

International Master's Program in International Studies
National Chengchi University
國立政治大學國際研究英語碩士學位學程

China's Belt and Road Initiative in Central Europe: A Case Study of the Czech Republic

中國在中歐的一帶一路倡議：捷克的 案例研究

SOŇA KEHMOVÁ

Advisor: YUNG-FANG LIN, D. Phil.

June 2019

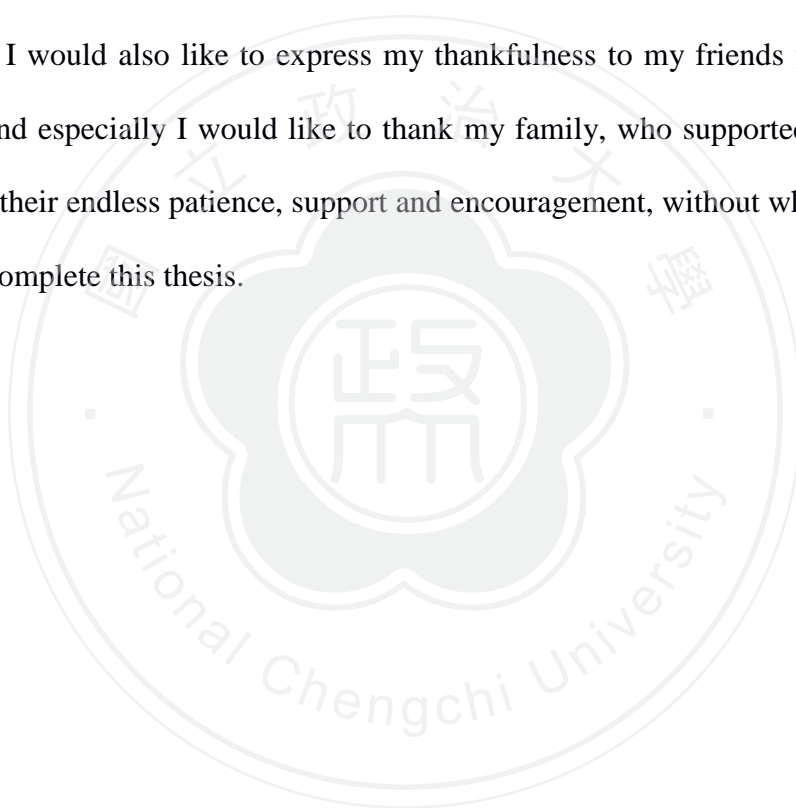
DOI:10.6814/NCCU201900061

ACKNOWLEDGEMENT

Foremost, I would like to express my sincere gratitude to my advisor Prof. Yung-Fang Lin for the continuous support and kind guidance of my study and research, for his patience, valuable advice, and immense knowledge.

Besides my advisor, I would like to thank the rest of my thesis committee: Prof. Cho-Hsin Su and Prof. Jui-Wen Hsu for their time, encouragement, insightful comments, and inspirational questions.

Finally, I would also like to express my thankfulness to my friends for their support and patience, and especially I would like to thank my family, who supported me throughout my studies, for their endless patience, support and encouragement, without which it would not be possible to complete this thesis.



ABSTRACT

This thesis deals with the implementation of the Chinese Belt and Road Initiative (BRI) in Central Europe, specifically with the case of Chinese activities in the Czech Republic. The thesis designed as a qualitative research describes the development of Czech-Chinese relations from 2012 to the present in a broader European context. The factors influencing the Czech-Chinese re-alignment are described together with the importance of this foreign policy change for the Czech Republic. The work also focuses on the possibility of Chinese use of economic factors to gain political influence and soft-power, when the thesis concludes that China has significantly strengthened its influence over Czech political circles. Despite the increase in mutual contacts and the improvement of the Czech-Chinese renewed relationship, in the eyes of the Czech public it remains perceived as very negative phenomenon, and the Chinese issue is subject to significant securitization in the Czech media. Therefore, this thesis concludes that the Czech Republic, newly applying economic diplomacy to its foreign relations, has significantly changed its attitude towards China, which moved from a very cold approach to a significantly less critical, and more open approach, however the mutual relationship continues to show considerable asymmetry and the BRI in the Czech Republic implemented rather in the form of promises and agreements than in the form of real results.

摘要

本論文探討中國「一帶一路」在中歐實施的情況，特別是捷克案例的質性研究，描述 2012 年至今在廣泛的歐洲背景下，捷克與中國關係的發展。文中說明影響捷中關係重新定位的因素，以及此外交政策變化對捷克的重要性。論文著重於中國利用經濟因素獲得政治影響力和軟實力的可能性，並認為中國已經大大加強了對捷克政界的影響力。儘管捷中增進聯繫和關係改善，但在捷克大眾眼中，它仍然被視為是非常負面的現象，而與中國交往所衍生的安全疑慮，也受到捷克媒體的關注。因此，本研究認為，捷克近來採行的經濟外交，雖已大大改變了對中國的態度，從非常冷淡的態度轉變為一種較不批判且開放的態度，但彼此關係仍呈現相當大的不對稱性，「一帶一路」在捷克進行的結果並未符合當初的承諾和協議。

Table of Contents

1.	Introduction.....	1
1.1	Research Motivation.....	1
1.2	Purpose of the Research	4
1.3	Literature review.....	6
1.4	Research Method and Theory.....	16
1.5	Outline of the Thesis.....	19
2.	The Belt and Road Initiative	22
2.1	Background and The Scope of the Belt and Road Initiative	22
2.2	Principles of the Belt and Road Initiative.....	26
2.3	Cooperation Priorities and Mechanisms under the Belt and Road Initiative.....	27
2.4	Conclusion	31
3	The Belt and Road Initiative in Europe	32
3.1	EU – China Relations and Implementation of BRI	32
3.2	The 16 + 1 Initiative	43
3.3	Implementation of BRI in Visegrad Group Countries.....	52
3.4	Conclusion	57
4.	The Implementation of Belt and Road Initiative in the Czech Republic.....	60
4.1	The Political System of the Czech Republic and Key Foreign Policy documents	60
4.2	Political Dialogue of the Czech Republic and China	63
4.3	Czech – Chinese Business Relations and Projects under BRI Initiative	75

4.4	Conclusion	84
5.	Political Implications of BRI and Chinese Influence in the Czech Republic	86
5.1	Foreign Policy Implications of Renewed Czech-Chinese Relations	86
5.2	Domestic Policy Implications of Renewed Czech-Chinese Relations	89
5.3	Chinese Soft Power, Influence and Czech Public Opinion	94
5.4	Conclusion	100
6.	Conclusion	102
	References.....	114



LIST OF ABBREVIATIONS

- **AIIB** – Asian Infrastructure Investment Bank
- **BRI** – The Belt and Road Initiative
- **CE** – Central Europe
- **CEE** – Central and Eastern Europe
- **CEEC** – Central and Eastern European Countries
- **CEFC** – China Energy Company Limited
- **CIS** – Commonwealth of Independent States
- **CR** – the Czech Republic
- **ČSSD** – The Czech Social Democratic Party (Česká strana sociálně demokratická)
- **EAEU** – Eurasian Economic Union
- **EFTA** – European Free Trade Association
- **EU** – European Union
- **FDI** – Foreign Direct Investment
- **GDP** – Gross Domestic Product
- **KDU-ČSL** - The Christian and Democratic Union – Czechoslovak People's Party (Křesťanská a demokratická unie – Československá strana lidová)
- **KSČM** – The Communist Party of Bohemia and Moravia (Komunistická strana Čech a Moravy)
- **NATO** – North Atlantic Treaty Organization
- **ODS** – Civic Democratic Party (Občanská demokratická strana)
- **PRC** – People's Republic of China
- **RMB** – Renminbi / Chinese Yuan
- **SPO** – Party of Civic Rights (Strana práv občanů)
- **STAN** – The Mayors and Independents (Starostové a Nezávislí)
- **TOP 09** – The Liberal Conservative Party
- **UN** – United Nations
- **V4** – Visegrad Group

LIST OF FIGURES

- Map 2.1 The Geographic Representation of the Belt and Road Initiative.....25
- Figure 3.1 The Attitude of EU Member States towards China.....38
- Map 3.2 Member States of the 16 + 1 Initiative.....45
- Figure 4.1 Chinese FDI in the Czech Republic 2011-2017.....76
- Figure 4.2 Import/ Export Balance of CR with China in years 2010-2018.....79
- Figure 4.3 China's Import/ Export Balance with CR in years 2010-2017.....81
- Figure 5.1 Image of China in the Czech Media.....95



LIST OF TABLES

- Table 3.1 Chinese investment in 16 + 1 countries between 2009 and 2014.....51
- Table 3.2 Cooperation Mechanisms of V4 countries and China under 16 + 1 platform.....57



1. Introduction

1.1 Research Motivation

China is undoubtedly one of the most important actors in international relations in the 21st century. In recent years, in addition to traditional topics of public and academic discussion, such as China's state constitution, controversial territorial claims or human rights abuses, the increasing presence of China on all continents has also been a frequent subject of interest. This presence and accompanying activities are part of a larger strategy called Belt and Road (also BRI), in which China introduced its infrastructure and investment development plan in countries of Asia, Africa and Europe.

While Chinese activities in other areas of the world such as Africa or Latin America have been subjected to detailed research from the point of view of the academic community and no less media attention, Central Europe (CE) together with the Czech Republic remains a less mapped region of Chinese activities, despite the fact that China has paid much attention to European countries over the past few years.

Evidence of China's interest in the CE region, including Czech Republic, is also the emergence of the 16 + 1 initiative, which brings together 16 European countries in a China-focused co-operation platform. The 16+1 format was initiated by the People's Republic of China and aims at intensifying and expanding cooperation with 11 EU Member States and 5 Balkan countries, in the fields of investments, transport, finance, science, education, and culture.

China has long been a well-known actor in international politics, and has tended to maintain a "low profile" strategy, thus delaying public demonstrations of its capabilities in order to avoid international attention. This strategy has been applied since the time of Deng

Xiaoping, whose government played a key role in boosting China's economic prosperity. However since 2013, the head of the Chinese state is the ambitious and powerful leader Xi Jinping, who, as demonstrated by his activities in recent years, is trying to consolidate his position as well as China's position in the world. Xi is reluctant to rely on previously established procedures, and does not hesitate to pursue his will, even in the field of China's international political orientation. Thus it is no wonder that the previous Deng Xiaoping's "low-profile" strategy has been replaced by ambitious, sometimes even monstrous projects, in Xi's speeches addressed as "Chinese Dream" or "Restoration of the Chinese Nation". China's new strategy is so much more assertive in terms of being active in Asian regions, and attaches much greater importance to the international environment and events abroad (Góralczyk 2017, pp. 154-155).

It is no surprise, therefore, that Chinese activities in the Czech Republic, which until recently was a relatively neglected region in terms of Chinese interest, have grown together with the growing presence of China on the European continent. And China's activities have not been the only recorded growth, as China's increased presence in business, investment, real estate, politics, and other spheres has also increased the interest of the general public and, above all, the media about the whole situation and the new Chinese perspective of foreign affairs.

The media, however, have often expressed concerns about the so-called "Buying Europe Strategy" and often asked questions about China's motives for these activities. For example, *Foreign Policy* drew attention to China's purchases of European ports and parallel investments in Central and Eastern Europe, which, according to the magazine, were driven by an ambitious strategy of acquiring influence in Europe and physically linking Europe to China by sea, road, rail, and pipeline (Johnson 2018).

In August 2018, the *New York Times* also focused on Chinese activities linked to the Central European region, and described in detail the controversial situation surrounding China's trade agreements with the Czech Republic (also CR), but also focused on the Chinese impact on individuals working in the political sphere and highlighted the suspicious linkages between state companies, and people who openly support the trade agreements, business contracts and political convergence with China (Barboza, Santora, & Stevenson 2018).

For example, *The Economist* wrote in November 2018, following the appointment of a new Chinese Ambassador to the Czech Republic, an article highlighting China's growing influence in Europe, pointing out the blending of economic and political interests in the Czech Republic, especially when the Chinese side is involved (The Economist 2018).

The interest of local and foreign media does not naturally fade as one might expect, even though it has been 5 years since the appointment of Xi Jinping to the presidency, and almost five years since the dramatic change in the discourse of Chinese involvement in international relations. Likewise, there is no decrease in Chinese activity in the CE region, which, in the context of some events, primarily leads the media and the general public to questions about China's real influence in European countries and the European Union itself.

There several concerns connected to geo-political consequences, of Chinese foreign direct investment and increased presence in Europe in general, for Europe and European Union. As Chinese motivation for strong presence in CE remains unclear, it gives a space to multiple theories and opinions. Especially after March 2017 EU split in opinions over a joint letter expressing concern about reports of lawyers in China being tortured in detention, when

Hungary prevented the European Union from adding its name to this joint letter¹ (Denyer 2017), and later in June 2017 when Greece blocked EU statement at United Nations over human rights in China² (Denyer 2017), it must be added that both countries belong to the countries with the largest economic cooperation with China. Some argued that China adopted a dollar diplomacy in attempt to build political ties through economic links and create thus strategic allies in Europe, or even make EU working process and decision making process less efficient, as China seems to be even more interested in investing in the countries of Central and Eastern Europe, which are already EU member states, and can thus be more useful in promoting Chinese interests in the negotiations with the EU.

1.2 Purpose of the Research

The aim of this thesis is to explore activities of China in the Czech Republic, especially the implementation of the Belt and Road initiative, the cooperation within platform 16 + 1, and its possible political, business, or influence impacts on the Czech state.

Another aim of this work is also to reveal the possible relationship between China's use of economic instruments to increase its own political influence and soft power in the Czech Republic. This thesis will work with the argument that China's economic power and influence in the CR are effectively transformed by China into political influence. China uses economic incentives and promises, coupled with an increasing ongoing interstate visits and

¹ In July 2016, for example, Hungary, one of the major beneficiaries of Chinese financing and investments in recent years, fought hard to avoid a direct reference to Beijing in an EU statement about a court ruling that struck down China's legal claims in the South China Sea. Then in March 2017, Hungary derailed the EU's consensus by refusing to sign a joint letter denouncing the reported torture of detained lawyers in China (Benner & Weidenfeld 2018).

² "Greece, a significant recipient of Chinese investment, blocked an E.U. statement at the United Nations in June 2017 criticizing China's human rights record — despite rising concerns among many member states about an ever-intensifying crackdown on civil society, including lawyers and activists. (...) It was the first time in a decade that the European Union has not made its collective voice heard during the U.N. Human Rights Council meeting" (Denyer 2017).

cultural exchanges, to increase own soft power in the CE region and to gain economic influence over countries, that can be later used as a political influence. Belt and Road Initiative is therefore the main “umbrella strategy”, and the 16 + 1 initiative can serve as an instrument for this initiative to improve co-operation with countries and thus make it easier for Chinese national interests to be achieved.

The main research question is: *How is the Belt and Road Initiative implemented in the Czech Republic?* However, within the framework of the thesis, even additional research questions will be the subject of interest: *What was the development of Czech-Chinese relations since the beginning of the BRI in Central Europe and what played a key role in this process?; What are the political implications of restoring the relationship with China for the Czech Republic?; What are the results of the Czech Republic's cooperation with China?; What are China's motives for engaging with and cooperating with the Czech Republic?; Is it possible for China to use economic instruments, as trade agreements and foreign direct investment, to gain political influence and soft power in the country?; What changes in the public perceptions of China occurred in the Czech Republic after the start of more intensive cooperation and after the launch of the Belt and Road Initiative?*

These research questions will be applied to the Czech Republic, within the time span starting from 2012 – when 16 + 1 initiative was implemented – up to present, while the purpose is to reveal how the implementation of the Belt and Road Initiative is taking place, what are the key factors shaping the Czech-Chinese relations, how the CR is cooperating with China, but also aiming at revealing a possible link between China's economic activity and the possible increase in China's political and soft-power influence in the CR.

The focus will be on China's economic activities in the region, such as the flow of Chinese capital, foreign direct investment, business cooperation, trade agreements, and

country-specific contracts. Czech-Chinese relations will also be presented in the wider context of the European Union, the 16 + 1 platform, and the Visegrad Group, of which the Czech Republic is a member, with the aim of bringing a comprehensive view of the situation without detaching the factors that may affect the Czech-Chinese relationship.

Therefore, if the right assumptions are made of China's ability to use economic influence for its own political benefit, to obtain political proximity with other countries and to create allies in the international environment, our conclusions should be confirmed in the form of increased pro-Chinese statements and general political sympathies, through statements of governments, heads of state, or individual government officials, as well as through official governmental documents and policy papers of the CR. Similarly, perceptions of China in the Czech media and the general image of China perceived by the general public of CR should be improving, if the Chinese economic activities in individual countries are also connected with the increase in the Chinese soft power.

1.3 Literature review

The Silk Road Economic Belt and 21st Century Maritime Economic Road were primarily identified as Beijing's main elements of effort to improve current relations with China's neighboring countries, to boost up the development and growth in the so called periphery. However Belt and Road Initiative has potential in several economic, political and cultural realms. According to Michael D. Swaine, BRI became the main foreign policy and economic strategy of Chinese government, and it is part of Chinese attempt to "leverage China's growing economic power and influence in order to strengthen and expand cooperative interactions, create an integrated web of mutually beneficial economic, social and political ties, and ultimately lower distrust and enhance a sense of common security" (Swaine 2015, p. 1).

A potential explanation for the possible motivation and ability of China to exploit economic factors to manipulate other states, offers for example one of the first academic debates about the possible relationship between economic statecraft and its use in international politics. Albert O. Hirschman, who in his publication introduced the idea of using an asymmetric business/ economic relationship to convince another actor to act in a manner consistent with the interests of the first state, argues that if internationally more strong and less vulnerable country A is significantly involved in the overall percentage of international trade in the small, more vulnerable and economically more dependent country B, country A then has a significant enforcement tool in the form of economy and trade (Hirschman 1945, pp. 13-34).

This particular form of extortion at the level of the international environment was also addressed by Robert Keohane and Joseph Nye, who attributed considerable importance to asymmetric interdependence; as such an asymmetric situation could lead to economic extortion due to vulnerability and dependence on the extortionist (Keohane & Nye 1989, p. 9).

This situation can be found across human history and do occur even nowadays, when mostly some actors of international arena tend to use the advantage of their economic predominance over other countries. Most currently these attempts were visible in Europe, where Russian state majority owned company Gazprom tried to halt Ukraine gas contracts after continuing disputes, and that would not be the first time when the gas supply was cut off because of Russian dissatisfaction with Ukrainian political situation³. However these methods are not unfamiliar even to China, as business was multiple times used a weapon and tool against for China unacceptable behavior.

³ Gazprom seeks to halt Ukraine gas contracts as disputes continue (Soldatkin & Zinets 2018).

In September 2010 Beijing stopped supplies of rare earths to Japan in a reaction to the arrest of the Japanese captain of the Chinese fishing trawler. This incident happened near the controversial Senkaku islands which are officially under Japanese control but are also the center of conflict between China, Taiwan and Japan, as all three actors claimed them. The supply coming to Japan was cut off even though Chinese Customs Agency still allowed to ship any rare earth oxides, rare earths or pure rare earth metals, to Hong Kong, Singapore and other countries. The Beijing activities were seen as significantly worrying in Tokyo, and cut off supplies played a major role in the decision of the Japanese government to release the captain (Glaser 2012).

However China does not limit its economic power and influence over countries only to Asian region, as Bonnie S. Glaser suggest. Similarly economic tools were used in the incident accompanying the Nobel Prize ceremony in 2010, when Nobel Peace Prize was awarded by Norwegian Committee to Chinese dissident Liu Xiaob. After the announcement in October 2010, the Chinese Foreign Ministry warned that the decision would damage relations between Beijing and Oslo, despite the fact that the Nobel Prize Committee is not related to the Norwegian government in any way (Glaser 2012). In the following months, negotiations on a free trade agreement with Norway were stopped by Chinese side and veterinary inspections were imposed on Norwegian salmon imports. This situation resulted in a serious, 60 percent decrease in imports of salmons from Norway in 2011 (Glaser 2012).

In governmental documents and speeches of Chinese officials, BRI is cast in positive terms as an effort to build and deepen positive-sum, mutually beneficial development ties, for some non-authoritative Chinese and many non-Chinese observers, the motives for Chinese to start the BRI and the BRI itself is perceived with concern that unwelcome Chinese spheres of influence might be established, and that initiative is an attempt to strengthen China's political

influence and security situation (Swaine 2015, p. 1). Many authors point out several objectives and potential motives of China for developing BRI, those could be generally divided into a subset of motives – economic, security, and political.

This idea supports even Swaine, according to who one quasi-authoritative source involved in BRI study at the Ministry of Foreign Affairs of China identified three major motives for establishing the Belt and Road Initiative. Those are Chinese attempt to speed up its development process in western China regions, what should be beneficial for securing energy resources and transferring strong-point industries; to enhance Asia's status as the world industrial chain; and to form a community of countries based on friendly relations and trust towards China (Swaine 2015, pp. 5-6).

Yi Ping Huang (2016) on the other hand emphasizes the economic role of the initiative that accounts in total to approximately 30% of world GDP. He argues that Belt and Road is at the first place Chinese attempt to sustain its economic growth by exploring new forms and opportunities of international economic cooperation. Chinese development pattern that seems to have reached its bottle neck in last few years might be the main reason and motivation for starting this ambitious initiative (Huang 2016, p. 315).

From trading point of view, BRI can also serve as a way how to redraw the trade routes for Chinese products. To Simeon Djankov (2016) the Belt and Road Initiative appears to be entirely a mercantile endeavor, “designed to fortify China's economic interests around the world and open business opportunities for Chinese companies enduring a slowdown at home“ (Djankov 2016, p. 6). Djankov claims that as the world's biggest trading nation, China's main interest is to reduce the costs of transporting goods and projects already funded under the BRI all report statistics on how much travel time and cost will be reduced as a result of their completion (Djankov 2016, p. 7). Thus the infrastructure development in countries

along the Belt and Road corridors may increase growth in their economies and contribute to a growing demand for China's goods and services, as China's annual trade with the countries along the Belt and Road Initiative is expected to surpass \$2.5 trillion by 2025 (Djankov 2016, p. 7).

At the same time as China has risen dramatically its weight and influence in the world affairs, it has generated the deep sense of insecurity and vulnerability, partly caused by dramatically growing dependence on imported energy and maritime commercial lanes. And BRI provides a great opportunity to ensure even greater international significance and prestige while solving the most pressing issues of our own security and economy (Wang 2016, p. 456).

According to Wang, it is not only business and economical concerns behind the Belt and Road, but also the fact that the rapid pace of Chinese industrialization heavily relies on supplies of energy. This reliance upon imported energy means an enormous challenge for China, and pushed its government to seek new solutions for this problem via Belt and Road Initiative (Wang 2016, p. 460).

Djankov also draws attention to the constant worry of Chinese government and enterprises, the serious energy resources lack. BRI could secure new pipelines leading from Central Asia and Russia, same as new routes for supplies of coal and other energetically important raw materials, as Chinese dependency on oil and coal supplies drastically increased in last two decades (Djankov 2016, p. 7).

Huang (2016) also argues that China is by BRI trying to gain greater international influence, and adopt new, more assertive role in international relations, that would also allow China to reshape the current rigid economic and international organizations system (Huang 2016, p. 315). This all might be a complex calculus of China that needs to reshape its own

economical system and reform it. China suffers high overcapacity rates in its own manufacturing and heavy industries, and cannot longer rely on exporting labor-intensive manufacturing goods and investing massively in fixed assets. China also has an extensive amount of new competitive industries, in both industry and service sectors. However, these new industries are not big enough to offset the falling old industries. This substitution of old industries by new ones will continue to push economic growth downward until the new industries are big enough to carry the Chinese economy forward. Thus BRI might offer a great opportunity for Chinese economy in multiple areas from export of its labor, to new less competitive markets for its young industries (Huang 2016, p. 316).

The combination of geopolitical and economic intentions was described also by Leonard Cheng (2016), who identified the four real objectives for development of the Belt and Road initiative. First one is according to him connected to international markets, when China tries by opening up the markets of emerging and developing economies to deal with China's excess production capacity; inadequate Chinese domestic demand; and bottleneck in further expanding the saturated export markets in developed economies. Second objective is connected to the possibility of direct investment in these countries involved in BRI, what can secure the supply of resources, especially the natural resource. Third objective is directly linked to the country's global strategy of promoting Renminbi's (RMB) internationalization by using RMB as well as part of excessive foreign reserves. The fourth objective is related to soft-power gaining, when China uses the BRI to strengthen the diplomatic relationship with other countries, and increase the popularity of China among its partners, all based on geopolitical objectives (Cheng 2016, p. 310).

Other Western scholars are more skeptical of the possible scope of BRI's geo-political focus, and they consider this motive to be often overstated. For example Christopher Johnson

(2016), who stresses the economic role of BRI for China in particular. Diversification of energy sources or securing new ways of transporting raw materials, according to him, does not outweighs the economic aspect of BRI, which is primarily focused on resolving key issues of the Chinese economy (Johnson 2016, p. 7).

However, other scholars focus not only the negative use of economic power over another state can be a case in international environment. Economic Statecraft and its potential to be used as a tool of influence however do not include only negative "punishment-like" opportunities for economically strong states. As David Baldwin pointed out, the so called economic diplomacy includes also the range of positive incentives that can influence the political decision making of a targeted actor. Both positive sanctions and negative sanctions can be used to exercise one's power, however positive sanctions are often overlooked in terms of gaining influence (Baldwin 1985, p. 20).

According to Astrid Papermans, states, rather than forcing other states to do what it wants them to do by negative sanctions, can seek to increase their own influence in the concrete state or region by using, on the one hand, economic incentives and promises and, on the other hand, by building up its soft power on the basis of cultural exchange and high-level diplomatic dialogue (Papermans 2018, p. 3).

There are various different types of power recognized by academic community. One of them is command or "hard power," with which states get other states to do what they want, while using coercion and inducement. The second type is "soft power" that is characterized by Nye as co-optive and which helps you to make others do what you want. Soft power is derived mainly from intangible resources like national cohesion, culture, ideology and influence on international institutions (Hwang & Ding 2006, p. 23).

