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# Central Europe for Sale: The Politics of China's Influence

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## Executive summary

- The paper summarizes the findings of large-scale research of media reporting and political agency related to China in the Czech Republic, Hungary and Slovakia from 2010 till mid-2017. It provides novel insight into the formation of Chinese influence in the three countries, relying on a unique dataset based on an **analysis of more than 7,700 media outputs** and a **series of interviews with agenda setters** and insiders.
- Discourse on China in the Czech Republic and Hungary is heavily **politicized and stereotyped**. Media often did not inform about China as such, i.e. its domestic politics or social issues.
- In general, the public is relegated to **information mostly imported from foreign news agencies or English-speaking media sources, however, original reporting on China has evolved in the Czech Republic**.
- **Pro-Chinese attitudes have gradually become the political mainstream in the Czech Republic**. This situation has been further reinforced by the results of parliamentary and presidential elections in October 2017 and January 2018, respectively.
- Acceptance of and support for Beijing as an economic and even political partner coincides with consistent **'cultivation' of certain political groups** by the representatives of Chinese interests in the Czech Republic. These are not only limited to official representatives of the People's Republic of China, but also include **Czech business groups with increasing economic interests in China**. For some politicians, notably president Miloš Zeman, they have found allies who outdo them in the zeal to expand and deepen the links between the two countries.
- Stimulated mainly by the concern over the link between pro-Chinese policies and anti-liberal tendencies, as represented by president Zeman, both public and private mainstream **Czech media have taken a largely concerned and often openly critical perspective of China**. However, the balance can change quickly: our research shows that **Chinese ownership of media outlets effectively eliminates all negative views** of the country, its politics and policies.
- The **Hungarian media discourse** on China is mostly **one-dimensional, focusing overwhelmingly on economic issues and the development of bilateral relations**. Topics like political values, human rights, minorities or democracy are almost completely missing from the agenda.
- The **assessment** of Hungarian-Chinese relations in the media is strongly **influenced by the political attitude of the given media source towards the government**.
- Slovak media painted a rather neutral picture of China, focusing primarily on economic issues. **Interestingly, discussion of Slovak-Chinese relations is almost absent from the media outputs**.



- In general, in Slovakia there is very little interest in China (and vice versa). As a result, some **Slovak businessmen tend to utilize Czech diplomatic links** as a way of bypassing a limited interest of their own government in China. Despite that, Slovakia might soon receive the biggest Chinese investment in the CEE region since 2011.

## Recommendations

- **Insist on a transparent and inclusive public debate on relations with China.** Watch carefully shifts in Central European countries' attitudes towards China which are not clearly explained or rooted in previously adopted policies. Central European countries should strive to **increase the transparency of funding for political parties and presidential candidates by foreign donors.**

- **Develop China expertise.** As the analysis showed, reflection of China in Central European countries is often conveyed by journalists and politicians with limited knowledge of the problem. What is needed is not just more intense participation of China experts in the public debate, but also continuous education of journalists, policy makers and politicians. The goal is to promote critical discussion of China based on facts, rather than prejudices or wishful thinking. **Support for journalism** with a long-term focus on China-related topics is an essential component of this priority.

- **Rationalize the debate on economic relations with China.** Especially in the Czech Republic, the debate is marked by excessively rosy pictures of future Chinese investment on one side, or ideologically motivated opposition to China on the other. An interdepartmental strategic document defining the Czech Republic's priorities in relations with China is clearly needed. The strategy should identify the sectors and regions to which the Czech Republic wants to attract Chinese investment in a way that maximizes economic and social benefits. The strategy should also set clear standards for **ensuring the transparency of state support for business companies** engaged in trade with, or investment in, China.

- **Define strategic industries** and initiate a debate on what sort of investors might represent a strategic threat. Some of the countries already define elements of critical infrastructure (e.g. international airports, electricity generation and distribution, etc.), but paradoxically do not address the question of their ownership. Participation in the creation of the European Union's **screening mechanism for investment in key European infrastructure** from third countries, as proposed by Jean-Claude Juncker in the State of the Union Report last year, should be regarded as an opportunity to complement national effort in this domain. The CE countries should also join other EU members in **promoting the principle of reciprocity**: If foreign companies cannot invest in China in energy, telecommunications, media and other strategic sectors, opening up the European market without any conditions is neither tactical nor desirable.



→ **Consider media outlets as a specific category of strategic assets.** CE countries should closely monitor media purchases by Chinese companies. As the analysis showed, the tone of reporting (on China) significantly changes with Chinese ownership. The Slovak law prohibiting cross-media ownership could serve as inspiration for other countries.

→ **Share knowledge** of Chinese interests in Czech Republic, Hungary and Slovakia, particularly within the Visegrád Group, the 16+1 and the EU. A regional approach should be developed to create channels of communications within CEE among politicians, journalists and researchers. Beijing enjoys the benefit of a full overview of China-CEE cooperation – in order to offset that advantage, the participating European countries need to exchange their insights and best practices more extensively. Ultimately, such interaction should lead to coordination of their positions vis-a-vis China.



## Introduction: Research Design and Its Scope

Ivana Karásková, Association for International Affairs (AMO)

In Central Europe, the start of the second decade of the 21st century has been marked by the **rise of politicians with illiberal agendas, mostly pro-Russian orientation and a welcoming attitude towards China**. After eight years in opposition, Viktor Orbán won his second premiership in 2010, almost immediately starting his campaign to fully control all facets of the Hungarian state, including the judiciary and the media, systematically removing the existing checks and balances. In the Czech Republic, Miloš Zeman became the first Czech president chosen by a direct popular vote in January 2013. He subsequently challenged the established constitutional order, and undermined existing pro-Western consensus in Czech foreign policy. In Slovakia, the SMER party, nominally social-democratic but with a strong populist leaning, has been in power since 2006 (with the exception of short intermezzo in 2010-2012). Although the party has had a pro-EU direction, its notorious corruption and other scandals have resulted in the massive increase of public frustration and support for extremist political forces, including a fascist party which was elected to the parliament and has in the recent past governed one of the Slovak regions.

In their illiberal tendencies, current leading statesmen in Czech Republic, Hungary (and to some extent even Slovakia) are Western-sceptic and ready to seek support outside the Euro-Atlantic community of established democracies. Some Hungarian and Czech politicians also admire authoritarian style of government and, based on primarily economic reasoning, tend to regard China as a welcome alternative to established business and political partners. China has entered this environment as an influential new player, one that exploits these developments. The rise of illiberal politicians in Central Europe coincides with Xi Jinping's centralization of power in the PRC and a crackdown on any perceived political, media or societal opposition. Under Xi's leadership, China abandoned the "hide our capabilities, bide our time" strategy recommended by Deng Xiaoping and unveiled ambitious and far-reaching foreign policy projects, such as the Belt and Road initiative and the 16+1 platform, which also encompass the region of Central Europe. Thus, for the first time, **Chinese assertiveness in international relations is met with open arms by leading Central European politicians** who no longer regard it as a potentially troubling, undemocratic regime but as a full-fledged partner and even, in Zeman's and Orbán's case, political inspiration.

In order to understand the Chinese discourse transformation in Central European countries, the Association for International Affairs (AMO) in the Czech Republic teamed up with the Central and Eastern European Center for Asian Studies (CEECAAS) in Hungary and the Institute of Asian Studies (IAS) in Slovakia and collaborated on the ChinfluenCE<sup>1</sup> project. In a joint research, run under the methodology developed by AMO, the three think tanks conducted a **media analysis** of more than 7,700 texts on China, which were published by the most widely followed Czech, Hungarian and Slovak media in the period of 2010 till June 2017. The analysis covered dailies, weeklies with political and/or economic focus, radio and TV stations and news servers. It looked at mainstream as well as alternative media, those that are public and those privately owned, including media (co)owned by Chinese companies. Based on articles, encoders built a database of words which carried either positive or negative sentiment towards China and coded each article as being positive, neutral, or negative, while putting aside the question of objectivity of articles or correctness of facts mentioned in them. They also recorded themes which were prevalent in the articles, such as world

<sup>1</sup> [www.chinfluence.eu](http://www.chinfluence.eu)



politics, bilateral economic relations, human rights or arms embargo, etc., providing a detailed knowledge of the discourse and enabling comparative analysis.

The research thus focused on both **quantitative and qualitative aspects of the discourse's transformation**. It presupposed there was a rise in the amount of China-related outputs as the topic became increasingly prioritized in the political debate in the region. Accordingly, the research started with the presumption that the tone and form of discussing and reporting about China has undergone a shift toward increasingly positive coverage.

The second objective of the project was to identify and explain the web of opinion of **agenda setters** involved in the recent pro-China turn. At this stage, researchers looked at agenda setters of the discourse - authors and co-authors of articles, sources, quoted persons, companies and institutions - and identified those who took part in the discourse directly, and those who were mentioned by others but did not contribute to the discourse themselves. Looking back to the dataset, researchers then coded agenda setters' direct speech acts regarding China as either -1 (negative to China), 0 (neutral to China) or +1 (positive to China). The agenda setter's sentiment value counted as an average of the sentiment in relation to the number of citations by the agenda setter in the analyzed dataset represents a position of each actor on China and vis-a-vis others on the scale.<sup>2</sup>

Research on agenda setters in the Czech Republic, Hungary and Slovakia continues and more data are to be published.

## Czech Republic between Media Activism and Political-Business Collusion

Ivana Karásková, Association for International Affairs (AMO)

Czech Republic started its independent existence in international politics under the strong influence of Václav Havel's ideal of normative underpinning in foreign policy, based on a critical reflection of the experience with totalitarian ideologies of the 20th century. From this perspective, China was long regarded as a problematic actor, with echoes of the communist straitjacket to which Czech citizens were subjected before 1989. While open hostility to China was rare, limited symbolically to the support for the Dalai Lama, clear distance existed from its governance methods and values of its political system. After accessing EU, **the Czech Republic actually represented the most critical voice in the Union**<sup>3</sup> on economic and political relations with the People's Republic of China, despite some Czech companies or politicians favorable view on opportunities present in China's market.<sup>4</sup> However, much changed with the global financial crisis and the rise of business opportunities in the PRC - gradually, the idea of an alleged negative impact of human rights promotion on economic interactions took hold. Even before the election of Miloš Zeman as the Czech president in 2013, China started being promoted as an economic partner by then ruling Civic Democratic Party (Občanská demokratická strana - ODS). With the election of Zeman, China became portrayed **not only as a business opportunity, but as a normative model**. The contrast between Havel's ideal of an ethically infused foreign policy and Zeman's notion on CCTV during his visit in Beijing that China could help teach

<sup>2</sup> Given the high number of agenda setters, the researchers limited the number by focusing only on actors cited at least three times in the analyzed period of 6 and half years.

<sup>3</sup> John Fox and Francois Godement, "A Power Audit of EU-China Relations" (London: European Council on Foreign Relations, April 2009), [http://www.ecfr.eu/page/-/ECFR12\\_-\\_A\\_POWER\\_AUDIT\\_OF\\_EU-CHINA\\_RELATIONS.pdf](http://www.ecfr.eu/page/-/ECFR12_-_A_POWER_AUDIT_OF_EU-CHINA_RELATIONS.pdf).

<sup>4</sup> "Léta 2004-2006, krátké jaro česko-čínských vztahů", PSSI, accessed March 21, 2018, [http://www.pssi.cz/download/docs/503\\_leta-2004-2006-kratke-jaro-cesko-cinskych-vztahu.pdf](http://www.pssi.cz/download/docs/503_leta-2004-2006-kratke-jaro-cesko-cinskych-vztahu.pdf).

