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## Testimony before the U.S.-China Economic and Security Review Commission Hearing on "Europe, the United States and Relations with China: Convergence or Divergence?"

Thank you for offering me the opportunity to present to the Committee my views on the Czech Republic's foreign policy towards China and the Czech contribution to EU and NATO positions on China. The insights and analysis I present in both written and oral testimony are derived from extensive research conducted through two international projects that I lead, namely MapInfluenCE and China Observers in Central and Eastern Europe (CHOICE).<sup>1</sup> These projects comprehensively map and analyze China's activities and footprint in the region of Central and Eastern Europe.

## Introduction

The current Czech coalition government, which took office in December 2021 under the leadership of Prime Minister Petr Fiala, has shown a notable degree of skepticism towards the People's Republic of China. This skepticism has been reflected in the government's announcement of its intentions to revise the country's China strategy, suggesting a departure from the approach taken by previous administrations, and also by the former Czech President Miloš Zeman.<sup>2</sup>

In a parallel process, the Czech Republic undertakes the revision of its security strategy. A noteworthy aspect of the drafted document is its **explicit recognition of China as a "security threat", alongside Russia**.<sup>3</sup> By openly designating China as a security threat, the Czech Republic signals its concerns regarding a range of issues, including China's interference in democratic processes in the Czech Republic, China's pro-Russia neutrality in the war in Ukraine as well as its expansionist tendencies and their potential implications for regional stability in the Indo-Pacific. This development underscores the evolving perception of China's role by the Czech Republic and emphasizes the need for a comprehensive approach that addresses the challenges posed by both Russia and China.

The recent election of President Petr Pavel, a former Chairman of the NATO Military Committee, has further bolstered the government's position. President Pavel has exhibited a supportive stance towards strengthening the Czech Republic's ties with Taiwan, as evidenced by his acceptance of a congratulatory call from the Taiwanese president Tsai Ing-wen shortly after his election.<sup>4</sup> Notably, President Pavel has also expressed his willingness to meet with President Tsai in some capacity.

Even more willingness to openly engage with Taiwan has been exhibited by the Czech legislators. In March 2023, Markéta Pekarová Adamová, the Czech Speaker of the Chamber of Deputies, spearheaded a delegation from the Czech Republic to Taiwan.<sup>5</sup> This delegation, consisting of 150

<sup>3</sup> Kateřina Gruntová, "Jasně a konkrétně. Česko poprvé označí Rusko a Čínu jako bezpečnostní hrozbu [Clearly and concretely. Czechia will name Russia and China security threats for the first time]," *iRozhlas*, May 8, 2023, <u>https://www.irozhlas.cz/zpravy-domov/cina-rusko-hrozba-dokument-strategie-ministerstvoobrany-jan-jires\_2304080500\_gut.</u>

<sup>4</sup> Daniela Lazarová, "Czech president-elect causes stir with call to Taiwan," *Radio Prague International*, January 31, 2023, https://english.radio.cz/czech-president-elect-causes-stir-call-taiwan-8773809.

<sup>5</sup> Kuo Chien-shen, Lai Yu-chen and Sean Lin, "Czech lower house speaker Adamová in Taiwan with huge delegation," *CNA*, March 25, 2023, https://focustaiwan.tw/politics/202303250015.

<sup>&</sup>lt;sup>1</sup> <u>www.mapinfluence.eu</u>, <u>www.chinaobservers.eu</u>

<sup>&</sup>lt;sup>2</sup> "Programové prohlášení vlády České republiky [Program Statement of the Government of the Czech Republic]," Government of the Czech Republic, January 2022, https://www.vlada.cz/cz/programove-prohlaseni-vlady-193547/.

members, was the largest ever in the history of bilateral relations between the two nations. Significantly, the delegation comprised not only businesspersons, politicians, academics, and journalists, but also included the directors of the Czech intelligence service and the Czech cybersecurity watchdog.<sup>6</sup> The visit can be interpreted as a clear indication of the Czech Republic's evolving stance and willingness to deepen its relations with Taiwan beyond their purely economic and cultural dimensions.

## Domestic drivers of the Czech Republic's China policy

To fully comprehend the current policy stance of the Czech politicians towards China, it is important to consider the domestic political context and the historical narrative that has shaped Czech perceptions of China.

