



# ChinfluenCE Roundtable: The Extent and Kind of China's Influence in Central Europe

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## Introduction

This briefing paper summarizes views and comments of participants of the ChinfluenCE closed roundtable held on April 20, 2018, in Bratislava, Slovakia. The event was constituted of **Czech, Greek, Hungarian, Polish, Serbian and Slovak NGO practitioners, academics, business analysts, journalists and politicians<sup>1</sup> whose aim was to discuss China's economic and political presence in Central Europe and its impact on media and civil society.** It was possibly the first such meeting of its kind.

The event was organized by the Association for International Affairs (AMO), Czech Republic, together with the Central and Eastern European Center for Asian Studies (CEECAAS), Hungary, and the Institute for Asian Studies (IAS), Slovakia, as a part of ChinfluenCE<sup>2</sup>, an international project mapping China's political and economic influence in Central Europe. The project has mapped media discourses on China in the three Central European countries, identified key agenda setters and uncovered and analyzed links between political and economic elites connected to China's activities. The ChinfluenCE research is supported by the National Endowment for Democracy.

## Mapping China's influence in Central Europe: analyses of media discourse and agenda setters

The ChinfluenCE project was presented at the kick-off session of the event. It familiarized the audience with the findings of **a large-scale research of media reporting and political agency related to China in the Czech Republic, Hungary and Slovakia** from 2010 till mid-2017. The media mapping 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 Czech, Hungarian and Slovak media outputs and a series of interviews with agenda setters and insiders<sup>3</sup>.

Media analysis of the major media outlets in the three countries revealed several differences, as well as similarities in the local public discourses on China. **In Czech Republic and Hungary, the public discourses on China are heavily politicized and stereotyped.** The Czech media often did not inform about China as such, i.e. its domestic politics, economy or social issues - it rather informed about China only in connection to Czech domestic politics. **In Hungary, the debate was polarized mostly along party lines, with those media close to the Orbán government painting a much more positive picture of China** than those media which are believed to be close to the opposition. This is very different from Slovakia, where relations with China have not become a politicized issue yet. **Slovak discourse has remained largely neutral over the course of time.** This should be conducive to a constructive debate on what the Slovak interests are vis-a-vis China.

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<sup>1</sup> The event was held under the Chatham House Rule, thus the names and affiliations of participants can not be revealed. The views expressed at the seminar by discussants and compiled into this paper do not necessarily reflect the views of ChinfluenCE partners.

<sup>2</sup> For the project website see [www.chinfluence.eu](http://www.chinfluence.eu)

<sup>3</sup> A policy paper summarizing media content analyses and a first part of agenda setters mapping is available for download at the ChinfluenCE project website. Ivana Karásková, Tamás Matura, Richard Q. Turcsányi and Matej Šimalčík: Central Europe for Sale: The Politics of China's Influence (Praha: Asociace pro mezinárodní otázky, April 2018), <http://www.chinfluence.eu/central-europe-for-sale-the-politics-of-chinas-influence-2/>



However, such a debate has not emerged in Slovakia yet, partially due to the lack of interest in China and absence of indigenous reporting (most information regarding China comes from foreign sources).

Thematically, **Slovak and Hungarian discourses** were quite similar, as both **focused primarily on China's economy**. **Hungarian media also focused on mutual Sino-Hungarian relations** while the topic of **mutual Sino-Slovak relations has been notably absent from the Slovak discourse**. On the other hand, the Czech discourse was markedly different from the Hungarian and Slovak ones. **In Czech Republic, topics like China's involvement in world affairs, human rights, Tibet, communism and censorship featured prominently**, arguably reflecting that Czech society has not digested its own communist past yet. The above mentioned value-based topics received only very little traction in Slovak and Hungarian media coverage dealing with China.

When looking at the agenda setters' landscape, **Czech journalists formed the most prominent group responsible for establishing and shaping the Czech media discourse on China**, while **Czech politicians had the second highest involvement**. In Hungary, journalists and government politicians shape the views of the public on China, while opposition politicians remained muted on the issue. **In Slovakia, the discourse was influenced mostly by journalists and economic analysts, which explains the largely economic focus of the reporting on China**.

In all three countries, **China experts have a very limited access to media**, which only contributes to the shallowness of the domestic debates on China.

## China's strategy in Central Europe

At the following session, the participants of the roundtable debated China's strategy in the region and tools used by China in achieving its goals. They came to the conclusion that **China uses a combination of both political and economic tools** to garner influence in Central Europe. **Economic relations (or a promise thereof and incoming investment in the future) often serve China's political goals**. Nevertheless, governments of the Central European countries, as well as those of the countries in the Balkans and Greece, were more than willing to give China what it wanted in the political sphere in exchange for just these promises.

