

# WORKING PAPER

## **China's achievements in terms of development, a valuable asset influencing its perception in CEE**

Iulia Monica Oehler-Şincai

Kiadó: Kína-KKE Intézet Nonprofit Kft.

Szerkesztésért felelős személy: Chen Xin

Kiadásért felelős személy: Huang Ping



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### **Abstract**

*In the literature there are different conceptual schemes of the country image. A country's assets and liabilities distributed on each of the dimensions of its image (functional, normative, aesthetic and sympathetic, as incorporated in the 4D model by Buhmann, Ingenhoff, 2015) are differently perceived by various publics depending on their own system of values and it results a corresponding perception of that country. The perception process is dynamic and influenced by both external and internal factors, including stereotypes, direct experiences, Public Diplomacy or third party influence. In this framework, China's achievements in terms of development belongs to the functional dimension of the country image and it is among the assets counterbalancing the liabilities which lead to an assets-liabilities balance and finally to a specific perception of China.*

*There is a differentiation between publics in developed and developing countries. The level of development achieved by China is seen in the developed countries as a threat to the already obtained advance. On the contrary, in developing countries, it is seen as a desired status. In CEE, it has a more subtle nuance, as countries in this region have the ambition to leave the EU economic periphery. China has offered the CEE countries a specific framework, 16+1 as part of the BRI, complementary to the instruments created by the EU in order to diminish the gaps between different levels of development. Even if there are unfulfilled expectations in CEE as regards the number and scale of implemented projects financed by China in the region, however the actual Chinese level of development is predominantly described in positive terms.*

*The main objective of the present paper is to argue that China's achievements in terms of development are one of the most valuable assets of its image. Negative aspects such as pollution, "white elephants", displaced persons, casualties or accusations by competitors related to unfair competition are overshadowed by the general overview of the Chinese successful economic development. However one important aspect should not be overlooked. In CEE countries, there are still high expectations associated with the spillover effects which might be produced in this region by a more intense cooperation with China and therefore governments are open to China at least at the declarative level. If these countries' exports of goods and services to China mark significant increases and large scale projects with Chinese funds and direct investment begin to materialize, China's image will improve and the openness towards China will continue. Otherwise the confidence will be subverted and the lack of trust will have major consequences not only on the way China is perceived in the region, but also on the Chinese activities, as suspicion and mistrust will become the most significant barrier in doing business in this region.*

**Keywords:** *China, Central and Eastern Europe CEE, development model, country image, perception, 16+1, BRI, Public Diplomacy*

## **1. Introduction**

The narrative about the Chinese development model and its particular system of relations with its partners offers so many contradictory variants that a novice would either be completely confused or embrace the first version considered credible. Especially those who have not come directly in contact with China and its assets<sup>1</sup> and have never seen China's achievements or have never tried a high quality and innovative product "made in China" would immediately reject the Chinese development model.

China's approach is often described by supporters of neo-liberalism as antagonist with the Western models, which are strongly correlated with specific and generally accepted political values (*democracy, human dignity, human rights, freedom, equality and the rule of law*). The already established powers such as the United States and the Western European countries are trying to preach a bilateral relationship with China based on reciprocity, reduction of government influence in the processes of resource allocation and decision taking in the private sector, cuts in industrial over-capacity, a level-playing field for all businesses, enforcement of intellectual property rights, promotion of human rights, elimination of practices related to "forced" technology transfer and so on. In its turn, China does not contradict the Western powers but it cannot give up its model based on strong political control and meritocracy, while in the external relations it relies on the principles of *respect for sovereignty, non-interference, no strings attached*. In relations with other countries, including Central and Eastern European ones (CEEs), China is in favour of flexible institutional structures, following the experimental "Asian way". It invites its partners to contribute to the agenda setting according to their own priorities.

In my opinion, it is exactly this attitude which appeals to CEEs, especially to the Euro-sceptics, as it is opposite to the EU constraints. At the same time, the Chinese accomplishments in terms of social and economic national successes (not only as regards quantitative indicators such as GDP, GDP per capita, number of people lifted out of poverty, but also qualitative ones, e.g. competitiveness, human development, innovation) demonstrate that China is a strong partner. China does not only develop infrastructure linkages but it also builds mental bridges with countries open to cooperation.

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<sup>1</sup> d'Hooghe has analysed in successive studies (2005; 2007; 2013; 2015) the "assets and liabilities" for the Chinese public diplomacy. Liabilities are sources of negative perceptions (sensitive issues such as failure to comply with human rights, relations with Tibet and Taiwan, environmental pollution, unfair competition or position regarding territorial disputes in South China Sea, intensely criticized by established democracies). Assets are opposite to liabilities, for instance economic and social progress, lifting people out of poverty, developing infrastructure etc.

The main objective of this paper is to demonstrate that China's achievements in terms of development are one of the most valuable assets of its image in CEE and liabilities are overshadowed by the general overview of the Chinese successful economic model. This is spite of the fact that in the foreign mass media and foreign official declarations (especially in developed countries), China's assets are often minimized, while its liabilities are emphasized, which creates a disproportion between the assets and liabilities in the favour of the latter (Oehler-Şincai, 2017a). And also regardless of the Western EU countries' critical attitude towards China, even if these represent for many of the CEEs a model in terms of values and norms.

