague Hřib, former Prime Minister Miroslav Topolánek of the civic democrats, and the leader of the TOP-09 party Miroslav Kalousek. The rhetoric at times became even more heated as public discourse referred to “terrible hygiene in China, unimaginable for a European” and the eating habits of Chinese people which allegedly include bats (Turcsanyi 2021).

As the COVID-19 crisis developed, another scandal was emerging in Sino-Czech relations. The former speaker of the Czech Senate (upper house of the parliament) Jaroslav Kubera was preparing for an official visit to Taiwan at the beginning of 2020. Unexpectedly, Kubera passed away, and a document from the Chinese embassy was discovered in his belongings which threatened repercussions if the visit went ahead. The new speaker, Miloš Vystrčil, adopted the plan and the visit took place in August 2020, becoming the highest-level European visit to Taiwan in decades. Chinese Minister of Foreign Affairs Wang Yi publicly threatened retaliations, while Vystrčil was also criticised by the Czech President Zeman and Prime Minister Babiš (Šimalčík and Turcsanyi 2020).
To sum up, Czech political elites have for a long time taken strong positions on China. With President Zeman in office, the polarisation of Czech discourse on China has deepened as he has tried to make a name for himself as the best friend of China, provoking the opposition to be even tougher on Beijing. The lack of Chinese investments, the absence of major successes in terms of exporting to China, various scandals in relation to Chinese businesses or diplomats in the country, and developments in Hong Kong and Xinjiang have further hardened Czech attitudes towards China. Thus COVID-19 has been only the last in a long chain of events deepening the crisis in Czech-China relations, as well as increasing divisions within the country in regard to China.

Public Mirroring the Elite Divisions

It should be emphasised that divisions previously existing at the level of political elites have long since spread to the general public and are clearly visible there as well. According to the recently conducted Sinophone Borderlands public opinion survey in 13 European countries (Turcsányi et al. 2020b; 2020c), voters for President Zeman tend to be significantly more positive about China, compared to voters for the opposition candidate Drahoš.

Figure 1: Views of China among the voters in the last presidential elections

Source: Sinophone Borderlands (2020)

Similarly, divisions are present also at the level of political parties. Here the most negative are voters for the opposition parties TOP-09, ODS, STAN, and Pirates. The most positive are for the far-right party SPD, followed by the local Communist party and the governing ANO2011. It should be pointed out that the gap between the SPD and TOP-09 is a remarkable 50 percentage points. No other European country included in the survey reported an even remotely similar level of
division. In fact, in many countries, including France, Sweden and Germany, there were almost no differences at all among the voters of different political parties. This is in line with the assessment in the previous section that China has indeed become a politicised issue, and a benchmark of domestic political affiliations in the Czech Republic.

**Figure 2: Views of China among the voters of Czech political parties**

![Figure 2: Views of China among the voters of Czech political parties](image)

Source: Sinophone Borderlands (2020)

It is interesting to focus on the role of COVID-19 in driving Czech attitudes towards China. On the one hand, Czech respondents recognise that China has provided help during the pandemic – in fact, there is more public recognition of China’s help than that of the EU, the U.S., or Russia. Acknowledgment of the EU’s help is lower than in any other surveyed country with the exception of Russia. This is mainly because of Czech Euroscepticism.

**Figure 3: How much did the following countries/entities help during COVID-19?**

![Figure 3: How much did the following countries/entities help during COVID-19?](image)

Source: Sinophone Borderlands (2020)
On the other hand, Czech respondents have even stronger reference points when thinking of China than COVID-19. When asked about their first association, the most common association in the Czech Republic was “Communism” followed by the more neutral “most populous country”, but also including “low-quality goods” and “totalitarianism”. In most other surveyed countries, the first association was by far “COVID-19”. Moreover, in no other European country did “Communism” appear among the top associations. This shows that even though the COVID-19 pandemic was the defining event of 2020, and most Europeans have linked it to China, Czech respondents primarily perceive China through the prism of “Communism”.

Figure 4: Word cloud of the most frequent frames appearing as the first association of China

Finally, discussions of Czech divisions should not prevent us from seeing the overall picture. In that regard, Czech public opinion is among the most negative towards China in Europe overtaken only by Sweden, Germany, France, and the UK.

Conclusion: How to Deal with the ‘China Challenge’?

The case of Czech-China relations offers valuable lessons for other European countries and policymakers facing the challenge of dealing with China. Most importantly, it shows a unique instance of a European country where China has become a symbolic issue of domestic politics. As
a result, the Czech foreign policy approach towards China has been highly exposed to changes in domestic political representation. Since 2012, this has resulted in two major U-turns. First, under President Zeman (since 2013) and the government led by the Social Democrats (2014-2017), the Czech Republic went out of its way (and moved away from EU standards) to woo China in the hope of economic returns. Second, as this did not materialise and other factors contributed to the worsening of China’s image (such as diplomatic and business scandals, or worsening situations in Hong Kong and Xinjiang), the successors in government after 2017 started to reverse the approach yet again, to become some of China’s toughest critics.

Since 2019, the EU has adopted a new framework intended to shape its relations with China. According to this, China is considered as a strategic partner, an economic competitor, and a systemic rival – all at the same time. It remains to be seen exactly what is meant by this framework and how it can be put into practice. At the very least, however, it recognises that the relationship with China is bound to be complex, multifaceted, and multi-layered. Yet the dynamics of the Czech approach towards China seem to go in another direction as Czech officials quarrel over whether China is either a friend - with whom to cooperate with in business, politics and more - or a foe who is undermining the security and democracy of its political system.

There is little prospect that Czech-China relations will emerge from this deadlock any time soon. If anything, the Czech parliamentary elections in autumn 2021 may bring in a government even more inclined to show a tough stance on China. As for China, we should not expect that under Xi Jinping it would be interested in a major change in its domestic and international policies. The question is, instead, whether the Czech approach towards China will remain unique within Europe, or whether China as an issue will become more politicised in other countries. Nigel Farage and Matteo Salvini, for instance, have already started tapping into growing anti-China public sentiments (see Turcsanyi and Hutt 2021). It is doubtful that an effective EU policy towards China would benefit from such developments.
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Sino-Hungarian Relations and Global Uncertainty

Tamas Matura

Abstract Increased US pressure and the COVID-19 pandemic both failed to disrupt the strong political relationship between the Hungarian government and China. Even though the results of a recent survey suggest that the public image of the People’s Republic of China (PRC) has considerably deteriorated in the last few years, the government sticks to its pro-China policies as its electoral supporters see China in a good light. Supporters of the right-wing government nurture a more positive image of China, while liberal and right-wing opposition party voters harshly criticise the policies of Beijing. Given its stable political position, any changes in the pro-China strategy of the Hungarian government are unlikely.

Keywords Hungary, China, COVID-19, mask diplomacy, vaccine diplomacy, 17+1, EU

Introduction

In the 21st century, almost every country in the world seeks to strengthen its ties with China, now the world’s second largest economy and one of the most influential countries. The potential economic benefits of such cooperation lure governments closer to Beijing. Neither Europe nor Hungary – or its government – can resist these global changes. On the other hand, how the Hungarian people relate to the emerging giant of the East is another question. Is the bond between these two nations really as close as some politicians suggest? Perhaps not exactly.

Following its successful Euro-Atlantic integration, Hungary became one of the first Central and Eastern European (CEE) countries to rediscover China as a potentially important international partner. All Hungarian prime ministers have visited Beijing since 2003 and Budapest hosted the first meeting of CEE countries and China in 2011. Thanks to the significant Chinese community, the increasing amount of Chinese investment, bilateral cultural ties, and some positive political gestures of the Hungarian government, Budapest enjoys a relatively high level of attention in Beijing. Hungary has received the largest amount of FDI from China in the region and according to the hopes of the government, the country may play an important role in the BRI through the Budapest–Belgrade railway connection. Hungary is one of the most important trade partners of
China among the members of the 17+1 China-CEE group, though international trade is largely dominated by multinational companies. It is noteworthy that the COVID-19 pandemic has not changed the amicable relationship between the Hungarian government and China. Official comments have not blamed Beijing for the outbreak of the pandemic, instead emphasising the massive amounts of medical equipment sent from China to Hungary. Meanwhile, public sentiment towards China has significantly deteriorated and the gulf between the pro-China policies of the government and the negative feelings of the public has grown deeper than ever before. The following paper provides insights into the achievements of Sino–Hungarian cooperation and the impact of the coronavirus crisis on bilateral ties.

Public Discourse and Perception in Hungary about China

Despite strong political cooperation between Budapest and Beijing, public attitudes towards China in Hungary have never really been positive. Hungarian people nurture many reservations about the PRC, as is consistently reflected in public opinion surveys. When Eurobarometer charted public sentiment about China around the EU, 50% of Hungarian respondents reported negative feelings towards the PRC, compared to 40% with a positive attitude (Commission, 2017). A similar survey by the Center for Insights in Survey Research concluded that only 25% of Hungarians agreed that maintaining strong relations with China serves the interests of the country, while 32% disagreed (IRI, 2017). This was the lowest share among the Visegrad countries, in line with the findings of the China-CEE Institute, whose research suggests that a mere 35% of Hungarians consider the relationship between Hungary and China to be either close or very close (Chen, 2019).

The COVID-19 pandemic has made the situation worse, according to the recent results of a survey conducted across Europe. Following the framework of an international collaboration led by the Czech Palacký University, we conducted a representative poll in thirteen European countries including Hungary. This research took place in September and October 2020, so we also had the opportunity to map the impact of the coronavirus on China’s public image. Public perception about China was negative in all EU countries surveyed, especially in Northern and Western Europe, but China did not fare much better in the Central and Southern European region either. Furthermore, public attitudes towards China in the countries concerned has deteriorated significantly over the past three years. In the case of the Visegrad countries, the change was not as significant as in Northern Europe, but the negative shift is still obvious: 40% of Czechs, 33% of Poles, 31% of
Hungarians and 25% of Slovaks reported that their views on China had deteriorated; while only 10-15% of respondents reported that their perceptions of Beijing had improved. At the same time, these figures also indicate that more than half of the people in these countries have not changed their views on China in the last three years, or simply do not have enough information to be able to take a clear stand.

Hungarian respondents were clearly not fond of China. On a scale where 0 stands for ‘hatred from the heart’ and 100 is the symbol of ‘platonic love’ for Beijing, China was given only 41 points, while the US earned 54 points and the EU 70 points. Although only marginally, even Russia had better results than China. Thus, nearly half of those surveyed were averse to China, and only a quarter of respondents saw the country in a favourable light (the proportion of neutrals is also significant, but we suspect that this position is due to the lack of sufficient information). When it comes to the specifics of cooperation, only trade with China is seen in a somewhat positive light by Hungarians, while Chinese investment or the BRI fall into the slightly negative range. Beijing’s strengthening of its military, the role it plays in climate change, and its impact on the democratic system of other countries are all assessed negatively by the respondents. What is even more telling is that 60% of those surveyed say the EU is important for Hungary’s development, while only a third of them think the same about China (Turcsányi, et al., 2020).

The thoughts and feelings of the public are well illustrated by listings of the most frequently mentioned concepts in relation to China. The vast majority of the population apparently has only a superficial knowledge of China, so they typically associate the country with its vast population, overpopulation, the coronavirus, the Great Wall, its economic influence, and with communism, oppression, dictatorship, and cheap and low quality products. Of course, the positive effects of news and everyday experiences can also be observed; Chinese gastronomy, culture, rapid development, and technology are also present in Hungarians’ thoughts on China, but these are still overshadowed by less flattering associations.

In addition to the overall picture, it is also worth examining which types of people judge China more favourably or less so, and which variables may explain their attitudes. Based on our analysis, it seems that those who are more tolerant of China are more satisfied with their own economic situation and political conditions in Hungary; they prefer capitalism, but at the same time they are less concerned about authoritarian regimes. However, following deeper investigation of the data,
it turns out that all these characteristics of respondents with a pro-China attitude boil down to one single factor: party affiliation. It seems that perception of China in Hungary runs along the lines of domestic political divisions. Dislike or sympathy for Beijing depends primarily on which party one votes for (Turcsányi, et al., 2020).

While it might seem logical that mostly left-wing voters have less resentment towards communist China, in fact, based on the personality traits mentioned above, the PRC was most favoured by the voters of the governing right-wing party, Fidesz. Compared to their share in the overall population, Fidesz voters are heavily overrepresented within the pro-China group. Some left-wing voters (Democratic Coalition and Socialist Party) also belong to the China-friendly group, while the voters of all other parties are suspicious of China. This is especially true for far-right Jobbik and centre-liberal Momentum voters, who have the strongest over-representation of negative emotions among those with party preference. Yet more respondents with anti-Chinese feelings belong to the group of disillusioned people who would not cast their ballots.

The COVID-19 pandemic has also taken its toll on China’s image in Hungary. Interestingly, despite the Hungarian government’s extensive communication blaming the EU for its failure to fight the pandemic effectively, nearly 65% of respondents agreed that the EU has helped considerably in the fight against the virus. In comparison, only 55% of respondents believed that China also helped a lot. None of the conspiracy theories that attempted to explain the origin and spread of the virus has succeeded in becoming exclusively dominant in the domestic narrative. Respondents are most sceptical about the potential role of 5G, with only 8% considering it conceivable that the COVID-19 virus spreads around the world by riding on high-frequency radio waves. Claims from Chinese sources that the US military smuggled and spread the virus to China were hardly more popular, with credence from only 14.5% of respondents. Another three theories have received almost the same share of responses; that the virus was accidentally released from a Chinese laboratory, or jumped naturally from animals to humans, or that perhaps Chinese ‘bat eating’ habits are to be blamed. These theoretically possible notions were each considered conceivable by 30% of respondents. Yet the highest credibility goes to a much less substantiated theory; 40% of respondents agreed that the virus was artificially created in a Chinese laboratory and deliberately spread around the world. Moreover, this was the only instance in which the proportion of those who rejected the theory (33%) was less than those who agreed with it - the
other respondents were uncertain (Turcsányi, et al., 2020). However, no matter which theory makes the most sense, in terms of China’s image in Hungary, it is evidently not positive that the relative majority of respondents voted in favour of the scenario that portrays Beijing in the worst light.

Public sentiments toward China are deeply influenced by the Hungarian media. As project MapInfluenCE (formerly ChinfluenCE) has proven, media discourse in Hungary is not in China’s favour. It is mostly one-dimensional and focuses overwhelmingly on economic data and the development of bilateral ties. At the same time, it is strongly politicised, strongly influenced by the political attitude of the given media source towards the Hungarian government. Coverage is mostly materialistic, focused mainly on economics and financial opportunities and risks, while topics such as political values, human rights, minorities, or democracy get much less attention in the discourse. Although general coverage on China was mostly neutral in the timeframe of the research (84% of articles between 2010-2017), due to the extremely high proportion of news on the economy and trade statistics, when it comes to articles focusing on political issues the picture looks very different. There were three times more negative news articles focusing on values and political issues than positive ones in the period analysed. Furthermore, the proportion of negative news (indicating the polarity of discourse on China) constantly increased between 2010 and 2017. Negative coverage made up 6% and positive news 5% of all articles in 2010. By 2017, the share of negative articles rose to 15%, against 5% of positive news. Another important feature of the Hungarian media landscape is that domestic political divisions affect the way China is portrayed by different media outlets. Media sources considered close to the government published significantly more positive content about China, while those linked to the opposition published more negative than positive content (Karaskova, et al., 2018). Research by our team at project MapInfluenCE confirms that the main features of the Hungarian media discourse on China have not changed in the years since 2017. Governmental media are still more positive about China-related news than opposition and independent media. However, it is important to note that government media seldom praises China itself. Instead, they emphasise the successes of Hungarian foreign policy in forging closer relations with China, and emphasise the importance of bilateral economic and political ties. Of course, the audience of these media sources may develop positive feelings about China itself when they are repeatedly told that having strong relations is good for Hungary.
Hungary’s China Policy in Times of the Pandemic

The pandemic has not altered the strong political relationship between China and the Hungarian government. Budapest has been following a pro-China policy over the past decade. Indeed, according to international criticism, it has disrupted European unity vis-à-vis China in many instances (Benner&Weidenfeld, 2018). The COVID-19 crisis has not led to a change in Hungary’s position on China; the Hungarian government has expressed its gratitude for Chinese help and support on various occasions, including the online 17+1 summit in February 2021. Official comments and media sources close to the government have not blamed Beijing for the outbreak of COVID-19; they have instead emphasised the significant amounts of medical equipment sent from China to Hungary. Hungary meanwhile has been importing medical equipment from China since March 23, 2020. Over a hundred flights commissioned by the Hungarian government have commuted between Budapest and various Chinese cities in recent months to collect millions of masks, personal protection equipment (PPE), ventilators, and other equipment. The overwhelming majority of these items were purchased by the Hungarian government, though there were some smaller donations by various Chinese actors as well. According to a statement by Foreign Minister Péter Szijjártó, altogether Budapest ordered 148.7 million masks, 3.3 million test kits and 47.8 million other PPE by mid-April 2020, delivery of which took place over the following months. It is noteworthy that official Hungarian government statements, and hence also most media coverage, never used the verbs ‘to buy’ or ‘to purchase’ when referring to medical equipment from China, nor have prices ever been mentioned. Instead, the government has employed terms such as ‘arrival’, ‘delivery’ or ‘in transit’ to describe how the medical cargo reached Hungary (Matura, 2020).