It was concluded moreover, that it is necessary to recognize and make public the nature of Chinese investments if and when they reach the Central European countries. **Unlike the European Union's structural funds, Chinese capital is coming in the form of loans which, eventually, will have to be paid back by recipient countries**. While some of the loans may be provided at favorable conditions, it is certainly not the rule. The basic nature of the loans is in some cases also questionable. **The whole process of negotiating investment deals with Chinese partners is not at all transparent**. Thus it is difficult to evaluate the benefits of China's investments for the recipient country prior to closing the deal. At the same time, it has to be understood that business deals are habitually kept private as there have been instances of deals being cancelled as a result of information being leaked to the public.

Slovak participants pointed out that it seems possible to have economic relations with China, while at the same time not giving China space to exert political influence, as demonstrated by Slovakia. Further attention, however, should be paid to the prospective deals which have been announced between China and Slovakia.



Interestingly though, one can observe Chinese influence taking hold to some extent in the non-material sphere. **The West increasingly accepts and uses phrases which were coined by China, subscribing to the China-led discourse.** Labels and phrases like “Belt and Road”, “win-win cooperation”, or “16+1 platform” became part of our vocabulary due to increased ties with China and China’s effective PR.

**Most of China’s influencing efforts use a top-down approach (unlike Russian influencing which uses a bottom-up approach).** China attempts to influence local political and economic elites, journalists and academics both at the domestic level and while they are abroad, who then spread pro-China views and messages. Examples of foreigners praising China are then used for pursuing China’s domestic policy and strengthening domestic stability and CCP legitimacy.

Naturally, **Chinese influencing efforts tend to intensify whenever sensitive issues, such as Tibet or Taiwan, come into public debate,** as witnessed for example in Slovakia in 2016 when President Kiska met with the Dalai Lama. Following the meeting, the Chinese Embassy in Bratislava went on a PR offensive. It held a seminar on Tibet, which was focused on presenting the Chinese position on the issue. The Chinese ambassador in Slovakia published two op-eds on China and Tibet on a notorious disinformation news server Hlavné správy.

Kiska’s meeting with the Dalai Lama was one of the rare instances when China and Tibet became an issue of domestic policy in Slovakia. Nevertheless, **Tibet is a marginal issue in both Slovak media and public discourses, unlike the case of the Czech Republic where Tibet receives much media and public attention**<sup>4</sup>. To date, the Dalai Lama has visited Slovakia three times, while he has made twelve visits to the Czech Republic.

The debate then shifted towards **comparing Chinese and Russian influence techniques.** It seems that in Central Europe, **pro-Chinese and pro-Russian messages tend to be disseminated into the public discourse mostly by the same actors.** However, while China targets elites, Russia is more active in spreading disinformation to the media and influencing public discourse. **China (so far) seems not to be interested in directly controlling the media discourse and public opinion through purchases of media outlets as long as it can achieve its goals through its links to the elite.** However, examples of Chinese companies directly controlling Czech media outlets suggest that **China might influence the public directly in the future.**

As one participant noted, the difference between Chinese and Russian techniques in influencing the public stems from the differing nature of China’s and Russia’s goals in Central Europe. **China focuses on business opportunities, which are best served by fostering relations with elites and occasionally extracting political favors.** China’s activities thus go mostly unnoticed by the general public. **Russia aims at creating disunity within the European Union and NATO members, which is better achieved by influencing public opinion.**

The question remained of how successful China is in spreading influence among the civil society in Central Europe. One discussant observed that Slovak civil society seems not to be accepting and spreading official Chinese narrative. **Any influence China has over NGOs is rather an indirect one, related to some agenda setters siding with the anti-West voices that are present in Central Europe**<sup>5</sup>. However, the participants of the roundtable critically

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<sup>4</sup> This is mostly the result of the legacy of Václav Havel, his opinions on Tibet and his personal relations with the Dalai Lama.

<sup>5</sup> Investigation into the topic in Slovakia revealed that the nature of the local agenda setters involved in spreading pro-Russia as well as pro-China narrative is quite diverse and includes both far-right and far-left actors.



evaluated academic cooperation with China and concluded that it appears **China has received more traction with creating academic cooperation networks.**

## **Central European countries' motivations behind deals with China**

Next, the debate turned to the motivations of individual countries in Central Europe and the Balkans to attract investment from China. The views differed across the individual countries, as shown in the cases of two of the biggest recipients - Poland and Hungary - around which the discussion revolved.

In the case of **Poland**, the domestic push to attract Chinese capital came in the wake of the global financial crisis in 2009. At that time, many in Poland feared that the country was over-dependent on the funds and investments coming from the European Union. Thus, attracting foreign, Chinese capital was seen as a means to reducing perceived over-dependency. However, Poland did not achieve the results it wished for. Though it received many grand gestures from China, **concrete results which would benefit the Polish economy are still lacking.** To illustrate, while cargo trains full of Chinese goods arrive in Poland from China, they return to China half-full at best. This serves to reinforce the trade imbalance Poland already has with China.