Since gaining independence in 1989, China has been a recurring but relatively peripheral topic in domestic Czech political debates. The foundations of Czech foreign policy were established by President Václav Havel and his administration, who drew upon their direct negative experience with communism. Consequently, China was viewed through the lens of the Czech historical narrative, seen as an authoritarian regime with morally objectionable policies and initiatives that warranted opposition rather than acceptance.<sup>7</sup>

This perspective also encompassed Tibet and Taiwan, which were perceived as kindred spirits facing common challenges, being smaller entities surrounded and threatened by a larger authoritarian regime. The historical memory of Czechoslovakia's occupation by Nazi Germany on the eve of World War II and later the events of the Prague Spring in 1968, ended by the military intervention of the Warsaw Pact troops, holds significant influence over the interpretation of contemporary international affairs among Czech politicians and the general public.

However, the longstanding value-based approach towards China showed first cracks during the economic slowdown at the end of 1990s and further eroded during the financial crisis of late 2000s, prompting political representatives to gradually embrace a more favorable view of China as an economic opportunity for struggling Czech companies.<sup>8</sup> In 2013, the Social Democratic government, with the support of President Miloš Zeman, announced the policy of "restart" in the Czech Republic's relations with China, emphasizing economic engagement aimed at benefiting Czech businesses operating in the Chinese market.<sup>9</sup>

At the same time, China started displaying interest in the markets of Central and Eastern Europe, and initiated an establishment of the so-called "16+1 platform"<sup>10</sup>, seeking to diversify its exports, which had been impacted by declining demand for Chinese goods in Western markets following the financial crisis. This mutual economic interest served as a catalyst for a shift in the Czech Republic's perception of China, from an instinctively critical stance to a position that focused on potential benefits of closer economic ties.

<sup>8</sup> Ibid.

<sup>9</sup> "Restart spolupráce mezi Českou republikou a Čínou [Restart of cooperation between the Czech Republic and China]," Government of the Czech Republic November 12, 2013, https://www.vlada.cz/cz/media-centrum/aktualne/restart-spoluprace-mezi-ceskou-republikou-a-cinou--113297/.

<sup>10</sup> 16 European nations joined the initiative in 2012, i.e. Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovakia and Slovenia, and the grouping started to be known as "16+1". In 2019, Greece joined the format. In 2021, Lithuania stoped participating, followed by Estonia and Latvia in 2022. The current number of European countries in the format for cooperation with China is 14.

<sup>&</sup>lt;sup>6</sup> Ondřej Kundra, "Ředitel BIS jede na Tchaj-wan [Director of Security Information Service travels to Taiwan]," *Respekt*, March 22, 2023, https://www.respekt.cz/agenda/respekt-reditel-bis-jede-na-tchaj-wan.

<sup>&</sup>lt;sup>7</sup> Ivana Karásková, Alžběta Bajerová and Tamáš Matura. *Images of China in the Czech and Hungarian Parliaments* (Prague, Czech Republic, Association for International Affairs (AMO), 2019).

Following the "restart" of Czech-China relations, a period of apparent harmony and narratives of mutual profitability unfolded between the two governments. Despite that, the China-skeptic voices that had dominated the Czech-China debate prior to this period did not fade away. Instead, they found new avenues to criticize the government's handling of the relations with China, highlighting questionable connections between Czech politicians and the pro-China business lobby, which they painted as murky clientelist structures. Furthermore, these critics made a concerted effort to ensure that human rights concerns remained at the forefront of the discourse.<sup>11</sup>

This tension led to a conceptual deadlock on foreign policy towards China among political parties and individual policymakers. Advocates of economic benefits criticized the principled stance grounded in a human rights-oriented approach, which is deeply ingrained in modern Czech political tradition, deeming it impractical. On the other hand, those who supported closer economic ties with China were instinctively accused of endorsing morally compromised positions. The attractiveness of the China issue quickly became apparent to political parties, the media, and the general public, resulting in frequent discussions thereof during Czech parliamentary and presidential campaigns.

This deadlock has created a complex and contentious landscape where different perspectives clash, reflecting the challenges of reconciling economic interests, human rights concerns, and domestic political calculations in Czech foreign policy towards China.