*This is an extremely favourable moment for China to intensify its cooperation with the countries in this region but it is very close to an inflection point on a downward curve. The actual propitious situation might very rapidly change into unfavourable reactions if the gap between expectations and achievements continues to deepen. Each large scale project announced and subsequently cancelled may count, have a long term impact and be reflected not only on the way China is perceived, but also on the mutual trust and confidence and finally will turn into unwillingness to cooperate.*

The argumentation of this paper is structured around two main sections as follows. *First*, it will be presented the main mechanism of China's image propagation. *Second*, there will be highlighted different opinions in the CEE countries regarding China and explain them. It will be concluded that taking into account that attitudes towards a specific country among the foreign publics are generally subjective, it is critical to intensify the CEE-China direct contacts, not only via people-to-people exchanges and by means of the direct contact of the people in the region with the Chinese high quality and innovative products. Even more important than the two factors mentioned before are successfully implemented projects as part of 16+1<sup>2</sup>, in consensus with the expectations of the population majority in these countries.

## **2. General theory about the country image concept and China's image: mechanism, factors and role**

### **2.1. Country image in theory**

According to Buhmann (2016) and Buhmann *et al.* (2018), a **country image** is *the perception of that country among its foreign publics*. The country image is not identical with the country identity (*attributes of that country and respective self-perception*) and it changes over time due to a host of determinants, as shown in Figure 1.

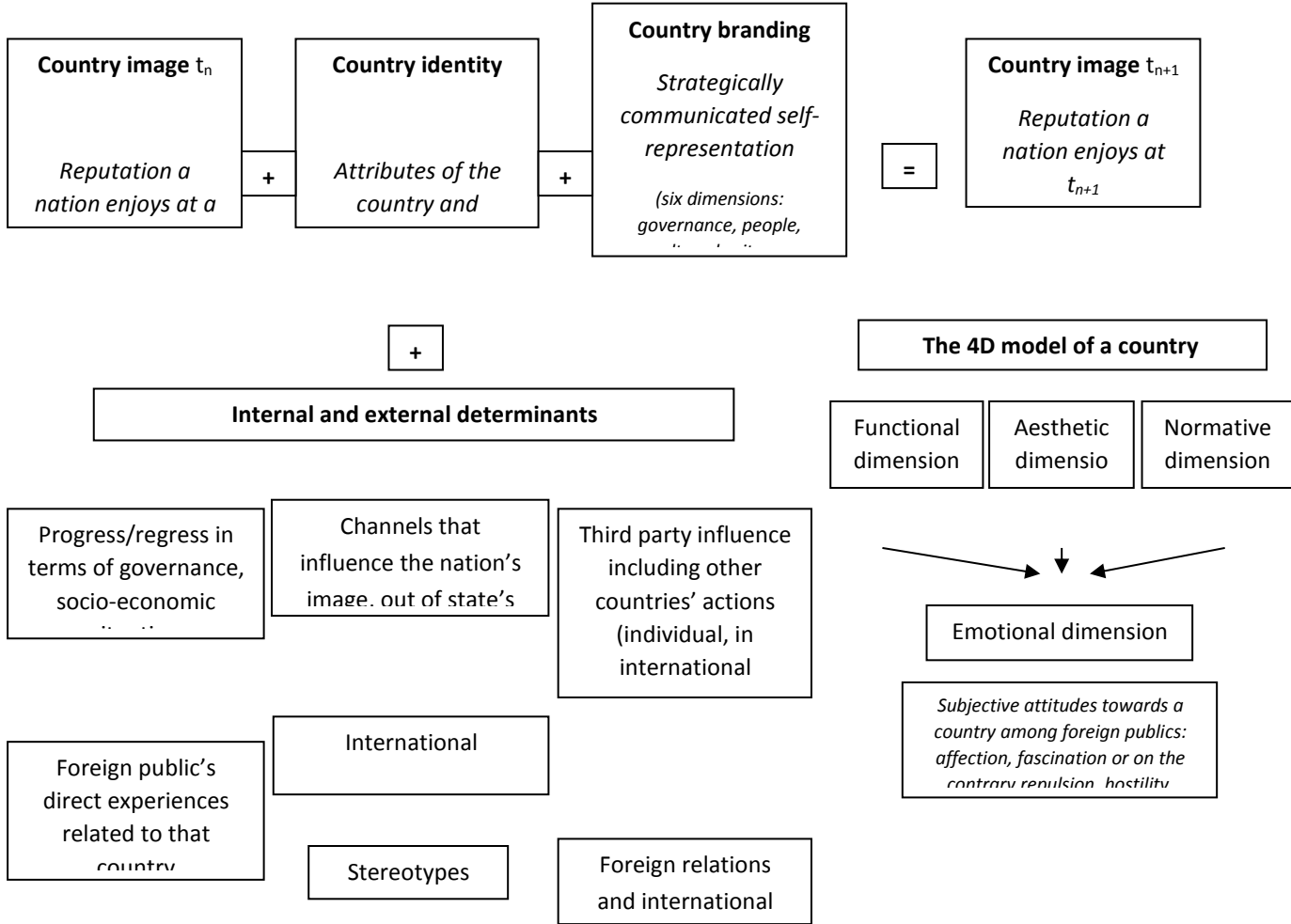
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<sup>2</sup> Platform of cooperation initiated by China in relationship with 16 CEE countries (CEE-16): Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia and Slovenia.

A country identity is doubled by the country branding,<sup>3</sup> a *strategically communicated self-representation* (Buhmann *et al.*, 2018) or a *process by which a nation's images can be created, monitored, evaluated and proactively managed in order to improve or enhance the country's reputation among a target international audience* (Fan, 2010, p. 6).

The **4D model of a country image** (Buhmann, Ingenhoff, 2015, Buhmann, 2016) highlights that each public has **specific beliefs** regarding a country from three perspectives, namely **functional, aesthetic and normative**. The functional dimension of the country image is defined as *specific beliefs regarding the competences and competitiveness of a country, its political and economic effectiveness and performance, technological progress and social desirability*. These reflect three dimensions of the brand image, related to governance, but also exports and investment-immigration (Oehler-Şincai, 2017a; 2017b). The functional dimension of a country image includes also the **results of its foreign policy and cooperation projects**.