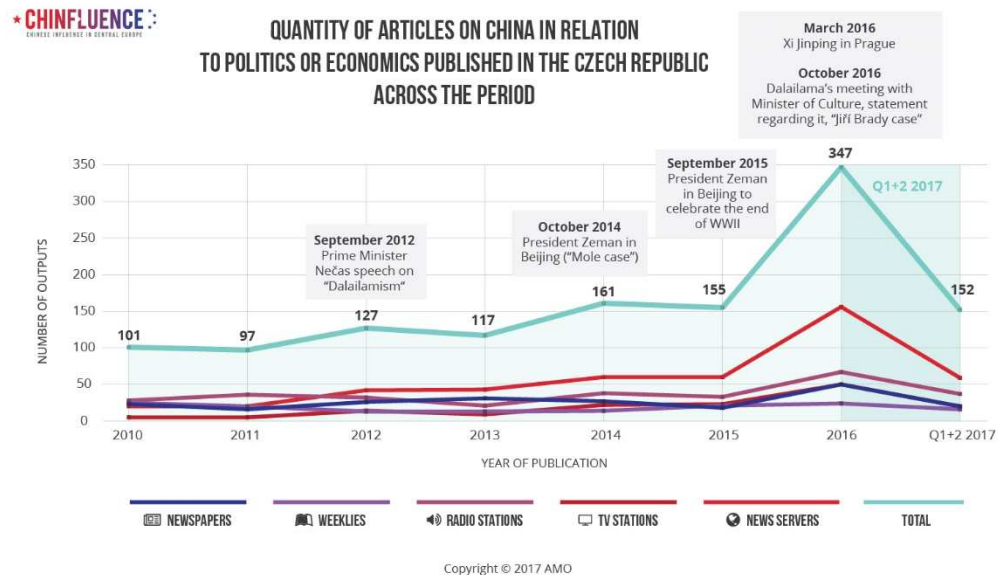


the Czech Republic to “stabilize the society,” could not be greater. Hynek Kmoníček, former director of Zeman’s foreign policy office and current ambassador to Washington, explained Zeman’s chumminess with China as a calculated strategy used for promoting Czech economic interests. He argued that, unlike big states whose representatives get invited to China due to their country’s importance, the Czech Republic needs to have a “particularity, something where it is able and willing to go the extra mile to ensure reciprocity”<sup>5</sup>. However, our media research, and mapping of **Zeman’s proclamations on China, reveal that his positive view of China was not directed exclusively to the Chinese audience.**

Increasing openness towards China and acceptance of its influence is far from uniform, but our research confirmed that over the past years it has become a **political mainstream**. To determine the scope, composition and methods of China’s influence in the Czech Republic, the ChinfluenCE project analyzed 1,257 Czech media outputs published between 2010 and June 2017 on China in connection with economic and/or political issues. For the analysis, researchers selected 42 media which were most widely read, listened to, watched or followed – dailies, weeklies with a political or economic focus, radio and TV stations and news servers, focusing on mainstream media but included the alternatives as a useful control variable. The dataset included both public and privately-owned media outlets, including those (co)owned by Chinese companies.

The analysis revealed that the **number of articles on China rose** steadily with the intensification of Czech–Chinese bilateral relations, culminating in 2016 with the visit of both the PRC’s president Xi Jinping and the Dalai Lama in Prague.

**Graph 1: Quantity of articles on China in relation to economics or politics published in the Czech Republic across the period**

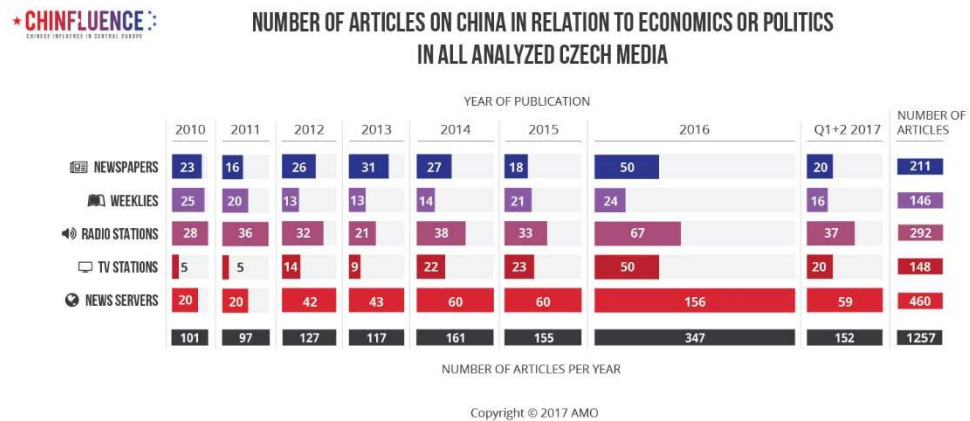


The increasing attention toward China-related political and economic topics has been confirmed across a range of different media sources.

<sup>5</sup> Hynek Kmoníček, “Kmoníček: Státy EU nám chtěly zabránit získat čínské investice, Čína předefinovala slovo komunista,” interview by Martin Veselovský, DVTV, April 1, 2016, <https://video.aktualne.cz/dvtv/kmonicek-cina-zcela-predefinovala-obsah-slova-komunista-komu/r-157b2do4f76911e5a652002590604f2e/>.



**Graph 2: Number of articles on China in relation to economics or politics in all analyzed Czech media**



While the overall amount underlines the intensification of Czech-China relations, a closer look is needed to evaluate the impact this shift made on the perception of the PRC and its policies. Interestingly, the **overall sentiment of the combined political-economic reporting and commentary on China has been clearly polarized** across the analyzed period, with 41 percent of articles being coded as negative. The polarity of Czech articles is especially telling in comparison to Slovak and Hungarian cases which - based on the same methodology - showed an overwhelming majority of articles on China being coded as neutral.

Regarding the prevalence of the topics, Czech media paid most attention to **Chinese economic and political relations with other countries and organizations** (US, Russia, EU, India, Japan, etc.) - a logical reflection of journalists on the position China has gradually risen to.





**Graph 3: Representation of topics in articles on China in relation to economics or politics in all analyzed Czech media (2010-6/2017)**

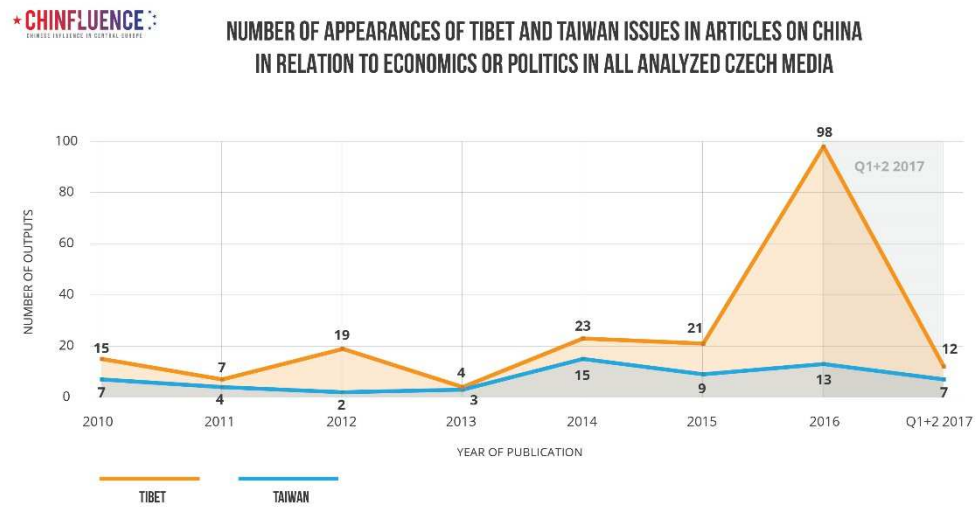


**Human rights**, including general information on abuses and violation of minorities' rights, the death penalty, detention of dissent and organ harvesting, were the second most important category of topics covered by the Czech media, proving that **journalists did not subscribe to the alleged tradeoff between human rights issues and economic benefits**, advocated as necessary by a part of the political and economic elites. The human rights mantra, however, did not go beyond stating the notoriously known and in various cases the issue was artificially, perhaps reflexively, attached to articles which dealt with seemingly unrelated topics.

**Communism**, authoritarianism and censorship followed in frequency, revealing the importance of the issue to Czech journalists and Czech society in general which have not yet digested its own Communist past.



**Graph 4: Number of appearances of Tibet and Taiwan issues in articles on China in relation to economics or politics in all analyzed Czech media (2010-6/2017)**



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While the prevalence of the above-mentioned categories remained constant in the studied period, notions of **Tibet**, though it scored in frequency, fluctuated in time, culminating in 2016 when the Chinese president Xi Jinping and Dalai Lama both visited Prague. A counter-narrative in which Tibet was presented as having been liberated by the People's Liberation Army in 1959, saved from theocracy that supported slavery and feudalism and from Dalai Lamas who punished disobedient subjects with 'cutting off hands and poking eyes out,' was spread in the Czech media landscape by president Zeman, Miloslav Ransdorf, then Communist member of the European Parliament, journalists in the Communist daily *Haló noviny*, alternative media and the Chinese official propaganda apparatus represented by the Chinese embassy. Interestingly, the issue of strategic position and economic and political relations with **Taiwan** were - in comparison to the Tibet issue - largely marginalized though Taiwan and the Czech Republic share a similar history of transition from an authoritarian regime to democracy, an experience of living on the borders with a great power and, on top of that, Taiwan is one of the three most important Asian investors in the Czech Republic.

Despite a joint push of political and economic elites to portray China as a business opportunity, Czech media paid less attention to **Chinese investment** in the Czech Republic and to China's influence in the country than to bilateral **cultural exchange**. Behind these aggregate figures, however, deep fissures exist. Increasingly, these cleavages pit the pro-Chinese positions of a significant part of the political elite, supported and nurtured by specific business interests, against still resilient but potentially fragile media opposition.

## **Willing Enablers? Chinese Cultivation of the Czech Political Elite**

Nothing could be easier than to personify the push for a China-friendly turn in Czech foreign policy with the current - and newly reelected - Czech president Miloš Zeman. Indeed, detailed **analysis of the agenda setters** on China policy in the Czech media discourse, that we performed on the data from the aforementioned research, largely corroborates this assumption.

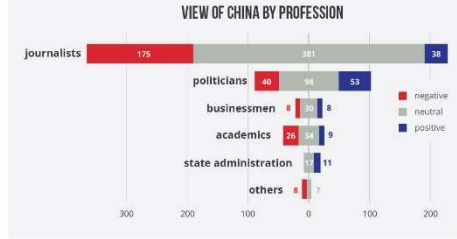
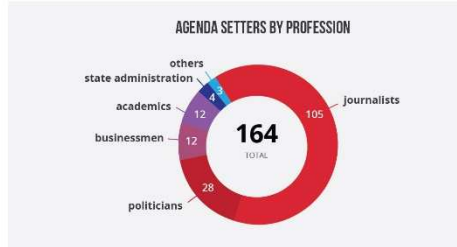


Graph 5: Czech agenda setters' sentiment on China

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CZECH AGENDA SETTERS' SENTIMENT ON CHINA

Name and Surname / profession / company / number of citations in media between 2010-6/2017