Poland signed the strategic partnership agreement with China, but it hoped to gain more out of the cooperation. **When the 16+1 framework for cooperation with China emerged, Poland strived to become a leader among the 16 Central and Eastern European countries.** This leadership, however, did not materialize and as a result of the lack of concrete achievements, **the disillusionment regarding China grows in parts of the Polish elites** and Poland is (and will be in future) pursuing a more cautious approach. What is rather curious in this respect, is the fact that a **public debate on Polish interests vis-a-vis China has not emerged in the country yet.**

**The Hungarian case** shows that the promises of Chinese investments are being used as a bargaining chip in the hands of the Prime Minister Viktor Orbán in negotiations with Brussels. **Orbán uses China as a 'protector' to whom Hungary can turn for capital in case Brussels takes a firmer stance.**

Similarly to Poland, public debate on what goals Hungary should pursue in its relations with China is lacking. This was noted by participants of the discussion as dangerous, since **Hungarian media - mostly in the hands of the government - shape the public perception of China.**

Participants in the debate came to the conclusion that **the Czech Republic is most probably the only country in Central Europe where political and economic elites' motivations for pursuing relations with China are debated in and challenged by the public,** partially due to the vocally pro-China stance of the current **President Miloš Zeman, who even made relations with China a point in his re-election campaign last year.**

**For Slovakia**, while it is interested in attracting more Chinese investments, **relations with China are not a priority.** From all the foreign investors, China is not even among the top 20. Slovakia has received more investments from other Asian countries, especially Korea, Japan, and Taiwan. Slovak policy towards China has remained quite constant overtime, without notable Chinese economic influence in the country. However, this **could change in the near future if the rumored acquisition of a U.S. Steel plant in eastern Slovakia by Chinese investors materializes.**



## China's influence and the regional platforms of V4 and 16+1

Since there have been reports indicating that the **16+1 framework for cooperation with China is going to be downgraded<sup>6</sup>** by Chinese counterparts, the question emerges: Are we witnessing the downfall of Chinese influence in Central Europe prior to its reaching its full potential?

One explanation for the change of frequency in the 16+1 summits is based on economic reasoning. **Preparations for the meetings are too costly for the small Central European states** and they do not have enough funding to pay for their organization and attendance of so many 16+1 related events (this includes not only the annual summits, but also many meetings at lower levels - ministerial & working groups).

Another alternative explanation, which was suggested by the participants of the ChinfluenCE roundtable, concerns the European Union. It is possible that **China wants to scale back the 16+1 meetings in order to preserve China's relations with the EU**, especially since Donald Trump and his administration in the US seems to be more hostile towards China than its predecessors.

Since the role of the 16+1 framework in fostering the Central European countries' relations with China might be diminishing, the discussion turned to the role of the V4 format in dealing with China. So far, **V4 has not been actively used by the Czech Republic, Hungary, Poland and Slovakia vis-a-vis China**. The time for the V4 to be an active actor and have demands towards China may be coming now. A major obstacle, however, is the **illusory nature of V4 unity**. In the past, common V4 initiatives have been lacking in substance. Moreover, the individual V4 countries, while partners on many issues, are also competitors when it comes to attracting Chinese investment.

## China's influence in Central Europe: What can be done?

In order to tackle China's influence in Central Europe, participants of the ChinfluenCE roundtable proposed **promoting China's engagement at the EU level instead of promotion of 16+1 relations and bilateral relations favorable to bigger EU member states** (esp. Germany and France).

Participants also noted that the level of expert as well as public debates on China and on Central and Eastern European countries' interests and strategies of achieving them is very low. **It is necessary to hold more events where opinions on China and Chinese investments in Central Europe can be discussed freely, as well as lessons learnt and best practices when it comes to Chinese investors and their impact on the destination countries and local societies**.









Moreover, it is necessary to engage the broader public in the debate. While expert debates are necessary, **it is also crucial to make the public aware of not only the opportunities connected with the Road and Belt initiative and other China-led and promoted projects, but also the political and economical risks that come along with them**.

<sup>6</sup> This concerns the annual summit of the heads of government, which should be downgraded to a biannual event.



## Association for International Affairs (AMO)

AMO is a non-governmental not-for-profit organization founded in 1997 in Prague to promote research and education in the field of international relations. This leading Czech foreign policy think-tank owes no allegiance to any political party or to any ideology. It aims to encourage pro-active approach to foreign policy issues; provide impartial analysis of international affairs; and facilitate an open space for informed discussion.

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