**Figure 1: Evolution of the country image in time**  
**(changes of the foreign publics' perceptions about a given country)**



<sup>3</sup> Nation branding was coined by Simon Anholt in 1996 and developed by him, Wallace Olins and other practitioners of corporate identity and branding (Oehler-Şincai, 2017a, 2017b).

Source: Own representation based on Buhmann, Ingenhoff (2015), Buhmann (2016), Buhmann *et al.* (2018), Martin and Eroglu (1993), Anholt (2007; 2013), Oehler-Şincai (2017a; 2017b).

Its aesthetic dimensions means *specific beliefs regarding the aesthetic qualities and the attractiveness/beauty of a country as a cultural and scenic place* (related to other three dimensions of the brand image: tourism, culture-heritage and people), while the normative dimension (related especially to governance) reflects *specific beliefs regarding the integrity of a country, its norms and values* (Buhmann, 2016; Martin and Eroglu, 1993).

The functional, aesthetic and normative dimensions generate the fourth one, namely the **emotional dimension of the country image**: *subjective attitudes towards a country among foreign publics: affection, fascination or on the contrary repulsion, hostility* (Buhmann, 2016, Martin and Eroglu, 1993).

## 2.2. China's image

Oehler-Şincai (2017a; 2017b) underlines that a country image is important, both in theory and practice, as different publics' attitudes towards a given country influence "the success of a country's business, trade, tourism and diplomatic relations" (Buhmann, Ingenhoff, 2015, p. 62) and determine also the "premium" enjoyed or the "discount" countries have to "offer" for *whatever they try to pull in (investors, aid, tourists, business visitors, students, major events, researchers, travel writers, and talented entrepreneurs) and whatever they try to push out (products, services, policies, culture, and ideas)* (Anholt, 2013, p. 3). *It should be added that the success mentioned above or on the contrary the failure reflects itself on the country image and it generates a virtuous circle or on the contrary a vicious one.*

In China's case, it is rather a discount than a premium. That is spite of the **incontestable sources of strength** (or "assets" mentioned in the Introduction, according to d'Hooghe, 2005; 2007; 2013; 2015) China possesses: culture, history, traditions, Confucian values, tourist attractions, economic and social progress (Oehler-Şincai, 2017a; 2017b).

There are many determinants for this situation and from these we will explain three of them. *First*, there are the ideological contrasts with the Western world, considered a "model" by the majority of developing and emerging countries as regards political values. Chinese large scale initiatives are often associated with propaganda, reducing considerably the message credibility (Lilei, 2013, Oehler-Şincai, 2017a). *Second*, the positions of the already established powers towards China strongly influence the latter's perception. For instance, in the National Security Strategy of the United States (The White House, 2017, p. 2, p. 21, p. 25), it is stated that "China and Russia challenge American power, influence, and interests, attempting to erode American security and prosperity. They are determined to make economies less free and less fair, to grow their militaries, and to control information and data to repress their societies and expand their influence"; "Every year, competitors such as China steal U.S. intellectual property valued at hundreds of billions of dollars"; "China and Russia want to shape a world antithetical to U.S. values and interests"; "China expanded its power at

the expense of the sovereignty of others”. This is a reactivation of the “yellow peril” stereotype which is accentuated by its combination with the “Russian peril”. In their turn, the EU official documents focus preponderantly on the economic threat posed by China. *Third*, Western mass media create and maintain “stale” stereotypes and preconceptions (Zhang, 2015). In media narratives, “China threat” is very frequent and as these narratives shape public understanding of China (Okuda, 2016), they strongly affect China’s image.

One question arises from these evidences. *Can China’s progress in terms of socio-economic situation and its system of foreign relations and large scale projects such as BRI and 16+1 counterbalance the unfavourable opinions?*

According to recent opinion polls (BBC, 2017, pp. 36-37), global views of China have become more negative since 2014. Within the EU, perceptions of China’s influence are generally quite negative (for instance, 58% negative views in the UK, 60% in France, 35% in Germany), while in the United States the opinion is “the most negative in all the countries polled” (70%). The BBC poll does not include in analysis opinions from CEE countries.

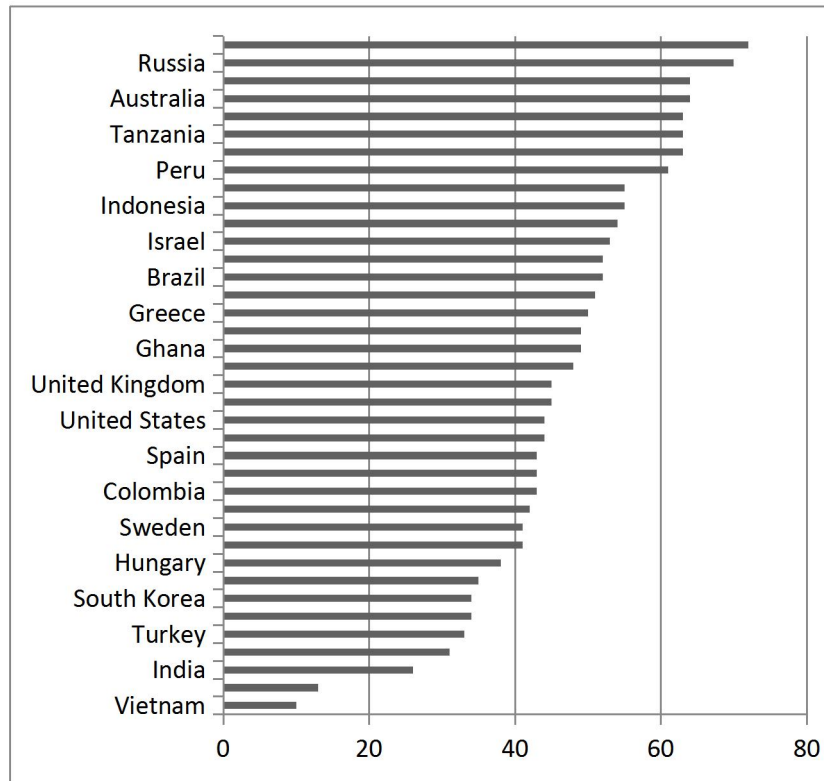
However different opinion polls come to distinct conclusions. For instance, Gallup (2018) referring to the Americans’ opinions on China, concludes that “China’s favorability has increased markedly over the past two years, with a majority (53%) now having a favorable view of China for the first time since early 1989.” In 2017, “China’s favorable rating rose to 50% from 44% during the previous two years”. China’s image improvement among the Americans is explained through an unconvincing argument, namely “as fear of its economic power has declined”.