But soft power has changed in context of China. Both Chinese government and many nations influenced by China enunciate broader idea of soft power than Nye did. As Joshua Kurlantzick claims, for the Chinese the soft power means anything out of military and security realm, including not only popular culture and public diplomacy, but also more coercive economic and diplomatic levers like aid, investment and participation in multinational organizations. Beijing has the capacity to do both – it can threaten other nations with negative sanctions if they do not want to help China to achieve its goals, but it can offer a significant rewards if they do (Kurlantzick 2007, pp. 6-8).

Kurlantzick also stressed the fact, that Beijing often uses its soft power to assist harder goals. China now can wield such a soft power, and may use it to remake world. China's policies can make it easier for Chinese actors, from language schools to business people, to have an impact on the ground (Kurlantzick 2007, p. 8). And Belt and Road Initiative is a tool that can enable China to do it.

China appeals to other countries by utilizing soft power in ensuring their participation in the Belt and Road Initiative, which aims on renewing ancient Silk Road through infrastructure, trade, finance and other linkages. Mustafa Yağcı argues that Chinese state actively pursues a soft power-oriented economic diplomacy for Belt and Road, while relying on hard power resources for its effectiveness. Furthermore, China takes advantage of the power vacuum in the global economy and embraces a liberal economic vision for the international system in its diplomatic activities emphasizing the importance of globalization, free trade, infrastructure investment, and win-win cooperation in achieving high levels of economic development. While Belt and Road Initiative is constructed mainly in terms of economic development purposes, China's soft power coming hand in hand with it is likely to

have important political and security implications for the international system (Yağcı 2018, p. 68).

China has become a key actor for growth for the global economy and China's economic advantages are daily bringing benefits to many countries around the world. However, it is becoming increasingly clear that economic cooperation and business ties with China include natural risks. According to Bonnie Glaser „countries should keep in mind the increasing tendency of Beijing to use economic means to force the target countries to change their policies in line with Chinese interests. Excessive dependence on China may increase the sensitivity of countries to this pressure” (Glaser 2012).

China also uses a current power vacuums in the international arena to fill them with promises of mutual development for all the countries involved in the Belt and Road Initiative. According to Yağcı, China embraces a liberal economic vision emphasizing the importance of globalization, free trade, infrastructure investment, and win-win cooperation in achieving high levels of economic development to employ Belt and Road (Yağcı 2018, p. 68).

The New Silk Road how is the Belt and Road Initiative sometimes called, has been recently criticized by some EU member states as China pushes for more investment in Europe. Beijing has been accused of practicing clear economic diplomacy as it has invested significant effort in building a new entry point into Europe through the central and eastern European countries (European Council on Foreign Relations 2016, p. 1).

This economic diplomacy can be defined as interstate economic relations manifested through firm-specific activities. While these economic activities are carried out through national firms, Henry Yeung stresses the point that they carry certain distinctive elements of political and diplomatic overtures. These economic-diplomatic activities therefore cannot be

conceptualized as pure market based transactions. Instead, they should be viewed as institutionally mediated interactions between different national states that go beyond profit maximization (Yeung 2004, p. 39).

China's motivation for increased levels of presence in the Central European region and in the Czech Republic in recent years is, from an economic point of view and from economic diplomacy point of view, mainly linked to a good balance between labor costs and its quality; geographic and political proximity of the region of Western Europe; and relatively high growth of the economy in the CR. As Richard Turcsányi claims, these factors together create favorable opportunities to build manufacturing facilities in the region and sell final products in other EU countries, making the market more attractive. On the other hand, many Chinese activities in the region focus on a variety of industries, such as infrastructure and energy that can be also considered as key strategic sectors for state (Turcsányi 2014, p. 3).

Turcsányi also noted that while apparent economic profitability is a potential explanation of Chinese activities, there is plenty of scope for discussion about China's other goals. Closer relations with China within the framework of the Belt and Road Initiative in the Central Europe, and within the 16+1 platform can be perceived as worrying phenomenon for many, as since the fall of the communist regime the Czech Republic focused their foreign policies almost predominantly on the West, while trying to escape the East. Now when the CR is interested in developing relations with China, it raises a number of eyebrows not only among western EU colleagues, who are not invited to participate in China's plans (Turcsányi 2014, p. 1).

Among the EU institutions, there are concerns, in particular, of the institutionalization of the 16 + 1 cooperation platform, which already consists of a permanent secretariat and several associations and organizations. Developing cooperation with China is also seen in the

EU as a sign of China's ability to "divide and rule" Europe (European Council on Foreign Relations 2016, p. 3).

Statements like “China is buying the world”, that are often present in international media, are powerful and emotive. A large number of the citizens of high-income countries appear to believe that this is the reality of China’s relationship to the world (Nolan 2012, p. 108). However these statements and assumptions do not have to be necessary truth, above all, as the topic of China's presence in the EU is often subject to significant polarization and securitization within the media and academia sphere. China might have multiple motives for launching Belt and Road Initiative, and China, rather than forcing European countries to do what it wants them to do, might seek to increase its influence in the region by using, on the one hand, economic incentives and promises and, on the other hand, by building up its soft power on the basis of cultural exchange and high-level diplomatic dialogue (Papermans 2018, p. 3).

1.4 Research Method and Theory

With regard to the focus of the research and its objective, i.e. the analysis of implementation of Belt and Road Initiative and analysis of Chinese influence in the Czech Republic, the work will be constructed as qualitative research. Qualitative research as such seeks to grasp the subject of study in its uniqueness and natural environment, while the primary objective is to achieve an understanding of the phenomenon under study in a historical and cultural context (Yin 2014, p. 108).

The case study is the most appropriate choice for research, where we are interested in "why" and "how" questions, but we also have no influence on the development of events. This is a detailed analysis of the case chosen as a subject of research where the subject is described with respect to context specifics and attempts to provide a comprehensive description of the

present but not yet described phenomenon (Yin 2014, p. 108). The insights arising from case-based theory building research can be used as hypotheses or propositions in further research. Case study research therefore plays an important role in advancing a field's body of knowledge (Merriam 2009, pp. 38-55).

Specifically, this thesis will be conducted as a single case study. Single case studies deal with a concentrated example or case of a particular phenomenon. Unlike multiple-case studies, however, it examines only one case in depth and performs a detailed analysis. A single-case study also seeks to explain an occurrence of a phenomenon and to examine its occurrence levels in selected case (Drulák 2007, pp. 62-65). If a case study focuses on a parallel demonstration of the theory, it is to a large extent aimed at examining the empirical validity of the chosen theory. Such study consciously chooses case that demonstrates the value of theory and helps further illustrate its relevance. Parallel demonstration thus tries to prove that the theory appears to be persuasive when applied to one concrete case. When using this type of a case study, the theoretical models and hypotheses are first specified and then confronted with empirical reality (Drulák 2007, pp. 62-65).

As Yin points out, the key aspect of a successful grasp of the case study is to establish a list of basic topics and aspects that will be studied within that research (Yin 2014, p. 108). Therefore, when examining the role of China in the Czech Republic, this thesis will focus on describing the main characteristics of implementation of the Belt and Road Initiative in the CR. At the same time, country-specific knowledge about CR relationship with China will be gathered, and will be also analyzed from the perspective of the possible use of economic tools to acquire political influence and increase of China's soft power in the region.

The assumption of the possible use of economic ties to gaining influence stems from the liberal theory of international relations through which this case study will be looked at.

For Neoliberalism the international actor's interests not only include power but also encompass the economic and cultural effects of an action as well. International actors' interactions can be viewed as non-zero-sum game which proposes that through use of comparative advantage, all states who engage in peaceful relations and trade can expand wealth (Keohane & Nye 1989, pp. 23-24). This differs from theories that employ relative gain, which seeks to describe the actions of states only in respect to power balances and without regard to other factors, such as economics. Relative gain is related to zero-sum game, which states that wealth cannot be expanded and the only way a state can become richer is to take wealth from another state (Waltz 1979, pp. 102-128).

However according to Liberalism cooperation can lead to absolute gains, because absolute gains are what international actors look at in determining their interests. Absolute gains also weighing out total effects of a decision on the state or organization. Sovereign states also cannot be counted as the only central actors in world politics, because individuals, interest groups, and intergovernmental and non-governmental organizations all have an influence on states. And since the consequences of using military power often outweigh the benefits, states have realized the potential of engaging in cooperation (Keohane & Nye 1989, pp. 23-26).

Any form of cooperation further fosters interdependence and increases ties and contacts between individual actors. This can be applied on economically driven cooperation as well, as gaining influence through the economic cooperation can be explained by economic interdependence, which is the sensitivity of economic activity (foreign direct investment (FDI) and international transactions such as trade — imports and exports) between multiple nations in relation to economic developments within those nations. Intense economic activity results in an increased number of contacts, ties and greater influence among the nations that engage

in such economic activity. Economic interdependence thus reduces the likelihood of conflict as one economy becomes more connected with another (Cooper 2011, p. 159).

As Chinese trade interaction with the rest of the world accounts for nearly 40 percent of its GDP⁴, China understands importance of economic stability and is aware of the fact that conflict would undermine this economic relationships and result in universal losses and repercussions (The Global Economy 2018a, The Global Economy 2018b). Also nowadays China is an active member in a wide range of both regional and international institutions and organizations. China as a proactive member contributes to the G20, The Asia Pacific Economic Cooperation (APEC), The United Nations Security Council, the Shanghai Cooperation Organization and The BRICS. Through China's participation in international organizations, the cooperation is further encouraged, ensuring all participants are awarded a share of winnings, meaning that the probability of conflict among participants decreases. President Xi himself added that there is a further need to "seek common ground on issues of common interests in pursuit of win-win progress" (The Wall Street Journal 2015), which supports the Liberalism interpretation.

1.5 Outline of the Thesis

The first part of this thesis – Introduction – deals with the introduction to the whole issue and clarification of the background of this phenomenon. Motivation for research and research methods will be presented as well as main and additional research questions. In the next part of the introductory chapter, besides the main argument, the organization of the whole thesis or the theoretical approach applied to the topic will be discussed. An essential

⁴ In 2016 the total amount of exports reached 19.76% of China's GDP, and total amount of imports for 2016 were 18.05%, what in total counts for 37. 81% of China's GDP in 2016 (The Global Economy 2018a, The Global Economy 2018b).

part of the first chapter will be a literature review that will aim at summing up the existing knowledge and research done in the academic community focused on Belt and Road in general but also in the Czech Republic, and the possible implications of this initiative for specific regions.

The next part of this thesis – the second chapter – deals with the explanation of the Belt and Road Initiative, as well as with theoretical concepts that are related to this initiative. General history and background of the Belt and Road will be explained as this chapter will serve as the basis for a good understanding of the whole text of this work.

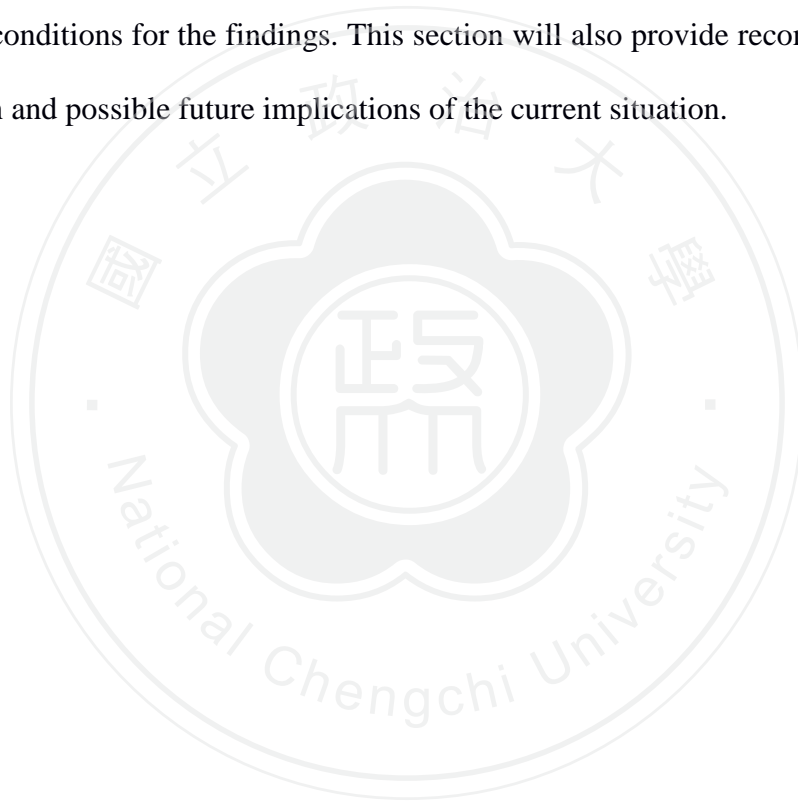
In the third chapter, the work begins to address the implementation of the Belt and Road Initiative in Europe as whole. The implementation and results of BRI in Europe will be described in the wider context, where the European Union will serve as a broader general framework. The 16 + 1 platform and its significance for BRI and Chinese relations with the countries participating in the platform, including the Czech Republic, will also be described in the light of the situation in the Central European region.

In the fourth chapter we move our focus to the Czech Republic, where will be the implementation of BRI mapped individually. The aim is to find out how the contacts of the CR with China are taking place within this initiative, with a primary focus on the economic and political aspects, such as the frequency of inter-state visits, the volume of mutual trade, or the volume of Chinese investments within the time frame since the launch of the Belt and Road Initiative.

The fifth chapter is then focused on the implications of restoring the relationship between China and the Czech Republic, where the political implications, national and international, and the possible increase in China's influence in the Czech Republic will be of

interest. The fifth chapter will also focus on China's soft power in the CR, where the aim will be to find out what is the opinion about China in political circles and the general public of the CR. The goal will be to find out whether there is a possible increase in political sympathy in the country connected with the launch of the Belt and Road implementation or, possibly, with the growth of mutual trade and new economic opportunities coming to the CR.

The final part of this thesis will be a part of the Conclusion that further compiles and summarize all the research findings from previous chapters, but will also discuss the possible causes and preconditions for the findings. This section will also provide recommendations for further research and possible future implications of the current situation.



2. The Belt and Road Initiative

The Belt and Road Initiative (also BRI) has clearly become a major foreign and economic policy hallmark of the Xi Jinping government and is consistently supported as such by all means. Following the historical concept of the Silk Road, BRI covers extended geographic areas, focusing on land and marine ways of connecting China and other continents. Under specified conditions, subjects and principles of cooperation, BRI offers considerable potential in several economic, political, cultural, and strategic realms; but it also presents many uncertainties and potential concerns. The motivation for launching this ambitious project with significant potential outcomes was clearly stated by Chinese government; however there still remains room for speculations about China's real motives and intentions to carry out this costly project.

2.1 Background and The Scope of the Belt and Road Initiative

During the 2013 state visit to Kazakhstan, when President Xi made a proposal to create the Silk Road Economic Belt – a new form of economic cooperation, and later in the same year when the maritime - “The 21st Century Maritime Silk Road” - form of previously proposed Belt cooperation was introduced in Indonesia, the biggest of Chinese projects, named One Belt, One Road (later Belt and Road Initiative), opened the new era of Chinese ambitious and pro-active foreign policy (Huang 2016, p. 314).

As the official Action Plan of China's State Council states, the Belt and Road Initiative follows up the historical Silk Road, that more than two millennia ago, in form of several routes of trade and cultural exchanges linked the major civilizations of Asia, Europe and Africa. The spirit of Silk Road – peace and cooperation, openness and inclusiveness, mutual learning and mutual benefit – promoted the progress of human civilization, and

contributed greatly to the prosperity and development of the countries along the Silk Road (State Council The People's Republic of China 2015).

According to Chinese State Council, it is more than important to embrace the spirit of historical Silk Road, while facing the weak recovery of global economic and other complex international situations like uneven global development. BRI thus represents a modern times Silk Road, a systematic project that carries various opportunities for cooperation and exchanges in all fields, which should be jointly built through consultation to meet the interests of all, and efforts should be made to integrate the development strategies of the countries along the Belt and Road (State Council The People's Republic of China 2015).

BRI is a step towards the trend of multipolar world, economic globalization, cultural diversity and development of technologies, that is based on regional cooperation, free trade regime and open environment. It aims at promoting integration of countries included in the initiative, to accomplish a more equal allocation of resources, and jointly create an open, inclusive and balanced regional economic cooperation architecture that benefits all. At the same time, BRI will enable China to continue its opening-up to world, strengthening its mutually beneficial cooperation with other nations across Asia, Europe, and Africa (State Council The People's Republic of China 2015).

In the background of BRI is also a new approach of China to the concepts of common security and multilateralism, as China quickly becomes a full member of the international community. This, according to Sudeep Kumar, led China to redefine national interests and strategies, newly focusing on the peaceful growth of the world. The new concept of development emphasizes harmonious world and harmonious society that cannot be achieved without peaceful development. This concept revolves around multilateralism for common

security, mutual cooperation for common prosperity, and spirit of inclusiveness for harmonious world (Kumar 2018, p. 5).

Two concepts – The Silk Road Economic Belt and Maritime Silk Road – envision the creation of a highly integrated, cooperative, and mutually beneficial set of maritime and land-based economic corridors linking European and Asian markets. According to Michael Swaine, quasi-authoritative Chinese source described BRI as the most significant and far-reaching strategy China has ever developed (Swaine 2015, p. 2). This statement can be supported by the available information about initiative, according to which BRI should cover around 60 developed and developing countries with total population of over 4 billion people, and an economic aggregate of about \$ 21 trillion (Swaine 2015, pp. 2-3).

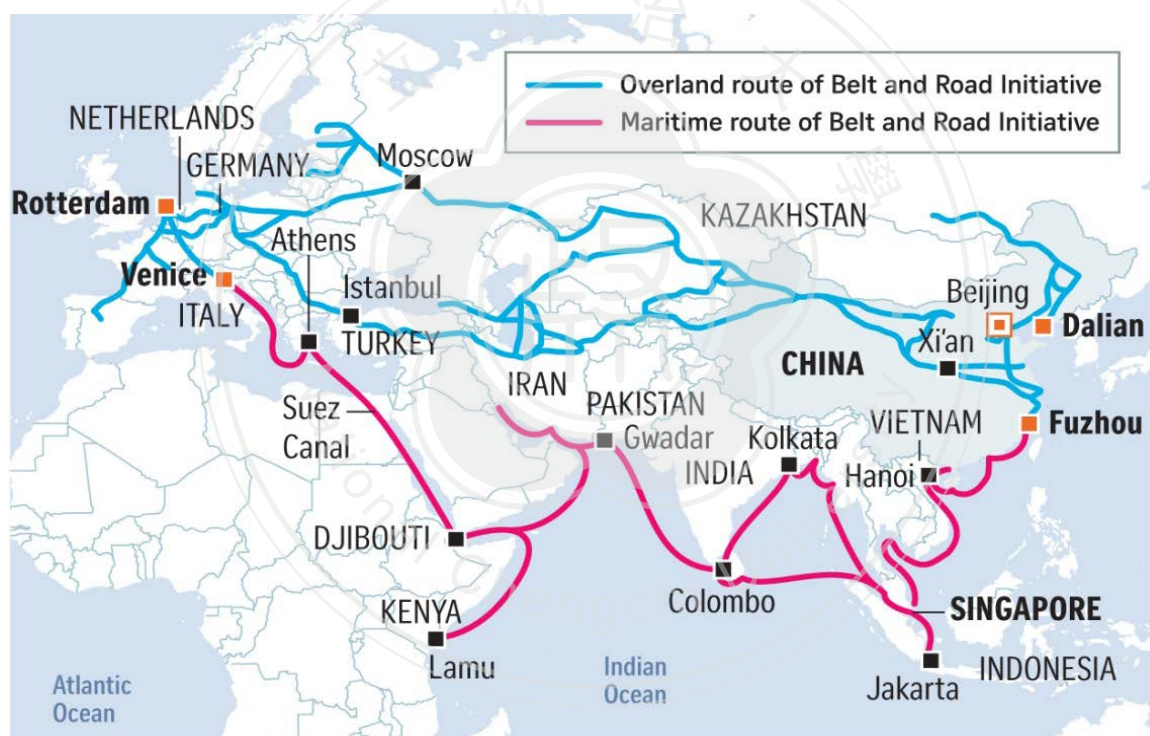
The importance of the initiative is also evidenced by the creation of a special group of supervisors for BRI implementation in practice, which was set up in March 2015. This group has the task of coordinating the BRI processes, and its activities fall under the Chinese most important economic planning organ – National Development Reform Commission (NDRC). A project of this magnitude and importance also required the provision of adequate financial resources and its supervision, for what are in charge of many mechanisms created directly for BRI, such as the Silk Road Fund or the Asia Infrastructure Investment Bank (also AIIB) (Swaine 2015, p. 3).

Geographically, BRI was originally designed to pay more attention to Russia, Central Asian, and South Asian regions, while Middle East, and East African countries were supposed to have less priority (Swaine 2015, p. 6). However, in 2019 there are three main routes for the “Belt” part of the initiative. The first route leads from China through Central Asia and Russia to Europe (Baltic Sea). The second route is from China through Central Asia and West Asia to the Persian Gulf and the Mediterranean region. And the third route leads from China through

Southeast Asia and South Asia to the Indian Ocean. Major cities along the routes serve as important economic and business nodes, and also as platforms to create a new Eurasian land bridge and the economic cooperation corridors (Huang 2016, p. 318).

The Maritime Silk “Road” runs from China's coastal ports through the South China Sea to the Indian Ocean, extending to Africa and Europe; and also from China's coastal ports through the South China Sea to the Pacific Ocean, while it relies on major ports along the way, as centres for trade and cooperation (Huang 2016, p. 318).

Map 2.1 The Geographic Representation of the Belt and Road Initiative



Source: The Nerve Africa. 2018. "China's Belt and Road Initiative is already getting massive African support before FOCAC starts," *The Nerve Africa*, (September 2, 2018). Retrieved from: <https://thenerveafrica.com/21723/chinas-belt-and-road-initiative-is-already-getting-massive-african-support-before-focac-starts/>

2.2 Principles of the Belt and Road Initiative

The initiative itself is based on existing international forms of cooperation and its principles are thus in a line with the UN Charter and other internationally recognized instruments of cooperation. The basis are the five principles of the international mutual peaceful coexistence of states, which include the respect of individual participating states towards territorial integrity and sovereignty; rule of non-interference within the state affairs of other countries; the principle of non-aggression among participants; the principle of mutual and equivalent benefits; and mutual peaceful coexistence (State Council The People's Republic of China 2015).

From the very beginning, BRI is open to all countries, international and regional organizations that are interested in collaborating. It builds on respect and tolerance among nations, and supports dialogues for seeking common understanding while respecting possibility of different opinions and paths of individual participants. The aim is to promote mutual benefits, win-win cooperation and accommodate the interests and concerns of all parties involved. The market operation is followed in BRI, international norms and market rules are abided, as well as roles of governments of individual countries in resource allocation (State Council The People's Republic of China 2015).

BRI also respects the independent choice of partner countries, by applying the principle of three “togethers”. The first ‘together’ is discussion among the parties concerned to identify projects of cooperation for mutual benefit. The second is working together to realize the projects on the basis of common interest. And the third is enjoying together the benefits and results of common achievements (Swaine 2015, p. 7).

2.3 Cooperation Priorities and Mechanisms under the Belt and Road Initiative

2.3.1 Cooperation Priorities

BRI states its five major goals as: policy coordination, facilities connectivity, unimpeded trade, financial integration and people-to-people bonds. Policy coordination represents an important aspect of implementation of all initiative. Within the framework of country policy coordination, intergovernmental cooperation and macroeconomic exchange should be promoted. Communication mechanisms need to be improved to broaden common interests, increase mutual political confidence and achieve consensus. Belt and Road countries will still have full coordination of their state strategies and economic development policies under their own authority without the intervention of other participating countries, but this does not exclude their ability to create regional cooperation plans and methods, to negotiate on cooperation issues and to jointly provide political support for practical cooperation and large-scale projects (State Council The People's Republic of China 2015).

Facilities connectivity is the basis for implementing the initiative. By respecting mutual sovereignty and security interests, BRI countries should improve the connectivity of their infrastructures and technical systems, jointly improve and expedite the construction of international long distance passes, and establish an infrastructure network linking all sub-regions in Asia and between Asia, Europe and Africa. Parallel to this, consideration should be given to the importance of building green and low-carbon infrastructure and taking into account possible impacts on the climate due to building these projects (State Council The People's Republic of China 2015). Also the connectivity of energy infrastructure should be improved to ensure the security of oil and gas pipelines and other transport routes, cross-border power supply networks and power-transmission routes should be build, and

cooperation in regional power upgrading and modernization should be one of the focuses. The cross-border communication should be strengthened by the construction of cross-border optical cables and other communications networks, improving international communications connectivity, and creating Information Silk Road (State Council The People's Republic of China 2015).

Investment and business cooperation are one of the major engines and goals of the BRI. Facilitating mutual trade, boosting investment, removing barriers to international trade, and building a business-friendly environment in all participating countries is a major focus on unimpeded trade. Non-tariff barriers should be lowered in order to promote mutual trade, and transparency of technical trade measures should be improved to further enhance trade liberalization and facilitation. Also areas as agriculture, forestry, animal husbandry and fisheries, deep-sea fishing, aquatic product processing, seawater desalination, marine biopharmacy, ocean engineering technology, environmental protection industries, marine tourism and others should receive attention. Cooperation in the exploration of coal, oil, gas, metal minerals and other energy sources should be strengthen, as well as improvement of other sources of energy like hydro power, nuclear power, and renewable energy resources. State Council of China also stated that companies from all countries are welcomed to invest in China, while Chinese enterprises will be encouraged to participate in infrastructure construction and to make industrial investments in other countries participating in BRI (State Council The People's Republic of China 2015).

Financial cooperation is perceived with lots of importance in BRI, that is why financial cooperation should be deepened among participating countries, and more efforts in building a currency stability system, investment and financing system, and credit information system in Asia should be made. The scope and scale of bilateral currency swap and settlement

with other countries along the Belt and Road should be widened, while joint efforts should be made to establish the Asian Infrastructure Investment Bank and BRICS New Development Bank (State Council The People's Republic of China 2015).

An equally important dimension of BRI is an area of interpersonal contacts and exchanges where the spirit of friendly co-operation is to play a leading role. More frequent and friendlier communication between parliaments, governmental and non-governmental organizations should be one of the means to consolidate good relations. People-to-people bond links should be supported by the development of academic cooperation and exchanges, professional exchanges, or media cooperation. The role of education should be supported by scholarships, mutual respect and recognition, for example, by organizing various festivals or by promoting and developing tourism (State Council The People's Republic of China 2015).