- Zdeněk Zbořil** / political scientist / 12
- Jaroslav Tvrdík** / previously Czech Airlines; currently CEFC, Chairman of the Board of Directors in Czech China Chamber of Collaboration / 3
- Alexandr Tomský** / publisher; politician, Realist / 3, **Jiří Hroník** / journalist, Parlamentní listy / 3
- Jan Kohout** / former politician, ČSSD; business, New Silk Road Institute / 3
- Marian Keremidský** / politician, SPOZ/SPO / 3, **Martin Koller** / security analyst / 3
- Martin Komárek** / politician, ANO / 3, **Petr Zahradník** / economist, consultant, academic / 3
- Tereza Spencerová** / journalist, Literární noviny / 3
- Lubomír Zaorálek** / politician; former Minister of Foreign Affairs, ČSSD / 12
- Petr Nečas** / former politician; former PM, ODS; business / 6
- Lucie Vyborná** / presenter, Czech Radio / 4, **Martin Kupka** / politician, ODS / 4
- Ondřej Soukup** / journalist, Hospodářské noviny / 4, **Miroslava Němcová** / politician, ODS / 4
- Petr Šimůnek** / presenter, Český rozhlas / 4, **Adam Černý** / journalist, Hospodářské noviny / 4
- Tomáš Tománek** / journalist, Lidové noviny / 4, **Světlana Witovská** / presenter, Czech Television / 3
- Ye Jianming** / business, CEFC; honorary advisor to the Czech President Miloš Zeman / 3
- Petr Druháč** / Ambassador to France; former Deputy Minister of Foreign Affairs; Ministry of FA / 3
- Reynolds Koranteng** / presenter, TV Nova / 3, **Pavel Kožíčka** / journalist / 3
- Daniel Stroj** / former politician, KSČM / 3, **Jan Moláček** / journalist, Czech Television, Czech Radio / 3
- Ondřej Koutník** / journalist, Lidové noviny / 3, **Oldřich Szaban** / journalist, Parlamentní listy / 3
- Adam Junek** / journalist, Lidové noviny / 3, **David Tramba** / journalist, Ekonom / 3
- Igor Lukeš** / academic, Boston University / 3, **Jan Baroňek** / politician, KDU-ČSL / 3
- Karel Havlíček** / academic, VŠFS; business, SINDAT; Chairman of the Board, Association of Small and Medium-Sized Enterprises of the Czech Republic / 3, **Jiří Václavek** / presenter, Czech Television / 3
- Michael Mareš** / journalist, Forbes / 3, **Olga Böhmová** / publicist / 3
- Vladimír Dlouhý** / business, President of the Czech Chamber of Commerce / 3
- Petr Hartman** / presenter, Czech Radio / 6
- Jan Fingerland** / journalist, Czech Radio / 6
- Jindřiška Bláhová** / journalist, iHned.cz / 5, **Karel Hvizďala** / journalist / 6
- Bohumil Klepťák** / presenter, Czech Television / 9
- Lukáš Petřík** / journalist, Parlamentní listy / 4, **Michael Rozsypal** / presenter, Czech Radio / 4
- Miroslav Dittrich** / presenter, Czech Radio / 4, **Ondřej Konrád** / journalist, Czech Radio / 4
- Jan Macháček** / journalist, Lidové noviny; Chairman, Chairman of the Board of Trustees of the Institute for Politics and Society think tank / 4, **Jan Bednář** / presenter, Czech Radio / 4
- Roman Chlupatý** / journalist / 4, **Tomáš Lindner** / journalist, Respekt / 4, **Milan Dvořák** / translator / 4
- Milan Slezák** / journalist, Czech Radio / 21
- Jarmila Balázová** / presenter, Czech Radio / 7
- Barbora Šámalová** / journalist, Czech Television / 7
- Petr Schwarz** / presenter, Czech Radio / 6
- Zuzana Tvarůžková** / presenter, Czech Television / 6
- Marek Hovorka** / Director of Jihlava International Documentary Film Festival / 6
- Daniela Drtinová** / presenter, DTV / 3, **Martin Veselovský** / presenter, DTV / 3
- Vít Pohanka** / journalist, Czech Radio / 3, **Lucie Vopálenská** / presenter, Czech Radio / 3
- Thomas Kulidakis** / journalist, Právo / 3, **Tomáš Štátska** / journalist, IDNES.cz / 3
- Aneta Savarová** / presenter, Czech Television / 3, **Dušan Neumann** / publicist / 3
- Hany Farghalli** / former journalist, MF DNES / 3, **Jakub Lepš** / academic, Charles University / 3
- Jana Hlmová** / journalist, Czech Radio / 3, **Marek Woliner** / presenter, Czech Television / 3
- Miroslav Korecký** / journalist, previously Czech Television / 3
- Stanislav Dvořák** / journalist, novinky.cz / 3, **Martin Jonáš** / journalist, previously Czech Television / 3
- Michael Romancov** / political geographer, Charles University / 5
- Ondřej Kundra** / journalist, Respekt / 5
- Robert Břešťan** / journalist, Hlídací pes / 8
- David Stáhlavský** / presenter, Czech Radio / 6, **Jiří Pehle** / political scientist / 6
- Tomáš Drahoňovský** / presenter, Czech Television / 3, **Pavel Telíčka** / politician, previously ANO / 3
- Pavel Urban** / journalist, Právo / 3, **František Laudát** / politician, TOP 09 / 3
- Jakub Železný** / presenter, Czech Television / 3
- Jindřich Šidlo** / journalist, previously Hospodářské noviny / 3
- Jiří Příbáň** / academic / 3, **Marian Jurečka** / politician, KDU-ČSL / 3
- Martin Novák** / journalist, Aktuálně.cz / 3, **Ondřej Neff** / journalist, Neviditelný pes / 3
- Václav Fiala** / publicist, lawyer / 3
- Martin Fendrych** / journalist, Aktuálně.cz / 5
- Miroslav Kalousek** / politician, TOP 09 / 9
- Martin Bursík** / politician; formerly Green Party, currently LES / 5
- Filip Remunda** / film director / 5, **Adam Hájek** / journalist, IDNES.cz / 4
- Michael Kocáb** / former Minister of Human Rights / 3
- Milan Kajtnek** / journalist, Epoch Times, Velká Epocha / 3
- Ondřej Neumann** / journalist, Hlídací pes / 3, **Petr Krčmář** / publicist / 3



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**Miloš Zeman** is singularly the **most vocal pro-Chinese voice** in the Czech public discourse – and thanks to his position, he can also be considered the most influential. A self-assigned chief polemic of the Czech political scene, he has made the transformation of Czech-China relations one of his grand foreign policy goals.

Beyond proclamations, the Czech president appointed Chinese national Ye Jianming, a recently deposed chairman of **CEFC China Energy Company Ltd.** with alleged links to the Chinese state and even by some to its military intelligence<sup>6</sup>, to be his special economic advisor on China. Zeman's new approach became most clearly evident during the visit of Chinese President Xi Jinping to Prague in March 2016: While the Czech police largely ignored aggressive behavior of Chinese demonstrators, who apparently acted in collaboration with the PRC's embassy, it harassed Czech citizens who dared express their opposition to the visit, going as far as trying to prevent university students from displaying a Tibetan flag on academic grounds. Moreover, following a meeting between three Czech ministers and the Dalai Lama, the president Miloš Zeman, the prime minister **Bohuslav Sobotka** (Česká strana sociálně demokratická - ČSSD), **Jan Hamáček** (ČSSD), speaker of the Chamber of Deputies, and **Milan Štěch** (ČSSD), speaker of the Senate, published a statement in which they expressed their respect for China's territorial integrity. As it later turned out, the statement was preceded by a visit of China's Ambassador **Ma Keqing** at the Prague Castle.<sup>7</sup> It is most troubling that this U-turn in the perception of, and relation to China did not result from an open political debate, and was not based on clearly articulated electoral promises. Zeman's campaign before the 2013 election was mute on this matter, as was the Social Democratic party whose government (till elections in 2017) largely condoned

the trend. A pressing need thus arises to identify the sources and techniques of this new China discourse, and devise strategies to tie it back to the mechanisms of democratic accountability and public scrutiny.

Miloš Zeman may be the most prominent pro-China actor in Czech foreign policy, but he is hardly isolated. Quite the contrary. Zeman stands at the helm of a wider turn which has encompassed a majority of the Czech political representation. Indeed, only this permissive – and, to a non-negligible extent, directly supportive – milieu allowed Zeman to turn Havel's foreign policy principles on their head and present the world's most powerful authoritarian regime as an economic savior and a political inspiration. A closer look at the sentiments of the parliamentary political parties reveals that most of them condone this new orientation of Czech foreign policy. Only the **Christian Democrats** (Křesťanská a demokratická unie – Československá strana lidová - KDU-ČSL), **TOP 09** and **Mayors and Independents** (Starostové a Nezávislí – STAN) exhibited aggregately **negative stances towards China** during the researched period.<sup>8</sup> It is telling that after the parliamentary elections in October 2017, these three parties occupy only 23 chairs out of 200 in the Parliament's Chamber of Deputies.

The **remaining parliamentary parties exhibited a more or less nuanced affinity towards China** in their media occurrences. This includes the right-wing Civic Democratic Party (Občanská demokratická strana – ODS); after all, it was this party's prime minister, Petr Nečas, who commenced the attack against the prominence of human rights in Czech foreign policy by mocking “dalailamism”

<sup>6</sup> "Martin Hála on CEFC and CCP Influence in Eastern Europe. Interview for China Digital Times", CDT, accessed March 1, 2018, <https://chinadigitaltimes.net/2018/02/martin-hala-cefc-ccp-influence-eastern-europe/>.

<sup>7</sup> Daniela Lazarová, "Chinese Ambassador Met with President's Chief Foreign Affairs Advisor in Connection with Dalai Lama's Visit", Czech Radio, October 20, 2016, <http://www.radio.cz/en/section/news/chinese-ambassador-met-with-presidents-chief-foreign-affairs-adviser-in-connection-with-dalai-lamas-visit>.

<sup>8</sup> TOP 09 was the only one whose mediatized stances were in majority negative – in the other two parties, neutral occurrences actually prevailed.



as harmful for economic diplomacy as early as 2012. Both established left-wing parties (Social Democrats and Communists) as well as new formations, such as the Party of Citizens' Rights (Strana práv občanů - SPO) have held positive views of China, at least in the analyzed public discourse. It is telling that representatives of these parties have uttered practically no negative opinions of the PRC in their media occurrences. ANO party of the current prime minister Andrej Babiš was rather silent on the issue, with the exception of Babiš himself once criticizing China's approach to intellectual property rights, a claim rooted in his own negative business experience.<sup>9</sup>

The positive turn in the preferences of Czech political parties is especially interesting since it **cannot be easily foretold by looking into their program documents** which are either silent or vague about the issue. Apparently, the pro-Chinese turn in Czech foreign policy coincides with a larger societal problem of disillusionment with Western values and policies. While the research covered the period from 2010 till mid-2017, general roots of the discontent might be situated as far back as 2008. In this year, the Western world suffered the shock of the financial crisis while China celebrated its triumph as a successful organizer of the summer Olympic games. Suddenly, the previously triumphant (post-Cold War) or at least resilient (post-9/11) West looked vulnerable, confused and fragile, while the PRC exuded vigor and continued economic dynamism. Looking for a hidden psychological moment that prompted some politicians to look towards the East, this juxtaposition could mark a turning point. The Belt and Road Initiative, originally unveiled by Xi Jinping in 2013, formally underlined new Chinese international assertiveness, and for those inclined towards pro-Beijing stances it created a strategic vehicle to streamline their effort.

In this respect, the **Social Democrats deserve special attention**. Various sources<sup>10</sup> inform that party links with the Communist Party of China had been allegedly established and nurtured even before the recent turn in foreign policy, personally guaranteed by politicians like Jan Hamáček, the past chairman and present vice-chairman of the Chamber of Deputies. More importantly, **ČSSD has become something like a 'breeding center' for politicians and entrepreneurs (and the combination thereof) who are connected to the current pro-China policy**. This group includes not only president Zeman, once a chairman of and prime minister for ČSSD, but also people like **Jan Kohout**, a career diplomat turned social democratic politician who became Zeman's advisor on China in 2014 and founded the New Silk Road Institute Prague a year later. Other influential names include **Jan Birke**, a member of the Parliament as well as regional and municipal assemblies and the current party head of Social Democrats in the region of Hradec Králové. Birke's ties are not limited to the political domain – in 2010 he was instrumental in helping the **PPF Group** get a license for their **Home Credit company** in China. In linking ČSSD with this business group, he is a more hidden counterpart of the most visible and active political entrepreneur in contemporary Czech-China relations, Jaroslav Tvrdík.

<sup>9</sup> Tomáš Pergler, "Miliarda pryč. Číňan mě sprostě okradl, stěžoval si Babiš", Echo24, March 31, 2016, <https://echo24.cz/a/idL3K/miliarda-pryc-cinan-me-sproste-okradl-stezoval-si-babis>.

<sup>10</sup> Interview with a journalist covering foreign policy [anonymity requested], November 2017.

Interview with a source [anonymity requested] from the Ministry of Foreign Affairs, October 2017. "Česko-čínská družba jako tajná pošta. Proč Hamáček tají jednání s čínskými komunisty?". Hlídací pes, July 18, 2017, <https://hlidacipes.org/cesko-cinska-druzba-jako-ticha-posta-proc-hamacek-taji-jednani-cinskymi-komunisty/>



## The Politics of Business: How Economic Interests Take Over Czech China Policy

The reasons and motivations of political actors may be convoluted and even run counter to their original stances (Miloš Zeman showed no great appreciation for the role of China prior to his first election in 2013), but at least they do result in publicly known and, as a result, responsible actions. One has to fear, though, that much of the political activity vis-a-vis the PRC, announced typically with grand panache, might actually conceal, or at least accompany, more mundane but equally important business strategies. While the lack of informed public debate about political motivations for exchanging previously held foreign policy preferences for a new, pro-Chinese orientation is regrettable, it is the **opacity of the dealings between politicians and certain business groups that truly undercuts key principles of democratic accountability and transparency.**

**Jaroslav Tvrdík** became the epitome for a new breed of a political entrepreneur. Hailing from a career officer, after 2001 he quickly became an influential member of the Social Democratic Party, exchanging several roles from defense minister through election manager to the party chairman's advisor. In 2012 he took over the **Czech China Chamber of Collaboration** (Smíšená česko čínská komora vzájemné spolupráce), and three years later became a deputy chairman of the board of directors of **CEFC Group (Europe) Company**. CEFC is not only one of the most important vehicles of Chinese investment abroad, it is also considered to have close links to the PRC's military intelligence<sup>11</sup>, especially through its (recently deposed) chairman **Ye Jianming**. Tellingly, Mr. Ye was named an honorary advisor by president Zeman at the height of the surge of Czech-Chinese political and economic courtship in 2015, and CEFC was the company which led the 'investment spree' in the Czech Republic in the immediate aftermath. Besides other companies, it invested in **Empresa Media**, a company which owns **TV Barrandov**, one of the 'alternative' media outlets whose bias for Miloš Zeman has since become notorious. Tvrdík hooked into CEFC other former high-profile Czech politicians – among them **Štefan Füle**, former minister of the Czech government (and before that Tvrdík's deputy at the ministry of defense), ambassador to NATO and EU commissioner, who is now a member of the company's supervisory board. He also brought to the company **Marcela Hrdá**, a former director for transformation of **Czech Airlines** (a job executed under Mr. Tvrdík when he was a president there in 2003-2006), chair of the board of directors in Empresa Media and also an advisor of the minister of interior **Milan Chovanec** (ČSSD). Another figure that catches attention is **Tomáš Bůzek**, a former spokesperson of CEFC and now a member of its board of directors, who before (and since the public records did not prove otherwise, perhaps even simultaneously) served as a media advisor for the minister of health **Svatopluk Němeček** (ČSSD) and briefly as an assistant to Jan Birke mentioned above.

