

Central Europe and China: towards a new relation?

by Thomas Bondiguel

EUROPEUM Institute for European Policy

"If Germany, France, Austria and other EU countries can have normal relations with China, why not us?" Václav Klaus, 2004

The following article will explore the relations between Central European countries and the People's Republic of China over the past few years and the evolution of its dynamics. I will consider the four countries comprising the Visegrád group, namely Poland, Slovakia, Hungary and the Czech Republic, with a focus on the latter. While little has been said recently on the increasing ties between Central Europe and China, the overall Sino-European relations have been topping headlines in Western Europe since the beginning of the 2000s when China joined the World Trade Organisation and won the bid to host the 2008 Olympic Games. For a host of reasons which I will develop later on, Western Europe has been much more attracted to China than Central Europe has, but there are signs that this has begun to change. Common people and politicians alike in the region are starting to discover the economic and cultural giant on the other side of the world. We will first examine the circumstances of the relative indifference which has prevailed between Central Europe and China until recently and we will then see the extent to which the two sides have gotten closer to each other. We will conclude by evoking the possibilities and perspectives opened up by this new relationship.

¹ Translated from Radio Praha French version. « Vaclav Klaus part pour la Chine ». http://www.radio.cz/fr/article/52766. Accessed on March 2nd, 2007.

1. Reciprocal indifference

Over the course of China's long history, the *laowai*² have been successively embodied by medieval merchants from Western coastal cities, Portuguese and French missionaries in the 16th and 17th centuries, Russian traders during the eastward expansion of their empire in the 18th century and finally, by the "colonial" settlers of the mid 19th century until the Chinese Revolution in 1949. During what the Chinese scholars have called the "century of oppression", the powerful and mighty foreigners were Western Europeans, save for the Japanese who had very recently leaped from feudalism to imperialism. Germans held Qingdao, the French had Tianjin, the British annexed Hong Kong and they all carved up a piece for themselves in Shanghai which became the epitome of Western capitalism. When the Communists came to power in 1949, the main objective of the new state was to shed foreign influences and to blame European imperialism as the cause of all its worries. The memory of the 1860 Anglo-French looting of the imperial Summer Palace in Beijing is still very much vivid and remembered. But as much as the Chinese disliked the Europeans for exploiting their country, strong personal and cultural ties had been woven over the centuries between the two sides, especially among the elite. After Orientalism pervaded European salons and courts in the 18th centuries, young Chinese leaders such as the future President Deng Xiaoping, and the future Prime Minister Zhou Enlai, lived and studied in France and the UK in the 1920s. After the fall of the monarchy in 1911, Chinese people increasingly started to import new ideas from abroad, namely the US and Western Europe, while at the same time trying to distance themselves from the West.

Throughout this defining period of Chinese history, at least as far as its relations with the West are concerned, Central Europe has not played a significant role. A major reason was that some of the nations which currently exist, Czechs, Slovaks, Poles for example were encompassed in the continental Austro-Hungarian empire whose colonial expansion occurred at the very expense of those peoples, rather than overseas like the French or British maritime powers. In October 1949, it was not out of enthusiasm that Czechoslovakia and other Warsaw Pact countries were the first to recognize the new Chinese state but rather out of international Communist solidarity. With the break between China and the Soviet Union in 1960, the only country in Europe which retained close links with China was Albania under the schizophrenic

² Colloquial term used in Chinese to refer to foreigners, literally meaning "old from the outside".

rule of Enver Hoxha. The few signs of warming up of the relations in the late 1980s in the wake of the Russian perestroika and the Chinese opening-up policy were short-lived since the 1989 Tiananmen events disrupted these efforts for a decade.

Throughout the 1990s, post-Communist Central European countries indeed did not consider China as a major foreign partner and this, for several reasons: firstly, the very fact that China was still a Communist regime acted as a deterrent for the new Central European leaders who wanted to uphold the idea of democracy, at the image of Václav Havel who refused to visit China during his presidency on the basis of Chinese violation of human rights³. The 1989 Tiananmen bloodshed moreover exacerbated this attitude since it was felt in Central Europe that China remained a brutal and anachronistic Communist regime. Secondly, the whole of the 1990s in Central Europe was spent trying to "catch up" with the West in economic and institutional terms and at the same time turn the back on Russia, this East which had brought a half-century of oppression, and China was therefore included in this perspective. The aim of this "Turn West" policy was to gain security guarantees from Western Europe and above all from the United States, and it is therefore not surprising that the main objectives of Central European diplomacy back then were to join the Western institutions able to provide them with security guarantees: NATO and the European Union. Czech Republic, Poland and Hungary joined the former in 1999 and Slovakia in 2004 and all four countries joined the EU in 2004. Thirdly, internal politics in the newly established democracies played a central role as problems which had been silenced under Communism resurfaced: tensions between Czechs and Slovaks or the question of the Hungarian minority in Slovakia and Romania for instance. This combination of political factors-political issues at home and active diplomacy abroad to integrate Western institutions- meant that China simply was not a priority in political and foreign policy terms all the way into the 2000s.