In particular, parts of the BRI focusing on people-to-people exchanges and contacts have not yet received much attention from an international perspective, even though China considers culture and soft power to be one of the pillars of its strategy for achieving influence and recognition abroad. Especially the Silk Road Narrative can be used very well from a political and strategic point of view. It represents a story of connectivity that enables China to strategically respond to the shifting geopolitics of the region and use the past as a means of building a competitive advantage and extending the Sino-centric economy network. BRI represents a soft power strategy that is under the guise economic and construction projects hidden behind. This does not, however, mean that people-to-people part of the BRI is less important for the Chinese government (Winter 2016, pp. 1-5).

It should be also noted that BRI, does not serve as a foreign development assistance, and it was not designed in an attempt to establish a multinational organization, or a union of states, as for example in the case of the European Union. Initiative focuses upon creating a

shared transport links, while leaving the production structure in each country untouched. It displays a greater sensitivity to national sovereignty, in that sense; it can be seen as Chinese-style integration⁵.

2.3.2 Cooperation Mechanisms of Belt and Road Initiative

In terms of cooperation mechanisms, BRI attaches importance to three areas – bilateral and multilateral, and to international forums. Bilateral cooperation should be strengthened through bilateral consultations and program or pilot projects. Existing bilateral cooperation mechanisms such as the joint committee, the coordination committee and others should be also used (State Council The People's Republic of China 2015).

Multilateral cooperation mechanisms should be enhanced by making maximal use of existing platforms such as the Shanghai Cooperation Organization (SCO), ASEAN Plus China (10+1), Asia-Pacific Economic Cooperation (APEC), Asia-Europe Meeting (ASEM), Asia Cooperation Dialogue (ACD), and others (State Council The People's Republic of China 2015).

A constructive role should be played also by international forums. Existing mechanisms of cooperation and exhibitions at regional and sub-regional levels hosted by countries along the Belt and Road can be used for example Boao Forum for Asia, China-ASEAN Expo, China-Eurasia Expo, Euro-Asia Economic Forum, China International Fair for

5 The distinction between current Asian and for example European styles of regional integration was described by Peter Ferdinand (2016), who stresses the differences, when European style of integration focuses upon integration, which reflects European states' higher level of economic development, while Asian integration, with its greater diversity, puts a higher priority on connectivity and joint 'docking' of nation-states still jealous of their sovereignty (Ferdinand 2016, p. 950).

Investment and Trade or others. Chinese State council also proposed the establishment of international summit forum for Belt and Road Initiative (State Council The People's Republic of China 2015).

2.4 Conclusion

Belt and Road is a globally significant initiative building on the historically important concept of Silk Road connecting nations via trade, cultural and economic exchanges. BRI has the ability to mitigate global development inequalities and implement many projects to improve the living conditions of a large number of people living in the areas included in the initiative. Under the open and equal conditions for cooperation, all countries are welcomed to participate in BRI that follows international principles for cooperation and peaceful coexistence of states, what should further lead to increased interdependence and increased number of cross-border contacts.

Whether it is because of the economic potential for BRI projects or because of opportunities for mutual trade relations development, the CE countries appear to be newly included in China's category of countries of increased interest and attention. As well as potential risks and benefits comes hand in hand with BRI itself, many questions for both the public and institutions of the EU or the Czech Republic remains. The shift in China's political attitude towards CE region and its new motivation for cooperation may still be the subject of discussions as the BRI platform gain on importance.

3 The Belt and Road Initiative in Europe

If we want to understand implications and impacts of BRI in the Czech Republic, it is very important to also present the overall background in the context of individual international groupings, of which the Czech Republic is a member. As a member of the European Union (hereinafter the EU), the Czech Republic is committed to EU policies and is governed by EU regulations, which may also affect the Czech position towards China. Compared to the EU, platform 16 + 1 has a very loose structure and no official common policy or goal, but rather it works as a group of states using a platform to facilitate contact with the Chinese side. In the case of another group, the regional association Visegrad Group (also V4), it is rather a source of political inspiration, where a sort of historical or cultural proximity brings the member states closer to the Czech Republic. In V4 case, however, individual states have no influence on the official policy of their neighbors and cannot interfere in state affairs, but it still may be interesting to compare countries with very similar historical and cultural heritage and their positions towards China. This chapter will introduce the BRI process in Europe, from the point of view of the European Union, the 16 + 1 initiative, as well as the Visegrad Group, which all are important for the geopolitical inclusion of the Czech Republic.

3.1 EU – China Relations and Implementation of BRI

As the gradual extension of the BRI, which originally targeted the peripheral regions of China, individual states that were not originally identified as major objects of interest are gradually voluntarily joining the initiative, just like the European Union itself. In addition to the 65 countries in Asia, Africa, Middle East and Europe, which are already part of the Chinese initiative, the European Commission has signed a Memorandum of Understanding on the so-called EU-China Connectivity Platform, created in June 2015, coordinating the

European Commission's Trans-European Networks Strategy with new Belt and Road projects (Djankov 2016, p. 6).

The history of European-Chinese relations consists of times of rapprochement and co-operation but also of tension and conflict. Both China and the European Union have gained specific profile as international actors over the last two decades, in both economic and political terms. And it was the economic side of the relationship that helped to build today's BRI opportunity for EU, as in other than economic areas the EU and China very often did not agree. Economic relations between two sides have reached significant importance, and in 2000 China was, for exports as well as imports, the EU's third largest non-European trading partner (Algieri 2002, p. 64).

Both sides, China and EU are increasingly recognizing the potential mutual benefits that can be accrued from a closer relationship; however EU continues to challenge China on a number of issues including human rights, democratic reform, and Tibet, all of which remain significant factors in mutual relations (Glen & Murgo 2007, p. 331). Economic sphere remains the primary factor driving EU-Sino relations forward. The EU is able to benefit significantly from the opening of the Chinese market and urges further shifts. However, economic negotiations between the EU and China do not take place in a vacuum. Political issues are often an integral part of the process and often prevent the creation of deeper economic ties. The EU is aware that a more stable relationship needs to be established to secure the benefits of accessing the Chinese market, possibly including difficult policy choices (Glen & Murgo 2007, p. 332).

According to Carol Glen and Richard Murgo, there are three possible reasons why the EU has not yet been able to establish a more effective and beneficial relationship with China and its new open economy. The first is an institutional barrier that is rooted in a relatively

underdeveloped way of creating the EU common foreign policy, and that leads to the EU's inability to create a consistent and effective common foreign policy. The second obstacle is the issue of human rights policy, which the EU certainly does not intend to give up and considers it one of the key spheres of its action, and does not hesitate to fully engage in the issue of human rights violations of one of its most important trading partners - China. The third obstacle is the prevailing rivalry between Member States, where states often compete for the best contract or access to the Chinese market, which in turn undermines the EU's common foreign policy (Glen & Murgo 2007, p. 332).

For Europe, China is definitely one of the most important partners and undoubtedly an actor of significant international importance. However, the European Union's position in China's strategy or Chinese political thinking is not necessarily as important as the BRI enlargement might suggest. According to JingHan Zeng, the EU plays a secondary role in the Chinese perspective and plays no major role in the Chinese political debate (Zeng 2017, p.1162).

The EU-China tie is according to Zeng indeed conditional on the development of Sino-US relations, and cannot be significant due to China's disappointment with the EU, led by its misperceptions about the EU's inability to act as a coherent and independent global actor. The existence of so called 'Capability-Expectations Gap' – the EU's capability on the international stage is far short of others' expectation of the EU, thus shape China's strategic narratives. Capability-Expectations Gap had a significant impact on Chinese international identity, but also on perception of EU, what was mostly visible during the 2008 financial crisis and the subsequent Euro zone crisis. On the one hand, the financial crisis situated China as the focus of the world and at the time, China suddenly realized that it could play a central role in global governance (Zeng 2017, p.1165).

Another negative factor for China's perception of the EU was also the 2014 Russian-Ukraine Conflict, which further eroded the Chinese belief in the effectiveness of a multipolar world order. The new type of great power relations has been implemented in Chinese political thinking, aiming to favor the G2 bipolar arrangement, which has further marginalized the EU's role (Zeng 2017, pp. 1165-1166).

Of course, China does not neglect the economic role of the EU as a whole. From an economic point of view, the EU is undoubtedly an important trading partner and economic giant for China, but in terms of geo-political importance, the EU is seen as a secondary actor, as evidenced by the fact that the original BRI focus did not envisage Europe. The possible increase in EU-China exchange was first discussed in 2013 during the 16th EU-China Summit. The extension of BRI to Europe was then announced only in 2014, during which it was not yet clear which countries should be included in the BRI (Zeng 2017, p. 1170).

In 2014, the first governance issue for the EU related to the BRI occurred, when the Joint Document of China-Central and Eastern European Countries announced that China and relevant European countries should work together to develop more opportunities through the BRI. This document thus confirmed that some European countries will indeed be subject to an extension of the initiative. If only a part of the member states is included in the BRI, the EU faces a problem where China will only deal with some members individually, rather than dealing with the EU as a whole, which may mean significant disagreements and complications for the development and implementation of the EU's common foreign policy (Zeng 2017, pp. 1170-1171).

Indeed, EU countries' attitudes towards BRI and China are very different across the Union. The EU could be divided into imaginary geographical areas where North, South, East, West and Centre of Europe have quite different views and responses to the initiative. In

general, Central and Eastern European countries respond most positively to BRIs compared to other geographical areas (Liu 2017, p. 10).

As individual countries of EU differ in terms of their size, population, they also differ in their approaches to individual EU policies or their individual foreign policies, including a different approach towards China and BRI. In 2009 John Fox and François Godement categorized EU member states into four categories according to their attitudes towards China. These categories are Assertive Industrialist; Ideological Free-Traders; Accommodating Mercantilists; and European Followers (Fox & Godement 2009, pp. 4-7).

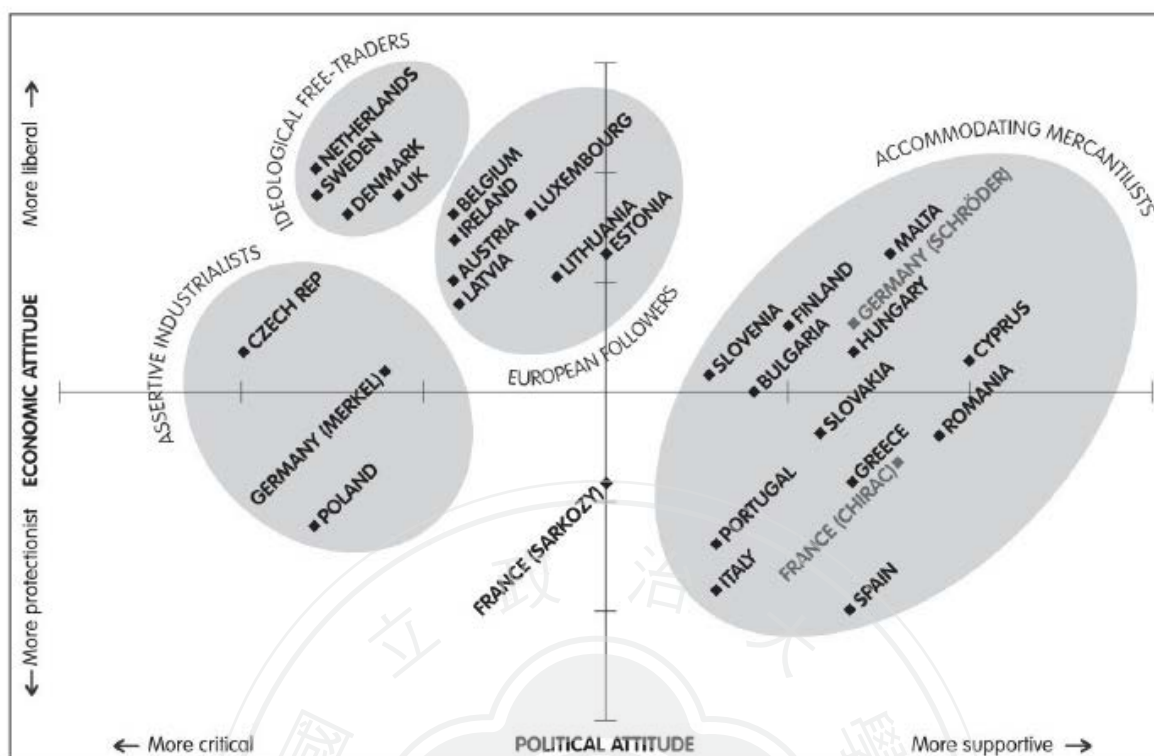
Assertive Industrialist represent a small group of Germany, the Czech Republic and Poland, the only EU member states willing to stand up to China vigorously on both political and economic issues. The Assertive Industrialists do not agree that market forces be the main factors shaping the nature of the EU-China relationship. These states stand ready to pressure China with sector-specific demands, to support protective “anti-dumping” measures against unfairly subsidised Chinese goods, or to threaten other trade actions (Fox & Godement 2009, p. 5).

Second group of states, Denmark, United Kingdom, Sweden and the Netherlands, are mostly ready to pressure China on issues of politics and mostly opposed to restricting its trade. Their aversion to any form of trade management makes it very difficult for the EU to develop a coherent response to China’s trade policy. These countries believe that free-trade ideology is an expression of economic interest: their economies and labour markets – oriented towards high technology and services, particularly finance – benefit, or expect to benefit, from Chinese growth rather than being threatened by cheap Chinese imports (Fox & Godement 2009, p. 6).

Accommodating Mercantilists account for the biggest group of EU states including Hungary, Slovakia, Bulgaria, Cyprus, Finland, Greece, Italy, Malta, Portugal, Romania, Slovenia and Spain. These countries follow the opinion that good political relationship with China will lead to commercial benefits. In line with this belief, countries thus shape their attitudes towards China according to economic considerations. They see anti-dumping measures as a useful tool and oppose awarding China market economy status. These states compensate for their readiness to resort to protectionist measures by shunning confrontation with China on political questions. Countries of this category have often kept the EU from developing a more assertive position on issues like Tibet or human rights, at the extremes, some effectively act as proxies or support for China in the EU (Fox & Godement 2009, p. 6).

Last category, European Followers, consists who prefer to rely on the EU when managing their relationship with China. Austria, Belgium, Estonia, Ireland, Latvia, Lithuania and Luxembourg do not consider China as their foreign policy priority. They rely on a common European policy when dealing with China oriented issues, so they can be labelled as countries that have the greatest European spirit, but they also do not actively participate in developing problem-oriented policies with China, so they are categorized as followers, rather than leaders (Fox & Godement 2009, p. 7).

Figure 3.1 The Attitude of EU Member States towards China



Source: Fox & Godement 2009, p. 4

3.1.1 Chinese Interest in Europe and Potential Risks of BRI

There are several reasons and interests on both sides of the political relationship, where both the European Union and China seek to strengthen their relationship. The European Union is primarily concerned with the growing interest of European investors in China's markets and the growing international importance of China, which drives the EU closer to China. The European Union is also inspired by the potential benefits for its own regional policy arising from a possible dialogue with China on issues of a different model of socio-economic development. Last but not least, there is also a normative intention where the EU has long been demonstrating the ambition of having the ability to promote its own values and norms beyond its own borders, and thus become the role of an “inspiration” for developing countries (Dabrowski & Musialkowska 2018, p. 1699).

China has similar diplomatic intentions for alignment with a major global actor in the EU. Chinese opinion makers have European policies and decisions for more comprehensive and affordable, above all because the EU has more than two decades of experience in implementing cohesion policies. The EU model can thus act as a source of positive example that could shape the future Chinese policies of cohesion to address domestic policy issues effectively (Dabrowski & Musialkowska 2018, p. 1700).

The policy transfer in regional policy between EU and China has been initiated already in 2006, when the Memorandum of Understanding on regional policy cooperation has been signed. This document provided the basis for sharing EU experiences in developing and applying regional policies, while later the platform for range of sectoral policies was established in 2007⁶(Dabrowski & Musialkowska 2018, pp. 1689-1690).

China's interest in EU does not lie only at the level of knowledge acquisition and policy development. China introducing medium and long-term reforms seeks to increase its own competitiveness and achieve more stable, sustainable and inclusive development for its state. And for this reason, China is focusing on west, where the EU can serve as a natural market and destination for Chinese products, but also as a source of know-how to strengthen and develop its own Chinese innovative capacity. Thus, BRI can act as a tool to ensure more stable contacts and long-term access to the European market (Ciurtin 2017, p. 2).

The European Union is without a doubt an important economic unit, which, however, does not deal with real politik and has a rather normative power and lacks offensive

6 The EU-China Policy Dialogues Support Facility was established to promote exchanges in wide range of sectoral policies – energy, regional development, environment, agriculture, education, employment and enterprise (Dabrowski & Musialkowska 2018, p. 1690).

capabilities. This situation suits China, and the geographical distance between these two subjects is not necessarily an obstacle, but rather a geopolitical recipe for successful cooperation, as the EU and China have less overlapping areas of interest and less likely to have a real conflict (Ciurtin 2017, p. 4).

With the Belt and Road Initiative a process of establishing a greater overall Sino-European connectivity has been started. The implementation of the BRI itself in Europe has focused so far on financing infrastructure projects, in particular railways in Southeast Europe or ports in the Mediterranean Sea (Casarini 2015, p. 1). The significant number of transportation infrastructure leading towards Europe, connecting Asian regions with Europe via rail, roads, ports, industrial parks, and logistics centers were set as priorities. Three Europe-bound train routes were already opened and function well. One of the railways goes through Eastern and Central Europe, heading for Małaszewicze, a Polish town near the border of Belarus, and from there goes to Warsaw, Hamburg, Prague, Duisburg, and Paris before ending in Milan (Djankov 2016, p. 8).

BRI has undoubtedly paid much attention to the issues of speeding up transport, improving infrastructure and enabling a faster movement of Chinese goods across Europe. Chinese products and goods are currently shipped through the Suez Canal, the Mediterranean, the Bay of Biscay and the English Channel to ports on Europe's north-western coast, including Rotterdam, Antwerp and Hamburg, from where they are dispatched by road and rail to inland cities. BRI implemented many projects focused on the Balkan area, in aim to build new faster railway route of Chinese goods, leading from Suez Canal to newly renovated ports in Greece, where they would be loaded onto trains and distributed to Europe efficiently and way more quickly (Casarini 2015, p. 4).

All European governments are lately increasingly more interested in participating in BRI, as significant activity of China in EU countries only supports beliefs about Chinese high commitment to EU-China connectivity. China had made purchases for about 65 billion dollars in listed companies on European stock markets, and in addition to traditional focus – Germany, Chinese government is now showing increased interest in Central and Eastern Europe (Casarini 2015, p. 6).

At the same time there are challenges in forms of already existing regional projects of cooperation that BRI faces in Europe, as for example the Eurasian Economic Union (EAEU), the regional cooperation project of Russia, with which BRI strongly overlaps. While the BRI covers the largest population, EAEU covers the largest area, while both were built on different principles. EAEU has a stronger institutional framework and as perceived by many as the last attempt of Russia to reassemble as many as possible of the former soviet countries around its borders, by using economic incentives. These two ambitious projects logically offer lots of space for competition or even conflict, especially as China-Russian relations are sensitive to overlapping of spheres of influence (Bond 2017, p. 1).

Russia and China have agreed to pursue convergence between BRI and the EAEU and are looking for opportunities to work together in the countries involved in BRI. However, at the same time opinions of EAEU being shadowed by BRI are occurring, as the missing link and clashing interests are more obvious in a relationship between the EAEU and the EU. The EU is highly suspicious that the EAEU is more of a Russian geopolitical project than a genuine economic union between its members, and Russian activities in European neighborhood, especially conflict in Ukraine, remain significant obstacle that makes EU to favor BRI projects (Bond 2017, pp. 1-14).

While there are undoubtedly great economic opportunities, BRI also brings political and economical challenges to EU. There is the risk that a race between EU countries competing over Chinese money could further divide EU member states and make it even more difficult for Brussels to practice common EU foreign politic approach towards China. Furthermore, China's economic penetration into Europe may weaken or endanger relations with United States, as well as it might start to a populist backlash in member countries (Casarini 2015, pp. 9-10).

In general, the relationship between politics and the economy in PRC is far more complicated than is known, so the new era launched by Xi Jinping can become a kind of attraction for creating partnerships and economic alliances whose real impact is more political than economic. The Chinese so called "economic diplomacy" according to Martin Hála and Lulu Jichang represents a certain amount of risk for potentially interested states, as it provides a rhetorical cover for extensive capture of local political elites through frequent friendly visits and targeted corruption, while not bringing as significant economic effects as expected. Especially when under the leadership of President Xi, Chinese economic diplomacy has evolved from a tool to transfer know-how to an instrument of interference and political influence. And as Hála and Jichang pointed out, BRI is a strong expression of Chinese effort to reshape post-War internationally order by using its economic potentials (Hála & Jichang 2019, p. 1).

"Through a proliferation of BRI-themed events and entities, actively promoted by Party-led, state-funded organizations, the CCP seeks to engineer a global consensus around Xi's policies. Presented domestically as an international endorsement of the Party and its leadership, this consensus is portrayed to foreign audiences as "multilateral", "mutually beneficial", "win-win", using the Party's propaganda tools and methods to mask a unilateral initiative. One of

the darker sides of the BRI are corrupt practices by nominally private Chinese companies which nevertheless appear to act with the (at least) tacit approval of the authorities.”

(Hála & Jichang 2019, p. 8)

Notably, China is also to blame as it has taken advantage of disagreements within the EU in order to maximize its interests. Frequently, China has used its economic leverage to divide European countries, thus preventing the EU from developing unity of, for example, its human rights approach to China⁷. While Chinese economic power may help to avoid the formation of a coherent European stance on the Dalai Lama and Tibet issue, it has also weakened the EU's cohesion (Zeng 2017, p.1165).

The growing attention of China and process of further opening of European Union to China's presence in forms of projects and agreements thus brings many ambiguities for the EU itself and its foreign or economic policies. BRI could undoubtedly offer also more space for cooperation and growth of mutual relations between the Czech Republic and China, as China starts to look for new partners on the Old Continent.

3.2 The 16 + 1 Initiative

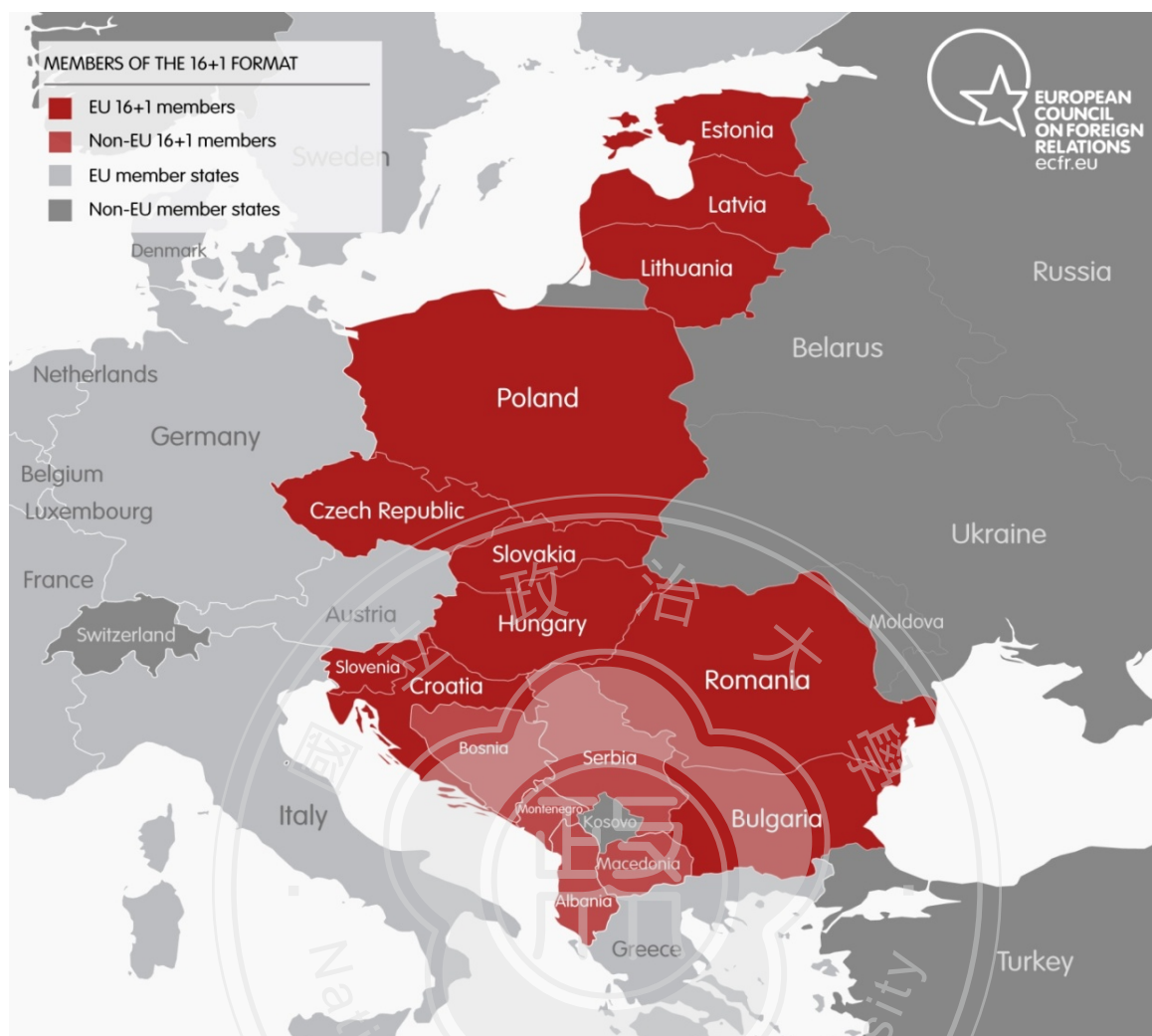
As a specific room for contacts created to consolidate relations between Central and Eastern Europe and China, the 16 + 1 Initiative was created within the extensive Belt and Road plans. The 16 + 1 format is an initiative of the People's Republic of China aimed at intensifying and expanding cooperation with a region that has not played any further significant role in China's foreign policy in a recent history. However, the time of omission of this geographical area is gone, as evidenced by Chinese efforts to re-establish relations with

⁷ For example, the split of EU Member States' views on voting on issues related to China, mentioned in Chapter 1, pages 8 and 9.