Meanwhile the Hungarian government has seized the opportunity arising from distraction caused by the pandemic to enact a law to classify details of the China-financed reconstruction of the Budapest-Belgrade railway line for ten years (Reuters, 2020). Though this prompted a wave of criticism from some members of the opposition, COVID-19 dominated the news, public attention was distracted, and the railway issue failed to provoke any public concern.

While the previous US administration managed to persuade many CEE countries to ban Huawei from the development of their 5G network, Hungary is one of the few EU members to resist such pressure. In fact, the Hungarian government and the Chinese telecom giant announced last October
that Huawei had decided to establish a research and development centre in Budapest (About Hungary, 2020).

As the government strives to purchase as many vaccines as possible, Hungary has become the first EU member state to approve Sinopharm’s COVID-19 vaccine and to buy five million doses in late January (Reuters, 2021). As Mr. Orbán said in one of his regular radio interviews: “Personally, I will wait for the Chinese vaccine; that’s the one I trust the most. It is the Chinese who have known about this virus for the longest time.” (Fidesz.hu, 2021)

In sum, the Hungarian government stands firm in its pro-China policy, or even doubles down on it – as the opening of a Hungarian branch of Fudan University demonstrates. Budapest believes that its close relationship with Beijing helps in its fight against the pandemic and that its political investments over the past decade are now paying off.

**How Should the West Respond to the Rise of China?**

It would be a mistake to blame China for the problems and challenges the EU has to face in our time. The biggest threats to all systems are to be found in systems themselves, and liberal democracy and capitalism are no exceptions. Firstly, the West must pull itself together and solve its internal problems, otherwise it cannot stand up to the challenges of this century. The EU has labelled China as a partner, an economic competitor, but also a systematic rival. The key to success in all three of these dimensions lies in the internal political and economic strength of the EU and its members. Since strategic rivalry between the EU and China is off the table, the best way for the EU to reinforce the current world order is to strengthen its own positions both domestically and regionally, especially towards Russia. The rise of China offers an opportunity as it forces liberal democracies to engage in competition and to leave decades of complacency behind. Competition is the very foundation of the culture and success of Europe and the US, and it must not shy away from it, but should fully embrace it in all dimensions including politics, economics, education, technology, values etc. The EU must move forward with the deepening of integration to turn itself into something more than a mere conveyor belt of the economic interests of its core nations. Unless all members can feel equal in the Union, China will remain able to push its own agenda in its bilateral ties with EU member states. All member states acting in unison vis-à-vis Beijing still
seems to be a utopian ideal, so strengthened coordination with the new US administration may help to articulate some common interests across the EU in finding a modus vivendi with China.

For decades, the developed world has believed that engagement with China leads to convergence, that is, China’s political system would eventually become more like us. It has become obvious by now that this hope is unfounded. A new threat, however, is that convergence may work the other way around, and we may become more like China. The recent rise of illiberalism, populism, extremism and other challenges to our democracies have proven that the West is not immune to autocratic tendencies. If the Euro-Atlantic region and its allies are to maintain its value-based normative and soft-power, it must find a way to restore democracy to its full strength. Freedom of speech and information is one of the most crucial issues where China has a clear advantage, as it can spread its own narrative in our open societies through regular and social media while it restricts the spread of information in its own domains. The EU and its partners should develop the tools and means of counterbalancing China’s advantage without destroying the very essence of our freedom.

A drastic expansion of educational cooperation may serve the interests of the EU on multiple levels. The EU is already one of the most popular destinations of Chinese youngsters studying abroad, but there is still tremendous space for expansion. The more Chinese students learn in the EU, the more they may develop strong connections to Europe, therefore the EU should increase the number of scholarships it offers to Chinese students, especially to help those who otherwise could not afford to spend their formative years in Europe. On the flipside, more China-related knowledge should be incorporated into the curriculum of European public education. Many member states still offer predominantly Eurocentric history classes, which do not help pupils to properly understand the world we live in. The lack of knowledge and understanding leads to bias and preconceptions which must be avoided if the EU and China are to maintain stable relations in the long run.

**Conclusion**

Hungary seems to be the last EU member of the 17+1 group to maintain its strong relationship with China without any hesitation. While other member states of the region have been grumbling
about the disappointing economic results of this initiative, the policies of the Hungarian government are more in line with the non-EU member countries in the Western Balkans where pro-Beijing sentiments are still on the rise. Given that the governing party has successfully convinced most of its voters that its good relationship with China benefits the country, and pro-government media offers mostly positive, or at least neutral coverage on China, there is no domestic pressure on the government to change its current policies. Since the EU has not been able or willing to influence Budapest’s China policy, the only foreign power that may be able to do so is the United States. However, as the Hungarian government has effectively repelled such attempts before, it is hard to imagine that anything will change its friendly attitude toward China in the foreseeable future.

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China Paves the Road for the Post-COVID-19 Era
Azra Karastanović

Abstract China emerged as an actor in the Western Balkans arena with the onset of the global economic crisis in 2008. In the past decade, it has exerted strong economic influence in the region, mainly by using its Belt and Road Initiative (BRI) and the 17+1 mechanism to expand its infrastructure and technology footprint. In Montenegro this influence is mainly perceived through one high-profile infrastructure project; the Bar-Boljare highway. This paper will examine how the highway project shaped perceptions of China both for policy-makers and the wider public. In addition, it will examine three stages of China’s diplomacy outreach during 2020 and the onset of the COVID-19 pandemic, in order to establish if and how political and public perceptions of China among Montenegro’s policy-makers and the public changed as a result.

Keywords China, Montenegro, COVID-19, influence, perception

Introduction

The Western Balkans have a bearing on the geopolitical and geostrategic interests of many external actors, and constitute an area of competition among them. Over the years, Montenegro has progressed on its path towards EU and NATO membership, accomplishing the latter in 2017. However, much-needed reforms, in the areas of the rule of law, improving economic standards and fighting corruption, still burden Montenegro and make it susceptible to diverse external influences.

In the context of diminished US involvement in the past decade, the EU’s internal problems and enlargement fatigue, and Russia’s direct influence and constant rivalry on these two fronts, China has presented itself as a strong alternative partner. China’s influence and presence in Montenegro is symbolised by the high-profile Bar-Boljare highway project, being built by a Chinese company, and paid for by a loan from Export-Import Bank of China (Exim Bank) taken out by the Montenegro government in 2014. This paper will examine how this particular project shaped both
political and public perception of China, as well as whether and how these perceptions changed as a result of the coronavirus pandemic.

**When There is a Motive, There are Means**

The Western Balkans became an opportunity and a medium for China’s geopolitical agenda. Montenegro, as a coastal country and a frontrunner in the EU accession process, provides the authoritarian Chinese regime with a strategically advantageous entry point into Europe from the Adriatic Sea, and a means both to extend its influence in NATO and also potentially to shape European policies.

Conley et al (2020, 4) note that

“Beijing has recognized the economic and geographic potential of the region and, perhaps most importantly, understands the region’s hunger for immediate infrastructure financing. In contrast, Western lenders have been hesitant to engage as strongly without corresponding reform commitments from the region’s leaders.”

China has been increasing its investment in the region from the onset of the global economic crisis and the power vacuum that the EU itself created. China’s infrastructure and technology footprint grew mainly within the framework of the BRI and the 17+1 format. Even though China’s activities are not yet perceived as directly hampering the EU accession process for the Western Balkans, BRI infrastructure projects are causing concerns about violation of environmental standards, susceptibility to “debt-trap diplomacy” and the exacerbated risk of corruption. This inevitably has a bearing on the accession process.

Regarding Montenegro, though Chinese companies have been involved in several infrastructure and energy sector projects in the country, the primary economic leverage that China has exercised so far derives from the Bar-Boljare highway construction project. China, however, is not the dominant source of FDI in Montenegro. In 2017 it barely registered on the list of investors with only €676,000 worth of investment. In 2018 and 2019, China was still not mentioned among the top 50 countries investing in Montenegro. However, in 2020, in the midst of economic disarray caused by the COVID-19 pandemic, China became the largest investor in Montenegro providing

To evaluate perceptions of China’s influence in Montenegro, it is helpful to look in detail at the highway project that has such a significant impact on Montenegro’s financial stability and prospects.

**Impressive Construction, Leading Nowhere?**

Back in 2014, in the face of many warnings about its financial and economic viability, the Government of Montenegro went ahead with this project, that is supposed to shorten journey times, stimulate business and connect the country with major European travel corridors. The new highway is designed to connect the Montenegrin port city of Bar with Boljare on the Serbian border and ultimately with Belgrade, the Serbian capital and the largest city in the Western Balkans. In 2014, Montenegro borrowed €809 million from Exim Bank to build the first section of the highway, to be constructed by the China Road and Bridge Corporation (CRBC), a large state-owned Chinese company (Barkin and Vasovic 2018).

The project has been shrouded in secrecy from the very beginning. Many documents related to the project are classified as confidential, and are still unavailable to the public. Furthermore, the intergovernmental agreement, credit arrangements and contract circumvented the open tender process, exempting CRBC and all subcontractors from paying VAT or customs duties. On top of that, the contract also stated that if Montenegro could not repay its loan within the specified timeframe, Exim Bank would have the right to some of its territory (Hopkins and Kynge, 2019). Any arbitration would be conducted according to China’s laws (Hopkins and Kynge, 2019), which patently leaves little if any chance for Montenegro to win any potential disputes.

Put in figures, the first of the four construction phases will eventually cost Montenegro around €1.3 billion, equivalent to a quarter of its 2018 GDP (Investitor 2019; Al Jazeera Balkans 2020). This has caused a surge in Montenegro’s public debt; according to an International Monetary Fund (IMF) estimate, it would cause the GDP-to-debt ratio to balloon over 82% in 2020, compared with a predicted ratio of 59% assuming no highway spending (IMF Country Report, 2019:5 and 2020).
The construction of the first phase has been delayed due to the outbreak of the COVID-19 pandemic. After four extensions of the deadline it is now expected to be finished in the autumn of 2021. The first annual payment of the loan, $67.5 million, is due in 2021 as well. In the meantime, Montenegro has twice tried and failed to secure funding from the European Investment Bank for the second section of the highway (Kajosevic, 2020).

Taking into consideration possible harm to Montenegro’s prospects arising from Chinese debt-trap influence, in 2018 the Government of Montenegro applied for co-financing for the construction of the second section of the highway under the Western Balkans Investment Framework. As indicated in the European Commission’s Montenegro Report 2020, the application has been put on hold pending the finalisation of the cost-benefit analysis for the entire Bar-Boljare highway. This study, already somewhat delayed, is expected to set recommended standards and suggest means of financing for the remaining sections. In June 2020, the Government also requested funding from the IMF under the Rapid Financing Instrument (RFI), indicating that it would “not undertake the construction of further phases of the Bar-Boljare highway or other large capital expenditures that could jeopardize debt sustainability.” (IMF, 2020).

Currently uncertainty hangs over the continuation of the second phase of the highway’s construction. Construction on the Serbian end has been halted. It seems that physically, this impressive infrastructure project leads nowhere; and financially, it could lead to bankruptcy.

Unfortunately, due to the serious impact of the coronavirus on the Montenegrin economy, in place of anticipated growth of 3-4%, GDP has experienced a decrease of 14.2%, which has pushed the GDP-to-debt ratio to 90% in 2020. That, along with the new administration’s recent debt figure of €750 million, means that in 2021 this will surge over 100% (Bankar, 2020). Uncertainty due to the ongoing pandemic, high public debt, and political and social tensions could discourage potential investors. A lack of healthy investment puts Montenegro in an even more difficult position by creating a climate that fosters further unfavourable loans.

After the change in government, following elections in August 2020, the new administration that took power in December 2020 set up a new National Council for the Fight against High-Level Corruption to investigate and combat endemic corruption in Montenegro. On 27 February, the Council announced that they would instruct all state bodies and institutions to provide any
information and data they may have related to the highway construction (Vijesti, 2021). In addition, some media sources and civil society organisations (CSOs), in particular the Network for Affirmation of the NGO Sector (MANS), have been raising concerns about the lack of transparency in planning and contracting, as well as the environmental impact of the whole highway project.² It is vitally important for the new government to curb already high dependence on China and to avoid a debt spiral that could potentially influence Montenegro’s foreign policy orientation and democratic progress.

Despite these efforts, exposing China’s harmful influence and footprint in Montenegro is very difficult, given that the country’s media mostly “paints a pretty picture” of China based on its economic and political successes. According to Milica Kovacevic from the Centre for Democratic Transition (CDT), her research has showed that Montenegrin media reports on China are mostly positive, highlighting successes in science, art, infrastructure, and technology, while articles on the Chinese political system, the quality of life of its citizens, and social inequalities are rare (Kovacevic, 2021).

Two factors influence this state of affairs. First, the dependence of most newspapers and media outlets in Montenegro on advertising, which tends to lead to sponsored articles; and second, the republication of articles and information coming from Serbia (due to the shared language), where coverage of China is predominantly positive.³ In such a media landscape, public perception of China’s presence and influence is bound to be unbalanced.

According to the International Republican Institute’s (IRI) Western Balkans Regional Poll in 2020, 50% of respondents in Montenegro consider China as the most important economic partner, ahead of the US, Germany, Russia, and Turkey. On the other hand, 34% of respondents consider China the most important political partner. However, probably more indicative data is that only 12% of


respondents consider China as the most significant political threat which is lower than all the other options: the US, Germany, Russia, and Turkey.

**Has the COVID-19 Pandemic Changed or Reinforced Perceptions of China?**

The onset of the COVID-19 pandemic has put China at the centre of global discussions including those of the Western Balkans. As Anastas Vangeli (2021) argues, discourse on China in the Western Balkans during the COVID-19 pandemic progressed through three stages: in the early stage (January – March 2020) the central topic was the onset of the outbreak in China; in the second stage, as the outbreak in China reduced and outbreaks elsewhere in the world peaked (April – September 2020), the discussion focused on “mask diplomacy” and China’s efforts to position itself as a global humanitarian player; and the final stage (October 2020 to the present), with what has become known as “vaccine diplomacy” where geopolitical competition extends to include COVID-19 vaccines and impacts on the Western Balkans as well.

Similarly to the rest of the world, when COVID-19 first started spreading outside China, discourse in Montenegro showed an increase in negative perceptions of China. As the virus spread, information, disinformation, and conspiracy theories proliferated. According to the Digital Forensic Centre’s (DFC) monitoring for March 2020, identifiable narratives included claims that the virus was a biological weapon created in China and used to re-distribute economic and geopolitical power; and that China and Russia were hiding the real numbers of infected people (DFC, 2020). Thus, negative perceptions of China, sweeping through many Western countries, did not circumvent the Western Balkans. This was the moment where public diplomacy hit the stage. Many Chinese ambassadors around the world, including the Ambassador to Montenegro, tried to present official views (Kosovic, 2020) including the Chinese government’s success in countering the virus. Measuring the impact and influence of such public outreach is very difficult. However, it is relevant to mention the DFC analysis (2020) of an interview with the ambassador, which identifies some disputable content, from falsified timelines to imperfect transparency and doubts regarding the number of actual cases in China.

The “mask diplomacy” stage is marked by Chinese efforts to position itself as the most successful country in combating the coronavirus, and as a humanitarian benefactor reasserting its geopolitical
importance worldwide. Confronting the devastating effects and casualties of the pandemic around the world, many international institutions struggled with their initial response. This presented the opportunity for China to embark on a more proactive form of diplomacy and provide medical equipment, human resources, and pharmaceuticals. It is hard to imagine that any country, especially those of the Western Balkans that had been struggling with medical equipment shortages, would refuse such assistance. At this point, one should consider the pros and cons of urgent necessity versus not so urgent ideology.