Within this complex context, it is noteworthy that proponents advocating for enhanced economic cooperation with China have not vanished from the ongoing discourse, despite their current marginalization. Their perspective remains grounded in the rationale of pursuing closer ties with China for economic benefits. It is important to recognize that the Czech elites, when considering their position on Taiwan, have approached the issue not solely from the perspective of Taiwan's democratic status, but also as an economic opportunity. The emphasis on economic considerations underscores the multifaceted nature of the Czech Republic's approach to China, where strategic and value-based calculations intertwine with economic motivations. By acknowledging these dynamics, a more comprehensive understanding of the factors influencing Czech foreign policy in relation to both China and Taiwan can be constructed.

In addition to the values-based and economic arguments surrounding China, the Czech Republic has engaged in a significant discourse highlighting the security challenges posed by China, particularly in the realm of cybersecurity. The Czech Republic has actively contributed to the discussion on China by emphasizing its role as a cyber actor and the potential threats it poses to national security.<sup>12</sup>

In late 2018, the Czech Republic's state agency, the National Authority on Cyber and Information Security (NÚKIB), took a significant step by issuing a public warning<sup>13</sup> specifically targeting Chinese telecom companies, ZTE and Huawei. This move positioned the Czech Republic as an early skeptic in the broader European discourse regarding the involvement of Chinese telecom companies in 5G networks. The warning from NÚKIB prompted a proactive response from the Czech government, leading to a comprehensive evaluation of the utilization of ZTE and Huawei products in the networks of state institutions covered by the cybersecurity law. As a result, Huawei

<sup>13</sup> "Varování", NÚKIB, December 17, 2018, https://nukib.cz/download/uredni\_deska/Varovani\_ NUKIB\_2018-122-17.pdf.

<sup>&</sup>lt;sup>11</sup> Ivana Karásková, Alžběta Bajerová and Tamáš Matura. *Images of China in the Czech and Hungarian Parliaments* (Prague, Czech Republic, Association for International Affairs (AMO), 2019).

<sup>&</sup>lt;sup>12</sup> Summary of the debate e.g. Petr Lang, Tomáš Koutský, and Ondřej Černý, *Nejen Huawei: čínské firmy a naše bezpečnost* [Not just Huawei: Chinese companies and our security] (Prague, PSSI, 2020), https://www.pssi.cz/download//docs/8096\_studie-nejen-huawei.pdf.

was excluded from participating in tenders for the construction of a tax portal<sup>14</sup> and the implementation of body scanners at Prague's Václav Havel airport.<sup>15</sup>

The Czech Republic's cautious approach to Chinese telecom companies continued to evolve. In May 2019, the international conference on the security of 5G networks held in Prague resulted in the formulation of the "Prague Proposals."<sup>16</sup> These proposals aligned with the rationale behind NÚKIB's warning, focusing on non-technical aspects, such as political and economic behavior, when assessing the risks associated with foreign vendors. By broadening the scope beyond technical considerations, the Czech Republic emphasized the significance of evaluating the potential risks posed by Chinese telecom companies based on a comprehensive analysis of their political and economic conduct.

Building upon these developments, the Czech Republic further solidified its stance on 5G security by signing a joint declaration with the United States in 2020.<sup>17</sup> This declaration underscored the shared concerns regarding the security of 5G networks and demonstrated the Czech Republic's commitment to working closely with the United States to address these issues.

To sum up, as a result of this dynamics, a part of the Czech electorate which voted for the current Czech government expects a cautious and principled approach towards China, one that takes into consideration concerns over human rights and potential threats to national sovereignty, while also expecting economic benefits stemming from increased cooperation with Taiwan.

# Participation in the format for cooperation between China and Central and Eastern Europe: economic and political rationale

A decade ago, China established its foothold in Central and Eastern Europe through the "16+1 format" of cooperation. This initiative aimed at diversifying trade routes for Central and Eastern European countries, which traditionally had strong ties with powers such as Russia, Germany, and the United States. Initially, the Central and Eastern European countries welcomed China's interest, viewing it as an opportunity for economic diversification and increased Chinese investment in their respective countries.<sup>18</sup>

Previous Czech governments regarded the format as a strategic mechanism to maintain China's interest in the country. Participation in the format for cooperation with China was expected to provide the Czech Republic with privileged access to influential circles within the Chinese political establishment, positioning Prague as a pivotal gateway for China's engagement with Europe. This sentiment was strongly articulated by former Czech President Miloš Zeman, who emphasized the country's potential role as "China's gateway to Europe."<sup>19</sup>

<sup>16</sup> "Prague 5G Security Conference announced series of recommendations: The Prague Proposals," Government of the Czech Republic, May 3, 2019, https://www.vlada.cz/en/media-centrum/aktualne/ prague-5g-security-conference-announced-series-of-recommendations-the-prague-proposals-173422/.