11 EU Member States and 5 Balkan countries, including the Czech Republic. In 2013, Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia and Slovenia were offered cooperation opportunities from Chinese government. Within the framework of the initiative, three potential priority areas for economic cooperation were: infrastructure, high technologies and green technologies (LIAA 2016).

Mutual contacts between China and the Central and Eastern European countries (also CEEC) are to be maintained with the help of annual summits for country leaders. So far, summits have been held in Warsaw (2012), Bucharest (2013), Belgrade (2014), Suzhou (2015), Riga (2016), Budapest (2017), Sofia (2018) and the upcoming summit for 2019 scheduled for Croatian Zagreb (China-CEEC 2019).

Map 3.2 Members of the 16 + 1 Initiative



Source: Angela Stanzel, Agatha Kratz, Justyna Szczudlik & Dragan Pavličević. 2016. "China's investment in influence: the future of 16+1 cooperation." European Council on Foreign Relations. Retrieved from: https://www.ecfr.eu/publications/summary/chinas_investment_in_influence_the_future_of_161_cooperation720

The comprehensive initiative was officially announced already in 2012 during the first summit of 16+1 platform in Warsaw, Poland. Chinese Prime Minister presented future cooperation with CEEC and introduced the framework document, China's Twelve Measures for Promoting Friendly Cooperation with Central and Eastern European Countries (LIAA 2016).

This document further specifies the proposed cooperation. Under the 16+1, according to the document, a secretariat for cooperation between China and CEEC will be established.

This secretariat should be appointed to the Chinese Ministry of Foreign Affairs and should be entrusted with coordination of contacts between countries, preparation of individual leaders' meetings and preparation of business forums as well as implementation of individual results. Based on the volunteerism of 16 member countries, it will decide on a counterpart department and a coordinator who will work within the secretariat (Ministry of Foreign Affairs People's Republic of China 2012).

As part of the cooperation, a special US \$ 10 billion credit line will be created to be used to provide concessional loans, focusing on cooperation projects in such areas as infrastructure, high and new technologies, and green economy. The 16 CEEC may file a project application to the National Development Bank of China, the China Industrial and Commercial Bank of China, the Bank of China or China Citic Bank (Ministry of Foreign Affairs People's Republic of China 2012).

Under the scope of financial resources, an investment cooperation fund between China and CEEC will also be set up to raise US \$ 500 million during the first stage. Another element supporting the development of mutual investments within the initiative is also the investment promotion missions sent to the CEEC with the aim of establishing bilateral economic cooperation and trade. The rise in trade between China and the 16+1 countries was estimated to reach US\$ 100 billion by 2015 (Ministry of Foreign Affairs People's Republic of China 2012).

As part of a cooperation, China is also committed to supporting Chinese companies and enterprises for being more active within the relevant 16+1 countries, in order to build the economic and technological zone in the countries over a five-year period. Other types of mutual financial cooperation are also very welcome from the Chinese side, such as currency swap, local currency settlement for cross-border trade, and the establishment of bank branches

in each other's countries, with a view to enhancing support and services for practical cooperation (Ministry of Foreign Affairs People's Republic of China 2012).

In addition, a committee of experts should be set up to oversee the construction of a China-CEEC transport network, under the Chinese Ministry of Commerce. Under this part of the platform, the possibility of building railways and other infrastructure projects will be consulted on individual countries on a voluntary basis (Ministry of Foreign Affairs People's Republic of China 2012).

Great importance is also attached to the human dimension of mutual relations and the role of culture, where meetings or cultural festivals are suggested to be held. The Chinese side also decided to award 5,000 scholarships to the CEEC in the next five years. In addition, language exchanges supported by the Confucius Institutes and Confucius Classrooms program, which invites 1,000 students from relevant countries to study Chinese language in China in the next five years, together with promotion of inter-university exchanges and joint academic research, will be encouraged (Ministry of Foreign Affairs People's Republic of China 2012).

Similarly, the development and promotion of mutual tourism, the growth of contacts between young leaders, or the creation of a fund to secure funding for the development of research centers and academic institutions will take a part according to China's Twelve Measures for Promoting Friendly Cooperation with Central and Eastern European Countries (Ministry of Foreign Affairs People's Republic of China 2012).

However, the convergence of eastern, younger members of the European Union is perceived with some inconsistency within the EU itself. Increasing in the volume of trade and investment or improvement of the infrastructure and transportation network would

undoubtedly have a positive impact also on other EU Member States, in particular thanks to the Schengen area and free trade conditions within the EU. But there are several critiques of 16+1, among the loudest ones is Germany, which uses many countries in the region as parts of its own production chains, and treats them as part of an informal sphere of political influence. Germany repeatedly expressed its criticism towards 16+1 and pointed out the growing Chinese influence in the CEEC region. Facing the growing anxiety in Berlin over the 16+1 structure, Beijing decided to invite Germany to participate in the 16+1 initiative's meetings (Sarek 2019, pp. 5-10).

The EU started to be concerned about the increased contacts between CEEC region and China, to some extent reflecting Germany's concern about growing influence of China in Europe. There are fears that China may by drawing relatively new and individually less influential countries by its side, aim to create an alternative pole in EU, composed of Central and Eastern European countries. This could weaken EU's common foreign policy towards China, undermining its effectiveness and reliability in relations with its second-largest trade partner (Erdal 2018).

The potential impacts of Beijing's influence became visible when EU debated how to respond to China's claims to maritime rights and resources in the South China Sea⁸. The union is also worried about the potential impact of the 16+1 initiative on future EU voting process. There are 11 EU members in the 16+1 initiative that means only few more states

⁸ The dispute between EU Member states was already mentioned in the first chapter of this work, pages 3-4.

would be enough to defeat EU measures decided under qualified majority voting⁹ (Erdal 2018).

Above all, because 16 plus 1 does not work on the principle of a regional bloc which, through mutual coordination of its policy towards China, such as the EU, draws attention to efforts to develop and implement Chinese directive. Negotiations between Member States 16 and China always take place bilaterally, which correlates with the Chinese preferred model, where China can use its power superiority in bilateral relations to reach its goals (Hála & Jichang 2019, p. 10). Thus, China gains an advantage where it does not have to deal with the EU as a whole; it can establish relations with individual states and include them in an ad hoc cluster ignoring the EU's formal borders. 16 CEE states then instead of trying to use their collective bargaining power and position, compete with each other over who will be the most popular state of the PRC, and who will also get the most economical benefits (Hála & Jichang 2019, p. 11).

Many voices coming from other EU Member States also pointed to the nature of 16+1, where the ad hoc structure and negotiation, usually held behind closed doors, does not have any transparency and accountability, which for some members of the 16+1 political elites can increase the attractiveness of Chinese finances flowing into CEEC, because unlike EU-based funds, which are conditioned by strong transparency and accountability requirements, money

9 „A qualified majority (QM) is the number of votes required in the Council for a decision to be adopted when issues are being debated on the basis of Article 16 of the Treaty on European Union and Article 238 of the Treaty on the Functioning of the European Union. (...) The ‘double majority’ rule is applied. When the Council votes on a proposal by the Commission or the EU’s High Representative for Foreign Affairs and Security Policy, a QM is reached if two conditions are met: 55 % of EU countries vote in favor - i.e. 16 out of 28; the proposal is supported by countries representing at least 65 % of the total EU population“(EUR-LEX 2019).

flowing from China has no such requirement and can thus flow more easily into many patronage networks (Hála & Jichang 2019, p. 14).

16+1 undoubtedly attracts much attention, just like the Belt and Road Initiative itself. The Czech Republic and other Visegrad Group countries, included in 16+1 Initiative, a platform for BRI in Central and Eastern Europe, are not the exception, and BRI directly influences them, as it does to many geographically closer or seemingly more attractive countries to such a strong international player like China.



Table 3.1 Chinese investment in 16 + 1 countries between 2009 and 2014

Chinese Investment in 16 CEE countries in 2009 and 2014 (stock/ USD m)								
	2009	2010	2011	2012	2013	2014	2009- 2014 growth	Share of total Chinese investment in CEE (2014)
Hungary	97.41	465.70	475.35	507.41	532.35	556.35	471.12%	32.79%
Poland	120.30	140.31	201.26	208.11	257.04	329.35	173.33%	19.41%
Czech Republic	49.34	52.33	66.83	202.45	204.68	242.49	391.87%	14.31%
Romania	93.34	124.95	125.83	161.09	145.13	191.37	105.02%	11.28%
Bulgaria	2.31	18.60	72.56	126.74	149.85	170.27	7271.00%	10.04%
Slovakia	9.36	9.82	25.78	86.01	82.77	129.79	1265.28%	7.53%
Serbia	2.68	4.84	5.05	6.57	18.54	29.71	1008.58%	1.75%
Lithuania	3.93	3.93	3.93	6.97	12.48	12.48	217.56%	0.74%
Croatia	8.10	8.13	8.18	8.63	8.31	11.87	46.54%	0.70%
Albania	4.35	4.34	4.34	4.34	7.03	7.03	61.61%	0.41%
Bosnia- Herzegovina	5.92	5.98	6.01	6.07	6.13	6.13	3.55%	0.36%
Slovenia	5.00	5.00	5.00	5.00	5.00	5.00	0.00%	0.29%
Estonia	7.50	7.50	7.50	3.50	3.50	3.50	-53.33%	0.21%
Macedonia	0.20	0.20	0.20	0.26	2.09	2.11	955.00%	0.12%
Latvia	0.54	0.54	0.54	0.54	0.54	0.54	0.00%	0.03%
Monte Negro	0.32	0.32	0.32	0.32	0.32	0.32	0.00%	0.02%
Total	410.60	852.58	1008.77	1334.00	1435.76	1696.51	3.13	100%

Source: Lambert 2017, p. 5

3.3 Implementation of BRI in Visegrad Group Countries

The countries of the Visegrad Group – the Czech Republic, Hungary, Poland and Slovakia - are all democratic countries with a similar foreign political orientation. All member countries are also members of the European Union, and all V4 members actively cooperate with China, although the degree of cooperation and business cooperation varies between countries. V4 countries are also close to CR in terms of cultural and linguistic conception, they often have a common history, and all the states belong to the younger members of the European Union, since the present democratic state forms have been acquired after years of communism and the subsequent fall of the Soviet Union. V4 countries are also a unique example of regional cooperation in Europe, as the Visegrad Group operates not only as a trade and cross-border cooperation but also as a platform for sharing opinions and experiences, including in the governmental level where government officials participate in state exchanges. Visegrad also defends the same views within the EU, where member states vote in line with other members of the group and support their statements, as could be seen, for example, during the refugee crisis in Europe (Visegrad Group 2019).

During the Beijing Summit in 2018, the Chinese State Counselor described the cooperation with the Visegrad Group as very valuable and greatly appreciated the commitment of V4 countries to participate in achieving a common win-win progress and cooperation with China, saying that China very much welcomes this cooperation. He also called V4 countries the most dynamic unit in the European Union. And the V4 countries truly often show their different views on EU policies, whether in cases of migration or fundamental principles (South China Morning Post 2018). And the importance of the V4 countries for China is also evidenced by the fact that the first initial indications of the possible creation of

the CEEC platform with China were announced in Hungary and later also in Poland during visits of Chinese Prime Minister Wen JiaBao (Fürst, Matura, Turcsanyi 2014, p. 129).

There are two theories and possibilities for explaining Chinese interest and access to V4 countries. The first is based on the assumption that economic intentions are the driving force behind China seeking to build economic relations with V4 countries, where political relations serve as a boost and an engine for economic growth. The second theory works with the opposite idea of seeing China's efforts in the V4 area as an effort to build stable political ties which emergence and development is strengthened and facilitated by the economy (Fürst, Matura, Turcsanyi 2014, p. 128).

One of China's main motivations for focusing on Central European countries is the fact, that V4 countries de facto connect "Silk Road" and markets of Western Europe. China also chose this region with aim to create a positive image of its brands on CE markets by using affordable prices and high quality service. This positive image can help China to expand effectively to markets of Western Europe, as the membership of V4 countries makes it easier for China to expand to west (Biedermann, Szunomár 2014, p. 18).

Other possible interpretation of the increased interest of China in the CE region is the strategy to gain under its sphere of influence an important geopolitical region that fills the region between Germany and Russia. This region would lead to significant increase of Russian power in the case Russia would gain CE countries in its own sphere of influence. Thus China wants to prevent this possible scenario by establishing contacts with countries in the region (Turcsanyi 2014, pp. 1-6).

Since the global economic crisis of 2008, China's foreign economic policy has expanded, and has now also focused on Central and Eastern Europe, with Central European firms deepening their economic ties with non-European sources to better cope with the global economic crisis. In the Visegrad countries, the scope of this cooperation has sparked much speculation about the possible intentions of China's involvement in Central Europe. At the highest level of the EU institutions, there was a growing concern that the Chinese presence in the V4 energy and banking sector could pose a threat to European unity (Cox-Brusseau 2018).

Hungary, which has received the most Chinese investments, has always had the most warm and economically most significant relationship with China within the V4 countries. The biggest investment was the merger of the Hungarian chemical entity Borsodchem with the Chinese giant Wanhua (Cox-Brusseau 2018). Hungary, which, among other things, has the largest Chinese community of all V4 countries, has long been regarded as the country closest to China and politically, with the most stable and developed relations of all 16 + 1 countries (Fürst, Matura, Turcsanyi 2014, p. 129). Hungary is also known for its open policy towards China, probably to a large extent because of Prime Minister Viktor Orbán's policy of opening the East. Orbán's government had conducted unprecedented steps towards China, most visible in the comments that Hungary should consider moving away from the liberal democratic system and learning from the successes of countries like Russia and China, to serve the Hungarian national interest (Fürst, Matura, Turcsanyi 2014, p. 130).

Subsequently, Hungary has taken considerable steps to welcome and accelerate Chinese investment. Hungary is diplomatically the closest of the V4 countries to China, which was also reflected in its relations with the EU, when Hungary voted against anti-Chinese proposals in the EU, especially those concerning the South China Sea, or human rights practices of Chinese government (Cox-Brusseau 2018). For its statements and activities sympathetic to

undemocratic regimes, the Hungarian prime minister often reaps criticism from the EU and other Western partners, and this may be one of the reasons why Hungary is increasingly approaching China with the motivation of a possible Chinese financial reward in the background. However, Hungary has never promoted its relationship with China to a strategic partnership, as has already happened in other V4 countries (Fürst, Matura, Turcsanyi 2014, pp. 129-130).

Poland, on the other hand, used to welcome closer economic rather than political ties with China, but has not yet adopted such an apparently pro-Chinese attitude in European policy. The Polish strategy "Going China" strongly supports the cooperation between Polish entrepreneurs and SMEs and Chinese investors, and the development of individual programs to support Sino-Polish cooperation in the field of energy, agriculture and technological research already took a place (Cox-Brusseau 2018). Even though Poland may not accentuate China's questions in the European Parliament, China and Poland have been strategic partners since 2011, where both countries have expressed their interest in creating stable, close and intense contacts (Fürst, Matura, Turcsanyi 2014, p. 129).

Poland, as the geographically largest country of the 16 + 1 Initiative and V4, has always been very ambitious and is often seen as the strongest individual in both groupings. The combination of economic potential and a relatively pragmatic approach to China has brought Poland a very stable, long-term relationship with China. Poland is keen to develop close contacts with the Chinese side, where, for example, historical experience with workers' rights is emphasized. Between the two countries, there is a comprehensive network of contacts across the full range of areas and levels, from top level governmental meetings to regional forums, cultural exchanges, and academic cooperation. The Polish capital, Warsaw, was also the venue for the first summit of Chinese government representatives and 16 Central and

Eastern European countries, what earned the 16 + 1 Initiative nickname "Warsaw Initiative" (Fürst, Matura, Turcsanyi 2014, p. 131).

In Slovakia, public opinion of China remains informed primarily by ideological concerns, not economic issues, but at higher level Slovak governments in the past have made strides to welcome Chinese FDI in transport, energy infrastructure, and entrepreneurial endeavors. The concept of Chinese involvement domestically and throughout the CEEC is marketed - by Slovak and Chinese media - and a win-win situation. However, at grassroots level in Slovakia, Chinese investment remains and politicized issue (Cox-Brusseau 2018).

Slovakia, too, seemed to be working with the vision of the economic benefits of partnership with China, which during the period of the first Fico's left-wing cabinet in 2006-2010 was very open and sympathetic to China. Slovakia even considered granting a contract for the construction of Slovak highways to a Chinese company, which, however, was subsequently revisited, as did the entire policy towards China. After the revision of the approach to China, the relationship of Slovakia to China cannot be described as too favorable from 2012, on the contrary, it is probably the coldest of the entire V4 group. During the visit of the Chinese delegation in Slovakia, the Prime Minister Fico did not hesitate to discuss human rights issues in China and during this visit there was also a significant demonstration against Chinese human rights violations, which would be unprecedented during Fico's previous government period. So it seems that in recent years Slovakia has taken a less idealistic attitude towards China, which can also be supported by the fact that Slovakia is currently able to sell its bonds at the capital markets at historically lowest rates (Fürst, Matura, Turcsanyi 2014, pp. 130-131).

Table 3.2 Cooperation Mechanisms of V4 countries and China under 16 + 1 platform

Mechanism of Cooperation	Country
China-CEE Association of Tourism Promotion Institutions and Travel Agencies	Hungary
China-CEE Higher Education Institutes Consortium	System of Rotation
Secretariat of China-CEE Contact Mechanism for Investment Promotion Agencies	Poland/ China
China-CEE Joint Chamber of Commerce	Poland (Executive Order) China (Secretariat)
China-CEE Federation of Heads of Local Governments	Czech Republic

Source: Chen & He 2018

3.4 Conclusion

Thus, as can be seen, the BRI initiative is generating very different responses across Europe. For years, the European Union is still unable to consolidate its position and decide whether to use BRI for its own economic benefit or to exercise caution with regard to the issue. Above all, the most important obstacle to EU relations and putting BRIs into practice across the European continent is the human rights issue, which is an essential issue for the EU in dealing with China.

Similarly, the Chinese and CEEC countries' 16 + 1 platform, where 16 countries represent not only the EU Member States, but also the EU's neighbouring countries, is also perceived inconsistently, bringing many challenges to the common foreign European policy or even the European Neighbourhood Policy. However, 16 countries are actively pursuing contact with China, where the economic factor and the prospect of potential infrastructure development lead to countries almost competitiveness and instead of using the advantages that such a large group of countries would have in negotiations with China, meetings are held bilaterally, what in context of often small countries with not very strong international power can lead to benefits for the Chinese side.

In the V4 countries, where Hungary, Poland and Slovakia represent historically, politically, culturally and geographically the closest states for the Czech Republic, there are also different attitudes towards China. Hungary has long been recognized as the closest partner to China from the V4 countries, but also from the CEEC, and it still holds a very friendly and open position towards China, where, primarily thanks to the Prime Minister Orbán Hungary seeks political convergence with China, even though the relationship has never been labelled as strategic. Poland, on the other hand, sees China as a strategic partner for almost a decade and has earned very stable relations with China and intensive exchange with Polish pragmatic approach and economic potential. However, in compare with Hungary, Poland does not accentuate the Chinese issue on the European scene; thereby it successfully avoids open criticism by the EU and Western partners. Slovakia is somewhat different from the rest of V4 group because it has undergone a change in its relationship with China, ranging from a relatively warm relationship with an effort to engage with China as a partner, to still friendly relation, but much more critical of human rights issues and disputed territories. Thus, Slovakia combines the logic that recognizes the economic importance of China and the

potential contribution to Slovakia, but is not afraid to adopt a different attitude than the Eastern power, even at the highest political level.



4. The Implementation of Belt and Road Initiative in the Czech Republic

When considering the relations of Central Europe and China, the Czech Republic can serve as an interesting example for demonstrating the dynamics of political relationships. The relations between the Czech Republic and China has long been one of the coldest in Europe, when the Czech Republic was openly one of the most critical countries towards China its state regime, or issues of violations of human rights and disputed territories. And paradoxically, from Central European countries, it was precisely Czech-Chinese relations that have undergone the greatest change in recent years. What was the reason for this change, as well as the inter-state political or foreign political influence, or impact of political establishment, will be discussed in this chapter, which aims to shed light on the history, development and current state of Czech-Chinese relations with regard to their recent significant transformation.

4.1 The Political System of the Czech Republic and Key Foreign Policy documents

The Czech Republic (also CR) is a landlocked country in Central Europe bordered by Poland to the north, Germany to the west, Austria to the south and Slovakia to the east, with population of approximately 10.5 million inhabitants. The political system is parliamentary democracy based on constitution from 1992. Legislative power in the CR is invested in a bicameral Parliament, which is the sole and exclusive legislative body of the CR that has two chambers of Parliament, the Senate and the Chamber of Deputies. The basic functions of Parliament are to pass laws, approve international treaties, declare confidence or non-confidence in the government of the CR, and to call elections to local government (Balík, Hloušek, Holzer 2012, pp. 13-42).

From the point of view of foreign policy making, the legislative power provides a framework in which policymaking is embedded, but executive power has the largest share in the development of foreign policy itself. Key actors involved in the development or implementation of the foreign policy of the Czech Republic include the President, the Government, and the Ministry of Foreign Affairs. The role of the President of the Republic is to represent the state outside of borders, but also to negotiate international treaties and to promote Czech foreign policy in contact with other states. The Government is the main coordinator and executor of foreign policy, with the Ministry of Foreign Affairs being the main actor in the development, management and coordination of foreign policy. The document governing foreign policy is then the Conception of Foreign Policy of the Czech Republic (Kořan 2013, pp. 7-18).

This document, among other things, clarifies foreign policy orientation and specifies key foreign partners, and conception also defines the relationship with China. The foreign policy concept of the Czech Republic does not have the prescribed years of issue; it is issued based on the need or decision of the current government. The penultimate concept of foreign policy is the 2011 document, which, among other things states the primary principle of Czech foreign policy as the inalienability of human rights, where the Czech Republic commits to unconditionally support the development of democracy and to fight against human rights abuses in the world. The 2011 Conception of Foreign Policy also addresses bilateral relations with China without stating specific position of China in Czech foreign relations, only pointing out the economic cooperation as the focus of the Czech-China relations, emphasizing that the development of trade relations will be promoted only without departing from the principles that the Czech Republic respects and considers to be key:

“The aim of the Czech Republic is to deepen the mutual trade exchange with an emphasis on reducing the negative trade balance. The Czech Republic

will strive to strengthen cooperation with China in such a way as to contribute to a deeper and more constructive engagement of China in the system of international cooperation. The Czech Republic views China's growing role in the world economy as an opportunity without necessarily abandoning the values in which it perceives China. In relation to Taiwan, the Czech Republic holds one China policy, but this does not prevent the pragmatic development of contacts. Taiwan will remain a major investor and business partner for the Czech Republic.”

(The Ministry of Foreign Affairs of the Czech Republic 2011)

The latest issued Conception of Foreign Policy of the Czech Republic from 2015 shows a significant shift in relations with China that is newly specifically classified as a strategic partner. Category of strategic partners of the CR was traditionally dominated by United States and Germany, but since 2015 China is considered as one of them. This important shift can be observed two years after the launch of the BRI in the Central European region and the launch of 16 + 1 Initiative. This is a rather significant shift in the foreign policy of the Czech Republic, as neither the fundamental principle of human rights protection nor one of main trading partners – Taiwan – has been mentioned. The Czech Republic also does not undertake in the Conception of Foreign Policy of 2015 to develop relations with China under the conditions of a possible pragmatic dialogue on issues where the view of the Czech Republic and China differs, furthermore even the need to maintain traditional values of Czech Republic while building this relationship is not mentioned at all.

“China is one of the world's largest economies and an important actor in solving problems of global importance. The Czech Republic will seek a regular political dialogue with China in order to develop cooperation in a number of areas, including the economy, health, environmental protection, science and research, culture and human rights. The main framework for dialogue with China is the strategic

partnership between the EU and the People's Republic of China in addition to bilateral relations. The opportunity to develop mutual economic relations is also reflected in the conclusion of an agreement on an EU-China investment agreement.”

(The Ministry of Foreign Affairs of the Czech Republic 2015)

4.2 Political Dialogue of the Czech Republic and China

After 1989, the Czech Republic focused primarily on strengthening relations with Western Europe. The primary objectives were to join NATO and the EU. Between years 1993-2004, relations between the region and China were mainly influenced by issues related to human rights violations, the issue of the autonomy of Taiwan and Tibet. This era was marked by presidency of Václav Havel, well-known human rights activist, who was very critical towards Chinese oppressions of human rights and violations of freedom. Havel himself was one of the founders of Charter 77 that inspired Chinese initiative for human rights Charter 08¹⁰. Havel personally met two signatories of Charter 08 in Prague in 2009 during the Human Rights Film Festival, when they were awarded by human rights award Homo Homini (Aktuálně.cz 2009).

The atmosphere in the Czech politics in period from 1993 to 2004 was dominated by former dissidents on important political posts and did not give too much room for establishing relations between China and the Czech Republic. Approximation was impossible because of very different views on human rights issues or because of questions connected to China's claimed territories. Above all, the question of Tibet has negatively resonated in the relations

10 Charter 08 is a political manifesto calling for a democratic change in Chinese politics, signed in 2008. The document was inspired by Charter 77 that was written against communist oppression in Czechoslovakia. Authors of Chinese Charter 08 were persecuted by China for expressing their dissatisfaction with the regime (BBC 2010).

of both countries. President Havel was a very close friend of his Holiness the Dalai Lama, person persecuted by China, who, during Havel's two terms in president office, began his traditional visits to the Czech Republic. Václav Havel was the first Western politician to officially invite Dalai Lama for a state visit. First visit took place in 1990 and since then Dalai Lama has visited the Czech Republic, to dislike of the China, already eleven times (Reuters 2016).

Another change in the attitude towards China occurred after the inauguration of President Klaus in 2003, but it was more pronounced in 2004 when the Czech Republic became a member of the EU. From 2004 to 2013, when the Czech Republic ranked among the EU member states, foreign policy priorities moved to strengthen relations with neighbouring countries and EU members. China was not paid much attention, and mutual relations were build only on cooperation in economic matters. However president Klaus and governments of this period in compare to previous years did not focus on China at all, nor even on human rights questions. As Ministry of Foreign Affairs of the Czech Republic states, relations between the Czech Republic and the PRC were without any major problems, evolving within the possibilities or, respectively, limits that are due to the differences in political systems and the incompetence of both countries in terms of size and international significance. Economic cooperation remained the focus of Czech-Chinese bilateral relations. Nevertheless, the trade balance continued to develop to the detriment of the Czech Republic (Ministry of Foreign Affairs of the Czech Republic 2007).