During this period, China provided Montenegro with medical masks, tests for coronavirus and medical protocols on treating and containing the virus as well as offering relevant expertise. In Serbia, President Aleksandar Vučić praised China’s generosity and help during the pandemic on one side and criticised the EU’s lack of solidarity on the other (Zoric, 2020). The famous “Thank you, Brother Xi” billboard, together with the huge pro-government network of “bot” accounts that praised the Chinese aid and friendship between the two countries, set the stage for the success of this “mask diplomacy”.

In contrast to Serbia, policy responses and expressions of gratitude toward China in other Western Balkan countries (Montenegro included) were more formal and cautious. This can be illustrated in the words of the former Minister of Foreign Affairs, Srdjan Darmanovic. In an interview, Darmanovic expresses gratitude towards China for all the help it provided and its valuable experience of fighting the pandemic in Hubei Province. However, he also points out that even before the pandemic, there had been a serious crisis in trade relations between the United States and China.

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5 DFC has analysed posts on Twitter for the period from March 9 to April 9, discovering 30,000 tweets coming from accounts in Serbia with keywords Kina (China) and Srbija (Serbia) in their content. As much as 71.9 percent of the content was produced by “bot” accounts. Generally speaking, the accounts were continuously praising Vucic, the Serbian Government and China – by retweeting and responding with positive messages to the content in connection to them. For the full analysis please see: DFC. A Bot Network Arrived in Serbia Along with Coronavirus. 13 April 2020. https://dfcme.me/en/dfc-finds-out-a-botnet-arrived-in-serbia-along-with-coronavirus/.
"With all this in mind, the coronavirus pandemic could contribute to a certain redefinition of international relations, and in the Euro-Atlantic community, perhaps the role of China could be viewed differently than a few months ago. If this were the predominant direction it would, for sure, be reflected in our region as well" (MVP, 2020).

This more nuanced discourse prevailed throughout the whole of the “mask diplomacy” stage.

The shift from “mask diplomacy” to “vaccine diplomacy” began around October 2020 with the development and distribution of vaccines against COVID-19, and will likely continue well into 2021. A new field of competition and influence emerged as pharmaceutical companies raced to develop the vaccine. Unfortunately, amid the political changes after the elections in August 2020, the appointment of the new government in December 2020, and slow health service responses, the Montenegrin vaccine rollout started only at the end of February 2021. The first vaccines were procured through Serbia’s donation of 2,000 doses (Vlada Crne Gore, 2021). The Government of Montenegro had previously refused to accept the donation of 100,000 vaccines from a Russian charity, the Oleg Deripaska Foundation “Volnoye delo” (Pobjeda, 2021). Apart from regular channels of bilateral negotiations to procure the vaccines, it is important to mention that China has approved the donation of 30,000 doses of the Sinopharm vaccine to Montenegro (Radio Slobodna Evropa, 2021). This is another example of how China perceives the importance of this region in their geopolitical efforts and the impetus that it gives to their healthcare diplomacy in general.

Another mechanism employed for this purpose was the 17+1 Summit that took place in February 2021. Like a number of other regional leaders, the President of Montenegro, Milo Đukanović took part in the summit. While reasserting Montenegro’s pro-Western orientation and ongoing EU integration process, as well as thanking China for its assistance, he also expressed Montenegro’s willingness to make cooperation with China more practical through opportunities provided by the 17+1 Mechanism, and to achieve more concrete results in areas of common interest (Predsjednik Crne Gore, 2021). It is important to note that China-convened summits are places where invitees customarily express gratitude for aid provided and willingness to increase cooperation through

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6 The Government of Montenegro is currently in negotiations for procuring 150,000 doses of the Chinese vaccine Sinopharm, 150,000 doses of Pfizer vaccines, as well as 84,000 doses of AstraZeneca. 5,000 doses of Sputnik V vaccine out of 50,000 have been negotiated with Russia.
joint ventures. However, President Đukanović is one of few regional leaders who, for the past two years, has increasingly been expressing concerns about China’s influence in the region.\textsuperscript{7}

**Conclusion and Recommendations**

The emergence of Chinese influence in the Western Balkans area came with the onset of the previous global economic crisis (2008). Certainly Beijing has tried to reassert its role and influence during the COVID-19 crisis, and will continue to do so in 2021. China is the only major world economy to report economic growth during the pandemic-ravaged year of 2020 (WSJ, 2021). This gives China an advantage while the rest of the world is trying to recover. For countries in transition and with weak democratic institutions, such as Montenegro, this means constantly reacting to major geopolitical and international shifts, which inevitably constrains the process of domestic democratization. Given that, in addition, China is building such a high profile infrastructure project in Montenegro, bringing with it very large debt issues, it is a matter of concern that one day China could use this leverage to exert influence on Montenegro, both domestically and in terms of foreign policy orientation.

Unlike Serbia, which has persistently reached out to secure China’s assistance while praising their cooperation, the rest of the Western Balkan countries were more cautious in their public discourse towards China even before the pandemic. As this paper argues, this element of caution in political elite discourse has more or less persisted throughout the pandemic. However, the massive economic impact of this crisis, and the ongoing battle with COVID-19 continue to impose strong political and financial pressure on Western Balkan countries, and may shape their future policies.

Both the EU and the US should reassess the evolving geopolitical situation and adopt a clearer and more comprehensive strategy for the Western Balkans. With the new Biden administration, many in the Western Balkans are looking towards the US with an expectation of commitment and a revival of processes that have been “on hold” for some time. However, the key question is not...

\textsuperscript{7} For more information please see the Interview that Milo Đukanović gave to AP news: https://apnews.com/article/c3cd1068ef5644b09a75a78698b77647; also most recent participation at the Atlantic Council of Montenegro flagship event To Be Secure Forum: https://ascg.me/en/predsjednik-dukanovic-na-2bs-forumu-crna-gora-moze-dobro-proci-jedino-ako-nastavi-evropskim-putem/
“why China, or any other major power, has interests in the region?” It should rather be “when will Europe realize that the Western Balkans should be its primary interest?”

Unfortunately, in the contemporary world it appears that perception is reality. Whoever is better at shaping this perception will prevail. If the EU does not undertake a more proactive approach, another power will take its place, pointing out facts and figures regarding its economic support and investments in the region, and further enhancing its visible engagement. Europe needs a clear strategy, a proactive approach, and enhanced visibility towards the region. This, however, will not happen on its own. Setting up a dedicated group of EU countries that are willing to lead and enhance this process might be a good start.

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Balancing Values and Pragmatism: Ambiguous North Macedonia-China Relations in 2020

Zoran Nechev & Ivan Nikolovski

Abstract This study illustrates North Macedonia’s ambiguity toward China by examining the changes in public perceptions and discourse about Beijing in the last year, the reactions of the policy-making community, and the EU’s response to the rise of Chinese influence in its own region.

Keywords North Macedonia, China, public perception, COVID-19, mask diplomacy, Chinese vaccines, 5G, European Union, United States

Introduction

2020 was a turbulent year for China and its image on the global stage. Despite its initial non-transparent mismanagement of the outbreak, in order to wash off the arguably racist ‘Chinese virus’ label associated with ‘laboratory-made virus’ conspiracy theories, Beijing has successfully framed itself as a benefactor in the COVID-19 pandemic by engaging in so-called “mask diplomacy” around the world (Verma, 2020).

The coronavirus was not China’s only international challenge. Washington began a campaign against the People’s Republic (PRC) involvement in global 5G networks as a further surge of its trade war with Beijing. Launching the “Clean Network Initiative”, the White House categorised Chinese information and communications technology companies, such as Huawei and ZTE, as “untrusted equipment suppliers” under the malign influence of the Chinese Communist Party (United States Department of State, 2020). As a result, many countries, including almost all members of the cooperation platform between China and CEE Countries known also as the 17+1
initiative\textsuperscript{8}, agreed to sign memoranda of understanding with the United States (US), effectively excluding Huawei and ZTE from their future national 5G network.

This notwithstanding, it appears that China has managed to absorb the anti-Huawei blow, followed by its CEE partners’ disillusionment with the 17+1 underachievements which were expressed at the recent virtual 17+1 summit in early February (Brînză, 2021; Standfish, 2021). By exploiting the underperformance of the EU-supported COVAX mechanism, Chinese pharmaceutical companies such as Sinopharm have successfully struck vaccine deals with some 17+1 CEE beneficiaries, including Bosnia and Herzegovina (Republika Srpska), Hungary, North Macedonia and Serbia.

China’s ups and downs on the global stage inevitably affected bilateral relations with its partner countries, including North Macedonia. Unlike its neighbours, the newest NATO member state on the road to EU membership has maintained rather ambiguous relations with Beijing ever since a change of government in 2017 (Nechev and Nikolovski, 2021). Balancing between its commitment to Euro-Atlantic values and its need for capital investment, as well as for immediate Coronavirus-related assistance, Skopje sought to deepen economic ties with Beijing and turned to the East to avoid the vaccination limbo it found itself in, while at the same time blocking Huawei from North Macedonia’s 5G network construction.

Thus, by illustrating North Macedonia’s ambiguity toward China, this study seeks to explain changes in public perceptions and discourse about Beijing in the last year; the reactions of the policy-making community; and the EU’s response to the increase of Chinese engagement in its immediate neighbourhood.

\textsuperscript{8} The 17+1 initiative was launched by the Chinese Ministry of Foreign Affairs (MFA) to strengthen economic ties between China and Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Montenegro, North Macedonia Poland, Romania, Serbia, Slovakia, and Slovenia. Except Bosnia and Herzegovina, Hungary, and Montenegro, all the other members of the initiative joined the “Clean Network”.
'Not Really a Factor’: China in the Eyes of the Citizens

North Macedonia’s citizens have never perceived China as an influential foreign actor or an ally. Perhaps this is because the country is not a high priority of immediate interest to Beijing compared with its neighbours such as Serbia (Nechev and Nikolovski, 2020; Zweers et al., 2020).

In terms of influence, public opinion analyses have shown that only 26% of Macedonians believed that China influences North Macedonia’s economy, while even fewer (18%) believed that Beijing has political influence in the country (Center for International Private Enterprise, 2020). Another recent poll has shown a very slight increase in perceptions of China as North Macedonia’s greatest ally (Nikolovski and Kirchner, 2021). In 2020, 3.7% of the population viewed Beijing as the greatest ally, an insignificant improvement (within the margin of error) from the 2019 result (3.2%). Nevertheless, China scored much less compared to its rival powers, such as the EU (35.6%), the US (20.9%), Russia (23%), and even Turkey (9%). Moreover, there was no statistically significant difference on this matter between the country’s largest communities, ethnic Macedonians (4.2%) and ethnic Albanians (3.1%). On the other hand, 15% of Macedonians regarded China as North Macedonia’s best political partner, compared to 66% who did not, according to the International Republican Institute’s public opinion report (2020). Nevertheless, this result is far from significant.

Furthermore, in the realm of the economy, a slight increase was detected in perceptions of China as North Macedonia’s biggest donor in 2020 (4.2%), compared with 2019 and 2018 (2.6%), and 2017 (1.2%). China is also not perceived as the single most-preferable aid provider (9.4%), lagging behind Russia (14.7%) and the EU (36.1%). In terms of economic aid preference, the EU is ranked as the best single economic aid provider (36.1%) compared to China (9.4%) and Russia (16.1%). However, when compared with all the other economic aid providers (China, the EU, and Russia combined), the difference is within the margin of error (36.1% vs 33.1%). Other studies from previous years show similar trends. While only 4% of North Macedonia’s citizens would rather have foreign investment from China than from the EU, Russia, or Turkey, 49% of them do not care where the foreign investments come from; to them, the most important thing is to create new jobs (International Republican Institute (IRI), 2019). Similarly, the majority of the citizens (59%) do not see China as the most important economic partner, compared with only 28% who think otherwise (IRI, 2020).
Despite being perceived, above all, as having limited economic influence and not being recognised as the country’s greatest ally and preferred donor, China enjoys a generally favorable image in North Macedonia. The most-recent IRI poll (2020) shows that 56% of North Macedonia’s citizens generally have a positive opinion about Beijing. What is more, only 11% of the population perceives China as the most important threat to the country, as opposed to 63% who disagree with this statement.

These numbers appear to confirm that due to poor visibility, China has a poorer standing in North Macedonia compared to the other CEE and Western Balkan countries. Moreover, the trends accord with the general ambiguity of Sino-Macedonian relations. Corruption linked to the construction of the Kichevo-Ohrid and Miladinovci-Shtip highways has raised additional skepticism about China’s intentions in the country (Nechev and Nikolovski, 2020). However, China’s “underperformance” in North Macedonia has not prevented reactions from national policy-makers as well as outside commentators on the nature and risks of Beijing’s influence in the country.

**Jet’aime, moi non plus: A Year of Mixed Responses to China**

China’s increased engagement with North Macedonia and the rest of the region in the last few years has sparked great interest among national, regional, Western European, Chinese and even US researchers (e.g. Liu, 2016; Vangeli, 2017b, 2017a, 2018, 2019; Doehler, 2019; Vangeli and Pavlićević, 2019; Krstinovska, 2020; Nechev and Nikolovski, 2020; Sijamija et al., 2020; Zweers et al., 2020; Vladimirov and Rolland, 2021). Much of the resultant scholarship analyses bilateral relations with Beijing from the perspective of North Macedonia’s relations with China’s rival powers. Researchers working on China, especially those based in Europe or the US, often provide policy recommendations aimed at highlighting the potential perils of such relationships to the CEE countries and Western Balkans’ Euro-Atlantic integration, including that of North Macedonia (e.g. Doehler, 2019; Nechev and Nikolovski, 2020; Sijamija et al., 2020; Zweers et al., 2020; Vladimirov and Rolland, 2021).

However, comprehensive studies which specifically focus on Chinese relations with, and influence in, North Macedonia are rare. This leaves policy-makers without data-driven recommendations on which to base policies and decisions. Furthermore, apart from participating in the 17+1 initiative, North Macedonia appears not to have developed a China-specific foreign policy, a national
strategy, or institutional expertise. Hence, the authorities usually balance the country’s nominal strategic goals and economic interests, often reacting ad hoc and sending mixed messages as to what they expect from the partnership with Beijing; such was the tendency in 2020.

Despite discontinuing the practice of taking large loans from China, the centre-left government led by Prime Minister Zoran Zaev has repeatedly voiced support for the 17+1 initiative, calling for even closer economic ties with Beijing (Government of the Republic of North Macedonia, 2017, 2018, 2019, 2020b, 2021b). However, the cooperation has been far from fruitful; pledges for cooperation and friendship from both sides had few tangible outcomes in practice. On the contrary, following North Macedonia’s entry to NATO and intentions of starting accession talks with the EU, Zaev’s government has been cautious with China, aligning itself more closely with the general stance and policies of its Western allies.

The most blatant example of this is the U-turn over cooperation with Huawei. In October 2020, North Macedonia joined the Clean Network Initiative by signing a memorandum of understanding on 5G network security with the US (Government of the Republic of North Macedonia, 2020c). As a result, the Government of North Macedonia drafted amendments to the Law on Electronic Communications that will ban the supply of 5G equipment from “untrusted vendors” (Mirchevski, 2021). Nonetheless, details of the amendments are still unknown to the public and cannot be verified (Nikolovski and Nechev, 2021). Thus, by being the main target of the Clean Network Initiative, Huawei – a Chinese company with a significant footprint in North Macedonia’s economy and telecommunications sector, now has little chance of participating in the country’s national 5G network rollout (Ghincea, Volintiru and Nikolovski, forthcoming).

In fact, in 2020, Zaev turned eastwards only when expected crucial Western assistance was lacking. Following the EU’s initial mismanaged and untimely response to the COVID-19 outbreak in the Western Balkans, North Macedonia, like many other countries from the region, turned to China for medical equipment, protective gear, reagents, and coronavirus tests (Government of the Republic of North Macedonia, 2020a; Radio Free Europe, 2020). Nevertheless, China’s first-response assistance to the country was still far less than the aid the EU provided.