<sup>17</sup> "Babiš a Pompeo na dálku podepsali deklaraci k mobilním sítím 5G," *Seznam Zprávy,* May 6, 2020, https://www.seznamzpravy.cz/clanek/babis-a-pompeo-na-dalku-podepsali-deklaraci-k-mobilnimsitim-5g-104523.

<sup>18</sup> Ivana Karásková, Alicja Bachulska, Ágnes Szunomár, and Stefan Vladisavljev (eds.). *Empty shell no more: China's growing footprint in Central and Eastern Europe* (Prague, Czech Republic, Association for International Affairs (AMO), 2020).

<sup>19</sup> Jason Hovet and Jan Lopatka, "Chinese, Czech presidents forge strategic partnership on Prague visit," *Reuters*, March 29, 2016, https://www.reuters.com/article/us-czech-china-idUSKCN0WV1F0.

<sup>&</sup>lt;sup>14</sup> Jason Hovet and Robert Muller, "China's Huawei excluded from Czech tax tender after security warning", *Reuters*, January 30, 2019, https://www.reuters.com/article/us-czech-security/chinas- huawei-excluded-from-czech-tax-tender-after-security-warning-idUSKCN1PO10G.

<sup>&</sup>lt;sup>15</sup> "Pražské letiště vyloučilo kvůli bezpečnosti z výběrového řízení skennery od Huawei," *Aktuálně*, August 23, 2019, https://zpravy.aktualne.cz/ekonomika/prazske-letiste-vyloucilo-kvuli-bezpecnost- z-vyberoveho-rize/r~d1f8835ac5c911e9b5e8ac1f6b220ee8/.

Nonetheless, this approach came at a cost. Externally, the remaining EU member states and the European Commission viewed the format as a potential Trojan horse<sup>20</sup> employed by China, raising concerns over its potential to undermine the EU's unity on China-related issues, even if such unity was sometimes perceived as hypothetical. Domestically, the opposition within the Czech Republic not only questioned the ethical implications<sup>21</sup> of engaging with an authoritarian regime but also highlighted the failure to fulfill the promised economic advantages of intensified bilateral ties.<sup>22</sup> Furthermore, the country's counterintelligence service repeatedly sounded the alarm regarding China's expanding influence over domestic politicians.<sup>23</sup> The diligent work of civil society organizations and investigative journalists brought to light instances of China's manipulation of media narratives,<sup>24</sup> infiltration into academic and think tank circles,<sup>25</sup> and attempts to disseminate pro-China narratives through mainstream and 'alternative' media<sup>26</sup> as well as social media platforms<sup>27</sup> in the Czech Republic.

The participation of Central and Eastern European countries in the "16+1" platform was primarily motivated by pragmatic economic considerations rather than a genuine affinity for China. These countries held high expectations for substantial Chinese investment and the resulting economic benefits, but such expectations have not been fully realized. The overall trend of Chinese investment in Europe has been on the decline since 2016, and the Central and Eastern European region received a meager 3 percent share of this investment in 2020.<sup>28</sup>

Analysis of the economic data reveals that prior to the outbreak of the coronavirus pandemic, Chinese foreign direct investment (FDI) in the Central and Eastern European region remained modest and was largely concentrated in a select few countries, namely Hungary, the Czech Republic, and Poland. Other countries in the region did not witness significant investments, particularly in sectors with higher value-added potential.<sup>29</sup> It appears that Central and Eastern

<sup>21</sup> Ivana Karásková, Alžběta Bajerová and Tamáš Matura. *Images of China in the Czech and Hungarian Parliaments* (Prague, Czech Republic, Association for International Affairs (AMO), 2019).

<sup>22</sup> MP Jakub Michálek (Pirates) quote, untitled, Demagog, https://demagog.cz/vyrok/18486.