Pew Research Center (2017) underscores the highest negative opinions among the developed countries in: Japan (83%), Italy (59%), Germany (53%), France (52%), Sweden (49%) and the United States (47%). Among the CEE countries are included in analysis only Hungary and Poland, the first one with an unexpected high percentage of negative opinions (45%) and the second with 29%. The following Chart illustrates the shares of positive opinions on China in 38 countries in 2017.<sup>4</sup>

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<sup>4</sup> Opinions (positive, negative and neutral) plus no-opinions equal 100% for each country.

**Chart 1: Shares of positive opinions on China in 2017 (% of total views)**



Source: Own representation based on Pew Research Centre (2018).

Pew Research Center (2014) highlights that “as China’s economy has continued to grow over the past several years, it has developed extensive economic ties with nations around the world, generating both goodwill and anxieties about economic competition. Overall, the publics surveyed tend to say China’s progress is good for their own country as well. Across 43 nations, a median of 53% believe China’s growing economy is a good thing for their own economy. Just 27% say this is a bad thing”.

*The relationship between CEEs and China should be analyzed taking into account some of these countries’ recent change of opinion towards the EU, their ambition to leave the EU economic periphery and to become less dependent on the EU internal market and funds.*

### **2.3. China’s image in CEE according to various opinions polls**

Taking into account the favourable opinions on China during 2002-2017, the Pew Research Center database offers the following information:

(1) For Poland there are available data for 2005 (37%) and 2007-2017 (varying from 39% in 2007 to 42% in 2017) (Chart 2). In spite of the significant role played by Poland in the 16+1 initiative, opinions on China worsened continuously during 2012-2014 and they started to improve only recently and their level did not reach the maximum of 2011;

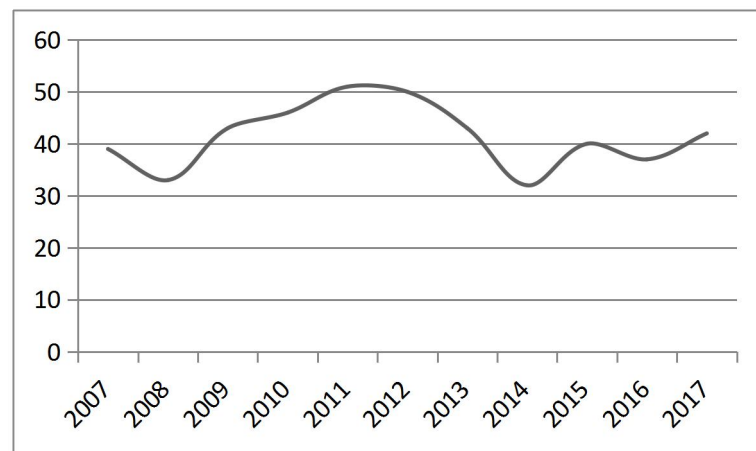


(2) Hungary was included in analysis only since 2016, with values of 45% in 2016 (8 percentage points higher than in Poland) and 38% in 2017 (4 percentage points lower than in Poland);

(3) For the Czech Republic there are data for 2007 (35%, 4 percentage points lower than in Poland), 2012 (33%, 17 p.p. lower than in Poland) and 2013 (34%, 9 p.p. lower than in Poland);

(4) For Slovakia, the only available information refers to 2007 (45%, higher than in Poland and Czech Republic).

**Chart 2: Opinion of China in Poland (percent responding favourable)**



Source: Own representation based on Pew Research Centre (2018).

*We consider that publics' opinions are influenced by factors presented in Figure 1 but also by the openness of the government towards cooperation with China, the way it is reflected in mass media and especially by the degree of implementation of joint projects, goals and targets.*

European Commission (2016) offers the most detailed analysis on China's image in eleven CEE countries (CEE-11) as compared to the EU, United States and Russia. Chart 3 underscores several relevant conclusions (Oehler-Şincai, 2018a; 2018b):

(1) The general attitude of CEE-11 regarding China and Russia is much more critical as compared to the attitude towards the EU and the US, with the exception of Bulgaria (where Russia has the best image), Latvia (where the percentage of positive views towards China is slightly higher than in the US' case), Slovakia and Slovenia (where Russia's image is better than US' one);

(2) China's image is more favourable than Russia's in Lithuania (difference of 20 percentage points), Estonia and Latvia (16 percentage points), Poland (15 percentage points),