Tvrdík's story might end here as an account of an able political-economic operative who saw a business opportunity in the new international climate and fully utilized it to his advantage. The tale of the Czech Republic's turn towards China has been, however, more complex. In 2010, the PPF group – formally residing in the Netherlands but owned by Czech billionaire **Petr Kellner** – hired Tvrdík to lobby for its interests in China, in particular its retail banking branch, Home Credit. This company had been active in China since 2007, and in 2010 it **received a local license for consumer credit services**<sup>12</sup>. While an important breakthrough<sup>13</sup>, it was just a first step. The final goal, a nation-wide license for consumer credit

<sup>11</sup> Lucy Hornby and Archie Zhang, "CEFC chairman Ye Jianming said to be detained", Financial Times, March 1, 2018, <https://www.ft.com/content/9c6caaba-1cf9-11e8-aaca-4574d7dabfb6>.

<sup>12</sup> "PPF Annual Report", PPF, pp. 69-70.

<sup>13</sup> PPF itself boasts in its annual reports that Home Credit was the first foreign company to gain such license independently, without required cooperation with a local partner.



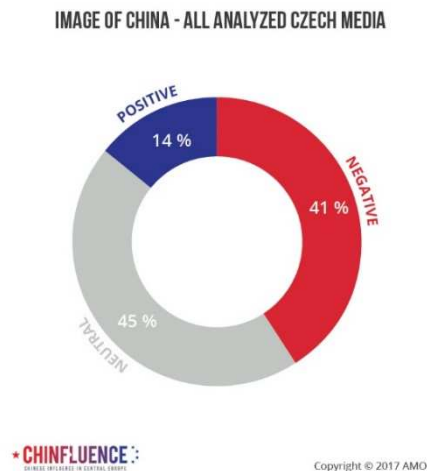
services, took another four years to achieve. **It is between these four years that the Czech Republic's turn towards China was initiated.** Much remains hypothetical, but to write off the timing as mere coincidence defies credulity.

What the cases of CEFC and PPF represent is the **risk of a business influence over an important portion of Czech foreign policy**, with potentially far-reaching consequences. The analysis of the media discourse is naturally not sufficient to uncover the exact mechanics of the U-turn and further research would thus be needed. Already now it is, however, safe to claim, that Czech foreign policy towards China has veered off the previous course without an open debate and has been influenced by unclear preferences of Czech economic elites with direct access to political representatives.

## The Last Stand? Limits of Media Resistance

Throughout the researched period, the **media served as a skeptical antidote to the promotion of closer Czech-Chinese relations.** The image of China in the Czech media over the period in vogue was mostly negative or neutral: **only 14 percent of the analyzed media outputs were inclined to view China positively.** When focusing on the **media outlets without control variables<sup>14</sup>** the position becomes stronger still, with **just 10 percent of positive accounts** and close to 50 percent negative occurrences.

**Graph 6: Image of China in all analyzed Czech media<sup>15</sup>**

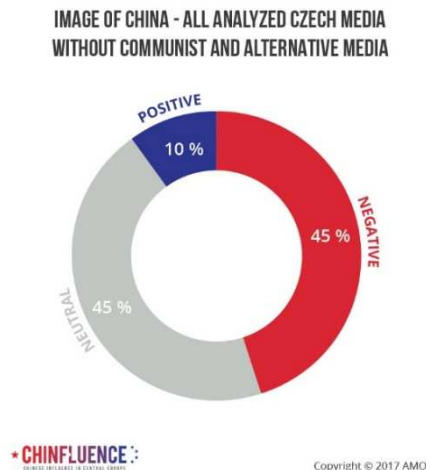


<sup>14</sup> those media that did not fulfill the criteria for being the most followed, i.e. Hlídací pes, DVTV, TV Barrandov, Týden and communist daily Haló noviny

<sup>15</sup> For detailed insight into the situation in specific types of media and more graphs see <http://www.chinfluence.eu/media-analysis/>



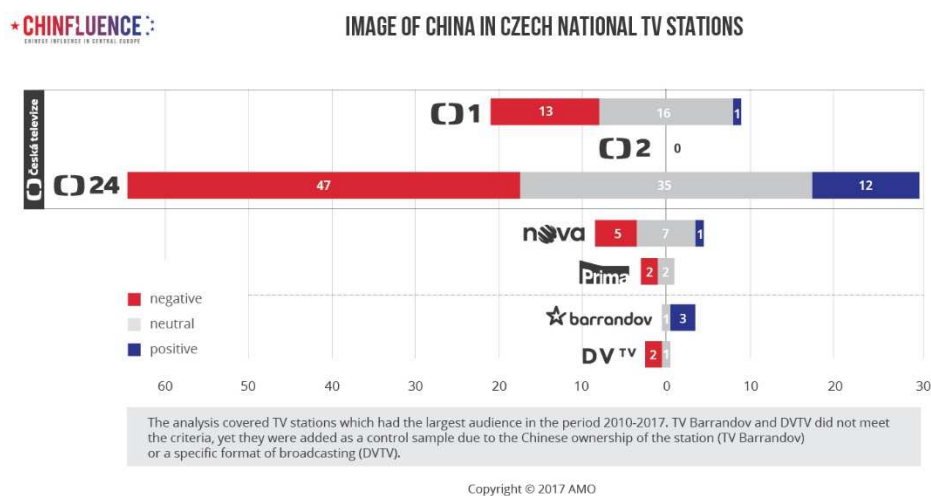
Graph 7: Image of China - all analyzed Czech media without Communist and alternative media



Thus, the aforementioned increase in the scope of media coverage has not led to better acceptance of the topic. **The polarity of analyzed outputs did not evolve significantly over the analyzed six and half years.** Despite public promises of future Chinese investment, the image of China in Czech media remains polarized and significantly negative. When analyzing **journalists** themselves as agenda setters in matters of political and economic affairs concerning China, the picture is clearer still: **only 6 percent of analyzed occurrences were positive, 64 percent were neutral and 30 percent negative.** In other words, open promotion of China by journalists was rare, and this finding holds throughout the period in vogue. However, in hardline leftist media (Haló noviny) or media with a Chinese (co)owner, the image of China was distinctly more positive.

On the cases of the Týden weekly and TV Barrandov, it is actually **evident that the takeover by the Chinese company CEFC led to an exclusively positive coverage of China.**

Graph 8: Image of China in Czech national TV stations



The message is clear: Chinese ownership equals zero negative comments on the country. In this context, the information from November 2017 that CEFC,





together with a Czech-Slovak group Penta Investment, might want to buy CME<sup>16</sup>, which owns the biggest Czech private TV station Nova, and Slovak TV Markíza, raises considerable concerns.

Czech media also started to exhibit a tendency to portray China as a direct opposite to the values and preferences of the Czech Republic. This **process of 'othering' of China** gradually sifts into outputs that, ostensibly, do not contain any link to the country (e.g. articles on alleged 'censorship' on the Czech internet). The analysis of the Czech media outputs, executed by ChinfluencE, demonstrated that the **Czech debate on China is highly politicized and stereotyped**. The media often did not inform about China as such, i.e. its domestic politics or social issues. In all these topics, the Czech public is relegated to a **minimum of information, mostly imported from foreign news agencies or English-speaking media sources**.<sup>17</sup>

We find it disturbing that **even information about current developments in Czech-Chinese relations is severely limited**: the names of the members of business delegations to China are kept confidential, exact data on Chinese investment in the Czech Republic is not available, information about the proceedings of the high-profile Czech-Chinese investment forum are not publicized. While positive from the perspective of media independence on politics, it is somewhat troubling that at times of controversial efforts at strengthening Czech-China political and economic relations, media also sharply increased information about unrelated issues such as Tibet.

The hijacking of the China issue by domestic politics and economic interests masks several perils. Instead of a serious debate on China's growing international role and Czech foreign policy towards it, or a sober assessment of possible benefits and potential risks of Chinese investment for the Czech economy, a hollow debate is waged on whether to have any relations with a regime some find obnoxious – as if such a choice was real. A debate that is fragmented, non-transparent and emotional should apparently serve no-one – except it does. It helps to draw attention away from the real content of agreements, from the motivations of political and economic elites and from the actual Chinese strategy in the region.

## Summary and Recommendations

It may seem preposterous to decry the Czech foreign policy's turn towards China during a period when wooing Chinese investment and praising the benefits of mutual economic relations became a Europe-wide norm rather than an exception. However, the Czech case exhibits several features which make it much more troubling than a 'mere' policy shift. First of all, **the turn to China has not been presented as one of several possibilities of expanding the portfolio of foreign trade and investment**, but essentially as an **economic, political, and normative replacement for previous strategies**. As such, it aligns way too dangerously with current illiberal tendencies in Czech politics.

Secondly, **pro-Chinese foreign policy was not born out of a public discussion about desirable strategies for the Czech Republic**, but rather as an ad hoc improvisation, pushed from behind by powerful business interests which do not represent the brunt of the Czech economy. Instead of representing

<sup>16</sup> Jan Lopatka and Pamela Barbaglia, "China's CEFC joins Penta in bid to buy Time Warner's Central European Media: sources", Reuters, December 22, 2017, <https://www.reuters.com/article/us-central-euro-m-a/chinas-cefc-joins-penta-in-bid-to-buy-time-warners-central-european-media-sources-idUSKBN1DMoVC>.

<sup>17</sup> Specifically China-focused (original) reporting does exist, as seen on examples of China-devoted section at online media Hlídací pes ([www.hlidacipes.cz](http://www.hlidacipes.cz)) or Project Sinopsis ([www.sinopsis.cz](http://www.sinopsis.cz)), however, its readership is still rather small in numbers.



the national community, current policy on China features a troubling particularistic streak. Companies like CEFC or PPF may not wag the dog of the Czech Republic's foreign policy as fully as paranoia may dictate, but they obviously exercise undue (and largely unchecked) influence over it.

Finally, while the Czech media have so far resisted the push of the political elite and certain businesses to promote a more positive image of China, the resilience has been 'redeemed' by ideological coverage of the country, lack of attention to relevant recent trends (including those in Czech-China relations) and insufficient resources to truly investigate the problematic aspects of current policies. Moreover, while both public and private media retained their distance from immediate political pressures, as the example TV Barrandov demonstrates, they are not immune against losing their independence due to a change in ownership.

To suggest a remedy to these troubling trends, an **improvement in China expertise** would provide a necessary first step to an **increase of public awareness** of the issue. The Czech public should insist on a **proper debate about strategic changes in Czech foreign policy**, push for an adoption of strategic documents in relations to China, and watch especially carefully shifts that are not clearly explained and rooted in previously adopted policies. As for now, the Czech Republic does not have an interdepartmental **strategic document** defining what relations with China it would like to reach, and under what conditions. The strategy should identify the sectors and regions to which the Czech Republic wants to attract Chinese money and determine how it plans to support investment that will bring jobs. Determining the requirements towards Beijing would also make the Czech Republic a more reliable player internationally.

Given recent experience, it would be instrumental to **advocate for increased transparency** concerning the participation of businessmen on official governmental visits. The Czech Republic should also initiate a change in laws regarding **funding of political parties and funds coming to parliamentary and presidential elections campaigns** from abroad in order to increase transparency and public accountability. At the same time, the Czech Republic should **define its strategic industries** and consider **proclaiming media outlets as a special** (in political rather than economic sense) **category of strategic assets**.