The economic variables, as to them, largely support this view. Indeed, those countries had to undergo a thorough overhaul of their economic system, and money to achieve this change was no longer flowing from Moscow as in the past but rather from Brussels as part of pre-EU accession funds and from Washington through a number of public and private institutions. Still, it took a full decade to recover pre-1989 industrial levels and to reach cruising speed for internal consumption. In the meantime, China has been undergoing a similar process,

³ Commentary of Rudolf Fürst to Radio Praha at: http://www.radio.cz/en/article/67990. Accessed on February, 28th 2007.

although more challenging given the sheer size of the country and its backwardness prior to the start of new economic policies in the early 1980s. The 1989 events that we mentioned earlier also took their toll politically speaking and China found itself isolated in the early 1990s on the world stage before normal relations resumed in the middle of the decade. For Beijing, this period was still characterised in foreign policy by a 'victim mentality' (shou haizi xintai)⁴ and was still in an aid-receiver relation with the European Union, the United States and Japan which, of course, had for effect to polarise its foreign diplomacy on these three poles. At the turn of the century however, things started to change and there were tell-tale signs that both China and Central Europe were maturing politically and started to find their place on the world stage. With its entry in the WTO and the start of the six-party talks on North Korea, China emerged as a new regional and global power⁵ and it has become clear since then that Chinese leaders have embraced a 'big country mentality' (da guo xintai) which is supposed to reflect, in their view, the due place of China in the world. We can cite in passing a few first telling examples of this new paradigm foreign policy: the creation of the Shanghai Cooperation Organisation with Russia and Central Asian countries so as to ensure its energy security in Central Asia-today's key geopolitical region-; its responsible stance on the North Korea issue, leading to the re-opening of talks in January 2007; the intense diplomatic campaign in Africa to secure its oil and raw materials supply, and, last year, the direct participation of Chinese soldiers and civilians in the U.N peacekeeping forces in Lebanon, a region traditionally far from China's concerns. Besides the economic gains achieved through these new overseas endeavours, Beijing has been creating its own network across the world, from Venezuela to Iran and from South Africa to Russia. This change in foreign policy outlook, based on the adherence to multipolarity (duo jige guandian)⁶, is not so much aimed at checking American hegemony at all costs but rather as re-equilibrating the world in its favour, or in other words, to regain its place on the world stage.

⁴ Term employed by Medeiros and Fravel in <u>China's New Diplomacy</u>, *Foreign Affairs*, November/December 2003. Available at: http://www.foreignaffairs.org/20031101faessay82604/evan-s-medeiros-m-taylor-fravel/china-s-new-diplomacy.html. Accessed on February 28th, 2007.

⁵ As a "responsible stakeholder" in the words of the American State Department

⁶ Without going into details, this notion of Chinese multipolarity has been either challenged or complemented by the multilateralism advocated by the Europeans. For some FP scholars, however, there is little difference while for others, there is a major dialectic and conceptual gap. Refer to the conference on "The International Politics of EU-China Relations" organized at the British Academy in London in April 2006.

2. Change in the 2000s

What of Central Europe then? How does China fit into Central European foreign policy? In parallel, how does this European region, inhabited by 65 million people-the same as an average Chinese province- fit in China's big picture? How can we interpret the recent strengthening in bilateral ties?