Similarly, relying almost entirely on the COVAX mechanism and EU members’ solidarity, in early 2021 North Macedonia found itself in ‘vaccination limbo’. Apart from Serbia’s donation from its share of Pfizer vaccines, delivery of North Macedonia’s order of European Medicines Agency
(EMA)-approved vaccines did not materialise. Growing criticism of the government’s mishandling of the vaccination process, and the pandemic in general, resulted in yet another deal with China. At the beginning of February 2021, North Macedonia’s Health Minister, Venko Filipche, signed a deal with the Chinese pharmaceutical company Sinopharm for 200,000 vaccine doses, which are still not approved on an EU level (Government of the Republic of North Macedonia, 2021a). Unlike in the case of Huawei’s 5G ban, the Macedonian government used sometimes contradictory rhetoric and statements when referring to Chinese companies. For instance, Minister Filipche said that all the available vaccines are safe and should not be politicized (NOVA TV, 2021) though Prime Minister Zaev had initially excluded non-Western vaccines, adducing North Macedonia’s NATO membership (Dichoska, 2021).

North Macedonia’s reactions to China in 2020 did not differ from the established pattern of ‘ambiguous relations’. They were responses to external factors, such as the COVID-19 vaccine race and the Clean Network Initiative, and did not form part of a comprehensive foreign policy. Notwithstanding North Macedonia’s NATO membership and prospects of EU accession as well as its positive but reserved relations with China, the importance of the PRC’s role should not be downplayed. For this reason, the last section of this paper discusses the EU’s response to China’s increased presence in the country and the rest of the region.

**The Need for a More Visible, Accessible and Pro-Active EU**

While not generating as great an improvement as in neighbouring Serbia, the COVID-19 crisis in North Macedonia provided space for China to present itself as a more reliable partner than the EU. North Macedonia’s almost exclusive positioning toward the EU and NATO is a given; as is the majority share of investments the country has received from Western allies over the years. Needless to say, the country’s political and economic relations with Brussels are much deeper than those with any of the rival powers. This said, the EU often loses information wars with China. In these increasingly virtual times, perceptions can matter more than facts on the ground; while citizens expect, and prefer, urgent and effective action over long-term recovery plans. Specifically, the European Commission’s proposal to mobilise up to €9 billion of Instrument for Pre-Accession (IPA) III funding to help Western Balkan economic convergence with the EU in the period 2021-2027, and the newly-announced Western Balkans Guarantee facility aimed at
raising investments of up to €20 billion (European Commission, 2020a), are mostly discussed and understood by EU experts, civil servants, and local political elites in North Macedonia. The situation on the ground would be improved if the EU did more to present and promote ambitious developmental assistance to North Macedonia and the region, such as the EU economic and investment plan for the Western Balkans, by achieving better visibility through direct communication with its main beneficiaries, the citizens, and following through with tangible results. Making EU funding more accessible to EU candidate countries in the Western Balkans, and even giving these countries access to the EU’s structural funds would strengthen this scenario further (BiEPAG, 2019). Unfortunately, EU funding is perceived by the Western Balkans beneficiaries as more sophisticated, bureaucratic and politically outdated compared with Chinese loans (Vít and Lagazzi, 2017).

The main reason North Macedonia and the region turn eastwards is the need for capital investments (Vladimirov and Rolland, 2021), often unsupported by EU creditors, as illustrated by the Kichevo-Ohrid and Miladinovci-Shtip highways in North Macedonia (Nechev and Nikolovski, 2020). Encouraging EU companies to participate in Western Balkan capital investment projects can be another positive step toward better EU visibility and connectivity in the region. Furthermore, the diversification of global supply chains through subsidies and relocation of Western companies in the Balkans can benefit the EU’s resilience in the region by connecting economic independence and EU enlargement (Nechev and Kirchner, forthcoming).

In addition to providing increased, more visible, and better-communicated economic assistance, the EU needs to take other active steps to maintain its influence in the region. Decades-long accession negotiations, under enlargement policies embodying EU member states’ identity-driven vetoes, seriously diminish and could destroy the EU’s credibility and appeal in North Macedonia and elsewhere in the Western Balkans; which leaves the door open for greater economic and political influence from rival powers, including China. Simply relying on comforting messages such as “The Western Balkans are part of Europe - and not just a stopover on the Silk Road” (European Commission, 2020b) will not remedy this. Only a handful of around 30 infrastructural projects under the EU connectivity agenda for the Western Balkans have actually started (European Commission, 2019). Crucially, proposals such as the introduction of COVID-passports
and vaccination certificates for third-country citizens that will exclude those treated with vaccines not approved by the EU, not only discriminates against the Western Balkans, struggling with the lack of vaccines, but represents a step back in the region’s European integration reminiscent of the time before visa liberalisation.

**Conclusion**

In terms of public perceptions, China is less welcomed by North Macedonia, compared to other Western Balkan and CEE countries, primarily due to its low visibility and presence on the ground. Reinforced by additional concerns raised by ‘corrosive capital’ channelled through the construction of the Kichevo-Ohrid and Miladinovci-Shtip highways, these perceptions accord with the general ambiguity of Sino-Macedonian relations. Beyond participation in the 17+1 initiative, North Macedonia has no coherent, effective China policy, and even lacks the institutional expertise and capacity to develop one. The state authorities’s actions in 2020 can be characterised as reactive, balancing between the country’s nominal strategic goals and conflicting economic interests, thus sending mixed messages as to what the authorities in Skopje expect from a partnership with Beijing. There is an urgent need for more proactive engagement by the EU, as well as the United States, beyond mere supportive assurances that no longer serve to reassure the public. This situation could worsen. Now, when some countries are struggling to obtain vaccines from vendors approved by the European Medicines Agency (EMA), the introduction of exclusive COVID-19 passports and vaccination certificates revives bad memories of difficult times prior to visa liberalisation.

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China’s Limited Footprint in Poland

Justyna Szczudlik

Abstract The rationale for reinvigorating Sino-Polish ties in the midst of the global financial crisis were twofold. Economically, the two countries were looking to secure export markets, in China’s case for high-end manufactured goods as well as opportunities to invest. Politically, Poland intended to intensify contact with China as a global power, while China hoped to diversify its diplomatic portfolio. However, a lack of tangible economic benefits, coupled with increasing Chinese assertiveness, led Poland to shift its approach to China from enthusiastic to cautious. As a result, China’s economic and political impact on Poland, including its efforts to influence Polish society through soft power and propaganda, remains slight. Chinese FDI is negligible, political elites show no favour to China, and polls show that negative opinions of the People’s Republic of China (PRC) are rising. However, this does not mean that China will not seek to expand its influence in Poland if this served its interests. This might involve both a “charm offensive” and disinformation campaigns, closer cooperation with Russia, and public diplomacy focussed on young Poles. To protect itself against this scenario, Poland should pay close heed to Sino-Russian cooperation, advocate implementation of tougher EU China policies, and promote stronger transatlantic cooperation on China.

Keywords China, Poland, 17+1, strategic partnership, Central and Eastern Europe, influence

Introduction

Since the global financial crisis of 2008, ties between China and Central and Eastern European (CEE) countries have strengthened. In late 2008, Poland decided to reinvigorate relations with the PRC for economic and political reasons, while in 2012 the China-led 16+1 grouping was established in Warsaw. Since then, perceptions in Western Europe and the US have been that Poland and other CEE countries have become close political partners of, and increasingly dependent on the PRC (Bolzen, Erling 2012; Butler 2018; Mitchell 2020). Testing the truth of this
thesis requires a close examination of how Sino-Polish relations, and China’s involvement in the country, have evolved over recent years.

This paper consists of two main parts. The first presents an overview of Polish-Chinese ties focusing on two periods: a period of enthusiasm and high hopes between 2008 and 2016, and a more cautious approach since 2017 reflecting disillusionment about the results of a “strategic partnership” with China (Szczudlik 2020, 139-156). The second part assesses China’s engagement and level of influence in Poland. Although in general influence is difficult to measure, it can be expressed as China’s ability to exert pressure on foreign decision-makers to pursue policies that safeguard Beijing’s interests. In this part, the paper focuses on China’s economic and political activity, including soft power and propaganda, and assesses their effectiveness through the prism of the policy responses of Polish decision-makers and perceptions of China across Polish society.

An Overview of Polish-Chinese Ties

As a former socialist state, Poland has maintained diplomatic relations with the PRC since early October 1949. Even so, China has generally been perceived negatively in Poland, especially since the Cultural Revolution; though it is also worth noting that both countries were united in their opposition to the Soviet Union in 1956 and 1981. The contrast between Poland and China was most visible in 1989. When Poland was peacefully transforming from a communist state to a liberal democracy – with the first semi-free elections taking place on 4th June 1989 – the Chinese authorities cracked down on democratic demonstrations in Tiananmen Square the same day. From 1989 to 2008, Sino-Polish relations were functional rather than dynamic. China’s image in Poland was one-dimensional, focused on human rights violations. Neither showed much interest in the other. Poland was preoccupied with its political and economic transformation, as well as its efforts to become a NATO and EU member, while China was focused on increasing economic cooperation with Western Europe. Even Poland’s accession to the EU in 2004 did not prove to be a turning point (Szczudlik 2013).

The situation changed noticeably during the 2008 global financial crisis, during which Poland initiated the process of strengthening ties. On one hand, this was prompted by the realisation
among Polish decision-makers that Poland was over-dependent on the European market; on the other, by prospects of reduced EU economic support that necessitated seeking new markets and sources of investment. China’s robust economic performance and growing internationalisation during the crisis led Polish decision-makers to reinvigorate ties with the PRC, viewed at that time not only as a prospective economic partner, but also as a political one.

For its part, China was also interested in CEE countries, which it began to view as a stable region compared to Western Europe, whose imports from China had slumped during the crisis. The region was seen as a target for increased Chinese exports, but also to solve certain systemic problems in China. Beijing saw opportunities to mobilise excess domestic production capacities, that could not be used in the PRC due to the saturation of the domestic market, by investing in underdeveloped infrastructure in CEE countries. This was intended to revive Chinese companies that were otherwise likely to shut down, potentially leading to unemployment and social instability. This, in fact, was among the rationales for China to establish the 16+1 format, launched in April 2012 in Warsaw during an official visit to Poland by the Chinese Prime Minister Wen Jiabao. Since then, Polish policy on China has focused on intensifying political dialogue, framed as promoting economic cooperation by expanding Polish exports to China, attracting Chinese investment to Poland and increasing Polish investment in the PRC. Reinvigoration of bilateral ties was perhaps best illustrated by Polish President B. Komorowski’s official visit to China in December 2011 – the first State visit since 1997. During this visit, at Poland’s initiative, the two countries upgraded their bilateral ties to a “strategic partnership”.

Over the following years improving bilateral ties were institutionalised through the establishment of mechanisms including the Annual Strategic Dialogue and the Biannual Inter-governmental Committee, as well as regular high-level visits. In November 2015, Polish President Andrzej Duda paid an official visit to China, during which he signed the Belt and Road Memorandum of Understanding (MoU) – perceived as a political endorsement of the Initiative and a tacit approval of Poland’s participation – and participated in the 16+1 summit in Suzhou. Poland also became a founding member of the Asia Infrastructure Investment Bank (AIIB). During President Xi Jinping’s 2016 visit to Poland, bilateral ties were upgraded to a “comprehensive strategic partnership”. Around a year later, the Polish Prime Minister Beata Szydło represented the country at the first BRI International Forum held in Beijing.
This enthusiastic approach towards China began to change in 2017. Firstly, Poland modified its stance on Chinese investment that had not delivered adequate opportunities for projects in Poland under the aegis of the BRI. Even though Poland remains interested in attracting Chinese FDI, the Polish government has made it clear that it will not cede control of projects to China in return for Chinese investment. Joint infrastructure investment projects must be majority-funded by Poland to maintain local sovereign control.

This approach was the result of lessons learned from other countries where Chinese control over the investment (e.g. in the case of Piraeus port in Greece) may be used to exert economic and political pressure on the recipient country. The Polish government is also cautious regarding the possibility of hostile Chinese takeovers both in the high-tech sector and in critical infrastructure, for which precedents had been seen in Germany.

Secondly, according to the Polish authorities, the “comprehensive strategic partnership” had produced few results. Poland still had a huge trade deficit with China. Political dialogue did not live up to expectations (instead of further bilateral visits, China had argued that the (now) 17+1 format should be the forum for contact with Chinese leaders); and meanwhile, China had strengthened its ties with Russia and military cooperation with Belarus.

Thirdly, China’s increasingly assertive approach, suggesting that it would never become more liberal, made Poland’s decision-makers more cautious about dealing with China.

Fourthly, Poland as an EU member followed the EU’s hardening stance on China, observable through the 2017 initiative to establish a screening mechanism for foreign investment, and the 2019 release of “EU-China: A strategic outlook” publication, which outlines a new EU perspective of China as a partner, a competitor and a strategic rival. US-China policy under the Trump administration had an impact on Polish perceptions of China as well.
Scope and Depth of China’s Influence in Poland

a) The Economic Dimension

China’s attempts to strengthen its engagement in Poland involved increasing exports as well as investment in infrastructure projects under the BRI and 17+1 Initiatives, including the offer of a $10 billion credit line for CEE from the latter. China had also hoped to set up industrial parks or special economic zones for Chinese investors only (also a pledge under the 17+1 remit). Aside from trade – which rose from €13,2 billion in 2011 to €20,5 billion in 2015, substantially increasing the Polish trade deficit – all the aforementioned initiatives have failed. Poland (similarly to most of the EU-member CEE countries in the 17+1 group) did not use Beijing’s credit line, arguing that this offer was not attractive for EU members with easy access to cost-effective EU funds. Poland, in line with the EU’s regulations, prefers competitive, fair and transparent public tenders. Moreover, setting up industrial zones for investors from just one country goes against EU regulations on fair competition.

China’s attempts to access public tenders in Poland have also run into trouble. For example, in 2018, Chinese companies won several public tenders, only for them to be annulled - officially due to procedural errors made by the Chinese companies. Other investments have not materialised due to unfavourable economic and political realities in Poland. For example, China was interested in flagship Polish government infrastructure projects, including the construction of a huge new airport near Warsaw. But the Polish government opted for cooperation with a partner that would cooperate as an equal rather than construct and then control the whole investment. Eventually, South Korea’s Incheon Airport was chosen as a strategic partner (Walewska 2021).

In sum, there are no BRI infrastructure projects in Poland apart from cargo train connections. Cooperation in this domain is viewed by Polish decision-makers as very promising, given the number of cargo trains between China and Europe that need to pass through Poland. Poland’s aim is to tap into the opportunities presented by its geographic location to leverage economic interests in logistics, repackaging and trans-shipment to other destinations in Europe. Even so, new investments in Polish dry ports announced at the beginning of 2021 are being financed by Polish and EU funds rather than Chinese credits and labour (Madrjas 2021).
b) The Political & Security Dimension

As in the economic dimension, China’s political and security influence in Poland is limited. China’s political rationale for establishing the 17+1 and strengthening cooperation with CEE countries was to diversify its diplomatic portfolio, create a circle of political friends, and act as a spokesman for the weaker CEE states that are often seen as developing countries (Kowalski 2017). Poland, as the biggest member, was portrayed from the very beginning as a European leader of the 17+1. However, Poland’s change of approach towards China from enthusiastic to cautious, together with specific criticism about the 17+1 format, has thwarted China’s plans. Apart from framing 17+1 as an empty shell, Poland has used the forum to send messages to China. For example, in 2018, the Polish Prime Minister did not take part in the 17+1 summit in Sofia (Szczudlik 2018), to express his dissatisfaction at lacklustre political dialogue. Poland is also actively taking part in editing the ‘Guidelines’ issued after 17+1 summits - exerting pressure on China to avoid vague political slogans (such as ‘the community of shared destiny for mankind’) and adding EU-related discourse, in order to bring these statements closer to EU standards. The best instance of rising disillusionment among CEE nations was the 17+1 online summit on 9 February 2021. In early January, China started exerting pressure on CEE countries to hold a 17+1 summit. Its aim was to reinforce China’s political victory in concluding the negotiations for the EU-China Comprehensive Agreement on Investment before President Biden had been sworn in. Although Poland was represented at the summit by President Andrzej Duda, before the meeting he had blocked the participation of the Belorussian President Alexander Lukashenko. Despite Chinese pressure to agree to their Guidelines draft, he declined to sign it off (Przychodniak, 2021); in the end the Guidelines were not issued. In that sense, together with other countries – such as Lithuania or Estonia – who decided to send lower ranking officials to take part in the summit despite China’s pressure, Poland expressed its disillusionment both with the format and with China’s recent assertive global posture.