At the national (as well as European) level, the Czech Republic should create (or participate in the formation of) a **screening mechanism for investment from third countries**.<sup>18</sup> On the regional level, the Czech Republic should **monitor the activities of the Visegrád Group and the 16 + 1 Group** in relation to China and, where it is convenient, coordinate its position with regional partners. On the European level, Prague should promote **economic reciprocity in relation to China**.

<sup>18</sup> A policy paper advocating the issue was recently published by Prague Security Studies Institute. See "Doporučení pro zavadení národního mechanismu na screening přímých zahraničních investic do ČR", PSSI, accessed March 21, 2018, [http://www.pssi.cz/download/docs/543\\_doporuc-eni-pro-zavedeni-na-rodni-ho-mechanismu-na-screening-pr-i-my-ch-zahranic-ni-ch-investic-v-c-r.pdf](http://www.pssi.cz/download/docs/543_doporuc-eni-pro-zavedeni-na-rodni-ho-mechanismu-na-screening-pr-i-my-ch-zahranic-ni-ch-investic-v-c-r.pdf).



## Chinese Presence in Hungary: A Rather Close Partnership

Tamás Matura, Central and Eastern European Center for Asian Studies (CEECAS)

Chinese influence in Hungary has been going through a remarkable evolution in the last decade and a half. During the initial phase of the revival of bilateral relations, the main goal of Hungarian governmental policy towards Beijing had been mostly economic: **good political relations were the tool and not the purpose**. The purpose was the boosting of bilateral trade, and the inflow of Chinese FDI in order to create jobs.

During the clashes of the second Orbán cabinet with the EU (2010-2014) however, a political factor gradually emerged, since **potential Chinese support might have provided political capital to the Hungarian government** – or at least Mr. Orbán hoped so. The so-called Eastern Opening Policy was implemented from 2010-2011 as a reaction to the crisis, and Orbán, as a part of his surprisingly pragmatic new attitude towards Beijing, **established official party to party relations** with the Chinese Communist Party (CCP), and visited China as prime minister in 2010, 2014, 2015 and 2017 when the two governments elevated bilateral relations to the level of a **comprehensive strategic partnership**. Hence, Orbán has mentioned China several times as a good example of a successful 'labor-based society', and as an alternative to Western economies 'based on speculation'. Consequently, the Hungarian government offered important political favors to China in recent years, even against the will of the European Union, or despite the lack of tangible economic gains.<sup>19</sup>

**When it comes to the stock of Chinese direct investment, Hungary enjoys a pivotal position in the CEE region.** As by the end of 2015, cumulated Chinese investment in Hungary reached USD 3,5 billion, though the annual inflow of Chinese capital has been decreasing dramatically since 2010, despite all the efforts of the Hungarian government.<sup>20</sup> Likewise, it seems that strong political relations or the 16+1 cooperation could not contribute to the boosting of Hungarian exports to China either. The EU-15 exports to China grew by 20 percent annually on average between 2006 and 2010, while Hungary gained 34 percent annually. Meanwhile, between 2011 and 2016 the annual average increase of the EU-15 reached 4 percent, and the Hungarian figure is 7 percent.<sup>21</sup>

Despite all the deep divisions in the Hungarian political arena, Sino-Hungarian relations enjoy a privileged position, since none of the parties question publicly the importance of China and politically sensitive issues are not on the agenda. It is probably a remarkably Hungarian speciality in the region that **prominent politicians of the opposition parties barely mention China at all in their public statements**. Further elements of the Chinese presence in Hungary are the **large and growing Chinese community**, the **region's only Chinese-Hungarian bilingual elementary school**, and the **regional headquarters of the Bank of China**. Unlike in some other countries, increased Chinese presence has not triggered any alarm in Hungarian political circles or among the wider public.

<sup>19</sup> Tamas Matura, "Hungary and China: Hopes and reality", in Mapping Europe-China Relations A Bottom-Up Approach, eds. M. Huotari, M. Otero-Iglesias, J. Seaman, A. Ekman, (Paris: European Think Tank Network on China, October 2015), [https://www.ifri.org/sites/default/files/atoms/files/etnc\\_web\\_final\\_1-1.pdf](https://www.ifri.org/sites/default/files/atoms/files/etnc_web_final_1-1.pdf).

<sup>20</sup> Tamas Matura, "Chinese Investment in Hungary: Few Results but Great Expectations", in Chinese Investment in Europe – A Country-Level Approach, eds.: J. Seaman, M. Otero-Iglesias, (Paris: European Think Tank Network on China, December 2017), <https://www.ifri.org/en/publications/publications-ifri/ouvrages-ifri/chinese-investment-europe-country-level-approach>.

<sup>21</sup> Author's calculations based on the figures of UNCTAD Stat.



## A Limited Pool of Agenda Setters

The list of Hungarian agenda setters is surprisingly short. There are less than **seventy people** who have been cited at least three times in the analyzed period by major media sources, and only fourteen of them have been asked for a comment at least twice a year. Almost 4,000 articles featured 764 citations, that is less than 20 percent of the publications asked for comment from agenda setters (or even less, as one article might have citations from more than one person). Thus, the public sentiment is mostly influenced by a handful of agenda setters, most of whom are **politicians or journalists, but not China experts.**

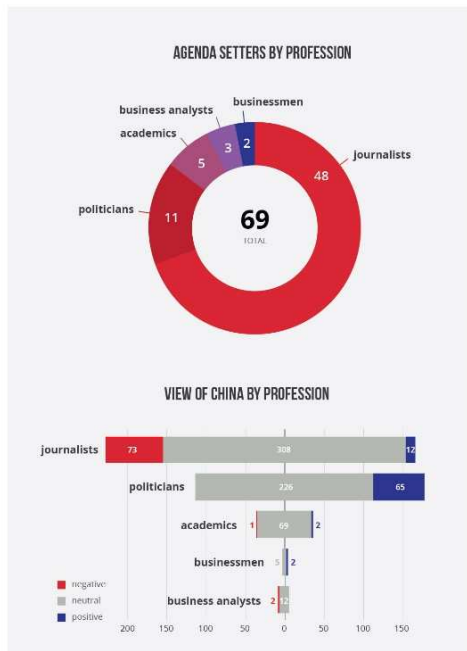


Graph 9: Hungarian agenda setters' sentiment on China



HUNGARIAN AGENDA SETTERS' SENTIMENT ON CHINA

NAME AND SURNAME / profession / company / number of citations in media between 2010-6/2017



- Tamás Fellegi / politician, FIDESZ / 20
- Vince Ballai / journalist, Origo.hu / 16
- Réka Kovács / journalist, Szabad Föld / 13
- Farkas Kírály / journalist, Szabad Föld / 9
- Fruzsina Előd / journalist, Index.hu / 9
- Dávid Németh / business analyst, K&H Bank / 8
- Ágnes Szunomár / academic, Hungarian Academy of Sciences / 7
- Miklós Jenei / journalist, Index.hu / 7
- Soma Jankovics / journalist, Origo.hu / 6
- Antal Rogán / politician, FIDESZ / 5
- Sándor Fazekas / politician, FIDESZ / 4
- Péter Duronelly / business analyst, Aegon / 4
- Ferenc Szalay / politician, FIDESZ / 4
- Péter Magyarai / journalist, Index.hu / 4
- István Szabó M. / journalist, hvg.hu / 4
- Andrea Tólas / journalist, HVG / 4
- László Valló / journalist, Szabad Föld / 4
- Sándor Demján / business, TriGránit / 3
- Gyula Budai / politician, FIDESZ / 3
- Sándor Kusal / academic, Pázmány Catholic University / 3
- Ella Csarnó / journalist, Index.hu / 3
- Kinga Facsinay / journalist, Magyar Nemzet / 3
- János Haász / journalist, Index.hu / 3
- Máté Halmos / journalist, Index.hu / 3
- Gábor Holcz / journalist, hvg.hu / 3
- Kinga Illjén / journalist, Szabad Föld / 3
- Roland Majláth / journalist, Magyar Nemzet / 3
- Ágnes Ujlaki / journalist, Szabad Föld / 3
- Viktor Eszterhai / academic, PAGEO / 2





When it comes to the role of politicians, the picture is a bit ambiguous. On the one hand, there are only eleven politicians among agenda setters, while some of them tend to be the most frequently quoted ones, representing 38 percent of all citations. The foreign minister **Péter Szijjártó** (who holds the position of the government commissioner for Hungarian Chinese bilateral relations as well) and the prime minister **Viktor Orbán** occupy the top two positions with by far the highest numbers of citations due to obvious reasons, followed by two other governmental officials occupying the 7th and 10th positions (**Tamás Fellegi**, the former minister for national development, and **Mihály Varga**, the current minister for national economy). Both the prime minister and the foreign minister are deeply involved in the reconstruction of the **Budapest-Belgrade railway line** to be delivered by a Chinese construction company.<sup>22</sup> **György Matolcsy**, the president of the Hungarian National Bank (formerly the minister for national economy), is also one of the agenda setters, as he is personally interested in China<sup>23</sup>, has visited the country many times, and will host the first China-CEEC Central Bank Governors' Meeting in Budapest in 2018.<sup>24</sup> Nevertheless **Antall Rogán**, minister of the Prime Minister's Cabinet Office, has been quoted a mere five times only on China in the analyzed period, despite the fact that he played a fundamental role in establishing the **Hungarian residency bond program**, which was mostly utilized by Chinese residents.<sup>25</sup>

One of the most striking results is the total **lack of comments made by opposition side politicians** among the sixty-nine agenda setters. Comments have only been made by members of the governing Fidesz party. Consequently, the **group of politicians from Fidesz** proved to nurture the most favorable feelings towards China, as **22 percent of their comments were positive, while none of their citations expressed negative opinions**. This is in line with the above-mentioned hypothesis that China is not a major concern to the political parties or the public in Hungary, and that the **majority of the population and politicians agree with the development of bilateral relations**, which may contribute to the lack of proper discourse in the country on China.

Another significant finding is the **high prevalence of journalists**. Two thirds of the agenda setters are journalists, representing 51 percent of all 'citations'<sup>26</sup>, and four of them even made it in the top ten of the list. Journalists are also the **most critical group towards China**, as almost 19 percent of their publications were negative, and only 3 percent positive. It is also noteworthy that **news sources close to the government** (the national television and radio, origo.hu, TV2) **and their authors tend to be generally less critical towards China than other sources** (HVG, hvg.hu, RTL Klub, index.hu)

On the contrary, **China experts are surprisingly underrepresented** on the list. Only four of them are on the list out of almost seventy agenda setters, and they represent a mere 9 percent of all citations, while their **attitudes are generally balanced towards China**. The relative irrelevance of experts is of high concern and might be explained partially by the general and global development of a post-expert, or post-truth era, and partially by a small number of researchers and limited funding for research on China.

<sup>22</sup> Eszter Zalan, "Hungary-Serbia railway launched at China summit", EU Observer, November 29, 2017, <https://euobserver.com/eu-china/140068>.

<sup>23</sup> "Matolcsy meets Chinese peer", Budapest Business Journal, April 22, 2013 [https://bbj.hu/economy/matolcsy-meets-chinese-peer\\_65574..](https://bbj.hu/economy/matolcsy-meets-chinese-peer_65574..)

<sup>24</sup> "The Budapest Guidelines for Cooperation between China and Central and Eastern European Countries", Ministry of Foreign Affairs of the People's Republic of China, accessed March 21, 2018, [http://www.fmprc.gov.cn/mfa\\_eng/wjdt\\_665385/2649\\_665393/t1514534.shtml](http://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2649_665393/t1514534.shtml).

<sup>25</sup> Boldizsár Nagy, "In Whose Interest? – Shadows over the Hungarian Residency Bond Program", Transparency International, accessed March 21, 2018, [https://transparency.hu/wp-content/uploads/2017/01/In-Whose-Interest\\_Shadows-over-the-Hungarian-Residency-Bond-Program.pdf](https://transparency.hu/wp-content/uploads/2017/01/In-Whose-Interest_Shadows-over-the-Hungarian-Residency-Bond-Program.pdf).

<sup>26</sup> In case of journalists we counted authorship as citation on the list of agenda setters.