At the end of this period The Czech Republic has made progress in the development of economic cooperation with the People's Republic of China. An important impetus was the participation of the Prime Minister of the Czech Republic, Petr Nečas, at the meeting of 16 Central and Eastern European countries (16+1 Initiative) with China's Prime Minister Wen

Jiabao in Warsaw in April 2012, which created concrete opportunities for deepening bilateral cooperation (Ministry of Foreign Affairs of the Czech Republic 2012).

However, the attempts of the Nečas's Government to respond to the Chinese initiative in form of 16 + 1 format were clashed by the meeting of the Czech Ambassador in London with the Dalai Lama before the Olympics 2012, practically two months after the constitutive summit 16 + 1, showed disagreements within the already-established government coalition and the Czech right wing political parties (Fürst 2014, p. 242).

Before 2013, CR considered China to be a difficult partner to accept due to the undemocratic regime, which was manifested on the Czech side mainly by dampening visits at the level of ministers of foreign affairs and other high government positions (Fürst 2014, p. 237). The year 2013 in Czech policy towards China brought a significant activation of the Czech political agenda with the PRC at a high government level. This activity was the result of two trends. The first trend is the historically unprecedented interest of the PRC in Central Europe, which is related to the development of BRI in the European region and the launch of the 16 + 1 Initiative as a platform for closer contact with the countries of Central and Eastern Europe. The second trend was the internal political development in the Czech Republic, when government policy changed following the fall of Prime Minister Nečas's cabinet and the inauguration of the new president Miloš Zeman, together with the creation of the temporary government of Jiří Rusnok, which remained until the appointment of the new cabinet in 2014 (Fürst 2014, p. 236).

It is important to emphasize that in the previous government of Prime Minister Nečas, China was not an implicit priority in governmental documents and was not a major topic for parliamentary discussion or discussion of political parties. It was only with the change on the position of the President of the Republic, and with the emergence of, by the president

enforced, government, that the political dialogue with Beijing, which on level of high governmental position remained nearly frozen practically since 2009 when Prime Minister Jan Fischer accepted the Dalai Lama in Prague, was newly developed (Fürst 2014, p. 237).

The new situation in Czech foreign policy was also supported by the strengthening of the "left wing" on the Czech political scene, where both the newly elected President Zeman and the cabinet of Prime Minister Rusnok are close supporters of left-wing politics. The "right wing", traditionally more addressing Tibet's questions and actively supporting Tibetan exile, thus became a minority (Fürst 2014, pp. 237-238).

Lobbyists circles also played an important role, as the position of honorary adviser to the Prime Minister for contacts with China was newly occupied by a well-known lobbyist Jaroslav Tvrdík, while the personnel changes were done even on position of the chairman of the Czech-Chinese Chamber of Mutual Cooperation, supporting the left-wing government orientation, facilitating development of pro-Chinese politics (Fürst 2014, p. 242).

At the initiative of President Zeman, Prime Minister Rusnok and with the support of the Czech-Chinese Chamber of Mutual Cooperation, a Czech-Chinese Investment Forum was held in 2013, chaired by the Czech Prime Minister. The significance of this event is testified by the fact that it was placed in the solemn Spanish Hall of the Prague Castle itself. Here, inter alia, the "restart" of Czech-Chinese cooperation was announced. Deputy Foreign Minister Sung Tao attended the Forum as representative of Chinese government. This forum resulted in his next personal visit to President Zeman, after which an invitation to state visit of China in 2014 for president Zeman was received (Fürst 2014, p. 239).

In 2014 Czech media were already talking about the unprecedented increase in China's influence in the Czech Republic, as well as about the increase in importance of lobbying organizations, and a significant increase in Chinese investment in CR was expected. The year

2014 was characterized by a high level of interstate visits. Historically, the Czech Republic has been ranked as the most critical European state towards China with the smallest number of mutual state visits, which has undoubtedly changed. There was also an unprecedented consensus on the Czech domestic political scene, and there was agreement on the need to actively support the development of the 16 + 1 Initiative. The political dialogue with Beijing included visits of presidents, prime ministers, foreign affairs ministers, ministers of trade and industry, minister of transport, minister of the interior, as well as regional governors and representatives or private entrepreneurs (Fürst 2015, pp. 274-276).

Active dialogue began with the meeting of the two countries' presidents on the occasion of the Olympic Games in Sochi, Russia. In April of that year, Czech Minister of Foreign Affairs Lubomír Zaorálek visited China, where, like Zeman, he proposed to hold the 16 + 1 Initiative Summit for 2016 in Prague. It must be noted that, despite the efforts of both statesmen, the Summit did not make its way to Prague, as China gave the preference to Riga. During Zaorálek's visit, from the point of view of the general public, a very controversial joint statement that speaks directly about Czech non-interference in the Tibet question, was signed (Fürst 2015, p. 276).

“The Czech Party respects the sovereignty and territorial integrity of the People's Republic of China, is fully aware of the importance and sensitivity of the Tibet issue, reaffirmed the observance of one China's policy and that Tibet is an integral part of Chinese territory. In this regard, the Czech Republic does not support the independence of Tibet in any form.”

(Fürst 2015, p. 276)

During May 2014, an Economic Forum was held, organized both in the Czech Republic and China. The result of the participation of approximately 350 Czech entrepreneurs in this event in China was the Agreement of a regional cooperation, and it was also agreed

that the headquarters of the Association of Governors of the Provinces of the People's Republic of China and the representatives of the regions of Central and Eastern Europe will be established in the Czech Republic (Fürst 2015, p. 278).

The next visit to China was the visit of the Minister of Industry and Trade in June 2014, which was conducted by a delegation of private entrepreneurs and representatives of Czech regions, other Ministries (finance, transport), and also by representatives of agencies Czech Trade and Czech Invest. In October of that year President Zeman travel to China. During this four-day visit, undoubtedly, the political issues of Taiwan and Tibet were touched. This visit, however, the majority of the Czech public remembers in the context of the statement of the Czech president, who said in an interview to China's CCTV television that “the Czech Republic could learn much from the Chinese side about the stabilization of society”. The last visit of the year 2014 was meeting of Prime Minister Bohuslav Sobotka with Chinese officials during the 16 + 1 Initiative Summit in Belgrade (Fürst 2015, pp. 277-278).

Again, 2015 saw significant positive shifts in relations between the Czech Republic and China, where the role of President Zeman undoubtedly cannot be neglected, as he has largely contributed to this trend. The proactive policy towards the PRC followed on from previous years and was mainly driven by important documents – The Conception of Foreign Policy of the Czech Republic, the Programmatic Declaration of Czech government of Prime Minister Sobotka, and by Export Strategy 2010-2020. Year 2015 was characteristic by an unprecedented consensus on issues of convergence with China, what also provided the opportunity to take action (Fürst 2016, p. 250).

Human rights policy, once considered to be one of the pillars of Czech foreign policy, is in 2015 contextualized with development and humanitarian aid, reached a very pragmatic

approach. This year, the Czech Republic has even become China's preferred country among 16 countries. Many sympathies were gained for the Czech Republic when in August President Zeman, as the only representative of the EU countries and against the EU common policy recommendation, decided to take part in a military parade to celebrate the 70th anniversary of the end of World War II, with the subtext of Chinese power ambitions (Fürst 2016, p. 251).

During November of the same year, a very important step was taken, when Prime Minister Sobotka signed a memorandum on the participation of the Czech Republic in the BRI during his state visit in China. This trip was also significant for other government departments, the Ministry of Health, in particular, began a dialogue with the Chinese side and state agency CzechTrade opened its branch in Chengdu, China (Fürst 2016, pp. 253-254).

The Czech foreign policy this year was chiefly moved by the president, who, with his often controversial rhetoric, was increasingly approaching China, and his rejection of human rights issues became apparent. All government departments, regional organizations such as the Association of Regions, the Czech-Chinese Chamber of Mutual Cooperation, and lobbying circles have launched a proactive convergence policy (Fürst 2016, pp. 254-255).

A great success was the June 16 + 1 Summit of Health Ministers of the Initiative countries, that was held for very first time. The venue was placed to Prague and the Czech and Chinese Ministry of Health was responsible for its implementation. In this context, it is possible to see a sharp increase in the health oriented agenda within the bilateral relationship between the Czech Republic and the PRC, or Czech attempt to focus on future potentially important provinces, such as Chengdu, where a new Czech consulate was opened. As part of contacts at parliamentary level, a parliamentary delegation of Czech deputies was visited China (Fürst 2016, pp. 254-255).

In the same year, however, it is possible to observe some ambivalence of Czech foreign policy, when the Czech Republic did not want to give up its traditional partners, despite the unwillingness of China to tolerate these activities. The Senate delegation thus conducted a visit to Taiwan, where it was accepted by Taiwanese president Ma Ying-Jeou. This trip was initiated by a Taiwan that also fully funded it. This step was immediately condemned by the Chinese Ambassador in Prague, who submitted an official complaint to the Czech Ministry of Foreign Affairs. In this complaint, the Ambassador referred to the Joint Statement of the CR and PRC signed in 2014 by Minister Zaorálek during his visit to China, where the principle of one China is discussed. Czech government was reminded that Chinese side does not hesitate to use individual documents in their own interest (Fürst 2016, p. 256).

The year 2016 was mainly about strengthening of contacts at the highest political level. The Czech Republic has also made significant progress in the hierarchy of countries associated under Initiative 16 + 1, but also within the EU, when the Czech Republic became a strategic partner of China. This is a rather significant change, when within a few years after the resumption of contacts, the Czech Republic advanced from the position of one of the greatest critics to the position of a strategic partner of China, alongside countries such as Great Britain, Germany, France, Poland or Russia. However, despite this significant increase in agenda and contacts at the level of all government institutions, there was presence of frustration due to the slow pace of Chinese investment or the very difficult access to the Chinese market (Fürst 2017, pp. 246-247).

During April of this year, the first ever visit by the Chinese head of state to the Czech Republic, when Xi Jinping visited Prague, what caused very negative reaction in Czech public. In June, Prime Minister Sobotka travelled to China with the Minister of Industry and Trade, Minister of Transport and other members of the Cabinet. Also during the 2016, the second Chinese Investment Forum was held in Prague Castle (Fürst 2017, p. 248).

The unprecedented political consensus on the internal political scene of the Czech Republic during this year turned into a polarized debate in which the Tibetan question and the extent of Czech-Chinese relations again played a role. Also this year, a securitization of the entire Chinese theme was underway, with Chinese investments in particular, gaining attention in the negative sense (Fürst 2017, p. 247).

The split of the government coalition was more marked by two events. The first was another trip of the Senators' delegation from the so-called Friends of Taiwan club to Taiwan. Here again, the delegation was accepted at the highest political level, and later the Czech representative represented the country at the inauguration of the new Taiwanese president Tsai. Both events were followed by official complaint from Chinese Ambassador to Czech Republic (Fürst 2017, p. 249).

The second event was the eleventh visit to the Tibetan representation, headed by the Dalai Lama, who visited Prague only a few months after the announcement of strategic partnership between China and CR. However, this visit was very different from previous visits, the Dalai Lama was not accepted by the President or any other important officials, and the Ministry of Foreign Affairs (also MFA) gave clear instructions on this matter to prevent Czech politicians from meeting with the Dalai Lama or to prevent his official acceptance at any of the government offices. The Dalai Lama arrived in Prague to visit Forum2000, but eventually received official admission to the Ministry of Culture in contradiction to the instructions given by the MFA; a personal meeting with the Vice-Presidents of the Chamber of Deputies; Minister for Human Rights or Deputy Prime Minister. The result of the government's inconsistency was a very grave complaint by the Chinese Ambassador to Prague (Fürst 2017, pp. 251-252).

In the case of other events that challenged China and the Czech Republic, or the EU relations, the Czech Republic followed the “central” stream in the EU, including the questionable Spratley archipelago, where international arbitration decision was against China’s interests. Prague abstained from any official statements and this event was not reflected in the relationship (Fürst 2017, p. 250).

In 2017, the pro-active foreign policy trend towards China continued, with President Zeman visiting Beijing for the third time in three years in office and continued to promote the mutual relationship significantly. He played the role of the most important actor, as the government was in a coalition crisis, when there was no consensus on many foreign policy issues, and there was no consensus in terms of foreign policy towards China either (Fürst, Kizelková, Kožíšek 2018, pp. 221-222). In May Zeman thus visited Belt and Road Initiative summit together with delegation of ministers and private entrepreneurs. Prime Minister Sobotka later in 2017 represented CR on summit of 16 + 1 Initiative, where the decision about next two summits on civil aviation and health care would be held in the Czech Republic. Both of these topics are long term priorities for Czech cooperation with China (Fürst, Kizelková, Kožíšek 2018, pp. 221-231).

A minor rise of attention in the field of human rights issues with China occurred when the Czech Ambassador in China signed a declaration against China's actions against human rights lawyers, while the Czech Republic and Estonia were the only countries in the block of 16 countries to join the Declaration. Traditional dispute of China and CR over Czech every year visit continued even in 2017, because Czech Senate delegation again paid visit to traditional business partner (Fürst, Kizelková, Kožíšek 2018, pp. 221-231).

However, according to some experts (Fürst, Kizelková, Kožíšek 2018, pp. 221-231) 2017’s concentration of international visits, especially at a high political level, fell somewhat

and did not exceed the year 2016, which was due to visit of President Xi in Prague to start a very high frequency of contacts.

In 2018, there is a certain level of sobering on Czech-Chinese issues, where to the disappointment of Czech side, the asymmetry of this relationship continues to be high. The Czech political scene is fully aware of the fact that in reality only a small number of promised projects have been implemented, and that the astonishing amounts of investment from China to the Czech Republic are unlikely to be a reality. Above all, difficulties of CR to enter the Chinese market, but also a change in the domestic political scene, brings a more realistic and pragmatic policy towards China, with Prime Minister Andrej Babiš in particular not advocating a strategic alliance with China. President Zeman however, continued to serve as the most important player in relations, actively promoting relations with China, which he confirmed in November 2018 with another, fourth visit to Beijing (Kopecký 2018, pp. 67-69).

At the beginning of 2019, the inconsistency of Czech foreign policy towards China continues to manifest itself at both the government and regional levels. The first major incident happened during the traditional meeting of the Minister of Industry and Trade with foreign diplomats, whereby a representative of Taiwan was banished from the meeting for the Chinese party's displeasure. The Chinese diplomat allegedly threatened the Minister with a possible negative impact on Zeman's trip to China. In order to continue the meeting, the Minister declared the Taiwanese representative out of the meeting (Aktuálně.cz 2019).

This happened at the end of March 2019, when the Prague Mayor, Zdeněk Hřib, was on a business trip in Taiwan. Hřib is a well-known supporter of Taiwanese independence and has expressed a great dissatisfaction with the Minister's activities. Hřib in the name of the capital city of Prague met with important representatives of Taiwan, received honorary citizenship of Taipei City, and, among other things, expressed a very positive attitude to the current and

future cooperation between the Czech Republic and Taiwan at a meeting with Taiwanese President Tsai. Hřib also emphasized the role of Taiwan as a key partner for the Czech Republic and assured the Taiwanese side that so-called panda diplomacy is unacceptable for Prague¹¹.

“Taiwan is one of our largest foreign investors. Since 1993 he has created 23,000 jobs position in our country, while Beijing has bought a television, a stadium and a couple of politicians. At the same time, the issue of human rights is more important to Prague than panda diplomacy. Personally, I totally reject human organ trafficking. We also want to omit one China claim from a partnership agreement with Beijing because such proclamations do not belong to such treaties. On the contrary, we want to establish more intensive cooperation with Taipei. This would also be helped by a direct airline with Prague, which I asked for support from the Foreign Minister of Taiwan Joseph Wu“.

(Zdeněk Hřib, March 29 2019 via Facebook post)¹²

For May 2019 is also scheduled another, already sixth visit of president Zeman in China, where mutual relations should be promoted as well as trade and interstate visits. Czech media pointed out increasing expenditures for Zeman’s visits of China, that are expected to grow to 8,8 millions of Czech crowns, what is significantly more than last year (iRozhlas.cz 2019).

Zeman's visit of China contrasts sharply with the situation where only a week before the visit of the Czech State Delegation to China, the performance of Czech artists and

¹¹ Recognizing the diplomatic value of the panda’s popularity abroad, the People’s Republic of China began gifting them as part of strategic friend making. Czech approach to China is sometimes referred as a part of *panda diplomacy*, when in the context of the Czech Republic and China relations, the Czech Republic seeks to prevent conflict with China in the form of concessions on political or human rights issues, with the aim of not harming business relations and establishing a positive relationship (Buckingham & Jepson 2013).

¹² Zdeněk Hřib – primátor Prahy. (March 29th, 2019). In Facebook [Official page]. Retriever April 6th, 2019 from: <https://www.facebook.com/zdenek.hrib.primator/>

ensembles linked to the city of Prague were canceled in response to the statements of the Mayor of Prague about Taiwan, Hřib. The whole situation affecting primarily the Prague Philharmonic Orchestra had to be solved in China during the journey of President Zeman by the Minister of Foreign Affairs of the Czech Republic Tomáš Petříček (Lidové Noviny 2019)¹³

4.3 Czech – Chinese Business Relations and Projects under BRI Initiative

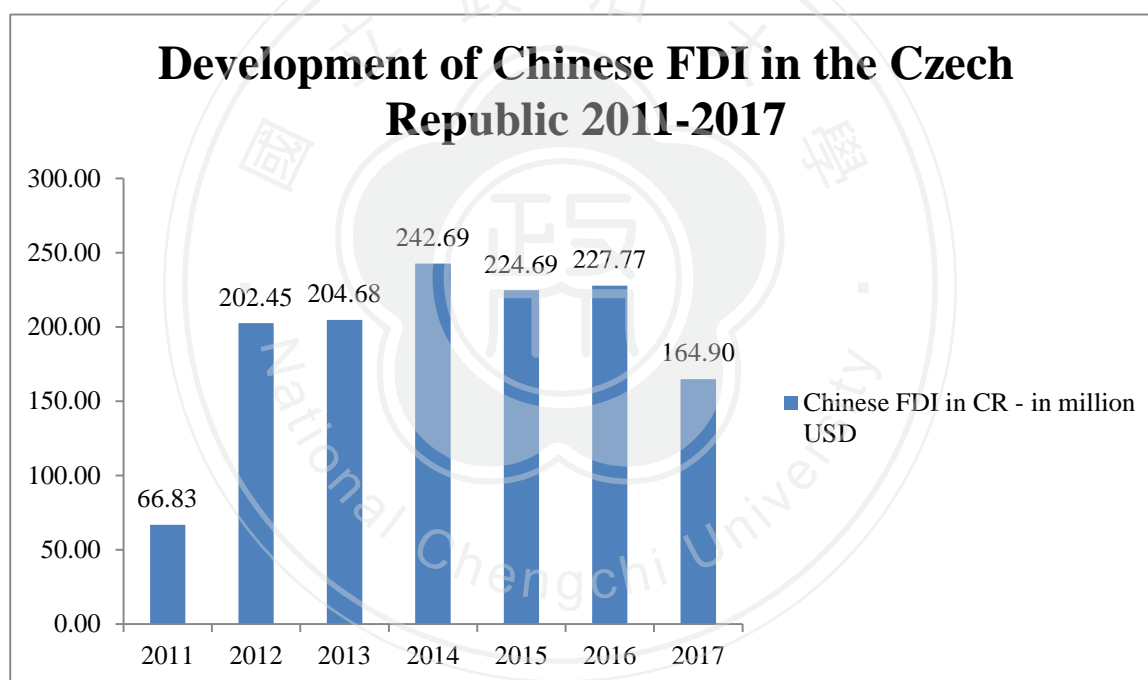
Czech Republic is currently China's second biggest trading partner and export market among V4 countries (Gradziuk, Szczudlik-Tatar 2015). Countries such as the Czech Republic are considered as the best options for Chinese business attempts due to their locations in close proximity to Bavaria, Germany's richest region where industries such as BMW are located, and affordable wages. The Czech Republic is also considered to be a small country which fits with a usual the Chinese strategy that can be called a quiet approach. Chinese trade and investments are also connected to the Chinese diaspora in Prague. Overall more than 5,500 Chinese people are officially living in the Czech Republic and helping Chinese businessmen to invest in the area (Lambert 2017, pp. 2-3).

The Czech Republic is the third largest recipient of Chinese foreign direct investment (FDI) in Central and Eastern Europe. The main type of Chinese FDI in the Czech Republic is the market-seeking FDI. The motivation for this type of investment is the size and growth of local and regional markets, cost of labor, infrastructure quality, industrial competence, macro-economic policies, but also the country's government and policy (McCaleb & Szunomár 2017, p. 123).

¹³ Lidové Noviny. 2019. "Čína údajně ruší umělecká vystoupení spojená s Prahou. Petříček se proto setká s čínským velvyslancem." Lidovky.cz, April 28th, 2019. Retrieved from: https://www.lidovky.cz/domov/cina-udajne-rusi-umelecka-vystoupeni-spojene-s-prahou-petricek-se-proto-sejde-s-cinskym-velvyslance.A190429_110711_In_domov_ele

As a result of this type of investment, China has access to the Mediterranean markets or the CIS and EFTA markets. The Central European region is also one of the safest regions in the world in terms of commercial transactions and the risk that it can generate. The Czech Republic is also an institutionally stable country, limiting potential geopolitical and social risks. Most of China's finances go to assembly, secondary and tertiary sectors. The main interest is in the telecommunications, electronics, chemical, transport and energy sectors (McCaleb, Szunomár & Xin 2018, pp. 48-65).

Figure 4.1 Chinese Foreign Direct investment in the Czech Republic between 2011 and 2017



Source: Statista. 2019. "Total stock of foreign direct investments from China to Czech Republic between 2008 and 2017 (in million U.S. dollars)", Statista.com. Retrieved from: <https://www.statista.com/statistics/865590/china-total-outward-fdi-stock-to-czech-republic/>

There was a significant increase in the inflow of Chinese FDI to CR recorded in 2012, that was according to Agnieszka McCaleb and Ágnes Szunomár caused by change in Czech political approach towards China, from being very critical towards questions of human rights abuse and disputed territories, to very opened and friendly towards Chinese investment (McCaleb & Szunomár 2017, p. 123).

The most significant Chinese investors in the Czech Republic include Changhong, which has invested around \$ 10 million in technical operations. Technology oriented Chinese businesses in the Czech Republic are also represented by Huawei and ZTE. Especially through a recent media controversy linked to Huawei, the significance of the business for the entire Czech-Chinese relationship was shown, when the Department of Cyber and Information Security of CR, inspired by the United States, highlighted risks of using Huawei products in the government sector, where the company was suspected of potential espionage. This case caused a split in the Czech political scene, when President Zeman and the government opposition strongly supported Chinese company, while Prime Minister and government cabinet called for the withdrawal of Huawei equipment from use by the Czech government. One of the opposition politicians then decided to make a trip to China, where he tried, with the strong support of the president, to settle mutual relations. In fact, China threatened to retaliate against the Czech Republic's car producing company Škoda and company PPF that both operate in China, if the usage of Huawei devices would be really stopped (SeznamZprávy.cz 2019).

Yuncheng Plate Factory is also another major company operating in the Czech Republic. Chinese Railway Signal & Communication Corporation has bought a majority stake of 51% in Inekon Group, a Czech tram manufacturer. Since 2015, the Bank of China has also been operating on the Czech banking market (Gradziuk, Szczudlik-Tatar 2015).

In 2017, three agreements between China and the Czech Republic on cooperation in the economic and health sectors were concluded. The Chinese interest in health care cooperation is evidenced also by establishing the Action Plan for 2017-2019 between Czech and Chinese Health Ministries. In the same year, the Czech Ministry of Industry, headed by Minister Havlíček, was actively bidding to build a factory of Chinese Linglong Tire company in the Czech Republic, when President Zeman and Minister Havlíček consulted with the company's

management on the location, while the management of the company later visited the Mošnov industrial zone in northern Moravia. However, all V4 countries are bidding for a project with the potential to create 1,500 jobs, and there has been no shift in the location decision (Prague Daily Monitor 2017).

A very significant collaboration that already brings results is the cooperation in the aerospace industry, where the Czech Republic and China have created the Sino-Czech Aviation Association. The Czech Republic has launched an important aircraft program under the framework of the Belt and Road Initiative with an investment of 100 million euros, and first product of common effort, the nine-seat aircraft will go into production in 2020 in the city of Zigong in southwest China's Sichuan Province. The new type of aircraft was developed, designed and produced by the two countries, and according to the Sino-Czech Aviation Association, it is only the beginning of the program that has brought new vitality into the research and development capabilities of both China and the Czech Republic (The State Council Information Office of The People's Republic of China 2018).

Concerning increased connectivity and connections between China and the Czech Republic, a direct train connection between China and the Czech Republic was opened, specifically between Prague and Yiwa. This is the technical nature of the connection, carrying goods and products between the two countries. This line was opened in 2017 (The State Council Information Office of The People's Republic of China 2017).

The Czech Republic also seeks to use the Czech tradition of building railway infrastructure, or to become a financial center for cooperation with China in Europe. Above all, President Zeman then evaluates the cooperation in the financial sector as very beneficial as well as the opening of branches of the Bank of China and the Industrial and Commercial Bank of China in Prague (XinhuaNet 2019).

At the same time, the Czech government is trying to support the interest of Czech companies in the Chinese market and thus support the expansion of Czech companies into China. One of the interesting examples of Czech-Chinese cooperation at the level of smaller business entities is the case of company Farma pro všechny, a Czech company that won a contract for the construction of several aquaponics farms in China, near the city of Xiamen and some other localities there, while the systems focus on the production of food combining fish breeding and planting vegetables with no soil (CzechTrade 2019).

In recent years, CEFC, whose director, entrepreneur Jie Tien Ming, has been working as a special adviser to President Zeman for questions of Czech-Chinese relation and business, has attracted great media attention in recent years. Czech media has many times drawn attention to the interconnection of the CEFC with Czech political circles, when the head of the Czech-Chinese Chamber of Commerce, Jan Tvrdlík, acts as the main representative of CEFC in situations where Jie Tien Ming is not present in the Czech Republic. The CEFC investment group focused mainly on the purchase of real estate, among other things, for investments in acquisitions and its contribution to the Czech economy was quantified as not very significant. The company's assets include the Czech football club Slavia, several luxury hotels, the Lobkowicz brewery, travel agencies, TravelService airline, and the ŽďAS engineering and metallurgical company. CEFC's investments in the media, in particular, have been negatively perceived by public, especially the Group's acquisition of a 49% stake in one of the Czech television stations, Barrandov. This station then became famous for its strong support for President Zeman's policy, including a weekly session with the president discussing his views on current politics (Novinky.cz 2018).