Similarly, it seems that China will fail to convince Warsaw that Huawei and other Chinese technology companies should be allowed to operate in Poland. In December 2018, the Polish Ministry of Foreign Affairs published a statement on Twitter about commercial cyber-espionage attributed to China, while in January 2019 two Huawei employees from the Warsaw office – one Polish and one Chinese citizen – were arrested on allegations of spying. Despite the Polish
explanation that this was merely a criminal issue, the arrests were seen (not only by China) as showing Polish support for US-China policy. Furthermore, during US Vice-President Pence’s visit to Poland in September 2019, the two countries signed a joint declaration on 5G. The text includes agreed criteria for decisions on suppliers. Applying these could result in the blocking of Huawei from Poland’s 5G network. In 2020, the Ministry of Digitalization published a draft amendment of the Act on the National Cybersecurity System that would enable the government to exclude high-risk vendors. If adopted as law, this could result in Chinese vendors being banned (Czubkowska 2020).

Poland’s support for EU defensive measures (e.g. investment screening, 5G toolboxes), designed to secure fully-fledged reciprocity with China, and a pandemic-linked amendment of Poland’s investment screening act which would enable statutory control of investors from China, are further evidence of Poland’s hardened stance. This law came into force in July 2020 and remains in force for the next two years.

Since Poland’s attitude to China changed in 2017, Polish decision-makers’ discourse about the PRC has changed as well. Both ruling and opposition parties have increasingly negative perceptions of China. No party is openly pro-China, and only a few politicians, representing the Poland-China group in the Polish parliament, argue that Warsaw should strengthen economic ties with the PRC. Polish political circles have long agreed that the US is the country’s most important ally, since it guarantees security against Russia. The US also influences Polish perceptions of China, especially following the Trump administration. For example, in January 2018, the Polish Prime Minister Mateusz Morawiecki said in an interview:

“(Looking at) our trade balance with China and the 1:12 ratio in favour of China….It is sometimes worth abandoning political correctness, to look at the numbers and be aware of what the real challenges of the modern world are. And the US thinks in a similar way. We need fair trade, as President Trump rightly pointed out”. (Godusławski 2018)

In June 2018, the Polish Minister of Finance, Teresa Czerwińska said that: “The Belt and Road Initiative must not be a tool of increasing power and control by any country” (Chaudhury 2018).
Likewise, the Prime Minister highlighted that “China is challenging the free world of democracy and the transatlantic alliance. We need to find a way to maintain the proper level of deterrence, not against free world forces, but against China and Russia”. During his visit to the US in November 2018, Minister of Defense Mariusz Błaszczak said that Russia and China were building a coalition aimed at challenging the free world. In 2019, during his stay in the US, Mariusz Kamiński, the Minister of Interior and Administration, spoke very critically about China (Kalwasiński 2019). He considered the PRC as a threat and emphasised that Poland shares the US view of China, as shown by the arrest of a Chinese Huawei employee in Warsaw.

During 2020, China’s ‘wolf-warrior’ diplomacy provoked more frequent critical statements about China by Polish authorities and politicians (including opposition parties), even though China’s disinformation and unfriendly activities during the pandemic were not specifically directed at Poland. There are several notable examples of this. China’s use of the National Security Law in Hong Kong led a group of Polish MPs to prepare a resolution stating that the PRC was seriously limiting Hong Kong’s autonomy and breaking the Sino-British Joint Declaration of 1984, and appealing to China to withdraw the law. Furthermore, the Polish Prime Minister published an article in the Daily Telegraph (Morawiecki 2020) arguing that European 5G security should be based on cooperation with the US. 5G vendors must not be under the influence of authoritarian regimes – clearly hinting at China. Additionally, in January 2021, Poland also expressed concerns about how rapidly talks on the EU-China Comprehensive Agreement on Investment (CAI) had been concluded.

Further proof of Poland’s more robust approach towards China is discernible from its strengthening contact with Taiwan. In 2018, Poland changed the name of the Polish representative office in Taiwan from the Warsaw Trade Office to the Polish Office in Taipei. Given Chinese sensitivity about contact with Taiwan by countries maintaining diplomatic relations with the PRC, changing the name to one that refers to the Polish state may be considered a manifestation of Poland's firmness. In 2020, relations between Taiwan and Poland were further strengthened. Poland received half a million surgical masks from Taiwan as a gesture of solidarity, while in June, Polish Airlines started the first ever direct passenger flight between Poland and Taiwan, with others planned. In June 2019, Poland and Taiwan signed a bilateral agreement on legal cooperation in
criminal matters, which became law in January 2021. This covers mutual legal assistance, extradition, transfer of sentenced persons and the exchange of information.

c) The Soft Power, Public Diplomacy and Propaganda Dimension

In addition to economic and political activity, China uses soft power and propaganda tools in Poland. The means are the same as in many other countries, using traditional as well as new methods developed in the last two to three years, especially during the pandemic. The traditional toolkit includes opening Confucius Institutes, not only for teaching the Chinese language, but also to run conferences highlighting China’s current political situation. Confucius Institutes also offer numerous scholarships for Polish students. Old soft power tools include marking Chinese festivals by holding dinners or film screenings (e.g. about the situation in Xinjiang or Tibet) at the Chinese embassy. During high-level bilateral visits articles are published in Polish dailies by Chinese leaders; while in speeches at various events, Chinese ambassadors praise existing friendships and describe a bright future for Sino-Polish ties. Various cultural activities targeted at young people under the 17+1 umbrella, may be a long-term investment in winning over the younger generation. Moreover, in the last two years China has been expanding its public diplomacy toolbox. The most visible new instruments are social media not available in China, mostly Twitter and Facebook. In Poland, the Chinese Embassy Facebook account was activated in August 2019, and Twitter in July 2019. The Chinese ambassador has had his own Twitter account since March 2020. Social media is used to refute criticism of China, including assertions that it had not covered up the initial outbreak of COVID-19, and to disseminate descriptions of China’s successful fight against the virus and contributions to other countries’ efforts (e.g. providing protective masks). Apart from this, Chinese diplomats more frequently use Polish dailies, websites etc. to publish articles written by the ambassador in person. In recent years, articles in the form of paid advertisements have appeared in the Polish press praising China’s leadership for their domestic and foreign policies.

Other new methods used during the pandemic are letters and documents (in English and/or Polish) about China’s domestic situation, including the economy, successful management of the health

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9 This part of the paper is based on the contribution about China’s soft power activities in Poland to the European Think-Tank Network on China (ETNC) report to be published soon.
crisis etc. One was a 30-page paper called “Myths about China’s Role in the Coronavirus Outbreak Spread by the United States”. These materials are regularly sent to journalists, think-tanks and the Polish government.

The impact of all this can be assessed from Polish government reactions to COVID-related activities, and opinion polls about China. At the start of the pandemic, the government’s attitude towards China changed from overtly critical to rather positive; it praised China’s successful fight against the virus, and sought assistance with medical supplies. There were top leadership contacts about supplying equipment and sharing experience in combating the virus. Media coverage of Chinese medical supplies arriving showed the Polish Prime Minister waiting at the airport to meet the flight. This positive approach towards China characterized the first wave of the pandemic in the first half of 2020. The poor quality of Chinese medical goods (e.g. surgical masks with fake certificates) as well as increasing availability of products from other sources diminished cooperation with the central government, though China remains active in offering assistance at the local level, regularly mentioned in the ambassador’s Twitter posts. But crucially Poland still faces a shortage of vaccines and is seeking new sources to speed up the inoculation process. This again entails a change of approach to China. In a telephone conversation between Presidents Duda and Xi Jinping on the 1st of March, the Polish leader mentioned his government’s interest in purchasing Chinese vaccines. Shortly afterwards the respective foreign ministers also discussed and shared their experiences in combating the virus.

However, opinion polls show that China’s propaganda campaigns are unsuccessful at the popular level. According to Eurobarometer, in recent years around 42% of Poles have perceived China positively (Skorupska, Szczudlik 2019, 12-13). But it appears that China’s 2020 ‘wolf-warrior’ diplomacy caused havoc for the country’s image. A poll published by the European Council on Foreign Relations (ECFR) in June 2020 shows that 43% of Polish respondents said their opinion of China had worsened; 14% said it had improved; and 44% had remained the same (Dennison and Zerka 2020). Similar results appeared in a poll by the Central European Institute of Asian Research (CEIAR) in September and October 2020. In this, around 43% of Polish society viewed China either negatively or very negatively, 29% neutrally and 27% positively or very positively (Turcsányi, Šimalčík, Kizonská, Sedláková 2020). Notably, a poll following the Duda-Xi phone
call showed that only 7% of respondents would be willing to be given a Chinese vaccination against COVID-19.

**Conclusion**

Despite China’s attempts to increase its footprint in Poland, its economic, political and propaganda presence remains limited. Evidence suggests this is based on an unattractive offer from the Chinese side, reflecting the fact that CEE countries including Poland, are not regarded by Beijing as independent actors but rather as developing countries subordinate to the Western EU states and the US. Treating the CEE as a homogenous bloc has accelerated disillusionment with China in the region. Poland has learned lessons from China’s harmful activities in other countries, leading it to take defensive measures on Chinese FDI. Tougher China policies from the US and EU have also had an impact on Poland. China’s ‘wolf-warrior’ diplomacy in 2020, concealing information about the outbreak of the pandemic, further worsened Polish perceptions of China.

However as noted, China’s engagement in Poland is limited and so far, despite bilateral friction, it has not been subjected to malign PRC campaigns. There are various possible explanations for this; Poland is not an important partner for China; China’s perception of Poland as a close US ally prevents Beijing from doing so; or Poland’s recent willingness to consider purchasing Chinese vaccines, and hopes for closer economic ties which President Duda expressed to Xi Jinping, may yet strengthen bilateral ties. It seems that China is focused on the third option through enhanced political dialogue, praising Poland as a great power (*da guo*), offering vaccines and adducing President Duda’s presence at the 17+1 online summit as proof of Poland’s support for the initiative. However, China could adopt a more critical line on Poland in the future. Poland’s publically expressed doubts about the CAI, growing ties with Taiwan, and vocal criticism of the 17+1 initiative could provoke a Chinese backlash. Since Poland is not economically dependent on the PRC, verbal condemnation and a period of diplomatic cooling-off might not do much harm. Nevertheless, China has two capabilities that might be harmful for Poland; disinformation campaigns and increased hostile cooperation with Russia. In addition, more propaganda targeting young Poles might lead to a China-friendly future generation. To avoid this scenario, Poland should remain vigilant for unwelcome Sino-Russian cooperation, and encourage the use of
practical defensive measures to realise the EU’s hardened stance towards China, including increased transatlantic cooperation, and efforts to counter disinformation. Poland should also promote education to raise awareness of the CCP and its strategic objectives.

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From Mask Diplomacy to Vaccine Diplomacy: The Rise of Sino-Serbian Relations During the COVID-19 Pandemic

Strahinja Subotić

Abstract The COVID-19 pandemic has shaken the world in terms of its massive transmission and death rate. Despite being primarily a health crisis, it is also a game changer or a critical juncture which is reshaping global politics. By focussing on the Western Balkans, primarily Serbia, this paper demonstrates how China has used the health crisis to advance its own interests that go beyond economics, an area which has been its traditional comfort zone. This paper argues that by playing a critical role in providing assistance to Serbia with its mask diplomacy in 2020 and vaccine diplomacy in 2021, China has not only substantially increased its leverage in the eyes of Serbian policymakers, but also with regards to the public opinion of Serbia. With such unprecedented leverage, China is likely to continue to solidify its political and economic relationship with Serbia. The only unknown variable is the level of willingness of other relevant external actors, such as the EU, to tolerate the rise of China in their zone of interest in the future.

Keywords Serbia, China, COVID-19 pandemic, Western Balkans, European Union, Masks, Vaccination, Diplomacy

Introduction
Although it is geographically distant from the Western Balkans, all one hears about in recent times in terms of the region’s geopolitics concerns China. This particularly applies to Serbia, where decisions on foreign policy, economy and investment, security and defence increasingly relate to this Asian giant. What is more, the list of areas in which Serbia and China strongly cooperate has further increased since the COVID-19 pandemic struck Europe at the beginning of 2020. Since then, Sino-Serbian health cooperation, in the context of the fight against the pandemic, has been the key area that keeps growing day by day. Considering the importance of this phenomenon, this paper aims to uncover the challenges that come with it. In order to do so, the paper shows how, and why, public perceptions and the discourse about China have changed in Serbia since the
pandemic began. In addition, it explains how policymakers from Belgrade have reacted to China’s actions and activities in Serbia over the same period. After providing this data and elaborating on what the key drivers of change are, the paper will provide basic recommendations on how EU policymakers could respond to the rise of China.

**How It All Began**

The emergence of the COVID-19 pandemic has shown that Serbia and China are willing and able to work proactively with one another at a time of crisis. The intensity of Sino-Serbian cooperation during this period was so high that it quickly became a hot topic on the agenda of EU policymakers, as well as among experts from the think tank community. In order to understand how this level of cooperation came about, it is important to highlight that it has not developed out of thin air. In fact, cooperation in the health sector, which is intertwined with politics and soft power, is only a continuation of a rational and intentional progression of relations that had been closely nurtured over the past decade. This is the key factor that explains why Serbia continues to stand out in terms of its cooperation with China.

As was examined in detail in a previous AIES paper (Subotić, 2021), the Sino-Serbian relationship has been developing ever since they signed a strategic partnership agreement in 2009. Driven at first by mutual interest in protecting the principle of territorial integrity, China and Serbia have used this common ground gradually to expand the number of areas in which they could develop closer cooperation. Ever since, with regards to foreign policy, Serbia has never aligned with any EU declaration targeting China’s interests, while also starting to issue proactive public statements officially endorsing China’s actions regarding the status of Hong Kong and the rights of Uyghurs in Xinjiang (Subotić, 2020a). Unlike the rest of the Western Balkans, by continuously refusing to progressively align with the EU’s Common Foreign and Security Policy (CFSP), in spite of its legal obligation to do so as part of the accession process, Serbia has successfully proved its “loyalty” to China, and thus gained its trust.

Besides that, the two have so far agreed on arms trade (transferring drones and anti-aircraft missile systems from China to Serbia) and joint police exercises (and planned military drills). China has been the second largest donor to Serbia’s Ministry of Defence throughout the past decade (Subotić,
Furthermore, as China is increasingly dominating the world’s market in the area of hi-tech, Serbia used the opportunity to sign deals with Huawei, the Chinese “controversial” tech company, in order to install “smart” biometric cameras throughout Serbia, to modernise the country’s national fixed network, while concurrently planning to develop 5G cooperation as well. Meanwhile, Serbia has continuously shown willingness to make quick deals with China, which has allowed the latter to invest in road and rail infrastructure as well as energy.

Considering that other countries from the Western Balkan region have fallen short of achieving substantial cooperation with China in so many different areas, these developments demonstrate that in a relatively short time, China indeed has managed to become a major foreign actor able to impact almost all relevant policy areas in Serbia. The fact that China managed to take top position on Serbia’s foreign policy priority list during the pandemic was possible only because the two sides already had pre-existing, well-developed and multi-layered ground for cooperation. For this reason, it may be concluded that the successes of China’s subsequent “mask diplomacy” and “vaccine diplomacy” were actually a result, and not the cause, of Serbia’s growing willingness to cooperate with China.

The Pandemic as a Stepping Stone

To explain how the Serbian establishment reacted to China’s activities during the pandemic and also how discourse on China has changed, it is important to highlight that Sino-Serbian relations in 2020 and early 2021 were not a one-sided exercise by China. In fact, this was a mutually reinforced process involving willingness on both sides to maximise bilateral cooperation. On the one hand, Serbia did indeed manage to acquire valuable medical equipment from China at a time of need, further legitimising its foreign policy of balancing between the East and the West. On the other hand, China managed to use Serbia as a stepping stone in promoting its mask diplomacy and later vaccine diplomacy in the rest of Europe, while concurrently strengthening its ability to project power and influence far beyond its borders – something each global power aspires to do. To better understand how Serbia and China managed to turn the pandemic into a win-win situation, it is helpful to split the most recent period into two phases: the first dominated by China’s mask diplomacy, and the second by its vaccine diplomacy.
If one moment can be chosen to mark the start of a new era, not only for Sino-Serbian cooperation, but also for Serbia’s foreign policy orientation in general, it was the moment when Serbian President Aleksandar Vučić announced the start of restrictive measures in Serbia. This took place on 15 March 2020, during a national televised emergency address. From the perspective of this paper, what mattered most during this address was that Serbia’s President publicly and officially proclaimed that “European solidarity does not exist”, and was just “a fairy tale on paper” (Euractiv, 2020a). Not only did this constitute the most direct criticism of the EU ever to come from Serbia, it also represented a stepping-stone for China; particularly as the Serbian President added that this Asian giant is the only country able to come to the rescue at such a time of crisis. The drivers of these actions, which opened the door to China’s mask diplomacy, were twofold; Serbia’s slow accession process, and the EU’s unpreparedness to assist Serbia swiftly at a time of need.