The political maturation reached by countries in the Central European region, epitomised by the successful entrance in the European Union in 2004, meant that, once their decade-long goal of joining the EU had been achieved, they could finally widen the scope of their foreign policy. As it is often the case in inter-state relations, trade precedes diplomacy and lays the bases for future policies. As we will see, the new links between Central Europeans and Chinese are not starting from scratch and they already build upon a history of technical and cultural cooperation from the 1950s to the 1980s. However, as the Chinese conducted reforms in the 1990s to transform and modernise their state, Central Europe was in its post-1989 phase, trying to consolidate democracy and the idea of befriending a Communist country on the other side of the world was not the preoccupation of the time. Western European countries, as to them, have already been present in the Chinese market since the 1990s with the implantation of multinational companies like Philips, Volkswagen or Carrefour. This commercial presence has been coupled with an emphasis on 'soft power instruments' designed to attain "a more favourable public opinion and credibility abroad" in the words of Joseph Nye who coined the now famous expression soft power. While it seems that the US has veered back into hard power under the Bush administration, countries of the European Union are using this soft power to the fullest: its cultural representatives such as the Alliance Française or the British Council have mushroomed across the country and are matched by a whole host of cooperation programmes implemented both at the national level and at the Community level. By entering the EU, the 4 Visegrad countries have been exposed to and included into the Brussels strategy towards China. While the EU Council sets the overall political direction of the Union, the Commission is basically in charge of the daily handling of EU-China relations and has the exclusive mandate on trade negotiations. As is always the case in Community matters, the Commission is trying to maximise its influence and to play its mandate to the fullest. Indeed, ever since the first policy paper on China was

⁷ Joseph Nye's <u>Bound to Lead: the changing nature of American power</u>, 1990 quoted by Tysha Bohorquez at: http://www.international.ucla.edu/article.asp?parentid=34734. Accessed on February 28th, 2007.

released in 1995, the Commission has identified China as a major world player and formulated a comprehensive strategy to strengthen the bilateral relations. This interest paid off since, in October 2003, China released its first ever policy paper towards the EU, where it acknowledged the growing importance of the EU as an entity. In 2005, there were 15 Commissioner-level visits to Beijing, reinforced by the multi-annual visits of MEPs⁸ and there has been no sign of slowing down since then. Further indicators that these relations are plowing ahead full speed are the three official strategic policy papers released in six years and a Commission Delegation whose staff was multiplied over sevenfold in fifteen years to cope with the workload. While it is not obvious whether Central European capitals have fully embraced this general enthusiasm towards China, they have at least been exposed to it since 2004 and, to a lesser extent before since they had observer status in the EU Parliament and the Council. The Czech Republic will take over the EU presidency in 2009 and will stand for the interests of the Union at a crucial period when the new Partnership and Cooperation Agreement⁹ should hopefully be finalised¹⁰ and it will also have to uphold the new EU strategy of stepping up on pressure on China to make her respect her WTO commitments¹¹.

It has therefore become increasingly clear for leaders on both sides that they also needed to strengthen their personal links so as to build upon and accompany the dramatic economic progress accomplished over the past fifteen years. This realisation has prompted Central European leaders to shed their attitude which prevailed in the 1990s, characterised by a rejection of China because of its Communist regime. This stance was strongest in the Czech Republic, notably due to the personal policy of Mr. Havel who declined to have exchanges with his Chinese counterpart and who maintained official diplomatic contacts and visits with Taiwanese leaders. He advocated the entry of Taiwan into the United Nations at the 50th anniversary conference of its creation and later invited the then President of Taiwan, Lee

⁸ MEPs members of the Delegation to Relations with China of the European Parliament have started the practice of visiting China at least two to three times a year.

⁹ External Relations Commissioner Ferrero-Waldner's visit to Beijing in January 2007. http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/41&format=HTML&aged=0&language=EN&guilLanguage=en. Accessed on February 28th, 2007.

Negotiations have started in early January and are expected to take two years according to an EU official in Beijing. http://www.chinadaily.com.cn/china/2007-01/18/content_786219.htm. Accessed on March 12th, 2007.
 Refer to the new EU policy paper on China published in October 2006 EU-China, Closer Partners Growing Responsibilities. Available at: http://ec.europa.eu/comm/external_relations/china/docs/06-10-24_final_com.pdf. Accessed on February 28th, 2007.

Teng Hui, as well as the Dalai Lama to the International Forum 2000 held in Prague¹². It is little wonder then that these moves highly outraged the Chinese since Taiwan and Tibet are the two single most sensitive issues in Chinese politics. The notions of sovereignty (zhu quan) and the One-China principle (vi guo vuanli) are indeed the cornerstones of Chinese foreign policy and any foreign meddling in domestic politics is bound to create severe shake-ups in the bilateral relation. This did not seem to matter so much until recently when China emerged as a respected world actor. This worldwide acceptance, and perhaps even more so in Central Europe, has been greatly facilitated by the overall peaceful manner in which the Chinese leaders have conducted their foreign affairs¹³. Chinese officials have especially sought to minimise fears in Western countries of a so-called "China threat" caused by the impressive rise of their country and, as many IR and China experts have pointed out, they have even toned down their national slogan from "peaceful rise" (heping jueqi) to "peaceful development" (heping fazhan). While this dialectic change probably had little direct effect on foreign leaders' perception of China, it might have made it more acceptable for their public opinions to deal with China, despite the ongoing contention over human rights. The old approach has hence given way to a more pragmatic one, more readily based on economic ties to strengthen overall relations between Central European countries and China.