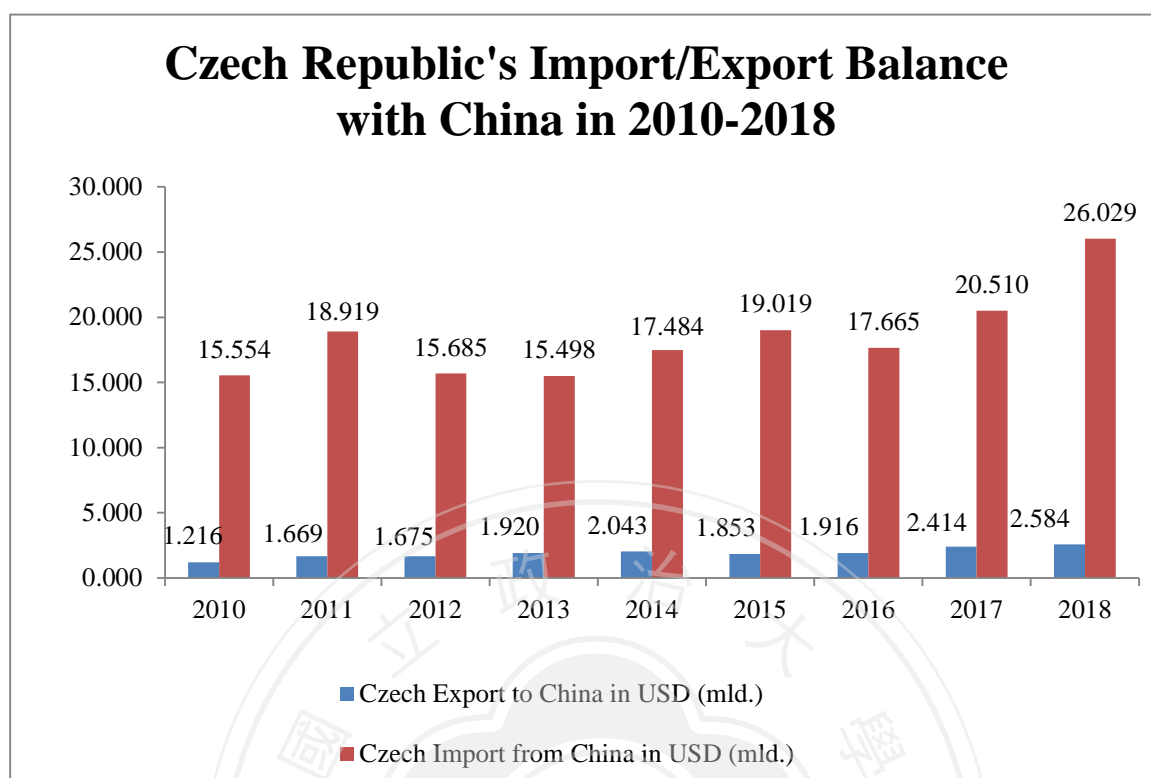
The controversy around CEFC grew during 2018, when the president's adviser and CEFC owner Jie, was accused in China and subsequently arrested for tax and financial crimes. Jie Tien Ming, suspected of being linked to Chinese military intelligence, has disappeared

unexpectedly, what resulted in the request of President Zeman for a special delegation to China to investigate the case. Investigation mission found out Jie Tien Ming is sentenced in China and all CEFC's assets are to be transferred to the Chinese state-owned CITIC Company, which directly falls under the PRC Ministry of Finance (Novinky.cz 2018; iRozhlas 2018).

One of the important, mutually coordinated projects is the planned construction of a spa center in South Moravia in the village of Pasohlávky, where Chinese investors bought land and negotiations between the Chinese side and the regional authority took place from 2016 onwards. However, political changes at the Czech regional office have slowed down the development of the project, where the newly elected regional representation was expected to abandon the joint project because it was considered risky. After the next rounds of negotiations, it was finally decided that the project would not be a joint effort between the Czech Republic and China, but would be fully led by the Chinese company RiseSun, which in 2018 was granted permission to build the project (Idnes.cz 2018).

Other possible Chinese-Czech projects are shrouded in some confusion or controversy, similar to the completion of the Dukovany Nuclear Power Plant, when Czech media obtained leaked information about Chinese request before the Riga Summit 2016 to award the contract for this Nuclear Power Plant completion to Chinese company without a public tender (Hospodářské Noviny 2016).

Figure 4.2 Import/Export Balance of Czech Republic with China in years 2010-2018



Source: Czech Statistical Office. 2019. "Zahraniční obchod se zbožím – přeshraniční pojetí", Czech Statistical Office, April 18, 2019, Retrieved from: https://www.czso.cz/csu/czso/zo_se_zbozim_podle_pohybu_zbozi_preshranicni_statistika

Mutual trade exchange represents significant topic for Czech-Chinese relations in general. Czech export to China includes steam turbines, passenger cars and automobile parts, engines, generators and their parts, electrical devices, textile machinery, steel pipes and profiles, transmission shafts, machine tools, pumps, rubber and plastics processing machinery, glass, organic chemicals, dyes and pigments, plastics, ferrous and non-ferrous metal scraps. An important role in Czech export to China is played by Škoda cars, which exports parts for its plant near Shanghai – one of the biggest Czech investments in China (Gradziuk, Szczudlik-Tatar 2015).

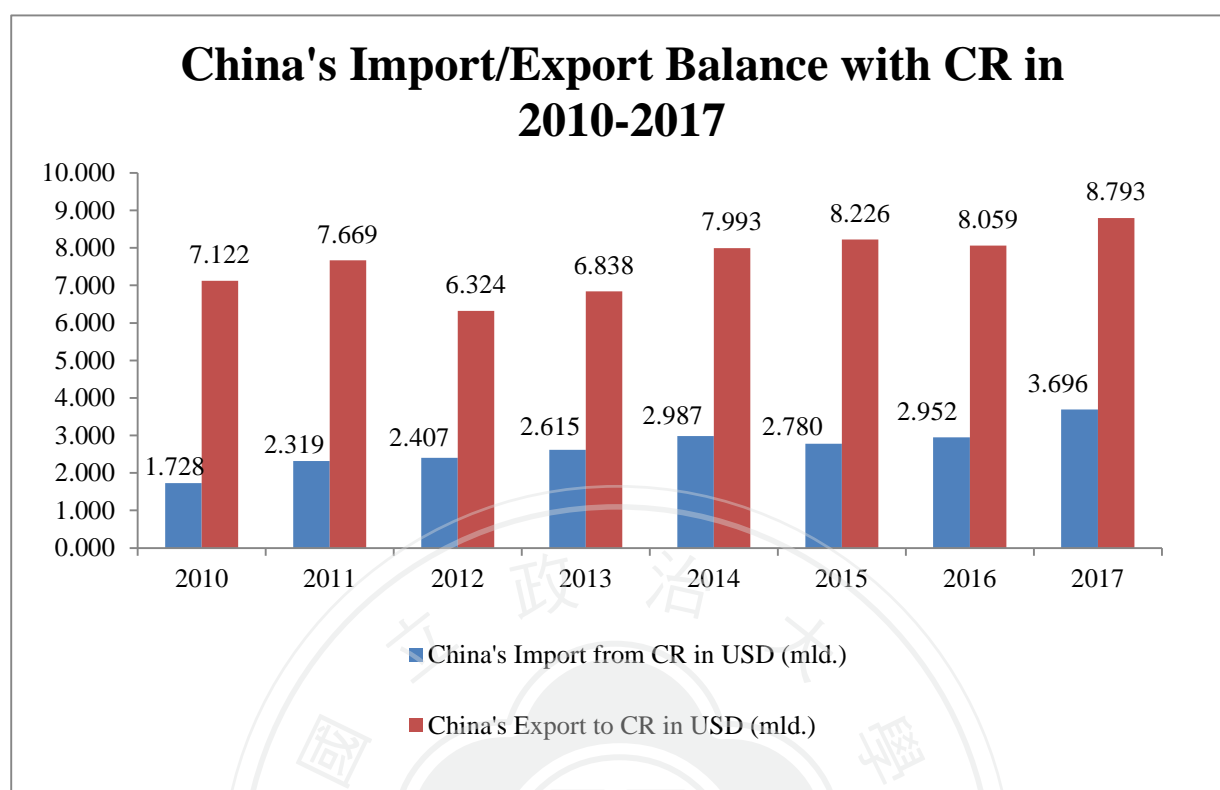
Trade is a very important topic of mutual relations between the Czech Republic and China. However, the relationship is very asymmetric and is represented by imbalances in the import and export ratios of both countries. The Czech example perfectly illustrates the lack of

economic foundation for an ostensibly economic ‘win-win’ partnership: China is the destination of only 1.3% of Czech exports, while imports from the PRC result in a trade deficit larger than the CR surplus with its largest trading partner, Germany (Hála & Jichang 2019, p. 11).

Czech Republic, after establishing friendly relations with China, since 2012, continues to increase imports from China, which in recent years has exceeded to \$ 26 billion. While the Czech Republic's exports to China are relatively stagnant and there has been no significant shift since the restart of the Czech-Chinese relationship. The Czech Republic's figures for export to China have been around \$ 2 billion for a long time, which is a relatively negligible amount within the volume of international trade.

Czech import from the PRC consists of automated data processing equipment and components, telecommunications devices, TV and radio accessories, integrated circuits, electrical appliances, electronic devices, converters, organic and inorganic chemicals, clothing, footwear, fancy goods, toys and sports goods, bicycles, canned fruits and vegetables (Gradziuk, Szczudlik-Tatar 2015).

Figure 4.3 China's Import/Export Balance with CR in years 2010-2017



Source: WITS – World Trade Integrated Solution. 2019. "China exports, imports and trade balance By Country and Region 2012", WITS World Bank Group. Retrieved from: <https://wits.worldbank.org/CountryProfile/en/Country/CHN/Year/2012/TradeFlow/EXPIMP>

Meanwhile, in recent years, China has increased its exports to the Czech Republic since 2012 by about \$2 billion, when exports to the Czech Republic in 2017 were \$8.79 billion. China also imports from the Czech Republic, while imports levels are significantly smaller than exports to the Czech Republic, reaching only \$3.69 billion. It follows from this situation that since the resumption of mutual relations, the increase in trade relations was more beneficial for the Chinese side, which effectively increased its exports to the Czech Republic, while Czech exports to China were relatively stagnant, or grew only more slowly.

In April 2019, Czech Prime Minister Babiš also criticized the state of Chinese investment in the Czech Republic, which he described as unsatisfactory. He pointed out that the situation was currently more beneficial to China, and during Prime Minister Babiš' last meeting with Chinese Prime Minister Li Keqiang, during the 16 + 1 summit in Dubrovnik, the

Czech prime minister noted to his Chinese counterpart that countless visits and contacts should also be reflected in the business (Echo24.cz 2019b)¹⁴.

During his traditional visit to China, President Zeman, who met with prominent Chinese politicians during May 2019, spoke of China's investment. Zeman announced that there is now nothing in the way of a significant influx of China investment, and pointed out that the Chinese side is interested in building Czech highways, namely the successor of CEFC, CITIC. According to Zeman's opinion, it was precisely the financial problems that preceded CEFC Company, which did not allow the promised billion dollar investments of China in the Czech Republic (Echo24.cz 2019a)¹⁵.

4.4 Conclusion

Relations between the Czech Republic and China have undergone a significant breakthrough, when the mutual relationship has changed from a very cold and inactive to an unusually warm, open and friendly relations characterized at the same time by a significant increase in inter-state exchange at all levels of government. Mutual relations have begun to take on positive developments since the announcement of the Warsaw Initiative, and then fully resumed in 2013, with the newly elected President Zeman, as well as with the appointment of the transitional left-wing government cabinet.

According to the official Czech Foreign Policy Concept, China is considered as a strategic partner since 2015, what is demonstrated by the annual travels of President Zeman and numerous delegations to China. Thus, in the case of the Czech Republic, it is possible to

¹⁴ Echo24.cz. 2019b. "Babiš kritizuje čínské investice. Pohnuly se hlavně ve prospěch Číny, jsou neuspokojivé." Echo24.cz, April 12, 2019. Retrieved from: <https://echo24.cz/a/SYMCC/babis-kritizuje-cinske-investice-pohnuly-se-hlavne-ve-prospech-ciny-nejsou-uspokojive>

¹⁵ Echo24.cz. 2019a. "Dálniční spása z říše středu? Čína má zájem o stavbu českých dálnic, řekl Zeman. Vyznamená Jágra. Echo24.cz, May 5th 2019. Retrieved from: <https://www.echo24.cz/a/SkAK6/dalnicni-spasa-z-rise-stredu-cina-ma-zajem-o-stavbu-ceskych-dalnic-rekl-zeman-vyznamena-jagra>

talk about a shift towards a more pragmatic policy that contrasts with the previous policy of strongly defending human rights. This policy also operates and the theory of economic significance of China, where the relationship is often described as economically advantageous.

However, this phenomenon has not yet been fully reflected in the business relationship, when the Czech Republic is not very profitable from trade relations compared to the Chinese side. Exports of the Czech Republic to China have not changed much since the re-launch of the relationship, and if so only very slowly, and they are relatively negligible in the comparison with ever-increasing imports from China. Neither the promised inflow of investments nor the construction of major joint projects is fully reflected in reality, when many joint projects are stagnating.

At the same time Czech foreign policy does not have the necessary consistency, as there are often manifestations of contradictory character, when the strategic partnership with China clashes with the activities of some political representatives of the Czech Republic, often defending their beliefs about human rights, Taiwan or Tibet. Thus, the unfulfilled ambition in the field of economics, in tandem with the ever-present ambivalence of Czech foreign policy, thus brings space to political internal friction and media speculation.

5. Political Implications of BRI and Chinese Influence in the Czech Republic

The restoration of Czech-Chinese relations brings a number of changes and innovations for Czech politics, as well as several political implications for the Czech Republic. With the resumption of relations between China and the Czech Republic, speculations about the growing influence of China in the CR, whether financial or political, and speculations about the ties of Czech politicians to Chinese important actors are increasingly emerging. In particular, the media, which is largely shaping public awareness of the Chinese question in the Czech Republic, is highly interested in this topic. Fifth chapter thus aims to present the political implications for the Czech Republic's national and foreign affairs resulting from the renewal of relations with China, but also to clarify whether China was able to use its soft power, or economic steps to win the Czech public to its side.

5.1 Foreign Policy Implications of Renewed Czech-Chinese Relations

As part of the renewal of the relations, when the Czech and Chinese sides have once again found their way to each other and are very active in exchange and contacts, it is not possible to neglect the consequences of this situation, especially for the Czech Republic. The Czech Republic, as a not very significant actor of international relations, has neither political power nor economic or other capacities that could cause major changes in China's politics or economy, so the focus will be primarily on the opposite effect, when China, as a strong international player, has an impact on political events in the Czech Republic.

Political consequences of Czech - Chinese relations can be divided into national policy oriented and foreign policy oriented implications. Foreign policy implications can be summed up as a change and shift of Czech foreign policy from value-oriented policy to a pragmatic policy.

The Czech values-based policy on support for human rights in China was traditionally inspired by the legacy of Czech dissidents, referred to the principle of solidarity with those who live under oppressive regimes, and used to shape Czech-Chinese relations. CR went through significant change in foreign policy approach, leaving the value-based foreign policy and focusing on more pragmatic, often economically beneficial relations. Mostly the divergent views on China among human rights activists and business leaders have led to strong disputes between Czech political groups. Activist promoters of democracy stress big gestures and media appeal, while a less strident group views human rights in a wider context and values the political dialogue with Beijing. In contrast to the democracy promoters, the pragmatists together with powerful financial lobbies began to activate economic diplomacy with the PRC (Fürst 2018, p. 28).

Czech governments probably understood China's growing importance already in 2012, when the Prime Minister Nečas warned against the negative impact of human rights policy on Czech economic interests, especially in Russia and China (Fürst 2014, p. 237). Despite the fact that human rights policy is still a part of Czech foreign policy, it is no longer as accentuated as it was in previous years, when foreign policy on China and other undemocratic regimes was fundamentally based on the issue of human rights violations. Czech policy towards China's human rights was very active, although it lacked domestic consensus, coherence, sufficient strategy and coordination, and international deeper cooperation. At the same time, the transition to a more pragmatic policy nowadays often faces accusations of China's increasing influence over media and scientific debates, revealing a sustained trend of domestic politicization and polarization of the issue (Fürst 2018, p. 30).

Within the EU, according to Björn Jerdén (2018), the Czech Republic was in 2018 classified into a group of more passive states, alongside Poland, Lithuania, Portugal, Romania and Spain. "While these countries tend to be less active in democracy, human rights and the

rule of law in their relations with China, this does not mean that they do not support these values. They avoid public criticism but raise concerns in diplomatic meetings, while not making them. Within the EU, they vote in favor of policies that promote democracy, human rights and the rule of law but do not actively initiate or push for these policies" (Jerdén 2018, p. 14). However, even Jerdén points out a certain indecisiveness of Czech foreign policy, which seems to be irreconcilable, which is represented, for example, by the situation in which the Czech Republic signed the 2017 EU letter to support human rights lawyers in China, what other countries from more passive group of states did not do (Jerdén 2018, p. 14).

Returning to the categorization of John Fox and François Godement from 2009¹⁶, when individual EU member states were categorized according to their approach to China, we could see that the Czech Republic would probably already belong to a different category. Originally belonging to the Assertive Industrialist group, a group of countries that is not afraid of openly confronting China on human rights or economics issues, nowadays CR would probably need to be re-categorized as Accommodating Mercantilist state. Within ten years, the Czech Republic has undergone changes in relation to China, which are reflected in its position vis-à-vis this new strategic partner, not only within the EU. The Czech Republic could now be included in the Accommodating Mercantilists group, where the prevailing view is that good political relations with China will provide an influx of economic benefits. On the basis of this belief, individual states, including the Czech Republic, then modified their foreign policy. In the case of the Czech Republic, this is seen in the transition from value-based foreign policy that actively accentuates human rights issues and strongly criticizes Chinese activities; to the economic diplomacy foreign policy that tries to pragmatically build and maintain close relationships with China.

¹⁶ See pages 43-44.

Jerdén believes that in the background of the downscaling of political values on the government's agenda is also the influence of the investments made by China in the Czech Republic, even though there were not many (Jerdén 2018, p. 16). However, the result is a clear change in foreign policy issues and the abandonment of vocal value-based foreign policy in favor of economic diplomacy, which is probably the most important foreign policy implication for the Czech Republic.

5.2 Domestic Policy Implications of Renewed Czech-Chinese Relations

The issue of Czech-Chinese relations has also brought many challenges for the Czech domestic political scene, where disagreements between individual political parties and their members have been increasingly shown since the restore of relationship with China. The result has often been enforcement of different policies by individual members of the government, the president, prime minister, and even other regional governing bodies, what further contributed to erosion of the consistency of Czech foreign policy, competition of political parties with conflicting views on the relationship with China, but it also contributed to promotion of a policy that is very different from public opinion.

It should be noted that a significant factor in the creation and promotion of Czech foreign policy is, for Czech policy, a relatively new phenomenon, namely the strong, highly active president Zeman, whose appointment into the office correlates with a significant turn in the Czech approach to China. In 2013-2014, the Czech Republic made a dramatic revolution in its policy towards China, after President Zeman took advantage of the non-serious government crisis, to appoint his own cabinet. Zeman's government, occupied by his supporters and supporters of the same policy as the president advocates abroad, ruled without parliamentary approval, led the Czech Republic for more than half a year and paved the way

for official policy reversal towards China's forthcoming parliamentary government, which was also the case in 2014 (Hála & Jichang 2019, p. 16).

The sudden reversal of the attitude towards till then often criticized China has been explained by the government and, above all, widely defended by the president as "economic diplomacy" aiming to bring economic opportunities and stability to the Czech Republic. However, since there are no infrastructure or logistics projects available in CR, majority of economic relations with China is only cumulated around mutual trade exchange or business. Majority of received investment and acquisitions so far had hardly anything to do with BRI. Only completed agreements with Chinese side under the BRI are four direct flights from Prague to China (Fürst, Kizeková, Kožíšek 2018, p. 227).

China has been a priority area of Czech foreign policy for at least five years, but the results do not match the energy input and political capital. The strategic partnership thus lacks a concrete content. Despite the emphasis placed on the economic aspects of the relationship, China's share of Czech exports grew only very little. The volume of Chinese investment in the Czech Republic is generally low and the CEFC story also shows the danger of dominance of one investor for mutual relations, as its longer-term financial problems, or even its decline, would have been a severe blow to foreign policy so far. Almost nothing is currently left of an already reduced dream of hundreds of billions of Chinese investments in CR (Kopecký 2018, p. 68).

Since 2014, the alienation of most media from government policy has also become increasingly evident in the context of the resumption of the Czech-Chinese relations, and especially in the case of redefinition of Czech foreign policy, and related attempts to redefine the concept of human rights policy. The polarization of this issue in the media only further testifies to the government's failure to publicly defend its new political position. In Czech

public opinion, the feeling that Czech policy towards the PRC has changed, in a negative sense, is the alleged retreat from defending human rights prevails (Fürst 2015, p. 275).

It is also very interesting to observe a change in the attitude of individual political parties towards China within the framework of internal political situation. Most parliamentary political parties have adopted a relatively pro-Chinese political orientation, with only KDU-ČSL, TOP 09, and STAN representatives criticizing China during analyzed years 2010-2017. However, these political parties have received only 23 seats out of 200 in the Czech Parliament. The remaining political parties, including the right-wing ODS party, as well as the KSČM and SPO left-wing parties, expressed positive attitudes towards China and showed a clear inclination to China, while they did not share any critical statements about Czech-Chinese relations. Noteworthy is the fact that this change took place without any modification of the electoral programs and program declarations of the parties, which either do not comment on the question of China or only very generally (Karásková 2018, pp. 9-10).

Also, as Hála and Jichang pointed out, China's economic diplomacy and abundant contacts with political elites can strive for an "elite capturing", situation when elites of state may act to amplify the PRC propaganda messaging, and effectively repurposing basic democratic institutions as tools of foreign influence. Increased contacts and mutual friendship with China may work as a mechanism for reshaping mindsets of foreign decision and opinion-makers to support Chinese statements and policies, when for promised projects and cooperation with China, China also expects "good behavior", ie minimal resistance to its goals. In the Czech case, according to Hála and Jichang, the above-standard relations between the president and lobbyists and high-ranking representatives of Chinese private companies are alarming, while activities of the most prominent Chinese entity on the Czech market - the controversial CEFC - was characterized by building a strong political network through the

employment of former politicians, civil servants, as well as former high-ranking police investigator (Hála & Jichang 2019, pp. 1-26).

The question of the influence of China in the Czech Republic is a very frequently discussed topic for the Czech public. Matěj Šimalčík and Ivana Karásková (2018) concluded in their research that China uses a combination of political and economic instruments to achieve influence in Central Europe. Economic instruments, or rather the promise of economic profit and investment for the future, serve to achieve Chinese political goals. At the same time, this strategy in China meets with success in central Europe, as individual countries are more than willing to seek political compromises to improve the state's economy. The issue of Chinese investment and the reasons for the growing speculation are not precluded by the fact that Chinese capital often comes in the form of loans and the process of negotiating them is often not transparent (Karásková & Šimalčík 2018, p. 3).

China, according to Karásková and Šimalčík, is also gaining influence in immaterial spheres where states started to adopt terms and phrases that have been coined by China. New labels such as win-win co-operation, 16 + 1 Platform or The Belt and Road Initiative have recently appeared in the Czech media and political public dictionary. However, the Chinese top-down strategy is more prominent within elite circles - politicians, academics, journalists and the economic elite – as these are the most important part of Chinese influencing strategy. China is focusing on influencing mentioned actors, whether in their home country or abroad, in order to spread positive pro-Chinese news through these elites. This expansion of Chinese influence then acts in a bidirectional way, with China gaining influence abroad and at the same time consolidating its domestic position and legitimacy, through the image of foreigners recognizing Chinese actions (Karásková & Šimalčík 2018, p. 4).

In general, it is possible to describe Chinese efforts as focused on business and economic relations. But this effort is also less visible to the general public. China focuses on business opportunities, which are best served by fostering relations with elites and occasionally extracting political favors. Chinese influencing efforts are also naturally growing when issues such as Tibet and Taiwan come to the fore (Karásková & Šimalčík 2018, p. 4).

“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.”

(Karásková & Šimalčík 2018, p. 4)

As a highly polarizing topic, China is increasingly becoming a significant internal political split that, in addition to the usual accents to the Czech democratic identity with reference to the supposed legacy of Václav Havel began to accelerate towards a securitization appeal emphasizing potential security risks (Fürst 2016, pp. 1-17). The internal political divide and the inability to pursue a united foreign policy have been revealed several times since the resumption of relations with China. One example is the admission of the Dalai Lama in Prague in somewhat special circumstances, only half a year after the strategic partnership with China has been concluded, or for example the annual visits of members of Parliament in Taiwan, which is the subject of a yearly dispute between the Chinese Ambassador to CR and the Czech Ministry of Foreign Affairs. The most recent example of this bilateral situation could be seen in March 2019, when a Taiwanese diplomat had to leave the negotiations at the request of a Chinese diplomat during a meeting with the Czech Minister of Finance, while at the same time a large delegation of the Prague Mayor traveled in Taiwan, without any

hesitation to actively share their negative attitudes towards China and human rights issues through the press and social media.

5.3 Chinese Soft Power, Influence and Czech Public Opinion

As already mentioned, Czech-Chinese warm relations are also a thorn in the eye of the Czech public, which probably in the context of its own national history, rejects partnerships with the communist superpower with regard to human rights violations and claiming disputed territories.