The first factor explaining Serbia’s willingness to embrace China openly lies in the fact that the country’s path towards the EU has been sluggish, due to the lack of comprehensive reforms concerning the rule of law. Originally, the Serbian government expected to close all negotiating chapters by 2018 (Vučić, 2014,43), four years after the accession talks and fourteen after starting to harmonise its legislation with the EU’s acquis communautaire. The fact that it opened only 18 out of 35 negotiating chapters, while provisionally closing only two by the end of 2019 and not opening or closing any chapters in 2020 at all, show that the process was far from complete. With no realistic accession date in sight, while continuously developing “elements of state capture” (European Commission, 2018, 3), the Serbian government had no genuine interest in sticking with the EU at a time of crisis. Given that issues concerning the rule of law are irrelevant when working with China, it was much easier for Belgrade to turn to Beijing instead of Brussels. In that regard, the type, amount, and value of China’s donations to Serbia, as well as paid assistance from Serbia’s state budget, remain unknown to this date.

The second factor which explains Serbia’s actions during the pandemic lies in the fact that the EU was unable to seize the chance to position itself as its key ally early on. Once the pandemic struck, and particularly after realising that the situation was getting out of hand in nearby Italy, Serbia began desperately reaching out for foreign assistance, especially regarding medical supplies. It did so by appealing world-wide, including to the EU and China. So, what served as a major reason for Serbia to turn its back on the EU at the time of crisis was the EU’s own mismanagement and
neglect of the Western Balkans at the start of the crisis. This ostensibly rash blunder stemmed from passing a European Commission regulation making it more difficult to export certain medical equipment outside the EU. As the regulation stopped short from exempting the Western Balkans (which was corrected a month later) (European Commission, 2020a), the Serbian establishment used the opportunity to criticise the EU openly and strongly, while embracing China.

The combination of these two factors has also allowed Serbia to further legitimise its “balancing act”, that is, the consistent policy of simultaneously developing relations with multiple external actors even at the cost of its EU accession. In such a context, China stepped in as a valuable external actor, not only able to help the political establishment in Serbia sway more voters, but also to increase its bargaining power vis-à-vis the EU. In that regard, although China indeed benefits by securing a rare European supporter when it comes to its internal politics and external affairs, it is Serbia that uses this relationship to send a message to the EU: there are viable alternatives if the EU does not make the accession process more credible and starts investing more heavily.

Considering that the EU now defines China as a “systemic rival promoting alternative modes of governance” (European Commission and High Representative, 2019, 1), Serbia’s position sends a strong message to the EU that more needs to be done to bring Serbia fully under its umbrella.

What reaffirmed Belgrade’s efforts to portray Beijing as a key partner, and the Chinese as a brotherly nation, was the fact that China was indeed the first external actor to send medical assistance to Serbia (Subotić, 2020c). On top of that, it sent a group of experts to share their experience in combating the pandemic. Although in the meantime the EU provided a significant level of medical and financial support to Serbia (EU Delegation to Serbia, 2020), it could not compensate for its slow start in the eyes of the public and political elites in the country. For that reason, it is quite clear that the onset of the pandemic eventually served to consolidate Sino-Serbian relations, while simultaneously severely damaging the EU’s image.

Making a Lasting Impact in the Eyes of the Public

Although at one point China stopped making headlines in Serbia on a daily basis—particularly after it finished transferring its medical assistance and after its medical team of experts finished their advisory mission—it nevertheless managed to secure an overwhelmingly positive image in a
relatively short period of time. By taking a closer look at the messages emerging from Belgrade, it becomes clear that overt pro-China discourse was anything but spontaneous.

Firstly, the pro-Chinese messages were issued live on a daily basis by the highest Serbian establishment. In that regard, portraying the Chinese nation as a ‘brotherly nation’ and the Chinese President Xi Jinping as a ‘true friend’ represented a new level of manipulative messaging. One pro-Government tabloid even went so far as to set up public billboards expressing gratitude to President Xi for China’s assistance (Euractiv, 2020b). Secondly, as discourse is created not only by words but also by physical gestures, the fact that Serbia’s President kissed the Chinese flag at the airport (ibid) while waiting for EU-funded cargo jets to arrive with medical assistance from China, was a symbolic gesture *par excellence*, all the more striking as such acts are atypical in standard diplomatic practice.

Such carefully developed messaging reached its audience mainly via television and print media. Nevertheless, the scope of its impact was increased in the sphere of online social networks, particularly Twitter. In fact, one research project found that during the height of the pandemic, from March 9 to April 9, there were 30,000 tweets coming from pro-government network accounts in Serbia (so-called “bots”) with the keywords “China and Serbia” in their content (Digital Forensic Centre, 2020). The common message of these tweets consisted of praise for China’s assistance (and, in general, Sino-Serbian friendship), the Serbian President, and the steps the government took during the pandemic, while attacking the EU for its supposed failure to help in Serbia’s time of need; yet another example of how Serbia’s pro-China discourse was anything but spontaneous.

To make such verbal and non-verbal messaging further stand out in both print and digital media, a completely different approach was undertaken in parallel with regard to the EU and its medical assistance. Although the EU provided Serbia with significant assistance, acknowledgement of such support by the Serbian officials was anything but enthusiastic. This is explained by the fact that there was a deliberate attempt to develop a clash of narratives. In that framework, the EU was presented as a *partner*, with whom adequate relations are essentially transactional, while China was portrayed as a *sibling*, on whom Serbia can always depend (Subotić, 2020d). Although such a phenomenon was not entirely new, it certainly reached a new level during the pandemic. Considering all of these actions taken together, it is unsurprising that the European Commission
even went so far as to express concern, in its 2020 annual report, about “pro-China and EU-sceptical rhetoric by high-ranking state officials” (European Commission, 2020b, 27).

As a result, Serbia’s all-round messaging approach caused major shifts in public perceptions not only of China, but also the EU. The most notable evidence of this, from a public opinion poll conducted during the pandemic, shows that 39.9% of Serbian citizens believed that China was the largest donor to Serbia (Institute for European Affairs, 2020, 4). The EU took second place with 17.6% of respondents, and Russia third with 14.6%. Such results certainly do not reflect the reality on the ground, in which the EU has been the largest donor to Serbia since 2000, whereas China and Russia have not even been in the top ten donors (N1, 2020a). This data was especially important considering that the percentage of those with this opinion on China doubled in just a year (increasing by 21 percentage points), while Russia and the EU used to outrank it, with 25.5% and 25.3% of respondents respectively (Institute for European Affairs, 2019, 4). Another piece of research from November 2020, long after the national emergency and the initial surge in pro-Chinese rhetoric in the Serbian political scene, showed that 75% of respondents believed that China provided the most aid of any country to Serbia to combat the pandemic (Bjeloš, Vuksanović & Šterić, 2020, 5). To illustrate the overwhelmingly positive attitude towards China, the same research shows that 87% of respondents assessed China’s influence on Serbia positively, in contrast to Russia’s 72%, and the EU’s 24%. In sum, despite how remote China is from Serbia, it achieved significant positive impact during the pandemic.

**Turning Serbia into a Poster Child**

The above assessment only shows how successful China’s mask diplomacy was, that is to say its assistance to Serbia during the period right after the outbreak of the pandemic. Consolidation of China’s image and leverage is further expected as its vaccine diplomacy continues to make astounding progress in Serbia. Although, unlike the EU, Serbia has given authorisation to five different vaccines from both the West and the East, what suddenly made Serbia a country with one of the most formidable vaccination rates in the world was the fact that China has so far provided it with 1.5 million doses of vaccines. The fact that Pfizer-BioNTech, Moderna, and AstraZeneca experienced significant delays in production and distribution in Europe only made it easier for Serbia to opt out in favour of the Russian and particularly the Chinese vaccines. As was the case with mask diplomacy, vaccine diplomacy was a win-win situation both for Serbia and China.
By providing vaccines to Serbia, China once again managed to outplay the EU, which has struggled to secure vaccines for itself, let alone for Serbia. Although it is still too early for polls to show public opinion changes regarding China as a result of vaccine diplomacy, Beijing will likely make further steps towards becoming an irreplaceable partner to Serbia in the eyes of the local population. This is expected particularly as Serbia has managed to vaccinate over a million of its citizens by mid-February 2021, primarily thanks to the quantity of Chinese vaccine available (Danas, 2021). The Serbian President’s personal choice of the Chinese vaccine when the time comes for his vaccination (N1, 2021) – instead of the American-German Pfizer/BioNTech, Anglo-Swedish AstraZeneca, American Moderna, and even Russian Sputnik V – represented a further endorsement of Chinese vaccine diplomacy and a clear signal to the local population about which vaccine is seen to be the most suitable. Moreover, as Serbia’s vaccination campaign was widely seen as a success, many EU member states are longing for similar outcomes – Hungary has even labelled it as an “inspiring example” (France24, 2021). For that reason, Hungary is following Serbia’s lead, being the first member state to order both the Chinese and Russian vaccines. Belgrade has thus become a good ‘selling point’ for China’s vaccine.

At the same time, this was a huge win for Belgrade. Considering that Serbia’s balancing act is typically seen as unsuitable for an EU candidate country, the fact that it had such a high vaccination rate has allowed it to show the world that balancing between the East and the West actually pays off. The fact that this has earned it international praise further legitimises Serbia’s attempts to stick close to China. Had Serbia chosen, like the rest of the Western Balkans, to wait for the vaccines provided in cooperation with the EU, it would have been unable to make such astonishing progress with its vaccination rate. In that regard, Serbia is now a ‘poster child’ in the eyes of the international media and its European partners, which helps improve its reputation as a ‘troublemaker’ in the region.

Meanwhile, Serbia is now trying to mimic China by having a vaccine diplomacy of its own, which boosts its soft power in the region. Although the vaccination process is still far from over in Serbia, the country has nevertheless decided to start exporting vaccines to its neighbours. Montenegro received a donation of 2,000 Sputnik V vaccine doses (Voice of America, 2021), North Macedonia around 4,500 Pfizer/BioNTech doses (Radio Free Europe, 2021), and Bosnia and Herzegovina’s Serb entity Republika Srpska secured 5,000 Sputnik V doses (Euractiv, 2021). For now, Belgrade
has already signed deals for 6.5 million doses (N1, 2020b), while announcing its intention to contract for an additional 11 million doses. Although it is currently unknown what proportion of these vaccines will come from China, Beijing is likely to continue providing Serbia with a significant quantity of doses. If Serbia, whose population numbers only 7 million, succeeds in obtaining all of the contracted doses, it will become a notable exporter of vaccines in the near future. This would have been impossible without China’s assistance, and Serbia knows it. This strongly suggests that China has managed, yet again, to outrun the EU (and Russia) in the race for the ‘hearts and minds’ of Serbian citizens and political stakeholders.

Case Closed?

As is repeatedly demonstrated above, China is ‘here to stay’, particularly as both the start of the pandemic and its continuation have been used as a stepping stone to further boost the Sino-Serbian relationship. Thus, at the beginning of 2021 China’s ‘mask diplomacy’ evolved into ‘vaccine diplomacy’ with Serbia again at its centre, a further indication that Belgrade has no intention of abandoning its ‘balancing act’. Taking account of all the evidence above it should be stated outright that the EU has failed to seize an opportunity – not only once, but twice. Although the Serbian establishment has chosen a more moderate tone towards the EU in 2021 compared to 2020, when Brussels publicly expressed displeasure with Serbia’s undervaluing of EU assistance (European Western Balkans, 2020), this does not mean that the EU can afford to let matters rest. This paper provides three key proposals to stakeholders from EU institutions and EU member states, based on which they could better address the rise of China in Serbia.

Firstly, the EU should always systematically include Serbia (and the rest of the Western Balkans) as part of its strategic thinking. Had this been the case from the outset, in March 2020 the Commission would not have stopped short from exempting the region with regards to export authorisation of medical products. To make matters worse, it took the Commission a whole month to exempt the Western Balkans from the scheme. The fact that the Commission did not repeat the same mistake, when it adopted a similar regulation in January 2021 concerning its vaccine exports, suggests that the EU is heading in the right direction when viewing the region as an essential part of Europe’s strategic thinking. It would help if the European External Action Service (EEAS), headed by the EU’s High Representative for Common Foreign and Security Policy, could play a greater role in the formulation of the Commission’s policies. The time is right for such a change,
particularly as the Commission’s President, Ursula von der Leyen, champions the term “geopolitical commission” (European Commission, 2019).

Secondly, although Serbia is still not a part of the EU, the latter should nevertheless use the opportunity to give Serbia gradual access to EU institutions, by phasing it into individual EU policies as stipulated by the Revised Enlargement Methodology (European Commission, 2020c). The fact that the Serbian President has publicly endorsed that approach indicates that the Serbian establishment is probably eager to reap benefits provided by this methodology. Yet the EU’s efforts to limit China’s impact in Serbia should not prevent it from openly criticising future lack of reforms, particularly in the area of rule of law. The fact that the revised methodology stipulates “a stronger political steer”, by inviting member states to contribute more systematically to the accession process, suggests that there is room for providing new dynamism to Serbia’s path to the EU.

Finally, the EU could improve its image in Serbia were it to provide additional economic benefits. A good starting point is the €3.3 billion financial package dedicated to the Western Balkans for the fight against the pandemic (European Commission, 2020d). Hitherto, a large part of this package remains unused. Rather than letting it go to waste the EU should engage with Serbia’s stakeholders to find the best ways to deploy it. Brussels should simultaneously work on maximising the impact of the €9 billion Economic and Investment Package intended for the region (European Commission, 2020e), which is a part of the Instrument for Pre-Accession Assistance (IPA III). Although the provision of these financial assistance packages is very valuable, the EU should not stop there, but rather continue looking for additional grant opportunities for the region, not least since China is also unlikely to cease from bringing in new initiatives.

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Slovakia: Changing Approach to China Driven by Domestic Political Change
Matej Šimalčík

Abstract Slovakia’s approach to China has been dominated for almost fifteen years by prioritizing economic benefits. Domestic political change and the COVID-19 have, however, been important drivers of a changing policy, which is warier of security risks and pays attention to human rights issues. At the same time, public opinion on China in Slovakia has been significantly worsening. Despite that, China is not yet seen as a threat by the public, and public discussion on China in Slovakia remains marginal.

Keywords China, Slovakia, foreign policy, security threats, economic opportunity

Introduction
Slovakia’s relations with China experienced significant changes during 2020. The traditionally pragmatic approach of past Slovak governments was disrupted in the past year due to both domestic and international factors. In February 2020, Slovakia held a general election, which resulted in a debacle for the left-wing SMER – Social Democracy (Smer), which had been in power in Slovakia since 2006.10 Smer’s long-term domination in Slovak politics means that Slovak policy towards China was mostly determined by the party and its ideological background. After the elections, Smer was no longer in a position to form a government; its two junior partners (the Slovak National Party, and the Most-Hid party) did not make it into the parliament (SME 2020). The new Slovak government was formed by a coalition of centre-right parties, Ordinary People and Independent Personalities (OLANO), Freedom and Solidarity (SaS), We Are Family (Smerodina), and For the People (Za ľudi), led by Prime Minister Igor Matovič from OLANO (TASR 2020).

Within a week of the general elections, Slovakia recorded its first case of COVID-19 (Public Health Authority of Slovak Republic 2020). The COVID-19 pandemic has, of course, impacted

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10 Smer was a leading party in the government coalitions in 2006-2010, 2012-2016 (one party government), and 2016-2020. Between 2010-2012, Slovakia was ruled by a wide coalition of centre-right parties.
all spheres of public life in the country, including Slovakia’s relations with China, as well as with other countries. It has also had a big impact on opinions about China among the Slovak public (Šimalčík, Turcsányi, et al. 2020).

To exemplify the effects of these trends on Slovakia’s relations with China, this paper first provides an overview of how different Slovak political parties perceive China. It then compares the approach to China under the Smer and OĽANO governments; and finally, discusses the changing perception of China from ‘economic opportunity’ to ‘security risk.’