<sup>23</sup> E.g. "Annual Report for 2020", Security Information Service, undated, https://www.bis.cz/public/site/ bis.cz/content/vyrocni-zpravy/ar2020en-2.pdf.

<sup>24</sup> Ivana Karásková, "How China Influences Media in Central and Eastern Europe," *The Diplomat*, November 19, 2019, https://thediplomat.com/2019/11/how-china-influences-media-in-central-and-eastern-europe/.

<sup>25</sup> Alžběta Bajerová, "The Czech-Chinese Centre of Influence: How Chinese Embassy in Prague Secretly Funded Activities at the Top Czech University," China Observers in Central and Eastern Europe (CHOICE), November 7, 2019, https://chinaobservers.eu/the-czech-chinese-centre-of-influence-how-chinese-embassy-in-prague-secretly-funded-activities-at-the-top-czech-university/.

<sup>26</sup> Ivana Karásková (ed.), *From East with Love: Dissecting Pro-China Bias in Czech and Slovak Alternative Media* (Prague, Czech Republic, Association for International Affairs (AMO), 2022), https://www.amo.cz/wp-content/uploads/2022/04/Mapinfluence\_policy-paper\_from-the-east-with-love\_A4\_web\_06.pdf.

<sup>27</sup> Filip Šebok and Ivana Karásková, Chinese propaganda on COVID-19: Eldorado in Czech cyberspace, In: Ivana Karásková (ed.) *China's propaganda and disinformation campaigns in Central Europe* (Prague: Czech Republic, Association for International Affairs (AMO), 2020), p. 9-12.

<sup>28</sup> Agatha Kratz, Max J. Zenglein, and Gregor Sebastian, "Chinese FDI in Europe: 2020 Update", MERICS, June 16, 2021, https://merics.org/en/report/chinese-fdi-europe-2020-update.

<sup>29</sup> Ivana Karásková, Alicja Bachulska, Ágnes Szunomár, and Stefan Vladisavljev (eds.). *Empty shell no more: China's growing footprint in Central and Eastern Europe* (Prague, Czech Republic, Association for International Affairs (AMO), 2020).

<sup>&</sup>lt;sup>20</sup> Alicja Bachulska, "Central and Eastern Europe is no Chinese Trojan horse," *East Asia Forum*, December 5, 2020, https://www.eastasiaforum.org/2020/12/05/central-and-eastern-europe-is-no-chinese-trojan-horse/.

European governments may have presented an exaggerated depiction of China's presence, as the reported figures often included planned investments that ultimately failed to materialize.<sup>30</sup>

In the case of the Czech Republic, an examination of trade data reveals the significant importance of China as a trading partner for the country. China ranks as the Czech Republic's second-largest economic partner, following Germany. In 2022, the total trade between the Czech Republic and China amounted to 26.9 billion EUR, with imports accounting for 25 billion EUR.<sup>31</sup> Conversely, the total trade with Taiwan reached 1.67 billion EUR, with imports dominating at 1.37 billion EUR.

However, a closer look at investment data reveals a different picture. Taiwanese investments in the Czech Republic have been responsible for creating more jobs between 1993 and 2020, with 24,000 jobs generated compared to the approximately 4,200 jobs<sup>32</sup> created by Chinese investments in the country. This underscores an argument put forth by some Czech politicians, suggesting that Chinese investments have primarily taken the form of mergers and acquisitions, rather than contributing significantly to the creation of new job opportunities.

In contrast, Taiwanese company Foxconn not only serves as a significant employer in the Czech Republic but also stands out as the country's second-largest exporter. According to the Czech national investment agency, inward investment figures reveal that Taiwan has outpaced China, with 792 million EUR invested in the Czech Republic compared to China's 505 million EUR, spanning the period from 1993 to 2020.<sup>33</sup>

The growing disillusionment arising from the perceived lack of tangible outcomes from the cooperation with China has been exacerbated by China's response to political challenges. China has displayed readiness to employ political intimidation towards countries that prioritize relations with Taiwan. An illustrative example is the case of Miloš Vystrčil, the President of the Czech Senate, who faced warnings of paying a "heavy price" following his official visit to Taiwan in 2020.<sup>34</sup> Similarly, Lithuania encountered economic sanctions as a consequence of its decision to establish the Taiwanese Representative Office in Vilnius in 2021, diverging from the commonly used title of Taipei Economic and Cultural Office (TECO).<sup>35</sup> These instances highlight China's assertive approach in exerting pressure on countries that engage with Taiwan, adding to the existing disillusionment and skepticism surrounding the outcomes of China-related engagements.