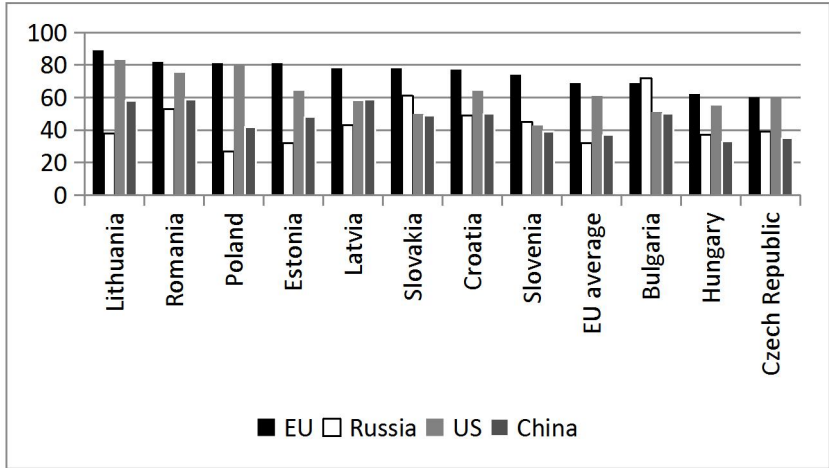
Romania (6 percentage points) and Croatia (1 percentage point) while in Bulgaria and Slovakia Russia’s image is much more favourable, the contrast being less pregnant in Slovenia, Hungary and Czech Republic (with difference of 6, 4 and 4 percentage points respectively). Baltic States, Poland and Romania consider Russia as a “threat” to their security therefore the United States is seen as their most important strategic partner. In these countries, good relations between China and Russia (especially joint military exercises) are intensely criticized.

(3) The recent Chinese initiatives, including 16+1 have not ensured automatically a positive attitude towards China. With the exception of Romania, Latvia, Lithuania, Croatia and Bulgaria, with positive views equal to or surpassing 50% of the total views (however not a very high level), in the other six CEE countries the percentage is lower than 50%;

(4) Among the countries with the most negative opinions on China there are exactly those which are the most active participants in the 16+1 platform, namely Hungary, Czech Republic and Poland which underlines that *it is possible that the economic interests have a larger impact on a cooperation relationship than the partner country’s image.*

(5) Romania is one of the CEE countries with the highest percentages of positive views on China nonetheless this does not translate into practice through a high level of bilateral cooperation intensity.

**Chart 3: Positive views about the EU, US, China and Russia among the citizens of the CEE-11 countries (% of the total number of interviewees)**



Note: In spite of the data presented in this chart,

Poland governed by the right-wing Law and Justice party since 2015 is a vocal Euro-sceptic.

Source: Own representation based on European Commission (2017a).

In addition to the determinants detailed above, sensitive issues (trade deficits) and discrepancies between high expectations regarding cooperation with China and modest results, the attitude towards China can be explained also by factors such as: EU criticism towards China but also member states' criticism towards the EU, different countries' positions towards the United States and Russia correlated to the recent positive evolution of the Sino-Russian strategic partnership, the importance attached to political values but also how impartial is mass media at national and international level towards China.

### **3. Opinions on China in CEE countries from the perspective of the Chinese economic achievements. Case studies**

In spite of the traditional friendship and political declarations on strengthening the economic ties between China and CEE, the major expectations from the CEE side have not become reality. Mass media and literature abound with criticism on that. However the potential of strengthening the economic cooperation with China is not rejected and this is the key argument for continuing the already initiated projects, BRI and its component, 16+1. China has a strong economy in spite of some setbacks and the Chinese development model is regarded with respect by the CEEs. If expectations materialize and positive spillovers are generated, China's image will improve and the openness towards China will continue. Otherwise suspicion and mistrust will become the most significant barrier for China's doing business in this region.

#### **3.1. Variety of standpoints regarding China**

The points of view regarding China, its development model, its values and norms, its system of international relations differ and there are pros and cons among the CEE countries and also among categories of public, such as government officials, opposition politicians, business representatives, scholars, experts and journalists.

Recent documents adopted by the EU and US institutions (EC, HR, 2016, EC, 2017, EP, 2018, USTR, 2018) reveal critical positions towards China, accompanied by similar trends among business representatives, scholars, experts and journalists.

At public administration level, the divergence of opinions in various CEE countries is due to a multitude of factors, such as the national policy objectives, the degree of satisfaction/dissatisfaction as a EU member state or as a candidate for EU membership, the need to diversify export markets, investment sources and financing channels and perhaps to change the status of Dependent Market Economies (DMEs) (see Nölke and Vliegenthart; 2009), to diminish the overdependence on the EU markets and capital and even to influence the mode of operation of the supranational EU institutions. There are also attitudes justified by special people-to-people relations, as suggested by the Czech case but inter-correlated with the national interest.

As regards the other categories of public, their attitude towards China depends on the own interests, aspirations, belonging to a specific political ideology and undoubtedly the degree of knowledge about China. A country's attributes are perceived through own actions and communications (public diplomacy instruments), stereotypes, foreign publics' direct experiences, mass media impact, third party influence and so on.

Oehler-Şincai (2018a) underlines that, generally, at the level of CEE countries, higher degrees of cooperation intensity with China are correlated with their recognized need of developing balanced relations with significant actors on the world stage in order to diminish the extreme dependency on the EU internal market and the consolidation of the economic ties with China as a complementary factor enabling reforms and consequently a healthy economic growth. All the CEE-16 countries cooperate with China but with different intensities.