This approach of the Czech public is a long-term trend, which was confirmed again in 2017 by the Eurobarometer conducting public opinion research in EU countries. In the question of ‘What kind of opinion do you have about China, positive or negative?’, 69% of the Czech public responded negatively, 25% of the Czech Republic expressed positive attitude towards China, and 6% did not want to determine their position (Jerdén 2018, p. 19). The Czech public had the largest percentage of the population expressing its negative view of China. Eurobarometer poll has been conducted four years after the Czech-Chinese relations were renewed and two years after the inclusion of China in the category of strategic partners of the Czech Republic. It is therefore a question of how Chinese influence and soft power are developing in the Czech Republic.

Influence as such can be described as the ability to influence others' activities and feelings. In the case of the general public, this may relate to the ability to change own image and gain general sympathy. This can be done with the help of soft power, which methods can

include public diplomacy, the use of cultural or educational factors. The BRI also includes the interpersonal and soft power dimension as described in Chapter Two¹⁷.

In the case of Chinese achieving of political influence, it is often referred to the excessive politicization of the Czech-Chinese relationship, which is in fact focused on the development of rather economic ties, and it is also described by the top representatives of Czech foreign policy as economic diplomacy. Compared to other Asian countries, such as Japan, South Korea, and Vietnam, China is much less interesting for the Czech Republic in terms of potential investment, and the amount of investment flowing from China is also far beyond the other mentioned Asian states. It is therefore surprising what political attention is China receiving, as confirmed by the fact that a counselor for Czech-Chinese relations has been a part of the office of the President of the Czech Republic for a long time, while potentially and realistically more important economic actors for CR, such as Japan and South Korea, had never been represented in the office of Czech President (Český rozhlas 2018)¹⁸.

Thus compared to other countries, China is economically investing in the CR much less than other leading foreign investors in CR do, but with a relatively small amount of spending China was able to gain a great political significance in the Czech Republic and probably also an influence.

Czech media play a major role, forming to a large extent the public opinion, as they often represent the only source of information for the Czech public. The independent think tank AMO has created an analysis of Czech media focusing on the perception of China by the Czech public. AMO has incorporated 42 media into its research - radio and television stations,

¹⁷ See page 31.

¹⁸ Český rozhlas. 2018. "Čína u nás získala s mizivými investicemi politický vliv, tvrdí sinolog Hála," Český rozhlas, May 28th, 2018. Retrieved from: <https://plus.rozhlas.cz/cina-u-nas-ziskala-s-mizivymi-investicemi-politicky-vliv-tvrdi-sinolog-hala-7228109>

news websites, weekly and daily journals with focus on politics / economics. The media include not only traditional media, but also alternative media, private media and public media. AMO also included in the research media owned by the Chinese company CEFC, which served as a control sample and was included in the analysis despite the fact that it did not meet the criteria of the highest audience by the Czech public. The information was collected between years 2010-2017, with the total number of texts examined being 1257. AMO focused on positive, negative, or neutral position towards China in the media news, while objectivity or factual accuracy was not examined (Karásková 2018, p. 4).

This research has brought interesting results to the negative attitude towards China, which is negatively reflected in the Czech media in 41%¹⁹, while these negative references do not fluctuate over time, but remain consistent over the long term. Thus, the media reported China negatively, regardless of the resumption of political relations, the frequency of contacts, or the influx of Chinese investment. The sample also showed that left-wing media reported more consistently with a positive image of China, while the media owned by the Chinese owner or the media with the Chinese co-owner did not provide any negative information about China. Concrete examples are the magazine *Týden* a TV *Barrandov*, which during the time they were owned by the Chinese company CEFC did not produce any news report negatively referring to China. In general, the Czech media dealt most with issues of international status of China, issues of human rights, censorship, the question of Tibet, or the authoritarian establishment of the Chinese state (Karásková 2018, p. 5).

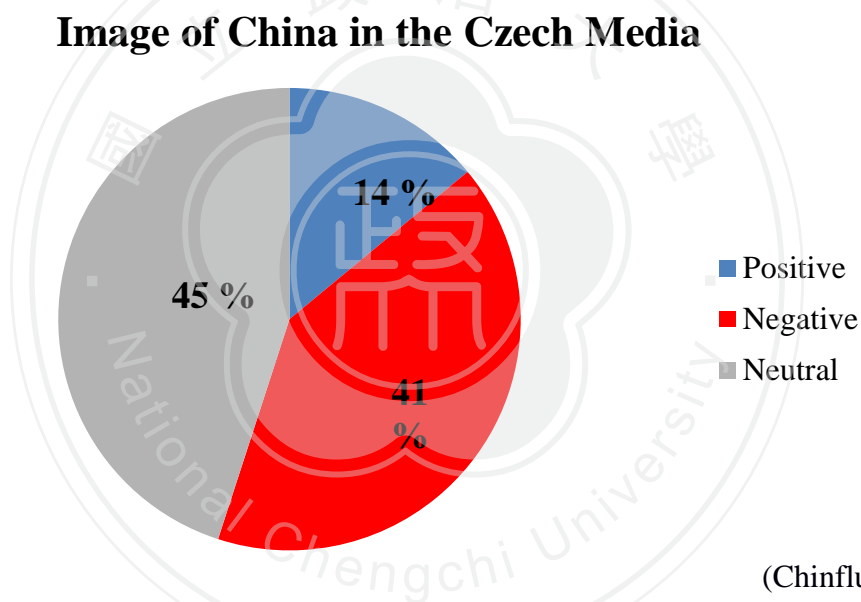
The AMO research also highlighted the issue of disputed territories, where reports on Tibet were significantly higher in the Czech press than news mentioning problematic of

¹⁹ Simultaneously, the same research was carried out in Slovakia and Hungary, where China was shown negatively in the case of Slovakia in 26% of cases, and in Hungary in only 9% of cases (Karásková 2018, p. 4).

Taiwan. For example, in 2016, the Czech media published 98 news reports on Tibet in the context of China, while only 13 reports were devoted to Taiwan (Chinfluence 2019).

It is also interesting to focus on the vocabulary used in connection with the reports on China, where the most frequently mentioned topics in the Czech media were: China and the world, communism, censorship, human rights, Chinese economy, Tibet, Czech economic diplomacy, lobby culture Chinese influence abroad, state visit to China, Chinese investment in the Czech Republic and Chinese influence in the Czech Republic (Chinfluence 2019).

Figure 5.1 Image of China in the Czech media



The research of the AMO think tank also points out the growing interest of Czech media in the Chinese question, but not China as such, or its economic or political development. Most of the articles available in Czech media discourse focus mainly on linking China with the domestic political scene, where China is often perceived as a threat and referred to as a potential danger, whether in the context of political relations or investment and economic partnership. There is an obvious securitization of China in the Czech media,

which to a large extent probably contributes to the creation of the Czech public's view of China.

The securitization process can be described as a situation where a threat is created by inter-subjective observation that becomes a security issue. This topic is then given excessive attention and is often preferred to other topics (Buzan, Waever, de Wilde 1998, p. 25). In the case of China in the Czech media discourse, the media act as a securitization agent, the initiator of the entire process of perceiving the object - China - as a security threat. As and referent object media often emphasize democracy, human rights and the independence of the Czech Republic, which is to be threatened by establishing close foreign relations with China. The general public then serves as an audience who, over time, is convinced of the seriousness of the situation and the risks of the Czech rapprochement with China. The result is the impossibility to lead an objective, emotionally freed debate about China in the Czech media discourse, but also in the general public.

In setting this Czech media interest in Czech-Chinese relations, it is necessary to look for actors influencing media debate and contributing securitization. The first group, are journalists themselves, producing articles of a certain character about China, who, according to the AMO's conclusions, remain resistant to pro-Chinese narrative and take the position of normative beliefs on Chinese question. The second group is represented by Czech politicians, who are expressing their opinions about China in the media, where President Zeman played a very active role (Karásková 2018, pp. 6-9).

The media analysis also highlighted the widespread opinion of the Czech public that the interests of political and economic elites, not the reformulation of the foreign policy direction of the Czech Republic, are behind the renewal of Czech-Chinese relations. This concern with the Czech media and the public, spread mainly due to the very close relations of

some political elites, with economic actors related to Chinese companies or institutions (Karásková 2018, pp. 14-16).

Above all, it is possible to trace the activity of so-called political entrepreneurs, who form imaginary nodes and links between political actors, government institutions and economic actors with a link to China, on the example of CEFC. The most significant presence of such political entrepreneurs was, according to the AMO, evident mainly at the ČSSD political party, when the party chairman Jan Hamáček was supposed to have above-standard relations with Chinese business persons even before the Czech-Chinese relations re-launch. This party also acted as a kind of hatchery of politicians who nowadays present themselves as pro-Chinese, which includes President Zeman, Jan Kohout (the current chairman of the New Silk Road Institute), already mentioned Jan Tvrdík, or Jaroslav Soukup, who is not only the owner of the TV Barrandov, but also a member of the Advisory Board of the New Silk Road Institute. AMO pointed out that ties with CEFC were possible to trace even at governmental advisors level, or Euro-commissioners, or Czech ambassadors to NATO (Karásková 2018, pp. 14-16).

The CEFC case highlights the risks of the business environment impacting on an important part of Czech foreign policy, with potentially far-reaching consequences. The issue of such interconnection thus deserves to a certain extent the attention of Czech media and the general public, especially when the Czech-Chinese relation is presented only as significantly economically advantageous for the Czech Republic, which does not reflect the reality of the economic situation.

As Karásková and Šimalčík pointed out, the Czech Republic is also probably the only central European country where it actively discusses the motives of the political and economic

elite for establishing Chinese relations, also because of the vocal president Zeman, who very often defends Czech-Chinese relations (Karásková & Šimalčík 2018, p. 5).

5.4 Conclusion

In the case of the influence of China in the Czech environment attention was paid to the political sphere and public opinion, where the change in Czech relations with China is reflected in both. Politically, changes occurred in domestic and foreign Czech policy. Foreign policy of the CR has shifted from value-oriented, human rights advocating policy to economic diplomacy, being more far less critical towards China in questions of human rights or disputed territories. This policy shift is therefore perceived by the Czech public as very problematic and as it does not correspond with the Czech political tradition. In the domestic policy sphere, almost all Czech political parties have made an inclination towards China in recent years, which is all the more remarkable and alarming, as this shift occurred without adapting the program statements and campaigns of the parties.

The question of the influence of China in the Czech Republic could be divided into two categories, Chinese political influence and Chinese soft power. As far as political influence is concerned, China is quite successful in winning Czech political and economic elites to its side, where the CEFC case has shown that political and economic interests can in Czech highest governmental circles blend together. China's top-down approach thus seeks to win supporters of its policies in the highest spheres of the Czech institutions, which, according to a change in President's or political parties' attitude, is working very well.

With regard to the increase in Chinese soft-power in the Czech Republic, it is necessary to point out that the Czech public and the media have so far been very critical of China and fulfill a certain control function of the situation in the country. This, however, leads to a problematic situation where China is depicted in the vast majority of cases only in the context

of domestic political events and thus the Czech public does not get any other type of foreign information about China. The consequence is the securitization of the Chinese issue and the impossibility of leading an objective, emotionally disputed debate about the Czech-Chinese relationship. In conclusion, it is possible to find the Chinese soft-power strategy under the BRI as not very successful when it comes to gaining influence over Czech public, as it did not lead to any increase in the sympathy of the Czech public towards China.



6. Conclusion

International relations in the 21st century are undergoing a number of major changes concerning the nature of the international environment and its actors. The actor who has confirmed its role and importance for the international environment in recent decades is undoubtedly China, which often attracts the attention of the international community, be it for issues of claiming disputed territories, or for example developing ambitious plans, as Belt and Road Initiative. China's Belt and Road is a significant project that, to a large extent, shapes the character of international relations and also Chinese bilateral relations. An extensive plan touches almost every continent, and even Central Europe is no exception. Thus, also the Czech Republic has been in the interest of China over the past six years, and under the BRI or 16 + 1 initiative, it is developing a relationship with the eastern giant with which it once had relations on a freezing point.

The aim of this thesis was to explore, describe and explain activities of China in the Czech Republic in the broader central European context, especially the implementation of the Belt and Road initiative, the cooperation within platform 16 + 1, and its possible political, business, or influence impacts on the Czech state. Another aim of this work was also to reveal the possible relationship between China's use of economic instruments to increase its own political influence and soft power in the Czech Republic. The work, describing the Chinese rapprochement with the Czech Republic since 2012 to 2019, has the task of answering research questions.

The first, main research question was raised in a broader context, focusing on how the BRI is implemented in the Czech Republic in general. Czech-Chinese relations have generally improved significantly since the announcement of Chinese interest in the expansion of the BRI to the continent of Europe, and the Czech Republic has left its position as one of the most

critical states towards China. Newly, the relationship began to focus more on mutual business opportunities, where the Czech Republic, especially the newly practicing economic diplomacy, strives for further convergence. Since 2015, China has been classified as a strategic partner of the Czech Republic and this is also reflected in the intensity of mutual relations, where exchange takes place at all levels of government and regional institutions. Since the year 2013, China is not seen by the government of the Czech Republic through the difficult relations and undemocratic regime prism, but is considered to be a very important international player bringing business and economic opportunities.

As part of the BRI implementation, the Czech Republic is part of the 16 plus 1 platform, taking part in annual summits and negotiations with the Chinese side. There are also intensive visits by top government officials, with Czech president Zeman introducing a new tradition of visiting China every year, attended by a large delegation in order to further enhance relations.

Despite previous efforts, mutual trade and the economic side of relationships are not developing very fast. The balance of trade has been evolving in favor of China for a long time, with China multiplying its exports to the Czech Republic, while the Czech Republic is failing to significantly push its' exports to China. In the context of the renewal of relations, billions of investments flowing from China were strongly accentuated from the Czech side, especially from the beginning of the re-establishing relationships. The reality has remained different and few years since the resumption of mutual relations Chinese investment in the Czech Republic keeps lagging behind the investments of other Asian partners, such as Japan and South Korea. Promised joint projects and Chinese activities in the Czech Republic faced many difficulties at the level of putting into practice, and implementation of BRI projects in the Czech Republic takes place only in very limited form.

As part of the BRI implementation in the Czech Republic, activities of company CEFC were the most visible and most medially discussed. CEFC which, after years of buying real estate and investing in sports clubs in the Czech Republic, got in financial problems, while President Zeman's personal advisor and CEFC CEO in one person was subsequently arrested in China. The interconnection of the private business sphere with government circles is one of the elements that attract the most attention in the context of the renewal of the Czech Republic-China relations.

The second research question focused on the development of newly renewed Czech-Chinese relations and on what played an important role in this rapprochement. The shift in the relationship between the Czech Republic and China has been perceptible since 2012, when a very cold relationship began to change, particularly at the initiative of the Czech Republic, when the then Prime minister Nečas attended the Warsaw 16 + 1 Summit. Bilateral relations with China that have stagnated so far, were about to change its' dynamic. The shift in Czech thinking about China is likely to be due to the financial situation in Europe, which occurred during 2012, when the Euro zone debt and financial crisis shattered the Euro rates and forced many EU Member States to think about possible business alternatives. Thus, in 2012, the Czech government played a role as a major actor in the first convergence with China.

The year of break in mutual relations was 2013, when China's significant increase in interest in Central European region, including China's interest in expanding BRI to European countries, the start of 16 + 1 Initiative, and the election of Czech President Zeman played a key role and changed Czech foreign policy towards China. Above all, the situation when President Zeman took advantage of the government crisis and appointed a left-wing cabinet of politicians sympathetic to his political views pushed the Czech Republic on the road to a significant rapprochement with China. The organization of the mutual Czech-Chinese

Investment Forum in the same year, or the beginning of presidential visits between the two countries, then in the following years only confirmed the importance of the newly established relationship, which led to the designation of China as a strategic partner in the Czech foreign policy concept document in 2015. At this time, mutual relations continue to evolve positively in the spirit of economic diplomacy.

The third research question dealt with the political implications of restoring the relationship with China for the Czech Republic. In general, these implications can be divided into two categories, foreign policy oriented and national policy oriented. In the field of foreign policy impacts, it is primarily the grasp of a new position, where the Czech Republic has shifted from value-based policy to a more pragmatic policy, less taking into account and less accentuating human rights issues. Thus, the Czech Republic has become significantly less critical of China's problematic issues, which does not mean that it has completely abandoned human rights policy in general. National impacts mainly include the inconsistency of Czech foreign policy, which is often understood and promoted by individual members of the government and institutions, regardless of the official position of the Czech Republic, which leads to situations that are visibly contradictory and detrimental to the image of the Czech Republic abroad. Disagreements on attitudes towards China also exist between political parties, but are rather disputes over the degree of convergence with China or specific projects, as a long-term shift towards China has been observed for most governmental political parties.

The fourth research question was to find out what are the results of cooperation between the Czech Republic and China after establishing friendly relationships. Especially on the Czech side, the enlargement of the BRI to Europe and the growing interest of China in Central Europe were perceived enthusiastically. Following the resumption of relations, billions coming in a form of investments, joint projects and economic and financial benefits stemming

from the renewal of relations with China were often discussed. However, since 2013, when economic diplomacy prevailed in Czech foreign policy, this aspect of relations with China has not materialized.

In trade issues, as mentioned above, the imbalance in the relations is very evident, when it is mainly China benefiting from mutual rapprochement. From promised projects and investments, the Czech Republic has only seen successful results in the project of direct flights to China. As far as FDI is concerned, China is still significantly behind other investors in the Czech Republic and is far from being one of the Czech Republic's main trading partners. On the other hand there has been a significant shift in cross-border exchanges, with the frequency of inter-state visits at all government and regional levels confirming both sides' interest in good relations. This situation therefore suggests that the Czech-Chinese relationship is more of a political dimension and content than actual tangible results, as the relationship lacks a more concrete content and actually concluded agreement, which so far often remain only at the level of promises.

This is also the weakness of the liberal theory in explaining the case of the Czech Republic. Expected increase in contacts between countries with an increase in mutual cooperation and subsequent win-win benefits for both sides and at the same time weakening the likelihood of conflicts between the two actors, does not necessary reflect the reality. In the case of the Chinese BRI in the Czech Republic, the business and political situation is developing significantly more positively for China, which not only multiplies its exports to the Czech Republic, but also gains political influence in the country, while positive results for the Czech Republic remain rather limited, whether it be terms of business or politics. It is therefore a visible that “mutual benefits of cooperation” resulting from mutual interdependence significantly benefit only Chinese side. This side also does not hesitate to use

(only) economic or diplomatic methods for punishing the Czech Republic in case of mutual disagreement, inconsistency and conflict in relations, which to some extent reduces liberalism expectations of conflict elimination.

The fifth research question focused on the motivation of China to engage in central Europe and the Czech Republic. There may be several reasons why China is interested in establishing good relations with the Czech Republic and creating joint projects. One of them is undoubtedly the geographical position of the Czech Republic, when the Czech Republic is located in the very center of Europe, which may help to facilitate the movement of Chinese goods throughout Europe, but may also be beneficial for trade with major Chinese business partners such as Germany, that is neighboring country of CR. From the economic point of view, the Czech Republic also has a high-quality, skilled, and at the same time relatively inexpensive labor force, which can be an attraction for Chinese investors. As a member of the European Union, the Czech Republic also has access to an open EU market, which further facilitates the movement of Chinese goods throughout Europe and makes the Czech Republic an interesting outlet for Chinese products.

From a political point of view, there are several possible theories explaining China's interest in Central Europe. Central Europe, as well as the Czech Republic, is a geo-political area between Western Europe and Russia, and according to some, Chinese efforts have to do with traditional caution towards Russian activities and may be linked to an effort to gain influence and potentially weaken Russia as an international actor. Another explanation is the desire to gain political influence and soft power internationally, and to acquire political partners, who are also members of the European Union and, through political influence on these partners, to influence or even prevent the decision-making of the European Union,

which is one of China's largest economic partners, but often also the most critical voice of Chinese political regime.

The sixth research question addressed China's ability to exploit its economic potential and, through trade agreements, economic cooperation and FDI, to gain political influence and increase its soft-power in the country. The first part of the question, the link between political influence and China's economic influence in the Czech Republic, a certain increase in pro-Chinese sentiment in the highest Czech political circles can be traced, as evidenced, for example, by the apparent inclination of the vast majority of parliamentary parties to a positive perception of China, or the strong argumentation of the President of the Republic in favor of rapprochement with China. In the case of the Chinese presence in the Czech Republic, it is then possible to talk about elite-capturing effect, when China succeeded in persuading, with the help of economic incentives and the vision of billions of trade agreements, the highest representatives of the Czech Republic about the advantage of mutual good relationship. This necessity to maintain a good, friendly relationship is then manifested mainly by the reduced criticism of controversial issues connected with China, and the increased willingness to cooperate with the once-for-the-Czech foreign policy unacceptable, authoritarian regime.

In the case of Chinese political influence gaining, there is also certain linkage between the private economic sector, government circles and institutions of the Czech Republic, when people with ties to the Chinese Chamber of Commerce or Chinese companies were active members of the government or were employed as high-ranking advisors for Czech government. Despite the presence of these "political entrepreneurs," it must be pointed out that China's political influence has so far only emerged on a national scale, where the need to maintain a friendly relationship with China has led the Czech Republic to pursue significantly less vocal and critical policies towards the PRC. So far, however, Chinese political influence

in CR has not shown itself on any major scale in international affairs, for example, in the Czech Republic in the European Union.

Second part of the question, related to Chinese soft power, there can be seen a significant increase, as China successfully applies the use of positive attraction and persuasion to achieve foreign policy objectives. However, this soft-power increase is only associated with economic methods and tools, and is more relevant to the Czech political public. The cultural methods of acquiring soft-power in the Czech Republic within the BRI seem to be much underestimated and certainly not a priority for China. Since the renewal of relations with the Czech Republic, China has not experienced any significant increase in the positive perception in the Czech public, and despite the development of economic relations, the Chinese side has been able to use economic rather than cultural instruments to gain influence, which also shows that China is focusing its efforts on gaining a political influence, that is, soft-power aimed at government representatives of the Czech Republic.

The last research question focused on the public image of China in the Czech Republic and its view of China in the long term. Within this question, the issue of the securitization phenomenon, which occurs within the Chinese issue in the Czech media space, was revealed. China is perceived by the Czech media as a potential threat and is almost always put into context with national politics, which in turn raises a significant sensitivity of the Czech public to any issues related to China. The Czech public perceives China negatively for a long time and does not accept the change of Czech foreign policy from a value-based policy defending human rights, to a pragmatic, economically oriented foreign policy. In the Czech environment, there is a very limited ability to lead the emotion-free debate about Czech-Chinese relations, which leads to the limitation of objective perception and information about China, or to the demonization of China in the eyes of the Czech public. The Czech public, despite the situation

in the relations between the Czech Republic and China, remains very critical over the long term.

One of the first important steps that could lead to the correction of the above mentioned negative trends in the environment of the Czech public is the need to expand and deepen the experts' understanding of China. Subsequently, the improvement of the quality of the experts' and academic debate should be reflected in the improvement of the awareness of the Czech public, which currently perceives China only presented primarily by the prism of internal political conflicts.

If the relationship with China is one of strategic topics for Czech foreign policy, qualified and substantive debate is needed also at the governmental level. China as a strategic partner of the Czech Republic - given its increasing influence in international relations quite logically - is seen as one of the foreign policy priorities of the Czech Republic. Thus it is necessary to define a relationship with it based on a publicly discussed and subsequently bindingly adopted interdepartmental strategic document, or conception that would specify goals and aims of mutual cooperation. The Czech Republic can draw inspiration, for example, from the Slovakia, where despite a much colder relationship with China, conception for relations with China for the years 2017-2020 has been already developed.

The aim of such a conceptual document should be primarily to introduce the political and economic goals that the Czech Republic wants to achieve with cooperation with China. Specifying the principles of state aid for the penetration of Czech companies into the Chinese market, identifying areas and regions in which the Czech Republic would welcome Chinese investments, would undoubtedly facilitate further convergence and economic cooperation between the two countries. It is also necessary to increase the transparency of the involvement of Czech business into the formulation and promotion of foreign policy, including rules for

participation of entrepreneurs on official foreign trips. This type of document could also lead to the improvement of the Czech public debate and could help to improve the readability of the foreign policy of the CR, which is currently reduced by the contradictory activities of individuals.

With regard to the development on the Czech political scene and the increased occurrence of ties between Czech political entities and Chinese business companies, it is necessary to initiate a change in Czech rules regulating the financing of political parties and election campaigns. The aim should be to prevent a situation where a foreign undemocratic regime through financial flows affects the Czech public debate or even political events or election results.

The level of expert as well as public debates on Chinese presence in Central European countries' and the Czech Republic, Chinese growing influence, interests and strategies of achieving them remains very low. It is necessary to hold more events where opinions on China and Chinese investments in Central Europe can be discussed openly, without misrepresentation of information and securitization of Chinese question. At the same time, public awareness and knowledge about China should be increased, not only about the potential risks of convergence with China, but it is also necessary to inform the Czech public about benefits, possibilities and positive aspects of establishing a relationship with China and engaging in BRI.

The Czech Republic should also focus much more on a pan-European approach to China, also because of its forthcoming presidency of the EU Council in 2022. The Czech Republic should seek to make more use of the collective bargaining power that the EU or the Visegrad Group provide and less focus on simple bilateral relations in which the Czech Republic suffers from a clear power disadvantage. In particular, the V4 format has so far not

been actively used by any of the Visegrad countries to cooperate with China. Above all, the illusory nature of V4 unity can be a possible obstacle. In the past, common V4 has been lacking in substance. Moreover, the individual V4 countries, while being partners on many issues and cooperating actively, are also competitors when it comes to attracting Chinese investment.

Future research should therefore focus on the potential of using the Visegrad Group as a platform for Central European countries, including the Czech Republic, for contacts with China. The further development of this topic could be based on the possibility to describe and compare the Visegrad Group's relations with China and to reveal differences in individual bilateral relations that could provide clues revealing the conditionality of placing Chinese FDI or Chinese motivation to re-establish relations with the region.

V4 could also be a better, more niche focus, since there have been signs indicating that the 16 + 1 framework for cooperation with China is going to be downgraded by Chinese counterparts. The economic complexity of organizing 16 + 1 summits is a rather significant factor in reducing the activity of the whole platform for the small and Central and Eastern European countries. It is also possible that China itself will seek to limit contacts at this level 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.

The topic of BRI implementation and Chinese influence in Central Europe thus undoubtedly still provides a lot of space for further academic work, be it in terms of qualitative or quantitative research.