The more assertive diplomatic approach adopted by China, coupled with the perceived lack of economic benefits resulting from cooperation, has significantly impacted the platform for collaboration among Central and Eastern European countries. The repercussions of these factors

<sup>31</sup> UN ComTrade Database, https://comtradeplus.un.org/TradeFlow? Frequency=A&Flows=X&CommodityCodes=TOTAL&Partners=156&Reporters=203&period=2022&Aggregat eBy=none&BreakdownMode=plus.

<sup>32</sup> "Vystrčilova cesta na Tchaj-wan neohrozila čínské investice. Dopady jsou zanedbatelné, tvrdí Czechlnvest [Vystrčil's trip to Taiwan did not endanger Chinese investment. The impact is negligible, says Czechlnvest]," *iRozhlas*, August 27, 2021, https://www.irozhlas.cz/zpravy-domov/milos-vystrcil-tchaj-waninvestice-czechinvest-predseda-senatu\_2108271320\_pat.

<sup>33</sup> Ibid.

<sup>34</sup> Ben Blanchard and Yew Lun Tian, "Czech senate speaker will pay 'heavy price' for Taiwan visit, China says," *Reuters*, August 31, 2020, https://www.reuters.com/article/uk-taiwan-czech-china/czech-senate-speaker-will-pay-heavy-price-for-taiwan-visit-china-says-idUKKBN25R02W.

<sup>&</sup>lt;sup>30</sup> Chinese Investment in Central and Eastern Europe, CEECAS, undated, https://www.china-cee-investment.org/.

<sup>&</sup>lt;sup>35</sup> Matthew Reynolds and Matthew P. Goodman, "China's Economic Coercion: Lessons from Lithuania," Center for Strategic and International Studies (CSIS), May 6, 2022, https://www.csis.org/analysis/chinas-economic-coercion-lessons-lithuania.

became evident when Lithuania made the decision to withdraw from the platform in May 2021,<sup>36</sup> followed by Estonia and Latvia in August 2022.<sup>37</sup> There were also expectations that the Czech Republic, due to the critical stance expressed by members of the current coalition government, would eventually follow suit. However, the significance of this issue has been somewhat diminished, as neither of the governing parties had explicitly pledged to discontinue participation in the format in their political programs published prior to the general elections in 2021.<sup>38</sup> The current Czech government perceives the format as inactive. The Deputy-Minister of Foreign Affairs, Jiří Kozák, hinted in February 2023 that an exit from the platform may be expected when he said: "The 14+1 format did not meet expectations. Our participation does not make sense and we are therefore preparing a response to this question for the forthcoming review of relations with China. For us, there is currently no benefit in participating and we are not participating in any current events."<sup>39</sup>

### The war in Ukraine as a factor shaping perception of China in Central and Eastern Europe

The shifting perception among Central and Eastern European countries, with the exception of Hungary and Serbia, towards cooperation with China reflects their growing recognition of the potential illusory nature of the economic benefits promised by such collaboration. Moreover, these countries are increasingly acknowledging the significant political and security risks associated with strengthening ties to China.

The concerns of Central and Eastern European countries have been further exacerbated by China's support for Russia's opposition to the enlargement of NATO. This support was evident in the joint communiqué<sup>40</sup> signed by Xi Jinping and Vladimir Putin on February 4, 2022, on the sidelines of the Olympic Games in Beijing. The cryptic statement expressed China's "sympathy for and support of the Russian Federation's proposals to establish long-term legally binding security guarantees in Europe". Central and Eastern European countries quickly interpreted this as an endorsement of Russia's demands to revert NATO borders to the pre-1997 situation.

In essence, China's backing of Moscow's December proposals aligns with Putin's call for NATO to withdraw troops and weapons from significant portions of Eastern Europe, including countries such as Poland, the Czech Republic, Slovakia, and the Baltic states.<sup>41</sup> This development has heightened concerns within Central and Eastern Europe and has prompted a reassessment of their engagement with China, as it is perceived as indirectly supporting Russian efforts to reshape NATO's security architecture.