**Pragmatists Versus Idealists**

To understand the changes in Slovakia’s China policy, one must first consider how the relevant political parties view China. Previous research has identified three groups of Slovak politicians based on their positive/negative perception of China and the ideologic/pragmatic origin of their perception. Characterized by these two criteria, Slovak politicians are either pragmatic supporters, ideological supporters, or ideological opponents of China (Šimalčík Forthcoming, Šimalčík, Bajerová, et al. 2019).

Under the Smer governments, Slovak policy towards China was in the hands of ‘ideological supporters’ and ‘pragmatic supporters’ from the Smer and its junior partner, the Slovak National Party (SNS). Their policy was characterized by an exclusive focus on the pursuit of economic interests, regardless of security and human rights concerns. This approach was driven by the wish to attract Chinese investment and reduce the trade deficit with China.
On the few occasions when Slovak actors raised human rights issues, Smer and SNS party-members reacted with vitriolic criticism. Such was the case when President Zuzana Čaputová raised human rights concerns during her 2019 meeting with Wang Yi, the Chinese Minister of Foreign Affairs. At the time, representatives of SNS (Andrej Danko – Speaker of the National Council, and Gabriela Matečná – Minister of Agriculture) criticized her on the grounds of supposedly endangering potential agricultural exports to China (Šebeňa 2019, Topky 2019).

Following the elections, a government composed of ‘ideological opponents’ of China was formed. Their views of China are informed mostly by their support of democracy and human rights. As China is lacking in both, they tend to view the country in a more negative light (Šimalčík Forthcoming, Šimalčík, Bajerová, et al. 2019). This dynamic can also be observed among the electorate who voted for these parties, since voters for parties critical of China also tend to have more negative perceptions of the country. At the same time, these voters have quite positive views of other (democratic) Asian countries (Turcsányi, Sedláková, et al. 2020).

This change was enabled not only by the ideological background of the governing coalition, but also by the fact that Slovakia is among the EU member states with the lowest economic dependency on China. Chinese FDI represents approximately 0.2% of the overall FDI stock in Slovakia, while Slovak exports to China account only for 1.72% of overall Slovak exports.
2020 – A Year of Disruption in Slovak-Chinese Relations

As mentioned in the introduction above, 2020 was a year of disruption in Slovak-Chinese relations due to the COVID-19 pandemic and domestic political changes. This disruption affected all aspects of the bilateral relationship, including awareness of security risks, economic relations, human rights policy and people-to-people interactions.

In December 2020, the Government and the National Council approved a new Security Strategy. The document discusses China as an element shaping Slovakia’s security environment. Reflecting the position of the EU, China is described as a partner to cooperate with on global challenges, an economic and technological competitor, and a systemic rival. The relevant passage in the Security Strategy reads as follows:

“China is significantly increasing its power potential and political influence, based on rapidly growing military capabilities, which, combined with economic strength and strategic investment, are assertively used to advance Chinese interests. China promotes its own style of governance and a different understanding of human rights and freedoms; the Slovak Republic will take this into account in mutual relations, as well as in its positions within international organizations.” (Government of Slovakia 2021).

Besides this direct statement on China, the new Security Strategy also deals with generic security risks which also relate to China. These include the fact that authoritarian states pose threats to democracy, spread disinformation and propaganda, and pose risks to security through ‘corrosive capital’. The adoption of the Security Strategy came after Slovakia’s security apparatus had repeatedly warned against risks posed by China. In 2019, the Slovak Information Service (SIS), a civilian (counter)intelligence agency, noted that China was attempting to influence public and expert opinion in the EU to its own advantage. This was historically the first time SIS publicly warned against Chinese activities (Slovak Information Service 2019). A year later, SIS’s warnings became more detailed. They noted that Chinese intelligence operations in Slovakia focused on collecting intelligence about information and telecommunication technologies. It also warned that an “important Chinese telecommunication firm” was actively fostering ties with representatives of several ministries. Furthermore, SIS noted the abuse of local Slovak media and the Chinese diaspora in Slovakia to spread Chinese propaganda (Slovak Information Service 2020).
The 2020 report on security risks facing Slovakia in 2019, prepared by the Security Council, discussed China along the same lines. The report noted that China was conducting influence operations in Slovakia in an attempt to promote its trustworthiness and credibility as an economic partner. Chinese intelligence services mainly targeted the defence industry and the information technology sector. One of the major aims of Chinese entities was to gain access to information that could be used to benefit China’s future economic growth and scientific development (Government of Slovakia 2020).

Despite this official discussion of security risks posed by China, practical action to address these problems remain hesitant. The February 2021 summit of the 17+1 platform illustrates this rather well. In October 2020, Prime Minister Matovič voiced concerns that Slovakia’s participation in the 17+1 platform was not very beneficial, and highlighted the need for a common EU policy on China. These concerns were echoed by Tomáš Valášek (Za ľudí), the chairman of the parliamentary EU Affairs Committee, who warned that participation in 17+1 causes Slovakia reputational costs (National Council of the Slovak Republic 2020). This declaration stood in stark contrast to the narrative on 17+1 cooperation that the representatives of the previous, Smer-led government had repeatedly voiced. This is exemplified by past claims from former Prime Minister Peter Pellegrini (then Smer, now Hlas–SD)\(^\text{11}\) that participation in the 17+1 platform was beneficial to EU unity, as it helped candidate countries of the Western Balkans in the accession process (Dubravčíková, et al. 2018).

When the time came for Prime Minister Matovič to decide whether to participate in his first 17+1 summit, a week before the meeting he indicated that he would not attend. However, a week later, he appeared at the summit representing Slovakia. It has been reported that countries which did not want to send either a Prime Minister or a President to the summit faced pressure from Beijing shortly before the meeting (Šimalčík 2021). In the case of Slovakia, China used the ‘carrot and stick’ method, which it regularly uses to deal with the Visegrad countries (Karášková, Bachulska and Kelemen, et al. 2020). The ‘carrot’ took the form of signing a protocol on the export of lamb and goat meat from Slovakia to China (Šimalčík 2021). As for the ‘stick’, it has been suggested

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\(^{11}\) Following an internal rift in the Smer party after the 2020 elections, politicians around Peter Pellegrini left Smer and founded a new political party Hlas – Social Democracy. Politicians close to former Prime Minister Robert Fico remained with the Smer party.
that Chinese threats to refuse to sell their COVID-19 vaccines to Slovakia, should the country need them, played a role in Matovič’s decision (Kauffmann 2021).

In 2019, and more so in 2020, changes in how China approaches Slovakia can also be seen. The 2019 pro-democracy protests in Hong Kong, and the spread of COVID-19 in 2020, have pushed Chinese external propaganda into overdrive in an effort to change perceptions of these events in other countries, Slovakia included. The Chinese propaganda and disinformation campaign has relied on a combination of traditional media, various fringe outlets, local proxies, and social media (Karásková, Bachulska and Matura, et al. 2020). Notable examples include the use of ‘advertorials’ (paid-for content presented in the form of an article) in the mainstream magazine Trend, in which the then Chinese ambassador Lin Lin attempted to delegitimize the Hong Kong protest movement by accusing it of terrorism and accepting foreign funding (Šimalčík 2019). Shortly after the COVID-19 pandemic started, the Chinese Embassy in Slovakia joined Twitter and Facebook, which it then used to promote its viewpoints on the pandemic. Between February and August 2020, over half of the embassy’s tweets focused on the pandemic (Karásková, Bachulska and Matura, et al. 2020).

In light of the pandemic, several Slovak politicians associated with the Smer party have spread pro-Chinese narratives. Most notably, Ľuboš Blaha, an MP for Smer, has promoted the conspiracy theory about the U.S. origin of the Sars-CoV-2 virus and its subsequent deployment against China as a biological weapon. Blaha’s post was liked by 2,800 people and shared 970 times – high numbers by Slovak standards (Karásková, Bachulska and Matura, et al. 2020).

Slovakia has also found itself on the receiving end of China’s ‘mask diplomacy’. Donations of masks and other protective equipment were made by the city of Cangzhou in Hebei province and the nearby Sino-Czechoslovak Friendship Farm, as well as by the Shanghai municipal government and others. Besides donations, China was also selling supplies to Slovakia. Former Prime Minister Robert Fico publicly berated Prime Miniter Matovič for not showing gratitude to China for its willingness to sell medical supplies to Slovakia (Karásková, Bachulska and Kelemen, et al. 2020).

The political changes Slovakia underwent in 2020 also impacted the country’s position on China’s human rights abuses. Throughout 2020, parliamentarians from the coalition parties voiced support for the Hong Kong democratic movement, and called on China to release Gedun Choekyi Nyima,
the disputed Panchen Lama, whilst also supporting Taiwan’s accession to the World Health Organization (WHO), among other developments (Šimalčík 2020).

COVID-19 Sours Public Opinion

To understand the dynamics of political change vis-à-vis China fully, shifts in public opinion are an important factor. While a longitudinal study of public opinion on China in Slovakia is unavailable, other sources offer insights into the Slovak public’s evolving perception of China.

Data on the perception of China from Eurobarometer surveys (2016 – 2018) shows that Slovak views of China are quite malleable and prone to change. In 2016, as many as 49% of Slovaks had a favorable view of China. This had dropped by 13 percentage points a year later, jumping back to 44% in 2018 (European Commission 2016, European Commission 2017, European Commission 2018). This trend is confirmed by another public opinion survey, conducted by the Sinophone Borderlands project at Palacky University Olomouc and Central European Institute of Asian Studies. According to this survey conducted in September and October 2020, 27.2% of respondents saw China positively, 29.4% reported neutral views, and 42.3% had a negative perception of China. Opinions of China from one quarter of Slovak respondents have worsened in the past three years, with only 18.4% reporting improved perception (Šimalčík, Turcsányi, et al. 2020). Compared to Slovakia, people of the remaining Visegrad 4 (V4) countries report still larger shares of people with increasingly negative views (Turcsányi, Šimalčík, et al. 2020).
Despite Beijing’s attempts to disassociate itself from COVID-19, the pandemic is one of the most frequently listed spontaneous associations that the Slovak public has with China. Nevertheless, the most common association is that of China being a populous and big country. It is also often associated with its history and culture, as well as with the Communist system of governance and export of cheap products (Šimalčík, Turcsányi, et al. 2020).

China’s mask diplomacy in Slovakia was only partially effective. Even though it did not significantly shift worsening perceptions of the country, almost half of the population thinks that China helped Slovakia to deal with the pandemic. This puts China on a par with the EU, and far ahead of Russia and the U.S. (Šimalčík, Turcsányi, et al. 2020). The share of people recognizing Chinese help has decreased since April 2020, when three times more people recognized the help given by China (67.3%) than by the EU (22%) (Šnídl 2020).12

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12 It should, however, be noted that these are results from two different public opinion surveys; methodological differences may be a factor in the differing results.
Despite the worsening perception of China, most Slovaks do not see it as posing a threat to the country. According to the Globsec Trends 2020 survey, only 23% of Slovaks see China as a threat, the lowest share among the V4 countries (Hajdu, et al. 2020). This is reflected in the people’s foreign policy priorities vis-à-vis China. Ranked from most popular to least, Slovak policy on China should focus on cooperation on global issues such as climate change, epidemics and counter-terrorism (66.4%), promotion of trade and investment (58.1%), addressing cybersecurity (56.8%), advancing human rights and democratic reforms in China (48.0%), addressing intellectual property rights (44.4%), and preventing Chinese geopolitical expansion (35.9%) (Šimalčík, Turcsányi, et al. 2020).

Conclusion
Over the past year, Slovak policy on China underwent significant changes, resulting from changes in domestic politics after the February 2020 elections, and also the COVID-19 pandemic. These changes consisted chiefly of moves away from a pragmatic, economic benefits-seeking approach to one which recognizes potential security risks. During this time, we have also observed changes in public opinion, with almost half of the Slovak public reporting worsening views of China. However, despite this, most Slovaks do not see China as a threat.
Increasing concerns over Chinese activities in Slovakia and elsewhere in the EU have impacted the process of preparing Slovakia’s new Security Strategy. After repeated warnings from the Slovak security apparatus, the Security Strategy recognizes risks posed by China concerning corrosive capital, elite capture, and the spread of disinformation and propaganda.

Despite policy-makers having recognized various risks posed by China, Slovakia needs to acknowledge that to deal effectively with these issues, a whole-of-society response is needed. This can be achieved only if China becomes a subject of public debate, in which it has so far figured only marginally. At the same time, it is necessary for Slovakia to participate more actively in policymaking processes within the EU, since a common EU-wide response to challenges posed by China would be more effective than the sum of responses from individual member states, which may contradict each other.

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Twists and Turns; Chinese-Slovene Relations in the Pandemic Era

Nina Pejič

Abstract Perceptions of China in Slovenia were consistent until the pandemic crisis of 2020, when Slovenia started to acknowledge the role of China in international affairs and consequentially, made new policy decisions. This empirically-based analysis looks at key drivers of changes in public discourse and decision-making processes, focusing on interactions between Chinese and Slovenian private and public actors. Although Slovenia had never been a ‘poster child’ for China's relations with Central and Eastern European countries (CEEC), relations between the two deteriorated during the pandemic, despite a measure of mutual support along the way. From the Slovenian perspective, China still needs to do more in increasing both economic and political incentives, which, due to the size of the Slovenian market, may not be a priority for Chinese policy in the region. Slovenia also took steps to exclude Chinese actors from involvement in its strategic infrastructure engagement, seeking stronger transatlantic relations instead. This study shows that Slovenian policy towards China is pragmatically oriented in terms of economic relations, but takes a stronger stance in regard to political relations.

Keywords China, Slovenia, Central Europe, COVID-19, bilateral relations, Huawei, EU, US

Introduction

During a 2014 address to the diplomatic corps, the President of Slovenia, Borut Pahor, acknowledged India and Japan as the most important non-EU and non-NATO partners of Slovenia in Asia. The Chinese Ambassador left the event. Ignorance concerning Chinese economic growth, or at least underestimation, was at the time shared among most of the Slovenian media, politicians and researchers. Chinese advances were either downplayed or dismissed as simply copying foreign models. The wake-up call to watch the rising giant more carefully came very late for one of the smallest European countries that has to ‘walk on two legs’, that is with the EU, and globally (Svetličič, 30).
Seven years on, Slovenia’s outlook on China has changed. While grudgingly acknowledging the role of China in international relations, Slovenia is still unsure how to react to this. Slovenia is neither a landing site for large amounts of Chinese investments nor – after the pandemic – a place where mask diplomacy will work. It is rather a place of limited action and pragmatic foreign policy adjustments, which lately have been focussed primarily on closer transatlantic relations. This paper examines the progress of relations between Slovenia and China in the pre- and post-pandemic world, looking at key drivers of change in perceptions and public discourse, as well as in the decision-making process. It addresses how Chinese actors engaged with Slovenia and with what effect, but also the way that Slovenia behaved. Slovenian actors also took unprecedented foreign policy steps during the pandemic which merit careful scrutiny in the context of an otherwise low-key engagement with China.

The Pre-COVID-19 Perspective

A small country of 2 million people cannot compete in international relations based on the size of its resources or brute power; it is rather the capacity to adjust quickly to changing world affairs which can bring it some advantage. However, Slovenia did not take this course, either in regard to China or to changed relations between world powers. Observing the state of public perception and discourse about China in Slovenia in the years before the pandemic, the majority of Slovenian politicians, researchers and leading media editors were not aware of the increasingly decisive influence of China in the world (Svetličič, 2021, 84). This can be observed in public opinion polls, reflecting the level of the Slovenian population’s general knowledge of China, but also in the country’s foreign policy orientation.

In 2015, systematising its relations with the rest of the world, Slovenia drafted its current foreign policy strategy under the title of ‘Slovenia: safe, successful and respected around the world’. Despite this emphasis on 'around the world', the strategy does not include China, or even Asia, among its priorities; the region is mentioned in one paragraph of the document’s 25 pages. China is specifically mentioned twice, firstly in relation to the US:

‘The United States remains the world's most potent power. Efforts to promote multipolarity by the BRICS countries are not without problems and challenges. Relations between the US and China, and between China and Russia, will mark Eurasia, the Atlantic sphere and the rest of the world in
the long run. China, which has become the world’s largest economy, is also increasingly active in Europe. The ambivalent attitude of some countries with fast-growing economies towards liberal democracy, and their level of unwillingness to assume global responsibility, is a challenge for our Slovenian value framework.’ (Slovenia, 2015, 7).