Also despite the financial benefits, achievements and progress of some BRI projects, the negative side of the whole initiative, which is often linked mainly to the excessive haste of

contracting and developing projects, and often fails to take into account long-term economic benefits, should not be neglected. The Chinese side also often has a problem with implementation and communication in the early stages of the BRI, as the initiative itself is widely perceived differently and its worldwide interpretation varies, which can lead to confusion and problems in implementing agreements.

In the BRI, China is also almost exclusively focuses on government agencies, without paying enough attention to the interests of businesses, civil society and local communities. An important problem accompanying the BRI is also generally poor financial transparency and lack of information about flowing finances, which in turn can lead to a number of speculations, even to a space for corruption.

When entering into commitments with China, it is also necessary to think about the political aspect of a situation where an undemocratic regime often does not have such predictability and readability as other, democratic and more transparent regimes. In the case of China, political power can spill over from one institution to another and it is possible that what the previous institutions have found beneficial to China, others will not. It is therefore necessary to think about possible internal political friction, or political factors that can emerge even in the case of purely economic cooperation.

China still remains an undemocratic, oppressive regime that does not hesitate to oppress minorities and repress freedoms of its citizens. Therefore, attention should also be paid to the strict limitation of possible policy implications in the conclusion of BRI contracts, while cooperation should remain at a specifically defined economic level, ensuring that BRI contracts does not support China's undemocratic practices.

References

References in English:

- Algieri, Franco. 2002. "EU Economic Relations with China: An Institutional Perspective," *The China Quarterly*, No. 169, Special Issue: China and Europe since 1978: A European Perspective (Mar., 2002), pp. 64-77.
- Baldwin, David. A. 1985. *Economic Statecraft*. Princeton: Princeton University Press.
- Balík, Stanislav, Hloušek, Vít & Jan Holzer. 2012. "The Political System of the Czech Republic", In Wojciech Gizicki (Ed.) *Political Systems of Visegrad Group Countries*, Trnava: University of Ss Cyril and Methodius.
- Barboza, David, Santora, Marc & Alexandra Stevenson. 2018. "China Seeks Influence in Europe, One Business Deal at the Time," *The New York Times*. August 12th, 2018. Retrieved from: <https://www.nytimes.com/2018/08/12/business/china-influence-europe-czech-republic.html>
- BBC. 2010. "Charter 08: A calling for change in China," *BBC News*. Retrieved from: <https://www.bbc.com/news/world-asia-pacific-11955763>
- Benner, Thorsten & Jan Weidenfeld. 2018. "Europe, Don't Let China Divide and Conquer." *Global Public Policy Institute*, March 15th, 2018. Retrieved from: <https://www.gppi.net/2018/03/15/europe-dont-let-china-divide-and-conquer>
- Biedermann, Zsuzsánna & Agnes Szunomár. 2014. "Chinese OFDI in Europe and the Central and Eastern European region in a global context," In Agnes Szunomár (Ed.) *Chinese investments and financial engagement in Visegrad countries: myth or reality*, Institute of World Economics, Centre for Economic and Regional Studies of the Hungarian Academy of Sciences.
- Bond, Ian. 2017. *The EU, The Eurasian Economic Union, and One Belt, One Road: Can they work together?* London: Center for European Reform.
- Buckingham, Kathleen & Paul R. Jepson. 2013. "Diplomats and Refugees: Panda Diplomacy, Soft "Cuddly" Power, and the New Trajectory in Panda's Conservation" *Environmental Practice*, pp. 1-9.

- Buzan, Barry, Waeber, Ole, de Wilde Jaap. 1998. *Security: A New Framework for Analysis*. Boulder: Lynne Rienner Publishers.
- Casarini, Nicola. 2015. *Is Europe to Benefit from China's Belt and Road Initiative?*, Rome: Istituto Affari Internazionali.
- Ciurtin, Horia. 2017. *A Pivot to Europe: China's Belt and Road Balancing Act*. Bucharest: European Institute of Romania.
- Cooper, Richard N. 2011. "Economic Interdependence and Foreign Policy in the Seventies." *World Politics* 24, no.2 (July 18), pp. 159-181.
- Cox-Brusseau, Louis. 2018. "The Dragon over Visegrad: China in Central Europe," *Global Risk Insights*, October 2nd, 2018. Retrieved from: <https://globalriskinsights.com/2018/10/chinese-investment-central-europe-bri-v4/>
- Chen, Xin & He, Zhigao. 2018. *16 + 1 Cooperation and China-EU Relationship*. Budapest: China – CEE Institute.
- Cheng, Leonard K. 2016. "Three Questions on China's Belt and Road Initiative," *China Economic Review* (2016), Vol. 40, pp. 309-313.
- China-CEEC. 2019. "China and CEEC cooperation," *China and Central and Eastern European Countries Cooperation*. Retrieved from: <http://www.china-ceec.org/eng/>
- Chinfluence. 2019. "Czech Media Analysis," *Chinfluence* May 13th, 2019. Retrieved from: <http://www.chinfluence.eu/media-analysis/>
- CzechTrade. 2019. "Czech aquaponics projects to be developed in PRC," *CzechTrade*, June 5th, 2019. Retrieved from: <http://www.czechtradeoffices.com/en/cn/news/czech-aquaponics-projects-do-be-developed-in-prc>
- Dabrowski, Marcin & Ida Musialkowska. 2018. "EU-China Regional Policy Dialogue: Unpacking the Mechanism of an Unlikely Policy Transfer," *Europe-Asia Studies*, Vol. 70, No. 10, pp. 1689-1711.
- Denyer, Simon. 2017. "Europe divided, China gratified as Greece blocks E.U. statement over human rights," *The Washington Post*, June 19th, 2017. Retrieved from: https://www.washingtonpost.com/news/worldviews/wp/2017/06/19/europe-divided-china-gratified-as-greece-blocks-e-u-statement-over-human-rights/?noredirect=on&utm_term=.f3436a8f7f66
- Djankov, Simeon. 2016. "The Rationale behind China's Belt and Road Initiative" in Djankov Simeon & Sean Miner (Eds.), *China's Belt and Road Initiative: Motives,*

Scope, and Challenges, Washington D.C.: The Peterson Institute for International Economics.

- Erdal, Alper. 2018. "China's Policies in Eastern Europe: the "16+1 Initiative". European Generation. Retrieved from: <https://www.europeangeneration.eu/single-post/2018/04/18/China%E2%80%99s-Policies-in-Eastern-Europe-the-%E2%80%9C161-Initiative%E2%80%9D>
- European Council on Foreign Relations. 2016. China's Investment in Influence: The Future of 16+1 Cooperation. London: European Council on Foreign Relations.
- EUR-LEX. 2019. "Qualified majority." EUR-LEX: European Law. Retrieved from: https://eur-lex.europa.eu/summary/glossary/qualified_majority.html
- Ferdinand, Peter. 2016. "Westward ho – the China dream and 'One Belt, One Road': Chinese Foreign Policy Under Xi Jinping," *International Affairs*, Vol. 92, Is. 4, pp. 941-957.
- Fox, John & Françoise Godement. 2009. A Power Audit of EU-China Relations. London: European Council on Foreign Relations.
- Fürst, Rudolf. 2018. "The Czech Republic's value-based policy towards China reconsidered," in Bjorn Jerdén (Ed.) *Political Values in EU-China Relations*, European Think-Tank Network on China (ETNC), pp. 27-31.
- Fürst, Rudolf, Kizeková, Alica, Kožíšek, David. 2018. "Czech Foreign Policy in the Asia Pacific. Improving Balance, Mostly Unfulfilled Potential," in Michal Kořan (Ed.), *Czech Foreign Policy in 2016*, Praha: Ústav Mezinárodních Vztahů.
- Fürst, Rudolf, Matura, Tamás, Turcsányi, Richard. 2014. "The Visegrad Countries" Political Relations with China: Goals, Results and Prospects, "In Ágnes Szunomár (ed.) *Chinese Investments and Financial Engagement in Visegrad Countries: Myth or Reality?* Budapest: Institute of World Economics, pp. 127-141.
- Glaser, Bonnie S. 2012. "China's Coercive Economic Diplomacy: A New and Worrying Trend." Center of Statistic and International Studies. Retrieved from: <https://www.csis.org/analysis/chinas-coercive-economic-diplomacy-new-and-worrying-trend>
- Glen, Carol M. & Murgo, Rirchard C. 2007. "EU-China relations: balancing political challenges with economic opportunities," *Asia Europe Journal*, Vol. 5, No. 3, pp. 331-344.

- Góralczyk, Bogdan. 2017. "China's interests in Central and Eastern Europe: enter the dragon". *European View* 16, no. 1 (June 17), pp. 153–162.
- Gradziuk, Artur & Szczudlik-Tatar, Justyna. 2015. "China-V4 economic cooperation: state of play and prospects (second part)", Chine-CEEC Think Tank Platform. April 16th, 2019, Retrieved from: <http://16plus1-thinktank.com/1/20151123/820.html>
- Hála, Martin & Jichang Lulu. 2019. Lost in Translation: 'Economic Diplomacy' with Chinese Characteristics. Prague: SINOPSIS.
- Hirschman, Albert O. 1945. National Power and the Structure of Foreign Trade. California: University of California Press.
- Huang, Yanzhong & Sheng Ding. 2006. "Dragon's Underbelly: An Analysis of China's Soft Power," *East Asia*, 23, no. 4, pp. 22-44.
- Huang, Yi Ping. 2016. "Understanding China's Belt and Road Initiative: Motivation, Framework and Assessment," *China Economic Review*, 40 (2016), pp. 314-321.
- Jerdén, Björn. 2018. Political Values in EU-China Relations. ETNC Report. Stockholm: European Think-Tank Network on China.
- Johnson, Christopher K. 2016. President Xi Jinping's "Belt and Road" Initiative. A Practical Assessment of the Chinese Communist Party's Road Map for China's Global Resurgence. Washington D.C: CSIS – Center for Strategic and International Studies.
- Johnson, Keith. 2018. "Why is China Buying Up Europe's Ports?," *Foreign Policy*, February 2nd, 2018. Retrieved from: <https://foreignpolicy.com/2018/02/02/why-is-china-buying-up-europes-ports/>
- Karásková, Ivana & Šimalčík, Matěj. 2018. "ChinfluENCE Roundtable: The extent and Kind of China's Influence in Central Europe," Prague: AMO.
- Keohane, Robert & Joseph Nye. 1989. Power and Interdependence: World Politics in Transition. Boston: Little, Brown and Company.
- Kumar, Sudeep. 2018. "Theorising Chinese International Relations and Understanding the Rise of China: A Preliminary Investigation," *Relaciones Internacionales*, Vol. 27, No. 54, pp. 1-18.
- Kurlantzick, Joshua. 2007. Charm Offensive: How China's Soft Power Is Transforming the World. New Haven: Yale University Press.
- Lambert, Michael Eric. 2017. Chinese Investment in Czechia. Policy paper. Prague: Institute for Politics and Society.

- LIAA. 2016. "About 16+1 Initiative," LIAA: Investment and Development Agency of Latvia. Retrieved from: <http://ceec-china-latvia.org/page/about>
- Liu, ZuoKui. 2017. Europe and the Belt and Road Initiative: Responses and Risks. China-CEEC Think Tank Books Series, Beijing: China Social Sciences Press.
- McCaleb, Agnieszka & Ágnes, Szunomár. 2017. "Chinese Foreign Direct Investment in Central and Eastern Europe: an institutional perspective," in Jan Drahekoupil (ed), Chinese Investment in Europe: corporate strategies and labor relations, Brussels: ETUI, pp. 121-140.
- McCaleb, Agnieszka, Ágnes, Szunomár & Xin, Chen. 2018. "Economic Relations between China and Central and Eastern Europe: Trade and Investment Issues," in Weiqing Song (ed), China's Relations with Central and Eastern Europe – From "Old Comrades" to New Partners, Oxford: Routledge, pp. 48-65.
- Merriam, Sharan. B. 2009. Qualitative research: A guide to design and implementation, Edition 2nd. San Francisco, CA: Jossey-Bass.
- Ministry of Foreign Affairs People's Republic of China. 2016. "China's Twelve Measures for Promoting Friendly Cooperation with Central and Eastern European Countries". Ministry of Foreign Affairs People's Republic of China. Retrieved from: https://www.fmprc.gov.cn/mfa_eng/topics_665678/wjbispg_665714/t928567.shtml
- Ministry of Foreign Affairs of People's Republic of China. 2017. "Five-year Outcome List of Cooperation Between China and Central and Eastern European Countries," Ministry of Foreign Affairs of People's Republic of China. Retrieved from: https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1514538.shtml
- Nolan, Peter. 2012. "Is China Buying the World?", *Challenge* 55, no. 2, pp. 108-118.
- Papermans, Astrid. 2018. "China's 16+1 and Belt and Road Initiative in Central and Eastern Europe: economic and political influence at a cheap price", *Journal of Contemporary Central and Eastern Europe*, pp. 1-23.
- Prague Daily Monitor. 2017. "Czech, Chinese Representatives sign 3 agreements," Prague Daily Monitor, May 15th, 2017. Retrieved from: <http://praguemonitor.com/2017/05/15/czech-chinese-representatives-sign-three-agreements>
- Reuters. 2016. "Czech Politicians Meet Dalai Lama in Contrast to pro-China policies," Reuters, October 18th, 2016. Retrieved from: <https://www.reuters.com/article/us->

czech-china-dalailama/czech-politicians-meet-dalai-lama-in-contrast-to-pro-china-policy-idUSKCN12I1H8

- Sarek, Łukasz. 2019. "The "16+1" Initiative and Poland's Disengagement from China", *China Brief*, Vol. 19, Is. 4, pp. 5-10.
- Soldatkin, Vladimir & Natalia Zinets. 2018. "Gazprom seeks to halt Ukraine gas contracts as dispute escalates". Reuters, March 3rd, 2018. Retrieved from: <https://www.reuters.com/article/us-russia-ukraine-gas/gazprom-seeks-to-halt-ukraine-gas-contracts-as-dispute-escalates-idUSKCN1GE2DW>
- South China Morning Post. 2018. "China Calls the Visegrad Group the Most Dynamic Force at Summit in Beijing," South China Morning Post, March 23rd, 2018. Retrieved from: <https://www.scmp.com/news/china/diplomacy-defence/article/2138616/china-calls-visegrad-group-eus-most-dynamic-force>
- Stanzel, Angela, Kratz, Agatha, Szczudlik, Justyna & Dragan Pavlićević. 2016. "China's investment in influence: the future of 16+1 cooperation." European Council on Foreign Relations. Retrieved from: https://www.ecfr.eu/publications/summary/chinas_investment_in_influence_the_future_of_161_cooperation7204
- State Council People's Republic of China. 2015. "Full text: Action Plan on Belt and Road Initiative". State Council People's Republic of China, March 30. Retrieved from: http://english.gov.cn/archive/publications/2015/03/30/content_281475080249035.htm
- Statista. 2019. "Total stock of foreign direct investments from China to Czech Republic between 2008 and 2017 (in million U.S. dollars)", Statista.com. Retrieved from: <https://www.statista.com/statistics/865590/china-total-outward-fdi-stock-to-czech-republic/>
- Swaine, Michael D. 2015. "Chinese Views and Commentary on „One Belt, One Road“ Initiative," *Chinese Leadership Monitor*, Summer 2015, Is. 47, pp. 1-24.
- Turscányi, Richard. 2014. Central and Eastern Europe's Courtship with China: Trojan Horse within the EU?. Brussels: European Institute of Asian Studies.
- The Economist. 2018. "Chinese investment, and influence is growing in Europe," The Economist, October 4th, 2018. Retrieved from:

<https://www.economist.com/briefing/2018/10/04/chinese-investment-and-influence-in-europe-is-growing>

- The Global Economy. 2018a. "China: Exports, percent of GDP". The Global Economy. Retrieved from: <https://www.theglobaleconomy.com/China/Exports/>
- The Global Economy. 2018b. "China: Imports, percent of GDP". The Global Economy. Retrieved from: <https://www.theglobaleconomy.com/China/Exports/>
- The Ministry of Foreign Affairs of the Czech Republic. 2011. "Conception of Foreign Policy," The Ministry of Foreign Affairs of the Czech Republic. Retrieved from: https://www.mzv.cz/file/675937/koncepce_zahranicni_politiky_2011_cz.pdf
- The Ministry of Foreign Affairs of the Czech Republic. 2015. "Conception of Foreign Policy," The Ministry of Foreign Affairs of the Czech Republic. Retrieved from: https://www.mzv.cz/jnp/cz/zahranicni_vztahy/analyzy_a_koncepce/koncepce_zahranicni_politiky_cr.html
- The Nerve Africa. 2018. "China's Belt and Road Initiative is already getting massive African support before FOCAC starts," The Nerve Africa, (September 2, 2018). Retrieved from: <https://thenerveafrica.com/21723/chinas-belt-and-road-initiative-is-already-getting-massive-african-support-before-focac-starts/>
- The State Council Information Office of The People's Republic of China. 2018. "China's, Czech Republic's co-developed aircraft will go into production in 2020," The State Council Information Office of The People's Republic of China, November 7th, 2018. Retrieved from: http://english.scio.gov.cn/beltandroad/2018-11/07/content_70744247.htm
- The State Council Information Office of The People's Republic of China. 2017. "First freight train from Czech's Prague to E China's Yiwu," The State Council Information Office of The People's Republic of China, August 5th, 2017. Retrieved from: http://english.scio.gov.cn/beltandroad/2017-08/05/content_41361202_2.htm
- The Wallstreet Journal. 2015. "Full Transcript: Interview with Chinese President Xi Jinping," The Wallstreet Journal. Retrieved from: <https://www.wsj.com/articles/full-transcript-interview-with-chinese-president-xi-jinping-1442894700>
- Visegrad Group. 2019. "About the Visegrad Group," *Visegrad Group*. Retrieved from: <http://www.visegradgroup.eu/about>

- Waltz, Kenneth. 1979. *Theory of International Politics*. New York: McGraw-Hill.
- Wang, Yong. 2016. "Offensive for Defensive: The Belt and Road Initiative and China's New Grand Strategy," *The Pacific Review*, Vol. 29, No. 3, pp. 455-463.
- Winter, Tim. 2016. "One Belt, One Road, One Heritage: Cultural Diplomacy and the Silk Road," *The Diplomat* (March 29, 2016), 1-5.
- WITS – World Trade Integrated Solution. 2019. "China exports, imports and trade balance By Country and Region 2012", WITS World Bank Group. Retrieved from: <https://wits.worldbank.org/CountryProfile/en/Country/CHN/Year/2012/TradeFlow/EXPORTS>
- XinhuaNet. 2019. "Interview: The Czech Republic not to be omitted in Belt and Road Construction, Czech President says," XinhuaNet, April 24th, 2019. Retrieved from: http://www.xinhuanet.com/english/2019-04/24/c_138004594.htm
- Yağcı, Mustafa. 2018. "Rethinking Soft Power in Light of China's Belt and Road Initiative", *Uluslararası İlişkiler*, 15, no. 57, pp. 67-78.
- Yeung, Henry, W. Ch. 2004. "Strategic Governance and Economic Diplomacy in China: The Political Economy of Government-linked Companies from Singapore." *East Asia* 21, no. 1 (spring 2014), pp. 39-63.
- Yin, Robert. K. 2014. *Case study research: design and methods*. Los Angeles: Sage Publications.
- Zeng, JingHan. 2017. "Does Europe Matter? The Role of Europe in Chinese Narratives of 'One Belt One Road' and 'New Type of Great Power Relations'," *Journal of Common Market Studies*, Vol. 55, No. 5, pp. 1162-1176.

References in Czech:

- Aktuálně.cz. 2009. "One World Homo Homini Award goes to Chinese dissident," Aktuálně.cz, March 12th, 2009. Retrieved from: <https://zpravy.aktualne.cz/one-world-homo-homini-award-goes-to-chinese-dissident/r~i:article:631742/?redirected=1552209284>
- Aktuálně.cz. 2019. "Tchaj-wanský zástupce musel odejít z jednání s ministryní Novákovou. Vadil Číňanům," Aktuálně.cz, March 28th, 2019. Retrieved from: <https://zpravy.aktualne.cz/domaci/tchaj-wansky-zastupce-musel-odejit-z-jednani-s-ministryni-no/r~a31742e6515311e9b9980cc47ab5f122/?redirected=1554543778>

- Czech Statistical Office. 2019. "Zahraniční obchod se zbožím – přeshraniční pojetí", Czech Statistical Office, April 18th, 2019. Retrieved from: https://www.czso.cz/csu/czso/zo_se_zbozim_podle_pohybu_zbozi_preshranicni_statistika
- Český rozhlas. 2018. "Čína u nás získala s mizivými investicemi politický vliv, tvrdí sinolog Hála," Český rozhlas, May 28th, 2018. Retrieved from: <https://plus.rozhlas.cz/cina-u-nas-ziskala-s-mizivymi-investicemi-politicky-vliv-tvrdi-sinolog-hala-7228109>
- Drulák, Petr. 2007. Jak zkoumat politiku: Kvalitativní metodologie v politologii a mezinárodních vztazích. Praha: Portál.
- Echo24.cz . 2019a. "Dálniční spása z říše středu? Čína má zájem o stavbu českých dálnic, řekl Zeman. Vyznamená Jágra. Echo24.cz, May 5th, 2019. Retrieved from: <https://www.echo24.cz/a/SkAK6/dalnicni-spasa-z-rise-stredu-cina-ma-zajem-o-stavbu-ceskych-dalnic-rekl-zeman-vyznamena-jagra>
- Echo24.cz. 2019b. "Babiš kritizuje čínské investice. Pohnuly se hlavně ve prospěch Číny, jsou neuspokojivé." Echo24.cz, April 12th, 2019. Retrieved from: <https://echo24.cz/a/SYMCC/babis-kritizuje-cinske-investice-pohnuly-se-hlavne-ve-prospech-ciny-nejsou-uspokojive>
- Fürst, Rudolf. 2014. "Dálný Východ v České zahraniční politice," in Michal Kořan (Ed.), Česká zahraniční politika v roce 2013, Praha: Ústav Mezinárodních Vztahů.
- Fürst, Rudolf. 2015. "Dálný Východ v České zahraniční politice," in Michal Kořan (Ed.), Česká zahraniční politika v roce 2014, Praha: Ústav Mezinárodních Vztahů.
- Fürst, Rudolf. 2016. "Dálný Východ v České zahraniční politice," in Michal Kořan (Ed.), Česká zahraniční politika v roce 2015, Praha: Ústav Mezinárodních Vztahů.
- Fürst, Rudolf. 2017. "Dálný Východ v České zahraniční politice," in Michal Kořan (Ed.), Česká zahraniční politika v roce 2016, Praha: Ústav Mezinárodních Vztahů.
- Hospodářské Noviny. 2016. "Čína chce Dukovany naservírovat na talíři. Požaduje zakázku na dostavbu elektrárny bez výběrového řízení," Hospodářské noviny, October 25th, 2016. Retrieved from: <https://archiv.ihned.cz/c1-65489850-cina-chce-dukovany-naservirovat-na-taliri-pozaduje-zakazku-na-dostavbu-elektrarny-bez-vyberoveho-rizeni>

- Hřib, Zdeněk – primátor Prahy. (March 29th, 2019). In Facebook [Official page]. Retrieved April 6th, 2019 from: <https://www.facebook.com/zdenek.hrib.primator/>
- Idnes.cz. 2018. "Číňané mohou začít stavět lázně v Pasohlávkách, získají potřebné pozemky", Idnes.cz, October 2nd, 2018. Retrieved from: https://www.idnes.cz/brno/zpravy/lazne-pasohlavky-prodej-pozemky-cinane-risesun.A181002_430244_brno-zpravy_krut
- iRozhlas.cz. 2018. "Kdo je Jie Tien Ming? Nejtajemnější čínský boháč má údajně vazby i na čínskou vojenskou rozvědku," iRozhlas.cz, March 20th, 2018. Retrieved from: https://www.irozhlas.cz/zpravy-svet/jie-tien-ming-cefc-profil-zivot-kariera_1803200711_jak
- iRozhlas.cz. 2019. "Náklady prezidenta Zemana na cestu do Číny rostou. Vládě si letos řekl o 8,8 milionu korun," iRozhlas.cz, April 9th, 2019. Retrieved from: https://www.irozhlas.cz/zpravy-domov/milos-zeman-cina-prezident-naklady-vlada-andrej-babis_1904091220_kno
- Karásková, Ivana. 2018. "Vytváření pro-Čínské agendy v Česku: aktéři, jejich role a vazby". Prague: AMO.
- Kořan, Michal. 2013. Česká zahraniční politika. Brno: MuniPress.
- Kopecký, Václav. 2018. "Východní Asie", in Vít Borčany & Vít Dostál (eds.), Agenda pro Českou zahraniční politiku 2018, Prague: AMO, pp. 65-73.
- Lidové Noviny. 2019. "Čína údajně ruší umělecká vystoupení spojená s Prahou. Petříček se proto setká s čínským velvyslancem." Lidovky.cz, April 28th, 2019. Retrieved from: https://www.lidovky.cz/domov/cina-udajne-rusi-umelecka-vystoupeni-spojene-s-prahou-petricek-se-proto-sejde-s-cinskym-velvyslance.A190429_110711_ln_domov_ele
- Novinky.cz. 2018. "Státní čínská firma zřejmě získá český majetek CEFC s výraznou slevou," Novinky.cz, September 3rd, 2018. Retrieved from: <https://www.novinky.cz/ekonomika/482284-statni-cinska-firma-zrejme-ziska-cesky-majetek-cefc-s-vyraznou-slevou.html>
- SeznamZpravy.cz. 2019. "Šéf komunistů Filip letí na čtyři dny do Číny žehlit kauzu Huawei", SeznamZpravy.cz, January 11th, 2019. Retrieved from: <https://www.seznamzpravy.cz/clanek/sef-komunistu-filip-leti-na-ctyri-dny-do-ciny-zehlit-kauzu-huawei-63929>

- The Ministry of Foreign Affairs of the Czech Republic. 2007. "Zpráva o zahraniční politice ČR za rok 2007," The Ministry of Foreign Affairs of the Czech Republic. Retrieved from:
https://www.mzv.cz/jnp/cz/zahranicni_vztahy/vyrocní_zpravy_a_dokumenty/zprava2007.html
- The Ministry of Foreign Affairs of the Czech Republic. 2012. "Stručný přehled zahraniční politiky České republiky v roce 2012," The Ministry of Foreign Affairs of the Czech Republic. Retrieved from:
<https://www.mzv.cz/file/1034388/SPZPCR2012.pdf>