2004 was the turning point in those bilateral relations with Václav Klaus becoming the first ever Czech -and even Czechoslovak- President to visit his Chinese counterpart in April¹⁴. In June of that same year, the Chinese President, Hu Jintao paid a visit to his Polish counterpart in Warsaw and, the Chinese Ministry of Foreign Affairs even declared that, through this meeting, "bilateral relations were upgraded to a friendly partnership of cooperation"¹⁵, which, in lay terms, means that Poland is on track to becoming a trusted and privileged partner of China. Ever since these two landmark visits, the pace of exchanges between high officials from both sides has been maintained at a sustained pace and, most strikingly in the Czech Republic, since, only two months after taking office, then Prime Minister Jiří Paroubek visited his counterpart Wen Jiabao in China in June 2005. This boost in political exchanges has had the desired effect since already in December of that same year; Mr. Wen was in Prague at the

¹² Chinese Ministry of Foreign Affairs. Bilateral relations with Czech Republic. http://www.fmprc.gov.cn/eng/wjb/zzjg/xos/gjlb/3160/default.htm. Accessed on March 2nd, 2007.

¹³ Notwithstanding the unexpectedly strict anti-secession law passed in 2005 or the occasional anti-Japanese rhetoric which were destined to a domestic audience rather than a provocation.

¹⁴ Willoughby, Ian. http://www.radio.cz/en/news/53085#3. Accessed on March 1st, 2007.

¹⁵ Chinese Ministry of Foreign Affairs. Bilateral Relations with Poland. http://www.fmprc.gov.cn/eng/wjb/zzjg/xos/gjlb/3210/default.htm. Accessed on March 1st, 2007.

invitation of his Czech counterpart, to sign a 9-point declaration on bilateral trade and investment¹⁶. The turn-around from what can be qualified as an "idealist policy" to a pragmatic one can best find its expression in the sentence uttered in 2004 by the Czech President Václav Klaus and quoted at the beginning of this essay: "If Germany, France, Austria and other EU countries can have normal relations with China, why not us?" Even though this visit has provoked an outcry in the Czech Republic- and it is not so surprising considering the intensity of the oppression in Communist Czechoslovakia- Mr. Klaus has gone ahead, claiming that, much alike what the Western Europeans are doing, it is better to first build up a friendly and prosperous relationship with China, to then try to influence Chinese domestic politics. This realisation came when the country was entering the European Union and it became clear that it had everything to gain from jumping on the bandwagon and deal with China in a more down-to-earth manner. This new 'enthusiasm' on the Czech side towards still has a shallow basis and relies almost exclusively on business relations and exchanges of high officials. As we will discuss later, cultural and personal links are an essential component to a sustainable development of bilateral relations. Put concretely, this means that the government still has lots of work to do ahead to familiarise the population with the Chinese environment and culture. As it stands now, a good majority of Czechs still view China with a suspicious eye and human rights violations are still the first image that comes to mind when they think of China. This means that some politicians are trying to cash on this popular wariness towards China in order to increase their popularity, thereby defying the official government policy of opening up with the Asian giant. As a matter of fact, the Czech Environment Minister Martin Bursík, put the flag of Independent Tibet on the façade of his ministry for 4 days in early March. This provocative gesture came as supporters of the Tibet cause around the world celebrated the 48th anniversary of the rebellion against Chinese troops in 1959. The move was welcomed by an embarrassed silence in the Czech government and was officially denounced by the Chinese embassy in Prague, thereby signalling that this issue remains very sensitive for both sides. Chinese reactions on the mainland were less consensual with journalists calling this gesture a "ridiculous attempt by a small country to meddle in the internal affairs of a big Asian power".¹⁷.

¹⁶ Rosenzweig, Alexis. http://www.radio.cz/fr/article/73597. Accessed on March 1st, 2007.

¹⁷Kong Tianer. "*Jieke fuzong li zhichi zangdu xuangua xizang zangqi zao zhongfang yanzheng kangyi*". China Web. http://news.163.com/07/0313/10/39F79DI30001124J.html. Accessed March 18th, 2007.