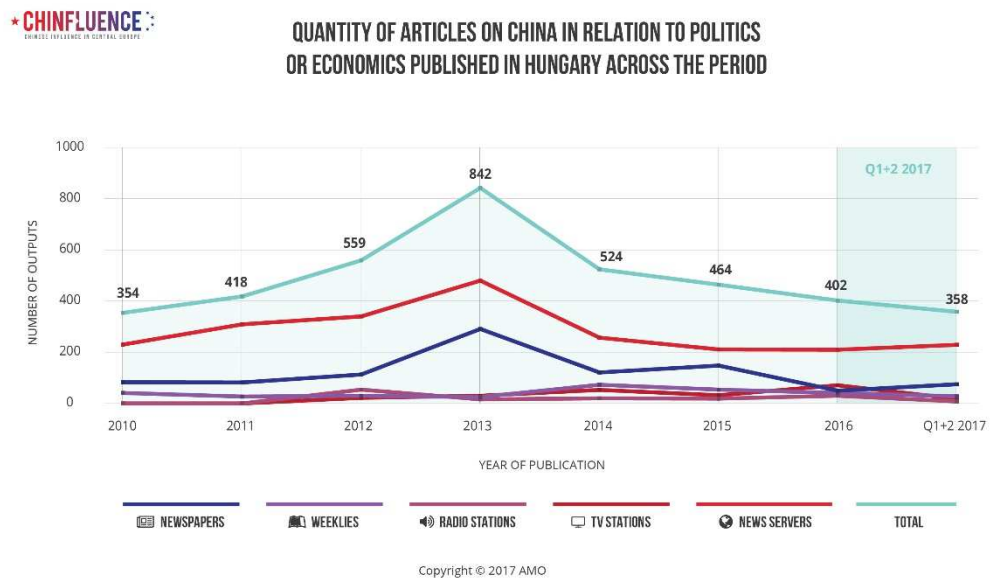


One of the biggest surprises was to discover the **irrelevance of businesspeople and business analysts**. The two groups combined represent 3 percent of all publications, **which is in stark contrast with the extremely high number of publications focusing on the economy of China**. One possible, though hardly verifiable, explanation is that businesses may not want to let the government know about their successes.<sup>27</sup>

## China in the Hungarian Media: A Neutral Image

We analyzed almost 4,000 Hungarian media outputs published between 2010 and June 2017, selected 15 media sources which were most widely read, listened to or followed and had a nationwide coverage. One of the first findings is that the number of articles on China have been generally stable in the analyzed period, however, **two significant phases** may be recognized based on the number of publications. The first phase lasted from 2010 with a constant increase of attention and peaked in 2013 (the year of the National People’s Congress’ meeting), while during the next phase (since 2013) there has been a gradual decline in the number of articles on China. **The rise and fall of publications may be explained first by exaggerated hopes regarding the expected inflow of Chinese investment to Hungary**, and later by the confrontation with reality, that almost nothing that had been hoped for had been realized.

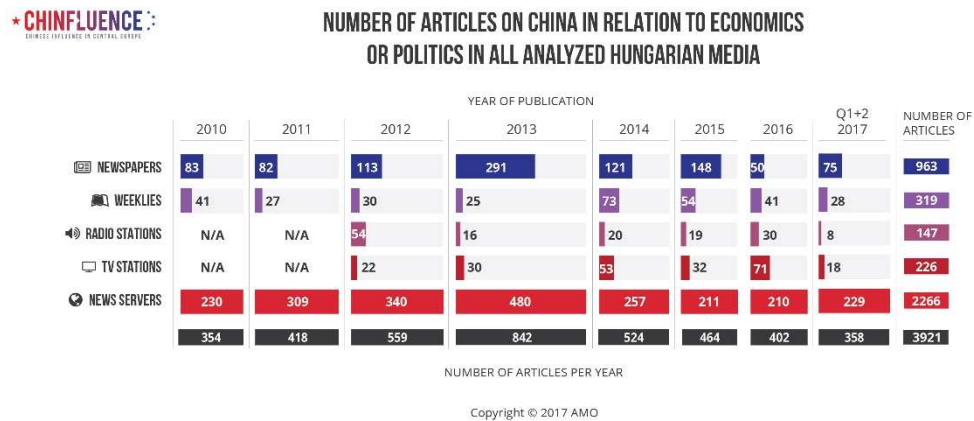
**Graph 10: Quantity of articles on China in relation to politics or economics published in Hungary across the period**



<sup>27</sup> Dorottya Sallai (Egerszegi) and Gerhard Schnyder, “The Transformation of Post-Socialist Capitalism – From Developmental State to Clan State?”, Greenwich Paper in Political Economy, No. GPERC57 (January 12, 2018). Available at SSRN: <https://ssrn.com/abstract=3100775> or <http://dx.doi.org/10.2139/ssrn.3100775>



**Graph 11: Number of articles on China in relation to economics or politics in all analyzed Hungarian media**



The Hungarian media market has gone through some unfortunate developments in recent years, that is, **major dailies with nation-wide circulation have experienced a sharp decline in number of subscribers**. One of the most prominent dailies (Népszabadság) was shut-down, while **newspapers at the county and local level**, and some of the **major television channels** (TV2 and the national television) **and online news portals** (origo.hu) **have been acquired or deeply influenced by interest groups considered to be close to the government**.

The following results seem to bolster the initial hypothesis that **attitudes towards China are mostly influenced by domestic political inclinations**. Still, the **Hungarian media coverage on China has been very pragmatic, or valueless in the past seven years**. Most of the articles analyzed focused on the **general economic situation of China**, its role in **world politics** and economics, and the **development of Hungarian-Chinese relations**. Topics like **human rights, Tibet**, the Dalai Lama or the **protection of intellectual property rights** have been barely mentioned. ChinfluenCE came up with a word cloud of the most frequently covered topics to illustrate different focuses of the Czech, Hungarian and Slovak media. In the case of Hungary, topics like the 'Chinese economy', 'China and the World' and 'Hungarian economic relations with China' were by far the most important ones (found in over 1,500, 1,100 and 700 articles respectively). Meanwhile, issues like 'censorship', 'Tibet', or 'Uighurs' had almost zero impact (less than 200, 100 and 50 articles respectively).





**Graph 12: Representation of topics in articles on China in relation to economics or politics in all analyzed Hungarian media (2010-6/2017)**

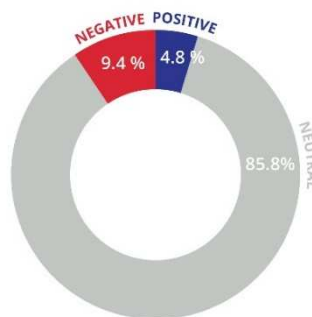


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When it comes to the most influential sources on China, it must be mentioned that more than **half of the articles were published by a small group of online news services**, including hvg.hu which published almost one third of all the articles alone, while index.hu and origo.hu released a further 14 and 11 percent of the news respectively.

**Graph 13: Image of China in Hungary - all analyzed media<sup>28</sup>**

IMAGE OF CHINA IN HUNGARY - ALL ANALYZED MEDIA



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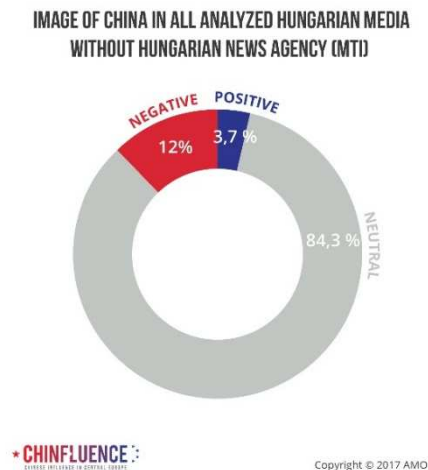
Nevertheless, digging deeper in the data, the picture gets a bit more complicated as **the real source of at least 52 percent of all news was the official Hungarian news agency (MTI)** and not individual media companies, thus the share of articles produced by other media outlet was less than half of the total. It is no surprise that

<sup>28</sup> For detailed insight into the situation in specific types of media and more graphs see <http://www.chinfluence.eu/hungarian-media-analysis>.



this fact has had an impact on the **generally neutral image of China in the Hungarian media**, as 87 percent of the news based on the MTI as a source were neutral. Including all sources, it seems that **4.8 percent of news were positive, 9.4 percent negative and 85.8 percent neutral** between 2010 and 2017. When we exclude all news from MTI the picture becomes slightly different: 3.7 percent of the articles produced by media sources themselves were positive, while 12 percent were negative.

**Graph 14: Image of China in all analyzed Hungarian media without Hungarian news agency (MTI)**



As it has been mentioned before, when individual media sources are taken into account, domestic political division lines and their impact on the image of China itself become obvious. Media sources believed to be **close to the government** (Hungarian national television and radio channels, TV2, origo.hu) published significantly **more positive content** about China, while media sources on the opposition side (Magyar Nemzet daily, index.hu, HVG, hvg.hu, RTL Klub) published more negative than positive content. Still, neutral news dominated their activities. The **share of negative news (thus the polarity of the discourse on China) had been constantly increasing between 2010 and 2017**. Negative news made up 6 percent and positive news 5 percent of all articles in 2010, while the share of negative news rose to 15 percent against 5 percent of good news in 2017. The year of 2013 seems to be the turning point, not only in terms of absolute numbers of articles, but in terms of sentiment as well, since there were 4 percent positive and 3 percent negative news in 2012, and as high as 12 percent of all news on China were negative and 5 percent positive in 2013.

## Conclusion and Recommendations

To sum it up, the **media discourse on China is mostly one dimensional, and focuses overwhelmingly on economic data and the development of bilateral relations**. At the same time, it is **strongly politicized**, as the assessment of Hungarian-Chinese relations in the media is strongly influenced by the political attitude of the given media source towards the government. Consequently, a productive and useful discourse on China and on bilateral relations has never evolved in Hungary. **It is also noteworthy that the Hungarian media discourse is mostly materialist, and focuses merely on economics and potential financial opportunities and risks, while topics like political values, human rights, minorities or democracy are almost completely missing from the agenda.**



To improve the extent and quality of the discourse on China in Hungary, the **general awareness of the public and politicians should be increased**. Though one part of the media and a handful of journalists have been doing their best to write in-depth articles on China and Chinese-Hungarian relations, the overwhelming majority of articles is still based on simplistic news. A more nuanced approach would be to separate assessments of Hungarian China policies from the assessment of China itself, thus bashing the government would not necessarily mean bashing Beijing at the same time.

It would also be desirable to **invest into proper research on China**, and to **establish independently financed institutions or networks to monitor Chinese activity** in the country and assess bilateral relations. Furthermore, no matter how difficult it is, a regional level approach should be developed to **create channels of communications on the CEE level among politicians, journalists and researchers**. Beijing has the full picture of China-CEE cooperation, so too should the countries and agenda setters of the European members of the 16+1 cooperation.

## Chinese Presence in Slovakia: Nearing the Tipping Point?

Richard Q. Turcsányi and Matej Šimalčík, Institute of Asian Studies (IAS)

When it comes to relations with China, Slovakia is a unique and paradoxical case in its region. On the one hand, as the smallest of the V<sub>4</sub> group, the country has been **mostly 'cautious' in its approach towards China**, trying to avoid taking various critical stances as, for instance, the Czech Republic has done on numerous occasions especially before 2012. **With the Belt and Road initiative and the Chinese-driven 16+1 platform** for developing relations with the Central and Eastern Europe, **Slovakia was counted among the least active countries**. It has tacitly supported the initiatives and even **suggested some projects**<sup>29</sup> (such as construction of a water power plant on Ipel River, acquisition or a long-term lease of Bratislava airport, existing infrastructure for train connections, opening of a direct flight between the two countries, and opening of a branch of a Chinese bank in Slovakia), but has done little overwork to push through.

At the same time, however, Slovakia did make international headlines with some steps which can be seen as rather 'daring' vis-a-vis China: in 2016 **president Kiska met 'privately' with the visiting Dalai Lama**<sup>30</sup> and in 2013 the Slovak government accepted to **repatriate remaining three Uighurs from the Guantanamo prison**<sup>31</sup>, amid intense pressure from China.

Economically speaking, one may argue that the country has been quite successful in its dealing with China. From the perspective of trade relations, **Slovakia was until recently in the best position vis-a-vis China from all the 16 Central and Eastern European countries** involved in the 16+1 platform

<sup>29</sup> Richard Q. Turcsányi, "Postavenie a možnosti spolupráce Slovenska s Čínou v rámci platformy 16+1", Inštitút ázijských štúdií/CENAA, Bratislava, 2016, accessed March 21, 2018, [www.asian.sk/wp-content/uploads/2016/04/Postavenie-a-moznosti-SR-voci-Cine.pdf](http://www.asian.sk/wp-content/uploads/2016/04/Postavenie-a-moznosti-SR-voci-Cine.pdf).