Secondly, in relation to Slovenia:

‘Slovenia’s leading Asian partners include India, Japan, and China as the world’s economic superpower. Slovenia’s economic interests in Asian countries are closely associated with the port of Koper, Slovenian railways and the Slovenian automotive industry, and hi-tech cooperation. The key components of Slovenia’s cooperation with Asia concern the fields of science, development and innovation’ (Slovenia, 2015, 21).

The tendency to exclude China as a relevant actor in international affairs was reflected in the broader Slovenian public. Looking at public opinion surveys about China in the years before the pandemic, it is evident that general Slovenian perceptions of foreign powers (as well as their FDI) was not too positive either; so it is unsurprising that according to public opinion polls in 2015, the majority of Slovenes had a negative rather than a positive view on China (52% versus 45%). Reasons for this were perceptions of exploitation of cheap labour, the nature of the political regime, aggressive foreign market entry and human rights violations (Makovec, 2015 in Svetličič, 2021, 82). However, almost a third of respondents admired China's economic development.

A more recent and more positive view of attitudes related to China can be found in a survey conducted by Raskovic (2018) among the Slovenian millennial generation, where over 80% had positive attitudes towards China, seeing it as a global superpower and a civilized, friendly and developed nation, which to a degree could be seen as a Slovenian ally. A large share of respondents believed that China is not objectively represented in the media (Svetličič, 2021, 83). The results of the same survey also show familiarity with mechanisms such as the BRI and 17+1 (back then, 16+1), which at that time became more prominent in the media. The majority of the respondents in 2018 saw BRI as a tool to strengthen foreign trade and international relations, and to attract FDI to Slovenia from China. Military cooperation and education was at the bottom of the list in terms of identified opportunities and perceived greatest benefits for Slovenia from BRI. Interestingly, infrastructure projects, as well as connectivity and logistics, were also not seen as the greatest opportunities and benefits of cooperation with China (Raskovic, 2018, 9). However, there was
overwhelming support for some Chinese infrastructure projects in Slovenia, most notably the main train and bus station in Ljubljana. On the other hand, the majority of respondents did not support Chinese acquisition of either Slovenia’s biggest bank (Nova Ljubljanska Banka) or its biggest retail company (Mercator). This shows that public support is much stronger for infrastructure projects than for acquisitions of flagship Slovenian companies (Raskovic, 2018, 10–11).

Based on these results, Svetličič (2021, 83) concludes that the biggest opportunities in China-Slovene relations concern trade, international relations and FDI, while there is also public support for targeted Chinese investments into selected infrastructure projects in the public sector (public opinion about acquisitions in the private sector is more reserved). However, while these investments were supposed to be accelerated through initiatives such as BRI and 17+1, there have been no visible benefits from either in Slovenia.

When it comes to FDI, one instance is worthy of mention. Gorenje, one of the eight largest manufacturers of home appliances in Europe, was acquired by the Chinese company Hisense in 2018 for $339 million (The Slovenia Times, 2018). While there have been discussions over Chinese engagement in an infrastructure project surrounding the train connections between Divača-Koper and Port of Koper, increasing important to China due to its container cargo capacity, they have not been realised. As indicated above, no successful infrastructure investment has arisen from the frameworks of BRI or 17+1 in Slovenia, while the pandemic simply increased Slovenia’s pre-existing trade deficit with China.

As regards the state of Slovenian media reporting on China, several topics linked to Slovenia have been covered in recent years. Extensive media reporting was devoted to the Philippines v. China

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13 Slovenian Luka Koper is one of the North Adriatic Ports Association (NAPA) ports, opening the doors to the European common market. The Adriatic ports gathered in the NAPA association provide a shorter route to the same markets than Piraeus, the journey being almost 2000 miles shorter and taking six days less to reach Western European markets (Pejić, 2020). Hence, NAPA ports can be viewed as representing a Plan B to Port Piraeus. However, this is only possible if there is a good land connection going forward from the port to the European markets.

14 Except for 2019, the total volume of cargo transhipped via Port Koper, including from China, has been increasing; in 2018, more than 2 million tons of goods were transhipped to and from China. In recent years, the transhipment of prestigious car brands exported from the EU to China via the Port of Koper has also become substantial (Motoh et. al, 2019). In 2018 Port Koper became a formal part of the OBOR initiative after the signature of a Memorandum of Understanding (MoU) in June 2018 in the Chinese city of Ningbo. However, the precondition for any real enhanced cooperation is the building of the second railway track between Divača and Koper, which would greatly enhance the capacity of inter-modal transport from the Port of Koper (ibid.).
South China Sea (2016) arbitration judgement, with media looking for possible comparisons with the Slovenian sea border arbitration with Croatia. Coverage was also given to the case of the China Road and Bridge Corporation winning a large tender to build the much-anticipated Pelješac Bridge in Croatia. Moreover, when it comes to public events during bilateral visits, which usually receive media attention, it is notable that Slovenia did not experience a significant increase in bilateral exchanges; there were no high-level Chinese government visits to Slovenia, or political declarations made in regard to China, in contrast with the recent increase in bilateral visits to nearby countries, such as Hungary, Czechia and Serbia (Karaskova et al., 2020).

Overall, the trajectory of the pre-pandemic bilateral relationship between the countries did not undergo any significant change. This was reflected in China’s static public image and almost no governmental statements or media engagement with topics concerning China in Slovenia. As noted, Slovenia made no significant gains from China’s increased presence in the world and the CEEC region. Since Slovenia is a small market that expected less than several other countries in the region, and because it is a part of the EU with less Euroscepticism than other Central European countries, unlike Hungary for example, its official entities did not emphasise China as an alternative to Europe either in public speeches or policy-making decisions.

The COVID-19 Pandemic Perspective: Personal Protective Equipment (PPE) in Focus

Even the outbreak of COVID-19 in China figured comparatively little in the Slovenian press before infection reached Europe in February 2020. In comparison with the Western Balkan countries, where authors (see Požgan et. al, 2021) mark the period of pandemic as the time of Chinese ‘mask diplomacy’ in which China was seen as ‘the only country able to provide substantial aid’, Slovenia was not subject to this on a large scale, although masks were indeed donated on both sides.

When the pandemic was at its height in China in the middle of February 2020, Slovenia gathered 1.2 million protective masks to send to China as a donation from the Slovenian Kylin Prime Group, with the Slovenian government paying a quarter of the transport costs (RTV, 2020a). At the same time

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15 Research forming part of a project called 'Nationalistic populism and its reception in Central Europe', carried out for Slovenia by Dr. Marko Lovec, largely confirms the strong pro-European orientation of Slovenians. Certain categories of respondents are, however, relatively more Eurosceptic, including those who are less educated and skilled and those living in less developed regions and rural areas (Lovec, 2019).
time, Slovenian entrepreneurs acting in the name of the Slovenian Government, also collected and donated €60,000 to the World Health Organization (WHO) for the fight against the spread of the pandemic. In the name of Slovenia, the Commissioner for Humanitarian Aid and Crisis Management, Janez Lenarčič, urged EU Member States to show solidarity with China and to assist third countries with fragile health systems (ibid.). At the same time, the Confucius Institute at the University of Ljubljana started an appeal to collect more masks for China’s time of need.

When the pandemic started in Slovenia in March 2020, the Slovenian government’s efforts failed to secure enough PPE for Slovenian needs. In March the government announced that Slovenia had received 300,000 protective masks donated by the Alibaba Foundation and the Jack Ma Foundation, providing some immediate relief to the health system. To help the government face the crisis, Aleksander Čeferin, the head of the Union of European Football Associations (UEFA), a Slovenian, established direct connection to Ma, who agreed the donation personally over the phone. Transport of the masks from a Belgian airport was organized by the Administration of the Republic of Slovenia for Protection and Rescue (Delo, 2020).

Two other significant moments for Chinese donations came in April 2020. China’s Ambassador to Slovenia, HE Wang Shunqing, handed over to Serbian recipients donations from private Chinese companies with ties to Slovenia, private individuals (Slovenes living in China) and importantly, friendly cities; Shanghai provided 20,000 masks to the Municipality of Ljubljana.16 When China recovered and Slovenia entered the dangerous first wave of COVID-19, the Chinese Government provided over 12 tons of protective equipment (over 700,000 masks), which were accepted in the name of the Ministry of Foreign Affairs of Slovenia (Gov.si, 2020). There were no media reports on the fact that these masks did not meet required standards of quality and certification, and this donation was perceived positively by the general public and especially, in the media.

However, as the crisis continued, the media increasingly reported on cases of apparently corrupt activities surrounding the acquisition of PPE, often claiming that consignments contained masks from China without proper standard certificates or being disproportionally low-priced in comparison to other providers, casting doubt on their quality (Oštro, 2020; RTV, 2020b). By the end of 2020, public doubts about the quality of China-sourced PPE had intensified. The Slovenian

16 The complete list of donators and receivers can be accessed here: https://www.gov.si/novice/2020-04-14-donacije-zascitne-opreme-kitajskih-mest-svoim-partnerskim-mestom-v-sloveniji/
government, through public tender, had selected as supplier a pharmaceutical company named Majbert Pharm, which sourced apparently unsatisfactory fast antigen tests from a Shenzhen company for use in free nation-wide COVID-19 tests. Media all over the country, as well as experts, publicised the poor quality of the government’s purchase, focussing more attention on improved transparency of public procurement processes, as well as on the need for quality and certificate checks on any imported PPE for domestic use in the fight against the pandemic.

All in all, although Slovenia and China exchanged large quantities of masks, the overall public perception of China in the heat of mask diplomacy has not been in favour of Chinese equipment, and the idea of China as the saviour of the Slovenian nation did not emerge. Moreover, media reports shaping public opinion in 2020 also focussed on issues of technology including TikTok, surveillance equipment and 5G networks (an increasingly important topic across Europe in 2020), as well as China-US relations and other aspects of the trade war and its influence on Europe. Chinese (and more generally Asian) responses to the pandemic were prominent as well. The Chinese response was perceived as strict but efficient; however the media also reported on the failure of the Chinese Government to inform the public sooner about the outbreak of COVID-19 (24.ur, 2020).

**Policy Makes a Turn in 2020**

The pandemic crisis in Slovenia also brought a change in politics, not only in public perception. At the end of January 2020, Prime Minister Marjan Šarec unexpectedly resigned and called early elections (STA, 2020). He did not consult coalition partners and the expected elections did not take place; instead, his coalition partners decided to join in the formation of a new government under Janez Janša, the leader of the right-wing Slovenska Demokratska Stranka (SDS) in Slovenia (ibid.). This development brought changes in foreign policy as well, with the appointment of a new Foreign Affairs Minister, Anže Logar.

The biggest change in foreign policy resulted from the US Secretary of State Mike Pompeo’s visit to Europe in August 2020. His visit to Slovenia was the first by such a high-ranking US official to the country in more than a decade. He and Foreign Minister Logar signed a Joint Statement on the Security of 5G Networks in Slovenia, a ‘confirmation of Slovenia's efforts to strengthen the
country’s cybersecurity in recent years’. According to the Agreement, the two countries agreed to establish a dynamic and resilient 5G ecosystem through an assessment of supply chains and suppliers and strict adherence to security practices and standards (Metropolitan, 2020). In response, Huawei called on the Slovenian government to discuss and sign an agreement guaranteeing that no surveillance technology would be used in Huawei’s supplied equipment. However, no such discussions took place. Furthermore, in October 2020, the business newspaper Finance reported a special governmental decision to categorise Huawei as a high-risk supplier, which would effectively ban it from the public procurement process.

At the time, the Slovene-Chinese Business Council (SCBC), a recently-created association of Slovene companies working in the Chinese market, expressed concerns about the precedent which would be set by a governmental decision to label only one company on the market as a high-risk supplier, primarily on the basis of country origin (Dnevnik, 2020a). The SCBC also asked whether this decision would constitute unlawful discrimination against a single company based on subjective criteria, and whether it would undermine foreign investor confidence concerning the Slovenian business environment (ibid.).

Huawei then commissioned a study from the Center of Business Excellence at the School of Business and Economics in Ljubljana, investigating the effects of the ban. The study predicts significant negative consequences. It claims that the exclusion of ‘one of the providers’ of 5G technology would result in 6% to 20% higher prices for alternative 5G equipment, delays in establishing the network and consequent lower productivity that could reduce GDP between €220-460 million by 2030 (Dnevnik, 2020b). Nevertheless, the study did not affect the government’s decision. The ban on Huawei has reportedly not had negative effects on Slovenian companies operating in China.

Policy also changed regarding Slovenian inclusion in the 17+1 initiative, whose Summit in February 2021 for the first time passed without local attention. According to internal information, how the 17+1 online Summit was conducted received negative feedback from some ministries in the seventeen countries: the date was proposed by China unilaterally and not coordinated with the Ministries of Foreign Affairs, and Chinese software was supposed to be installed by each country.
to support the Summit. As Slovenia has received few gains from the initiative, the lack of media reporting is perhaps no great surprise.

Concerning China’s cultural influence and soft power in Slovenian foreign policy, the increased role of the Confucius Institute merits attention. It opened at the Faculty of Economics at the University of Ljubljana in 2009 and expanded its role during the pandemic. It transferred all classes online and commenced teaching both Slovene and Chinese language and culture to the workers of Hisense (formerly Gorenje, see above), and taking on the role of facilitating Hisense’s relations in Slovenia. In a further development the University of Ljubljana has supported the expansion of its Confucius Institute into a ‘Research Centre and Centre of Excellence’. Both of these changes show how the Confucius Institute is enlarging its role in education in Slovenia.

China- Shaping the Slovenian and Global Context

Slovenia has never been a ‘poster child’ of China's relations with the CEEC, and relations between the two deteriorated during the pandemic despite the mutual help along the way. Despite more than 7 years elapsing since the launch of the 17+1 initiative, Slovenia has had little to show as a solid outcome of the framework, which contributed to the shift. This paper notes an increase of Chinese engagement in trade and investments, but this has been severely one-sided and failed to match the local level of expectations.

When assessing the pre- and post-pandemic attitudes of Slovenia towards the 17+1 and BRI Initiative, it is worth keeping in mind Jackson's (2018) point that great powers can never have all their foreign policy attention focused on a single area of the world. Hence they suffer from attention deficit. The attempts of great powers to influence specific countries and regions often backfire since they cannot keep their undivided attention on any of them, creating a unique expectations-capability gap (Kavalski, 2003). This is especially true for the rising powers, who can fail to meet the demands of their emergence to global prominence. In the case of Slovenia, it is clear that to consolidate its aspirations China still has to do more to increase both economic and political incentives, which, due to the size of the Slovenian market, might not be its priority in the region. On the other hand, Slovenia has done little to counter-offer. It has been reluctant to state
its terms, wishes and plans for the Chinese involvement in the country. This probably reflects a deficit of foreign policy strategy.

However, the US Secretary of State seemed to have triggered a policy shift on cybersecurity issues. 5G is perceived in Slovenia as a critical infrastructure; the proponents of the ban argue that Huawei could use its equipment for espionage, which is reflected in the 2020 government decision, bearing on Slovene-Chinese relations. This is of course part of a series of similar decisions across Europe, which indicate that banning Huawei as a supplier is considered a matter of strengthening European network security as a whole (Rühlig and Björk, 2020). Nonetheless, instead of drafting measures aimed de facto at excluding a great power, which counters the EU's mission of global cooperation, further measures towards China could instead be developed and framed in the context of sustainability – to decrease European dependency on another region as part of a global turn towards local production in the supply chains, whether in the field of network development or any other area.

To conclude, there will certainly be a 'before' and an 'after' regarding the COVID-19 outbreak in global economics and politics. In economics, a renewed emphasis on regional chains of value is already taking place. This might lead to decreased dependence on large powers in Europe for the supply of certain product areas. These are likely to include 'strategic value chains', such as new mobile network deployment, high technology and green technology, medicine (vaccines) and protective equipment. A problem that currently persists however, is that there are no clear boundaries on what is acceptable in Europe (and Slovenia) and what not. For example, can a Chinese or an American company participate in a European strategic value chain? The EU lacks a common denominator when it comes to strategic infrastructure, which should reflect priorities at the national and regional level of the Union. Resources (private and public), as well as skills needed, should be identified across strategic value chains and governance processes established to develop them. This would free the EU from dependency on Chinese supply in a positive way, keeping political relations intact and at the same time strengthening the economic interconnectivity of EU Member States with each other, a concept that goes back to the roots of the EU’s inception.
References


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