We can then wonder what have these recent manifestations of goodwill and intense diplomatic activity led to. If we look at the trade charts of the concerned countries, there is no denying that the bilateral trade¹⁸ has boomed since the beginning of the 2000s. Indeed, the trade volume has more than quadrupled between 2000 and 2005 in the case of Poland and the Czech Republic but this boom is almost entirely due to the increase in imports from China. The truth of the matter is that trade imbalances have reached new depths, with a record deficit of 3.5bn US dollars and 3.2bn US dollars for 2004 respectively. According to the preliminary estimates of the Czech Trade Ministry¹⁹, the latter figure is even bound to reach a whopping 5.1bn USD for 2006. When we compare this data with the overall Gross Domestic Product data, we realise that the trade deficit of the Czech Republic with China actually represents 1/43rd of its GDP while in the United States, where the issue has reached enormous proportions, the deficit amounts to 'only' 1/55th of the GDP²⁰. This comparison in the case of the Czech Republic shows how trade with China is bound to become an acute political issue in the months and years to come in a country where the Middle Kingdom has been until very recently of little geopolitical and economic relevance.

As the living standards of these countries are fast improving- with a regional average GDP growth around 5-6 percent²¹-, so is their consumption capacity. At a time when China is being urged from all sides to reduce its huge trade surplus, it has become an absolute necessity for its leaders to try and stimulate their domestic consumption. While this process is understandably taking some time - one do not instantly turn 800 million peasants into mallgoers- they need to find new export markets so as not to worsen the already severe surplus they have with their major partners such as Japan, EU-15 and the United States. And this is partly what the wide diplomatic onslaught of the past few years have been about, notably in Africa, Central Asia and Central-Eastern Europe. While some of these efforts have been clearly aimed at securing energy resources, in the case of Central Europe they make sense for a host of reasons. Firstly, trading and investing with these countries which are already in the EU provides a close and easy access to a market of half a billion consumers, and secondly because the workforce is of comparable quality with that of Western Europe but only at a

¹⁸ i.e between China and a country in the Central European region.

¹⁹ Czech Trade Ministry. Trade Statistics. http://www.mpo.cz/dokument16759.html. Accessed March 1st, 2007.

²⁰ Personal calculations established from the trade statistics of the Czech Ministry of Trade, the US Census Bureau and the CIA World Factbook for GDP ppp figures. CZ: trade deficit with China of 5.1 bn\$ for a GDP ppp of 221.4 bn\$ in 2006 and for the US: trade deficit of 232bn\$ for a GDP ppp of 12,980 bn\$.

Wikipedia. Economy of the European Union.

http://en.wikipedia.org/wiki/Economy_of_the_European_Union#Economies_of_member_states. Accessed on March 2nd, 2007.

fraction of the cost of the latter: a worker in Central Europe costs between 4.8 and 6.6 euros per hour while its equivalent costs from 25 to 30 euros per hour in neighbouring Western European countries²². While these costs are still significantly higher than those prevailing in China- the average monthly wage hovers around 100 euros- they offer an interesting trade-off between cost and quality in terms of investment. The countries of the region have started to attract Chinese investment and trade so much that China has become the Czech Republic's second most important import partner²³ in 2006, up from the 12th rank in 2000, and Poland's fifth most important import partner.²⁴

3. Perspectives

As we have mentioned earlier, the soft power instruments used by the Western Europeans have had for effect to reinforce their presence in China, both in respect to the public opinion and to the decision-makers. The Chinese government has started to act likewise since it realised that its *Realpolitik* had to be somewhat tempered, for two reasons: firstly, as we have said before, it is an effort to cut the grass under the feet of the anti-Chinese leaders and opinion-makers in the West and to reinforce its credibility; and, secondly, this move also comes after the realisation that disseminating its culture abroad would stimulate the attractiveness of the country overseas²⁵. Since China has then realised that it needs to accompany its commercial policy by a broader cultural strategy, a number of concrete steps have been taken such as the planned setting up of 100 Confucius Institutes²⁶ worldwide where Chinese language and culture is taught; a marked increase in the number of scholarships for foreign students and the sending of Chinese language teachers abroad. Mastering the Chinese language has become a necessary skill for business in countries such as South Korea and Japan and it appears to be increasingly so in Western countries like the United States where

²² Website of the European Commission. Eurostat. Comparative hourly labor costs in the European Union. http://epp.eurostat.ec.europa.eu/portal/page? pageid=1996,45323734&_dad=portal&_schema=PORTAL&scree_n=welcomeref&open=/C/C4/C43&language=en&product=Yearlies_new_population&root=Yearlies_new_population&scrollto=348. Accessed on March 2nd, 2007.