China's decision to support Russia's assertions regarding the redesign of the European security architecture has exacerbated the region's growing concerns regarding China's intentions. Beijing's choice of backing Russia stroke a particularly sensitive nerve. Central and Eastern European

<sup>36</sup> Stuart Lau, "Lithuania pulls out of China's '17+1' bloc in Eastern Europe," *Politico*, May 21, 2021, https:// www.politico.eu/article/lithuania-pulls-out-china-17-1-bloc-eastern-central-europe-foreign-minister-gabrielius-landsbergis/.

<sup>37</sup> Stuart Lau, "Down to 14 + 1: Estonia and Latvia quit China's club in Eastern Europe," *Politico*, August 11, 2022, https://www.politico.eu/article/down-to-14-1-estonia-and-latvia-quit-chinas-club-in-eastern-europe/.

<sup>38</sup> Ivana Karásková, "As Czechs Head to the Polls, China Remains on the Margins," China Observers in Central and Eastern Europe (CHOICE), October 8, 2021, https://chinaobservers.eu/as-czechs-head-to-the-polls-china-remains-on-the-margins/.

<sup>39</sup> "Česko zvažuje, že vystoupí z platformy 14+1 [The Czech Republic is considering withdrawing from the 14+1 platform]," *Deník N*, February 20, 2023, https://denikn.cz/minuta/1084594/.

<sup>40</sup> "Joint Statement of the Russian Federation and the People's Republic of China on the International Relations Entering a New Era and the Global Sustainable Development," President of Russia's office, February 4, 2022, en.kremlin.ru/supplement/5770.

<sup>41</sup> Patrick Reevell, "Russia makes sweeping demands for security guarantees from US amid Ukraine tensions," *ABCNews*, December 7, 2021, https://abcnews.go.com/International/russia-makes-sweeping-demands-security-guarantees-us-amid/story?id=81821816.

countries view NATO, and by extension the United States, as a crucial security guarantor. Their prioritization of security is deeply rooted in their historical memory, which has been shaped by the experience of subjugation under Nazi Germany and the Soviet Union in the previous century. For these countries, security is non-negotiable, whereas economic preferences may be subject to debate and restructuring based on political considerations.

The Russian invasion of Ukraine served as a stark reminder of the importance of security for Central and Eastern European countries in close proximity to Ukraine. It prompted a reassessment of their inadequate military spending. In the Czech Republic it also led to the decision to sign a security cooperation agreement with the United States, enhancing the ties in the defense realm.<sup>42</sup>

### Unique or not? The Czech Republic's view of China in comparison to other EU countries

The proactive and confident foreign policy demonstrated by the Baltic states, Poland, the Czech Republic, Slovakia, and other countries in response to the Russian aggression against Ukraine reflects their desire to play a more active role within the European Union. Previously viewed as lacking ambition to shape EU policies, these countries are now undergoing their own transformative process. Once fully embracing this experience, their concerns may not be limited to Russia alone. If China is perceived as aligning with the Russian objective of pushing NATO back to its pre-1997 enlargement state, it can be expected that Central and Eastern Europe will view Beijing as an explicit threat to their security, a position which the current Czech government seems to adopt in its draft of the revised security strategy.

China has recognized its declining influence in certain Central and Eastern European countries, including the Czech Republic. In response, China attempted to mitigate this trend through a series of "damage control missions" in 2022.<sup>43</sup> However, these efforts were met with reluctance from the local political leaders who showed little interest in engaging with China. Notably, none of the countries in the region hosted a commemoration for the 10th anniversary of the establishment of the cooperation format with China. The inability of China to provide acceptable explanations for its positions has further deepened skepticism and posed challenges to fostering a constructive relationship.

Adding to the concerns of Central and Eastern European countries is the occasional use of blunt, insensitive remarks by Chinese officials. For example, the Chinese Ambassador to France, Lu Shaye, questioned the sovereignty of the post-Soviet republics, which has heightened the distrust felt by these countries towards China.<sup>44</sup> This situation has fueled fears that China may adopt an ultra-realist understanding of international affairs, where the strong exercise their power while the weak suffer the consequences, as famously described by Thucydides.