In my opinion, at present Visegrád countries, Romania, Bulgaria and Serbia are the most active supporters of cooperation with China in CEE. The positive attitude towards China would have not been possible in the absence of admitting China's size of the economy and the actual stage of economic development and performance due to successive progresses achieved in 40 years of opening up and reform. Romania is an "ambitious partner" (Oehler-Şincai, 2018a; 2018b), with official declarations underlining the importance of Sino-Romanian cooperation for the national economy but without any large scale projects implemented until now which underlines rather a "wait-and-see" attitude than a pragmatic one.

*As this paper is not an exhaustive analysis of the CEE-16 and their attitudes and perceptions towards China, the following subsections will focus on several of China's partners in the region, including the Visegrád countries<sup>5</sup>. It should be underlined that such an in-depth comparative analysis including all the CEE-16 countries might bring a valuable contribution to the existing literature on this topic.*

### **3.2. Hungary, the strongest supporter of the relationship with China**

**Hungary** recognizes that China is pursuing the actual wave of "Globalization 2.0", which "is more about investment, infrastructure and development", as underlined by the scholar Amitav Acharya (Xinhua, 2017).

From the perspective of the Chinese economic achievements, Hungarian Prime Minister Viktor Orbán's opinion on his country's needs is relevant. In two of his speeches (Orbán, 2017a; 2017b) he underlined several inter-correlated aspects: (1) The 2008 financial crisis was not a cyclical phenomenon, but it was a structural crisis, and "reforms were required if we Europeans – Westerners and Central Europeans – wanted to remain competitive in

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<sup>5</sup> In these countries there are already initiatives tracing China's image and perception. ChinfluenCE is one of them, "mapping Chinese political and economic influence" in all the four countries. Sinopsis is a website that tracks China related topics in the Czech Republic; it is a joint project between the Institute of East Asian Studies at Charles University in Prague and a not-for-profit association AcaMedia, aiming at presenting a regular overview of developments in China from the perspectives of Czech, Chinese, and international observers.

comparison with the emerging new economic powers. Hungary was the first country to openly declare this assessment of the situation”; (2) China’s rise has been seen as “the manifestation of a new era in the world economy” which will last and will remain “a dominant factor in the development of the world economy for a long time to come, and sooner or later everyone will have to adjust to this new reality”; (3) All the countries outside China, including the European ones, are competing “for the economic opportunity of supplying goods to China and receiving investments from China” due to the size of its economy; (4) China is already “a dominant financial and technological power”.

Each of the seven 16+1 summits underscored similar conclusions, but the Hungarian official declarations were the strongest in focusing on the “truly win-win situation” (Orbán, 2017c) of the cooperation between China and CEE in the 16+1 framework. This is not the most important determinant of overall China’s image in Hungary as the latter is not as favourable as in official declarations (as revealed by Chart 1 and Chart 3) but the political will to intensify cooperation with China might lead to good concrete results which in their turn might have a positive impact.

Among the CEE countries, Hungary appears as the strongest supporter of the relationship with China. Even if it is the latest entrant on the group of China’s strategic partners in CEE (list consisting of Serbia, Poland and the Czech Republic until May 2017), it has been seen by China for a long period of time as a partner with a “special status” (Chen, 2017). Szunomár (2017) underscores the uniqueness of the relationship between Hungary and China, not only because of its capacity to attract the majority of the Chinese foreign direct investment (FDI) in the region, its role as a “regional hub for several Chinese companies” and its largest share in the Chinese population in CEE but also due to the commitment of the Hungarian governments (regardless of political orientation) to developing relations with China and the official government strategy towards Asia (including China), “Opening to the East” (“Eastern opening” or “Eastward opening”) policy initiated in 2010 “after the crisis and partly because of it”, which enabled Hungary’s receptiveness to Chinese initiatives, BRI and 16+1. It should also be stressed that in December 2014 the Bank of China set up its CEE headquarters in Budapest (followed by opening of branches in Vienna, Prague and Belgrade) and Hungary was the first country worldwide to issue a Panda bond.

Hungary, together with Greece, rejects “unconstructive criticism on China”. In an interview on Hungarian public television, Prime Minister Viktor Orbán summarized his participation in the Belt and Road Forum in May 2017 as follows. In his opinion, “few developed countries have been continuously lecturing most of the world on human rights, democracy, development and the market economy” and as a reply to them, China has launched the BRI, “built on mutual acceptance: there is no teacher and no student... everyone has the right to their own social structure, culture, approach and values. We should not be striving to change each other or to form a group alliance, but to accept each other the way we are” (About Hungary, 2017).

Matura (2018) underscores issues such as the “low number of successful projects” and discrepancy between high expectations and modest achievements, which might give credit to the version that “government efforts to get closer to Beijing (and Moscow) are part of a game against Brussels, and economic interests play only a minor role in this story.”

Hungary takes into account both economic and geostrategic factors in pursuing its policies towards China which would have not been possible in the absence of the latter’s key role on the global stage and its economic strength.

### **3.3. Poland, Czech Republic and Slovakia, different experiences**

**Poland** has recently become “less optimistic” towards China (Mierzejewski, 2017) not only because of difficulties recorded in implementing joint projects or reasons related to the priority given to relationships with the United States (seen as a security guarantor against Russia). Then-Undersecretary of State in the Polish Ministry of Development, Paweł Choraży’s opening address at CEIBS, 1<sup>st</sup> China-CEE Development Forum in Warsaw on September 15, 2017, underlined several main aspects and requirements of the Sino-Polish cooperation: (1) one can remark “a new opening in the relations between our two countries” and “all Chinese businesses will be welcomed to Poland with open arms”; (2) Political declarations are not enough and specific projects must be implemented; (3) Poland requires reciprocity and equal openness; (4) Poland intends to use its strategic location not only as a transit platform but also for attracting Chinese investment through the efficient economic zones; (5) Taking into account that “those of us who have actually been to China deeply admire the quality and functionality of Chinese communication hubs”, Poland is willing to cooperate with China in developing its Warsaw’s Central Communication Port (CPK), “a mega-project aimed at the construction of a modern airline hub” between the cities of Warsaw and Łódź (the latter linked with the Chinese city Chengdu via a major cargo railway line), “that will be one of the largest in Europe by the end of 2027”.<sup>6</sup> This project represents the “foundation upon which we can develop excellent Polish-Chinese relations”.