²³ Czech Trade Ministry Statistics. Ibid.

²⁴ Polish Trade Ministry Statistics.

http://www.mgip.gov.pl/English/ECONOMY/Economic+Analyses+and+Forecasts/. Accessed on March 2nd, 2007. The figures given are only for the year 2004 and they are expected to be higher still in 2005.

²⁵ With this vision of soft and hard power, I do not go as far as Joseph Nye since he directly links the use of soft power with political clout. I borrow this approach to Zaki Laidi, in <u>La Norme sans la Force</u>, Sciences Po Paris, 2005, where he remarks that the massive use of soft power by the United States have not meant a greater worldwide adhesion to their policies.

²⁶ We might remark that naming these Institutes after Confucius, the great classic Chinese thinker, is a way to appear both less Communist and peaceful at the same time since his philosophy was that of harmony and equilibrium between the peoples.

the number of students studying Mandarin has skyrocketed to 50,000 this year, up from 6,000 only in 1998²⁷. As to Central Europe, while we can guess that the numbers are not as dramatic as those quoted above; we can signal a new enthusiasm for the country and a belief that it will bring business opportunities. The use of these cultural instruments however is not as neutral as trade issues and dealing with the Chinese can sometimes prove to be tricky. The Czech Ministry of Foreign Affairs has indeed discovered this first-hand when the proposed establishment of a Czech cultural center in Prague was refused by the Chinese side on the grounds that a Confucius center was not planned in Czech Republic.

Once again, we can ask the question of how Central Europe can advantage of these new opportunities opened up with China. Considering the fact that relations have just recently warmed up, it is not obvious whether cultural endeavours will follow the pace of development which currently prevails in trade and business. The process of fostering cultural ties between the two regions will take understandably some time but we can nonetheless expect and call for the organisation of events such as the "cross-cultural years" which have been held between France, later Italy²⁸, and China since 2003. We can also call for Central European NGOs, associations and universities to take advantage of the range of cooperation programmes with China existing under the umbrella of the European Commission. There is a whole range of programmes especially those aiming at people-to-people exchanges, scientific and technical cooperation where Czech expertise on nuclear technology or Polish experience in agriculture could be useful to Chinese citizens. Another benefit of participating in these Community programmes would to be to develop the network of Small and Medium-sized Enterprises (SMEs) working and exporting to China thanks to the numerous business networking and matchmaking events organised by the EU Commission both in China and in Europe. During the biggest such event organised last year, the EU-China Partenariat 2006, a very small minority of the 400 selected European companies were from Central Europe²⁹. This is just the beginning of a process but actors across the region should be encouraged to take advantage of existing schemes, both in order to increase their business opportunities and to have a better understanding of the Chinese environment. Last but not least, we should not overlook the fact

²⁷ "Mandarin learning soars outside China". BBC News website. http://news.bbc.co.uk/2/hi/asia- pacific/6244763.stm. Accessed March 7th, 2007.

²⁸ http://www.chinadaily.com.cn/english/doc/2006-01/20/content_514002.htm. Accessed March 8th, 2007.

²⁹ Although Czech Republic had the highest number of companies among CE countries

that, the economic structure in Europe being composed at 99 percent³⁰ of SMEs, such EU programmes specifically aimed at SMEs can help Central European companies gain a foothold on the Chinese market, thus leading to more exports and in turn to a potential easing of the trade deficit.

Throughout this brief overview of the new relations between Central Europe and China, we have seen how the past few years have been crucial in laying new bases for these relations. They are far from being comprehensive though and the cultural and cooperation aspect of these relations is still missing. If both sides are to create a sustainable relation, beyond mere trade links however important they might be, one should expect and call for new developments in those spheres. While there is no denying that Central Europe will increasingly be included in the over-arching 'strategic partnership' between the EU and China and advocated by the European Commission, there will still be room for developing bilateral relations between common people and civil society actors. The scope of the present essay being limited, it would be interesting to carry out further research into the current and planned cultural dispositions existing in the framework of these relations, as well as to study the actual population flows in terms of Central European students, scholars, entrepreneurs going to China and vice versa.

³⁰ Speech of EU Trade Commissioner Peter Mandelson during the EU-China Partenariat 2006. http://www.chinadaily.com.cn/home/2006-11/09/content_728930.htm. Accessed on March 8th, 2007.