<sup>30</sup> "Dalai Lama visits Slovakia, meets president, university students", The Spectator, October 17, 2016, <https://spectator.sme.sk/c/20358241/dalai-lama-visits-slovakia-meets-president-university-student.html>.

<sup>31</sup> "Uighur men held for 12 years leave Guantánamo Bay for Slovakia", The Guardian, December 31, 2013, <https://www.theguardian.com/world/2013/dec/31/uighur-men-leave-guantanamo-bay-slovakia>.



- it was in fact one of the very few countries who **experienced a trade surplus**<sup>32</sup> with China according to some sources (though the favorable trade position of Slovakia vis-a-vis China has changed<sup>33</sup> in the last three years).

From the investment perspective, **the amount of Chinese investment in the country is marginal**<sup>34</sup>, remaining way below 1 percent from all foreign direct investments in the country, with no significant deal worth mentioning. However, there are now indications that this may change<sup>35</sup>, for better or worse.

Most importantly, Chinese He Steel Group, the world's second biggest steel conglomerate, is set to buy the largest employer in Eastern Slovakia, **U.S. Steel Kosice**.<sup>36</sup> The deal has been rumored for some time with neither side confirming it, but general expectation is that it will be announced in April 2018. This is because five years ago, the Slovak government signed an agreement with U.S. Steel<sup>37</sup> that due to the government's support, if they sell the company before this date, they would incur financial compensation.

If this really goes through as envisioned, it would be the **single largest transaction involving China in the whole CEE region since 2011**, when the Wanhua Company purchased Hungarian BorsodChem<sup>38</sup>, setting the stage for Hungary being the largest recipient of Chinese investments in the CEE region. Ironically, **it would make Slovakia the second largest recipient of Chinese investments in the CEE region, closely after Hungary**.

This would create a hard nut to crack for analysts who have been explaining the Hungarian dominant position as a host of Chinese FDI in the region mentioning friendly political relations, active foreign policy and economic diplomacy of Hungarian government, sizeable Chinese ethnic minority, or even alleged Asian roots of Hungarian nations.<sup>39</sup> None of this is true for Slovakia, yet it may come close to the position of Hungary.

## Hard Search: Looking for Agenda Setters in Slovakia

Overall, it may be stated that **there has been little interest in Slovakia in China and vice versa**. No significant political force has spent much political energy on developing more active and closer relations with China, or even calling for such

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<sup>32</sup> Ágnes Szunomár, Agnieszka McCaleb and Xin Chen, "Economic Relations between China and Central and Eastern Europe", in ed. Weiqing Song, *China's Relations with Central and Eastern Europe: From "Old Comrades" to New Partners* (London: Routledge, 2017).

<sup>33</sup> Richard Q. Turcsányi, "Chinese financial presence in Slovakia and Slovak China-policy", in ed. Ágnes Szunomár, *Chinese Investments and Financial Presence in Visegrad Countries: Myth or Reality?* (Budapest: Institute of World Economics, 2014), [www.asian.sk/wp-content/uploads/2014/12/Chinese-investments-and-financial-engagement-in-Visegrad-countries.pdf](http://www.asian.sk/wp-content/uploads/2014/12/Chinese-investments-and-financial-engagement-in-Visegrad-countries.pdf).

<sup>34</sup> Ibid.

<sup>35</sup> Gabriela Pleschová, "Chinese Investment in Slovakia: The Tide May Come", in eds. John Seaman, Mikko Huotari and Miguel Otero-Iglesias, *Chinese Investment in Europe: A Country-Level Approach*, ETNC Report, Paris, December 2017, [https://new.merics.org/sites/default/files/2018-01/171216\\_ETNC%20Report%202017\\_o.pdf](https://new.merics.org/sites/default/files/2018-01/171216_ETNC%20Report%202017_o.pdf).

<sup>36</sup> "Chinese are closer to taking over Košice steelworks", *The Spectator*, September 26, 2017, <https://spectator.sme.sk/c/20658123/chinese-are-closer-to-taking-over-kosice-steelworks.html>

<sup>37</sup> Miroslav Pejko, "Američania dostali ťlavy, v Košiciach ostanú päť rokov", *Finweb*, March 26, 2013, <https://finweb.hnonline.sk/ekonomika/576984-americiania-dostali-ulavy-v-kosiciach-ostanu-pat-rokov>.

<sup>38</sup> "Wanhua acquires full control of BorsodChem", *BorsodChem*, Budapest, February 1, 2011, [www.borsodchem-group.com/News--media/News/Wanhua-acquires-full-control-of-BorsodChem.aspx](http://www.borsodchem-group.com/News--media/News/Wanhua-acquires-full-control-of-BorsodChem.aspx).

<sup>39</sup> Ágnes Szunomár, Katalin Völgyi and Tamás Matura, "Chinese Investments and Financial Engagement in Hungary", *IWE Working Papers* (2018), Institute of World Economics (Budapest: Centre for Economic and Regional Studies, Hungarian Academy of Sciences, 2014), <https://core.ac.uk/download/pdf/42929754.pdf>.



a development. Some notable exceptions include **Luboš Blaha**, a politician from the **governing SMER social democratic party**, who defended the Chinese model on some occasions<sup>40</sup> and keeps close relations with the Chinese Embassy. The former prime minister **Robert Fico** (SMER) commented on China from time to time, including criticizing those who defend tougher position towards China due to human rights abuses or problematic Chinese foreign policy steps (such as the president **Andrej Kiska** who recently met with the Dalai Lama<sup>41</sup>). At the same time, **Fico himself has done very little for developing relations with China**<sup>42</sup> - he even missed the 16+1 summit in Suzhou in 2016, allegedly due to his health conditions (which can be disputed since he continued with the work program in Slovakia).

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<sup>40</sup> "Blaha (SMER-SD): Rešpektujem Čínu", Parlamentne listy, December 15, 2016,

[www.parlamentnelisty.sk/politika/politici-volicom/Blaha-SMER-SD-Respektujem-Cinu-281879](http://www.parlamentnelisty.sk/politika/politici-volicom/Blaha-SMER-SD-Respektujem-Cinu-281879).

<sup>41</sup>"Fico poriadne pritvrtil. Kisku kritizuje za dalajlámu i výroky o V4", Aktuálne.sk, October 20, 2016, <https://aktualne.centrum.sk/zahranicie/europa/konflikt-reprezentantov-statu-fico-je-zodpovedny-za-zahranicne-vztahy-kiska-mu-ich-kazi.html>.

<sup>42</sup> Richard Q. Turcsányi, "Fico pre rozvoj vzťahov s Čínou neurobil prakticky nič", Denník N, November 11, 2016, <https://dennikn.sk/602336/fico-pre-rozvoj-vztahov-s-cinou-neurobil-prakticky-nic/>.

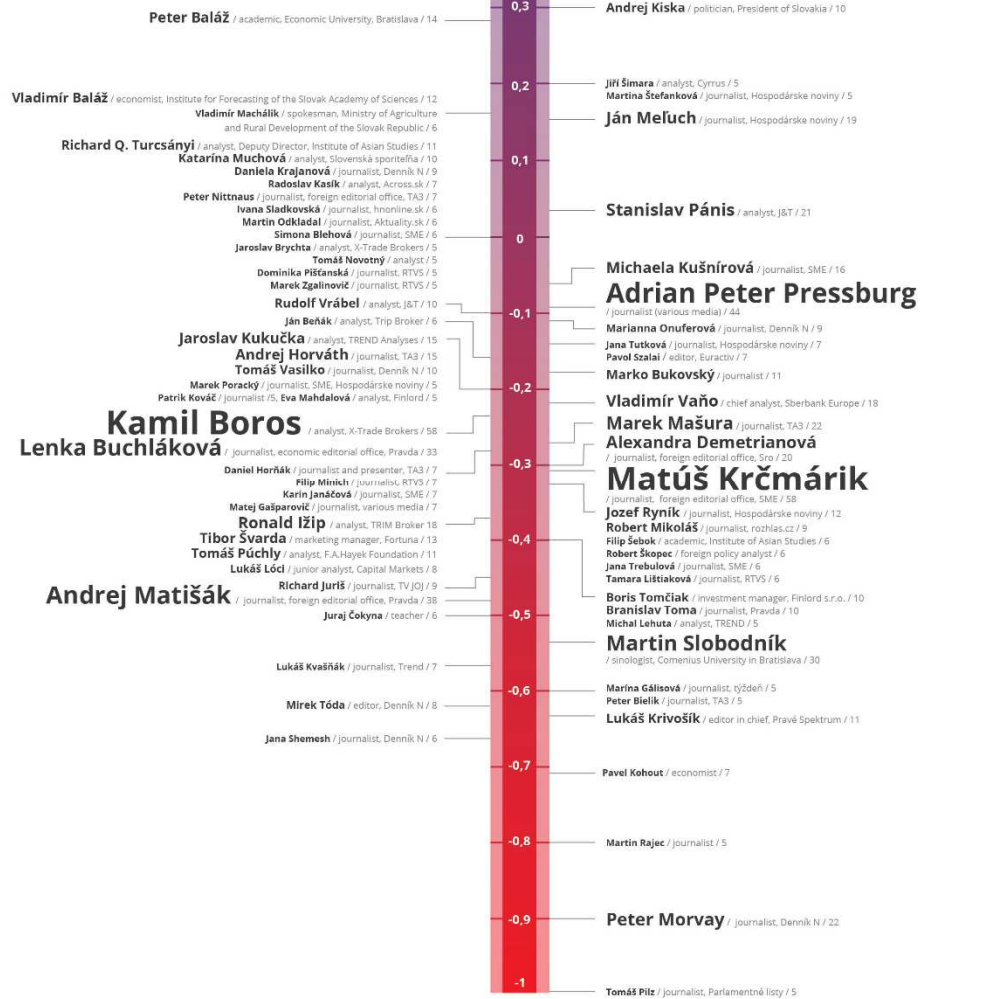
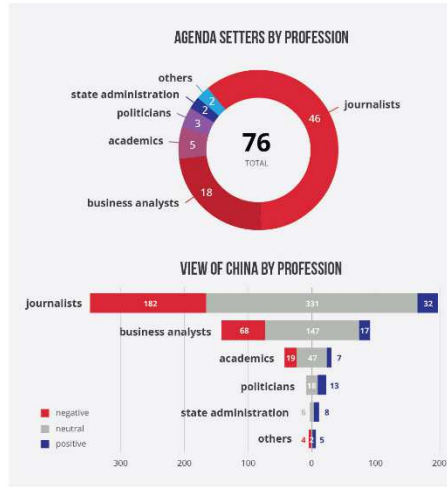


Graph 15: Slovak agenda setters' sentiment on China

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SLOVAK AGENDA SETTERS' SENTIMENT ON CHINA

Name and Surname / profession / company / number of citations in media between 2010-6/2017



Central Europe for Sale: The Politics of China's Influence

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Besides the political circles, there is similarly **lacking strong business interest** in developing relations with China. Interestingly, **a few Slovak businessmen have chosen to develop their relations with China via Czech foreign policy and economic diplomacy** - this is true for **J&T, Penta, and Vladimír Soták** (owner of Železiarne Podbrezová, a major steel and machinery company in Central Slovakia), who has been present when Chinese president Xi Jinping visited Prague in 2016<sup>43</sup>. When the Slovak vice-premier travelled to Suzhou for the 16+1 summit (instead of the prime minister), according to media, there were only few businessmen accompanying him<sup>44</sup>, while the Czech delegation travelled with two planes including a large business and media delegation.

As our analysis shows, **few politicians, China experts, or international relations scholars contribute to the Slovak discourse on China**. As Slovak discourse is oriented primarily towards covering the Chinese economy as part of the global economy, **journalists and business analysts hold a prominent place among the agenda setters**. This composition of actors contributes to the skewing of the media discourse towards covering economic, rather than political or security issues. Interestingly though, the **majority of agenda setters lean towards negative views on China** (or at least they focus on topics which create a negative image of China, albeit in majority of the cases this topic selection was objective as negative events related to China were dominating global news at the time). However, the majority of them were **not ideologically negative**, as many reported on China neutrally as well, and even positively from time to time. **This is not true for those agenda setters who demonstrated more positive views of China, as only very few of these made negative comments about China**.

## Choosing to Ignore China: Slovak Media

Slovak media paint a similar, less engaged picture when China comes in question. **There has not been any growth in media reporting on China recently**, intensification of Sino-Slovak relations with the 16+1 platform and Belt and Road Initiative notwithstanding.