It is important to note that the perspective held by many Central and Eastern European countries regarding the relationship with China is not universally shared among all EU member states, particularly the larger powers such as Germany and France. These countries argue against a simultaneous deterioration of relations with both China and Russia, given the already existing confrontational dynamics with Russia due to the ongoing conflict in Ukraine. Consequently, the concept of "de-coupling" from China has not gained widespread support within the EU, as it is perceived as being primarily advocated by the United States and not being viable for Europe in the situation of economic interdependence between the EU and China.

<sup>&</sup>lt;sup>42</sup> C. Todd Lopez, "U.S., Czech Defense Leaders Sign Security Agreement," US Department of Defense, May 23, 2023, https://www.defense.gov/News/News-Stories/Article/Article/3404724/us-czech-defenseleaders-sign-security-agreement/.

<sup>&</sup>lt;sup>43</sup> E.g. Noah Barkin, "Watching China in Europe - May 2022", German Marshall Fund (GMF), May 4, 2022, https://www.gmfus.org/news/watching-china-europe-may-2022.

<sup>&</sup>lt;sup>44</sup> Una Aleksandra Berzina-Čerenkova, "Speaking Whose Mind? Why the Consequences of Lu Shaye's Comments Go Beyond the Baltics," China Observers in Central and Eastern Europe (CHOICE), April 25, 2023, https://chinaobservers.eu/speaking-whose-mind-why-the-consequences-of-lu-shayes-comments-are-wider-than-the-baltics/.

Instead, an alternative approach known as "de-risking" has emerged, which was articulated by the President of the European Commission, Ursula von der Leyen, in her speech<sup>45</sup> on March 30, 2023, preceding her visit to Beijing. This concept emphasizes the need to address and mitigate the potential risks associated with engaging China, rather than pursuing a complete disengagement. The term "de-risking" reflects the EU's attempt to navigate its relationship with China in a manner that minimizes potential adverse consequences and promotes more balanced and strategic engagement, though the real implications of the concept may be yet less clear.

## Conclusion

The differing positions within the EU on China highlight the complexity and ongoing debate surrounding the region's approach to China. Some countries, particularly those in Central and Eastern Europe, express growing concerns about China's intentions and its alignment with Russia's objectives. Since Russia invaded Ukraine, these countries, previously viewed as lacking ambition to shape EU policies, have been undergoing a transformative process, exhibiting more agency in formulation of EU foreign and security agenda. Once fully embracing this experience, their concerns may not be limited to Russia alone. If China is perceived as aligning with the Russian objective of pushing NATO back to its pre-1997 enlargement state, it can be expected that Central and Eastern Europe will view Beijing as an explicit threat to their security. Other EU members, however, advocate for a more cautious approach, emphasizing the importance of maintaining dialogue and managing risks without fully severing ties with China. This divergence of perspectives underscores the challenges of forming a harmonized EU policy on China and the complex dynamics at play within the bloc.

Against this backdrop, it becomes important for the United States to seriously contemplate deepening its cooperation with Central and Eastern European allies to effectively tackle the complex and multifaceted challenges presented by China. In the same time, it is imperative to acknowledge, that the United States' endeavors to establish a coordinated strategy to address China's rising influence may encounter resistance from prominent EU member states, notably France and Germany. These economic and political powerhouses are unlikely to wholeheartedly embrace U.S. initiatives if they perceive them as protective measures that undermine their own economic interests.

Given China's significant impact on various aspects of international affairs such as security, trade, and diplomacy, a comprehensive understanding of China's motivations, policies, and actions is vital. Therefore, the United States Congress should advocate for the cultivation of China expertise within European institutions, academia, and policy circles.

Investing in the exchange of China expertise with Europe would yield several benefits for the United States and Europe alike. First and foremost, it would enable policymakers and scholars to gain a more profound insight into China's strategic objectives, helping to identify areas of convergence and divergence between the transatlantic partners. Such enhanced understanding would facilitate the formulation of more informed and effective joint policies and responses to China's evolving role on the world stage.

<sup>&</sup>lt;sup>45</sup> "Speech by President von der Leyen on EU-China relations to the Mercator Institute for China Studies and the European Policy Centre," European Commission, March 30, 2023, https://ec.europa.eu/commission/presscorner/detail/en/speech\_23\_2063.