Sarek (2018) synthesizes opportunities and apprehensions related to Polish-Chinese cooperation. In his opinion, “China’s rapid economic development, huge share in global trade, technological development, emergence as one of the world’s leading investors and bold economic initiatives, obscure the fact that we are dealing with an authoritarian regime that pursues its goals, often at odds with the goals of potential partners.” Even if he recognizes the cooperation potential generated by the Belt and Road Initiative and 16+1, he mentions obstacles of fruitful bilateral cooperation such as: unfair Chinese competition, asymmetric mutual access to both Chinese and Polish markets, lack of a consistent and accurate economic policy towards China and limited possibilities for negotiating terms of cooperation.

As regards the **Czech Republic**, the political reshuffling of 2012 generated “a nearly perfect U-turn” in Czech diplomatic relations with China in contrast to the previous period, when it was seen as “perhaps the strongest critic of China in all of Europe” (Turcsányi, 2017),

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<sup>6</sup> Please consult: <https://polandinenglish.info/37661995/polish-companies-to-break-into-the-far-east>.

with good relations with both Taiwan and Dalai Lama. In 2014, the Czech government “proclaimed that the country would aspire to become *China’s gateway to Europe*” (Hála, 2018).

Miloš Zeman, the current President since March 2013 can be described as the strongest supporter of cooperation with China. Barboza, Santora and Stevenson (2018) synthesize his contribution to the bilateral cooperation as follows: (1) He visited China in 2014, the first visit by a Czech leader in nearly a decade; (2) In 2015, he was the only EU leader to attend the Beijing military parade celebrating the 70th anniversary of the end of the Second World War, event followed by Chinese President Xi Jinping’s visit to Prague; (3) He and Social Democrats encouraged the then-chairman of the CEFC China Energy, Ye Jianming, to spend more than USD 1 billion in deals in Czech Republic (but only acquisitions such as: *a stake in Florentinum, one of Prague’s biggest office complexes; Czech national airline; two hotels and Renaissance-era buildings; Lobkowitz beer company with a history of more than 700 years; majority shares in the Slavia Praha football club; a stake in a Czech publisher and TV broadcaster, Empresa Media, kept only for a short time*). Karásková, Matura, Turcsányi and Šimalčík (2018) underscore that “Chinese ownership of media outlets eliminates all negative views of the country, its politics and policies”.

Nevertheless in general mass media, scholars, experts and the general public criticize the President’s relations with China, especially after the chairman of the CEFC China Energy was replaced and China’s state-owned conglomerate Citic Group took over CEFC Czech Assets. Definitely such incidents and the lack of Chinese green-field investments in the country do not contribute to the improvement of China’s image but on the contrary to its deterioration.

**Slovakia** discovered the potential of China as a new source of investment and destination for its exports more than ten years ago, in 2007, when the Prime Minister at that time, Robert Fico visited China (Turcsányi, 2017). The current Prime Minister, Peter Pellegrini is also optimistic about the potential of Sino-Slovakian cooperation. Infrastructure development remains a key objective, as indicated by his support for the idea of attracting Chinese funds for the project of the high-speed railway connecting Budapest, Bratislava, Brno and Warsaw, a “typical Visegrád project”.<sup>7</sup>

Slovakia is the only country in CEE to have a specific “China strategy” (Turcsányi, 2017). It adopted the strategic document on China in April 2017, its only one referring to a single country, titled “Conception of Developing the Economic Relations between Slovak Republic and People’s Republic of China for 2017-2020” under the auspices of the Ministry of the Economy (Kironska, 2018). In order to contribute to the development of a 16+1 knowledge-based society, Slovakia launched the Virtual Centre for Technology Transfer in Bratislava and hosted the second edition of the Innovation Forum in Bratislava in November 2017.

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<sup>7</sup> Please consult: <http://enrsi.rtvs.sk/articles/topical-issue/169121/slovak-chinese-cooperation-debated-in-bulgaria>, <https://hungarytoday.hu/v4-build-express-railway/>.

Turcsányi (2017) comments that Slovakia has generally a “pragmatic depoliticized approach to China” as its relationship with China is “fuelled less by high-level political support and more by a pragmatic push from business sectors and economic ministries”.

However Slovakia has not been able to implement infrastructure projects with Chinese funds or to export much more to China or to become an important transportation route linking China to Western Europe (Turcsányi, Šimalčík, 2018).

### 3.4. Romania and Bulgaria

During 2012-2015, the **Romanian government** strongly supported bilateral cooperation with China and proposed many plans as part of the 16+1 cooperation framework (especially in the field of energy and infrastructure) but in the following years none of the proposals has been implemented. After the change of government in 2015, official declarations present cooperation with China and Chinese investment as welcome however there are no relevant implemented projects until now. During the Sofia 16+1 summit of July 2018, it was signed a Memorandum of Understanding between the Romanian Ministry of Transportation and the Chinese National Development and Reform Commission, mirroring the interest of both partners to strengthen cooperation in the fields of transport and infrastructure. Bucharest hosts already the Centre for Dialogue and Co-operation in Energy. As one of the strongest Euro-optimists, Romania might have been discouraged to implement its projects with China by constant criticism of China from Brussels.