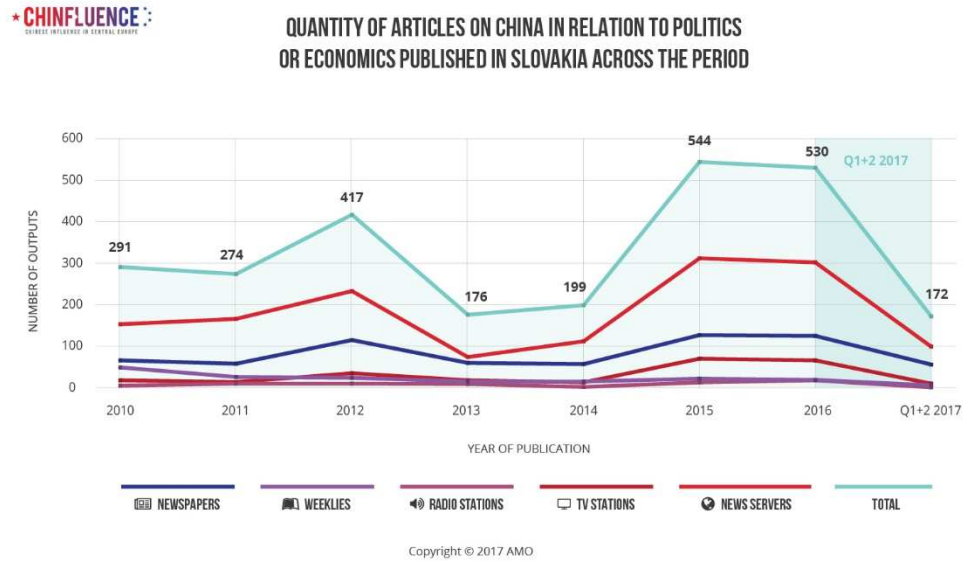
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<sup>43</sup> "Česká a čínská strana podepsaly na 30 obchodních dohod", Deník.cz, March 30, 2016, <https://www.denik.cz/ekonomika/ceska-a-cinska-strana-podepsaly-na-30-obchodnich-dohod-20160330.html>.

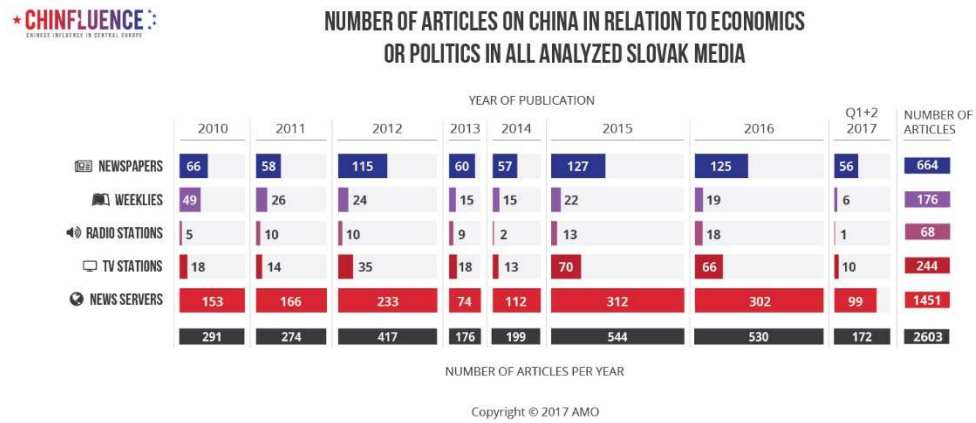
<sup>44</sup> Pavel Novotný, "Učte sa od Čechov a Maďarov, odkazuje Čína Slovensku", Finweb, November 25, 2015, <https://finweb.hnonline.sk/ekonomika/584761-ucte-sa-od-cechov-a-madarov-odkazuje-cina-slovensku>.



**Graph 16: Quantity of articles on China in relation to politics or economics published in Slovakia across the period**



**Graph 17: Number of articles on China in relation to economics or politics in all analyzed Slovak media**

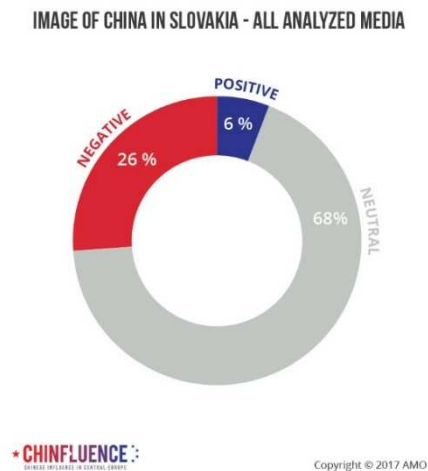


When discussing China, the Slovak media put forth a **neutral representation of China** in the majority of their articles - as many as 68 percent. Approximately one-quarter of articles framed China negatively, and only six percent of articles spread positive views of China.





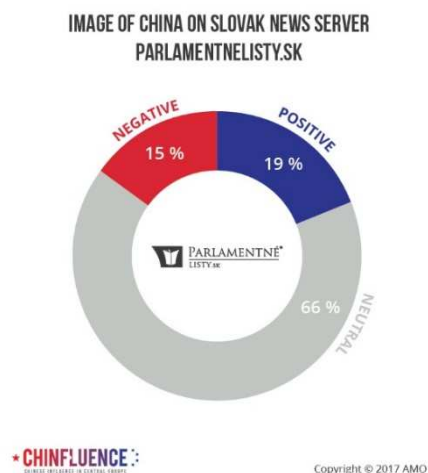
Graph 18: Image of China in Slovakia - all analyzed media<sup>45</sup>



Most of the media outputs analyzed through ChinfluenCE discussed **domestic issues of China**, or the issues of **Chinese global economic influence**. Of all the topics Slovak media covered, the majority of them received negative coverage overall. **Only three topics stand out as being discussed favorably towards China - history and culture, 16+1 platform, and the Belt and Road Initiative**. However, these three topics account for only five percent of the total media coverage of China in Slovakia.

Interestingly, **the 'alternative media'** (which often spread news favorable of Russia, and on numerous occasion outright proven to be fake) **did not differ from this picture**. The only portion of Slovak media which differed were tabloids which were the only group in which the share of negative articles was higher than the percentage of neutral pieces and who also had a much higher amount of positive news of China. Interestingly, Slovak tabloids show a more polarized image of China, not too different from the overall image of China in the Czech media.

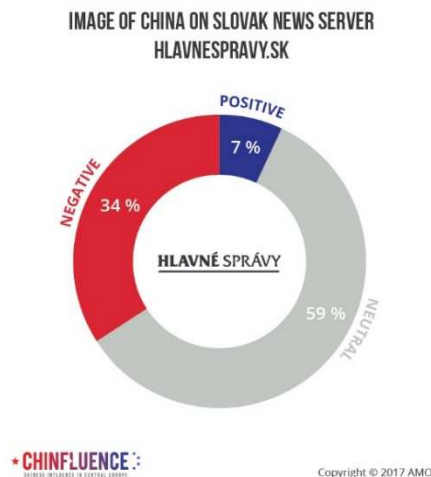
Graph 19: Image of China on Slovak news server parlamentnelisty.sk



<sup>45</sup> For detailed insight into the situation in specific types of media and more graphs see <http://www.chinfluence.eu/slovak-media-analysis/>.



Graph 20: Image of China on Slovak news server [hlavnespravysk.sk](http://hlavnespravysk.sk)



On average, Slovak media outlets tend to have negative perceptions of China: only one media outlet consistently reports positively on China, and this outlet is non-credible given its repeated publication of unverified and manipulated misinformation. Despite this, the Belt and Road Initiative (BRI) has all of a sudden begun to receive favorable coverage. While in general, the share of negative articles on China is almost 4.5 times higher than the share of positive articles, this is not true for the coverage of BRI. In this case, positive media mentions are 1.5 times more frequent than the negative ones.

Overall, **economic topics prevail in the media coverage over domestic and foreign policy related topics.** The Chinese economy was discussed 1.7 times more often than Chinese foreign policy, and 2.1 times more often than Chinese domestic politics and policies. Among the top five topics covered by the media, only a single topic was not related to the economy but rather to domestic policy. **Security related topics are seriously underrepresented in the media discourse.** The reason for the thematic imbalance in the media coverage is connected to the **composition of the actors involved in the media debate, where economists have a dominant position** in the media discourse.



**Graph 21: Representation of topics in articles on China in relation to economics or politics in all analyzed Slovak media (2010-6/2017)**



The situation in the media discourse and overall Slovak approach towards China may be **evaluated as having both positives and negatives**. It should be seen positively that China is not such a polarizing and politicized issue in the country as it is, for instance, in the Czech Republic, and that in particular **there are virtually no active pro-China lobbyists in Slovakia**. Moreover, the **neutral image of China in the Slovak media may create a reasonable context for having an objective fact-driven debate** about how to deal with China.

On the negative side, however, **much of this ‘neutrality’ can be attributed to lack of interest and even ignorance of China**. As evidence, most of the reporting on China is taken from the international agencies, with **extremely little attention being paid to Sino-Slovak relations**. Hence, there is basically no debate going on about how to approach China. This may be potentially vulnerable as the **country might not be ready when a challenge involving China would arrive**.

Such a challenge may come if U.S. Steel really sells their Slovak assets to a Chinese company. However, an even bigger issue has been rumored for some time – CEFC company allegedly partnered with Penta Financial Group with an aim of purchasing the parent company on the most viewed TV station in Slovakia, Markíza. This should be seen as much more controversial than the acquisition of the steel factory and there are also some concrete tools which the Slovak authorities can do to prevent what may be labelled as a problematic ownership of the country’s crucial media. It is questionable what the future holds for this deal currently as CEFC is facing some serious problems. In any case, this may serve as a warning signal to prepare for a similar situation in the future.

## **Conclusion and Recommendations**

At the end of the day, Slovakia has been a country with the least developed relations with China among the V4, but this may be changing now. In April 2017, the **Slovak government passed the ‘Strategy for the Development of Economic**



**Relations with China 2017-2020**<sup>46</sup>, followed by the 'Action Plan' in the autumn of that year<sup>47</sup> (which, however, was stopped in the process due to some objections within the government). In any case, this is the first time Slovakia has adopted a strategic document pertaining to a single country only. Moreover, **Slovakia is the only Central European country to have a specific China strategy**.<sup>48</sup> Together with the new Chinese deals in the country, the reality of the Slovak approach towards the growing superpower may be very different in the near future.

It can be recommended that to utilize positives of the current situation and minimize existing shortcomings, **Slovakia should improve its understanding of China**. This may be done by opening specific posts for China experts at Slovak universities (with various social science backgrounds), supporting informed and objective media coverage of China, especially of Sino-Slovak bilateral issues, and working towards realistic expectations held by the local business community.

Particularly, there needs to be a better understanding of Chinese investments strategies and tactics. Slovakia should be able to draw a line where the economic, political and other interactions are profitable and when they may undermine its interests. To this end, it is advisable to support the creation of the **investment screening mechanism** currently discussed at the EU level which could improve the capacity to evaluate economic opportunities and potential security threats, even if the ultimate political decision would clearly remain at the national level.

Although China is not an overly polarizing issue in Slovakia, there are indications that various government agencies diverge considerably in their perception of China. This was especially visible when the national China strategy was adopted in 2017, without any public discussion and even with limited intra-government discussion. **The inter-agency communication on China-related matters should be supported in parallel to supporting broader public discussion on how to approach China with relevant stakeholders, including experts, academia, business, media, etc.**

<sup>46</sup> "Vláda schválila Konceptiu rozvoja hospodárskych vzťahov medzi SR a Čínou na roky 2017 až 2020", Ministry of Economy, accessed March 21, 2018, [www.economy.gov.sk/press/vlada-schvalila-koncepciu-rozvoja-hospodarskych-vztahov-medzi-sr-a-cinou-na-roky-2017-az-2020](http://www.economy.gov.sk/press/vlada-schvalila-koncepciu-rozvoja-hospodarskych-vztahov-medzi-sr-a-cinou-na-roky-2017-az-2020).

<sup>47</sup> "Draft Action Plan for the Conception of Developing Economic Relations between Slovak Republic and People's Republic of China for 2017 – 2020", SloVlex, accessed March 21, 2018, <https://www.slov-lex.sk/legislativne-procesy/-/SK/dokumenty/LP-2017-654>.

<sup>48</sup> Richard Q. Turcsányi, "Slovakia's Overdue China Strategy", *The Diplomat*, November 3, 2017, <https://thediplomat.com/2017/11/slovakias-overdue-china-strategy/>.



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