As highlighted by a previous section and Chart 3, Romania is one of the CEE countries with the highest percentages of positive views on China but this does not reflect a high level of bilateral cooperation intensity.

Before the 16+1 summit in Sofia in July 2018, **Bulgaria** was perceived as a “follower” among the CEE-16 as regards cooperation intensity with China. It was exactly that latest summit revealing Bulgaria as one of the strongest supporters of cooperation with China. Since 2014, when President Xi Jinping and the Bulgarian Prime Minister Boyko Borissov jointly announced in China the “establishment of China-Bulgaria comprehensive friendly cooperative partnership”, Bulgaria has actively participated at the 16+1 platform but not with the actual enthusiasm. In July 2018, marking the first visit of the Chinese Prime Minister Li Keqiang in Bulgaria (and the first visit to Bulgaria paid by a Chinese premier in 18 years),<sup>8</sup> Prime Minister Boyko Borissov made relevant statements: (1) “Bulgaria and its people like the Chinese people”; (2) Both sides “have the rare opportunity to develop industrial, economic and business relations, with a pragmatic approach and in keeping with the EU rules”; (3) the 16+1 has the goal to “help the less advanced countries increase their GDP and people’s incomes... This is not a geopolitical alliance and it is not opposing anyone in Europe, it only seeks to improve people’s economic welfare.”<sup>9</sup>

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<sup>8</sup> <http://europe.chinadaily.com.cn/a/201807/05/WS5b3e2400a3103349141e0fba.html>.

<sup>9</sup> <http://www.bta.bg/en/c/DF/id/1833068>.



In spite of Bulgaria's openness towards China, the recent withdrawal of the HNA Airport Group (part of the private Chinese conglomerate HNA Group) from the 35-year concession to run the Plovdiv airport and invest EUR 79 million (USD 91 million) during 2018-2053 casts doubt on the durability of Chinese commitments. If such situations become a leitmotif, even if they are cases from the private sector, the confidence in China will be undermined and the lack of trust will have major consequences not only on the way China is perceived in the region, but also on the Chinese activities as a whole, as suspicion and mistrust will become the most significant barrier in doing business in this region.

#### **4. Conclusions**

We live in the era of “contest of competitive credibility”, when “narratives become the currency of soft or attractive power” (Nye, 2010). In order to better understand this assertion, we paraphrase Bardin H. Nelson. If China presents itself as a “sun that warms you” and the established powers (such as EU partners and US), on the contrary, assert that China is “the sun that burns you”, which image is more credible? Definitely “the sun that burns you”. We must come in contact with the “sun” in order to decide whether it burns or it warms us. 16+1 framework is a way to do that.

As attitudes towards a specific country among the foreign publics are generally subjective, it is required to intensify the CEE-China direct contacts, for instance via people-to-people exchanges and by means of the direct contact of the people in the region with the Chinese high quality and innovative products. But even more important than the two factors mentioned before are successfully implemented projects as part of 16+1<sup>10</sup>, in consensus with the expectations of the population majority in these countries. Flagship implemented projects are still missing and in the long run their absence or abundance will be the key element in evaluating the success of the 16+1 cooperation framework and also the key determinant of China's image in CEE.

Among important stimulating factors for people-to-people exchanges are the Hainan-visa-free entry program for 59 countries (including all the CEE-16) and success stories of the “Chinese” markets in Europe (see for instance the Polish Wolka Kosowska market) but also the fairs and exhibitions encouraging also a direct contact with Chinese goods, services, traditions and culture. Beside fairs organized in China such as the China-CEEC Investment and Trade Expo in Ningbo (since 2015) and China International Import Expo (since 2018), for China's image the fairs organized in CEE are more important. Among these there are worth mentioning: China Brand Show editions in Poland and Hungary, China Higher Education Exhibition in Poland, exhibition of Chinese companies and the China-CEEC Agriculture Investment and Equipment Cooperation Fair held during the Economic and Trade

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<sup>10</sup> Platform of cooperation initiated by China in relationship with 16 CEE countries (CEE-16): Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia and Slovenia.

Fair in CEE countries, the establishment of the 16+1 International Agricultural Demonstration Zone in Plovdiv, Bulgaria (as this country hosts the China-CEEC Association for the Promotion of Agricultural Cooperation), dance and martial arts summer camps and so on.

Publics' opinions are influenced by general factors related to a country's image but also by the openness of the government towards cooperation with China, the way it is reflected in mass media and especially by the degree of implementation of joint projects, goals and targets. At the same time, the relationship between CEEs and China should be analyzed taking into account some of these countries' recent change of opinion towards the EU, their ambition to leave the EU economic periphery and to become less dependent on the EU internal market and funds. From this perspective, China's economic advances represent an advantage it turns to good account in bilateral relations with CEE countries even if not at the expected speed and intensity.

A major threat for the 16+1 cooperation framework is the slow pace of implementing joint projects. This slow pace generates discrepancies between expectations and achievement. But this is not unusual. China is ready to understand and comply with EU rules and norms as underscored by the establishment of a Global Partnership Centre of CEECs and China, which was agreed at the 16+1 summit in Sofia in July 2018. But definitely it takes time. 16+1 countries should not be discouraged by critiques expressed by business representatives, scholars, experts and journalists as long as there are good cooperation projects and governments support this cooperation framework. 16+1 has strong and stimulating networking effects and it will be able to generate the necessary patience until the fruits get ripe.

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**About the author:**

Iulia Monica Oehler-Șincai, Institute for World Economy (IWE), Romanian Academy, [monica.oehler@iem.ro](mailto:monica.oehler@iem.ro)