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Illiberal Rationalism?

The Role of Political Factors in China's Growing (Economic) Footprint in Hungary

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Introduction

In parallel with its increasing global engagements, hallmarked by the 'Going global' (*zhou chu qu*) policy and the Belt and Road Initiative, China has become more active in the Central and Eastern European (CEE) region in the past two decades. Similarly to China's relations with developing and emerging regions, Chinese presence in CEE is characterized by developing trade relations, growing inflows of foreign direct investment (FDI), and recently also infrastructure projects carried out by Chinese companies, financed by Chinese loans (see Knoerich's chapter in this volume). Although when compared to China's economic presence globally or in the developed world its economic impact on CEE countries is still small, it has increased significantly over the past two decades. Since the relationship between China and the CEE region had a rather low profile in previous decades, this was quite a new phenomenon, but not an unexpected one. On the one hand, the transformation of the global economy and restructuring of China's own economy are responsible for growing Chinese interest in CEE, and on the other hand CEE also represents new challenges and new opportunities for China. In line with these challenges and opportunities, China created the 16+1 (later 17+1) platform in 2012—strongly connected to the Belt and Road Initiative (BRI) announced in 2013—to increase cooperation with and its influence in the CEE region. Hence, in addition to economic expansion, China has started to gain a foothold in political terms too.

These trends have inevitably drawn the attention of EU officials and Western European diplomats, scholars, and media to these intensifying efforts and the potential implications on the EU or even globally. According to EU fears, China woos CEE nations, which could result in the EU becoming even more

divided (Karásková et al., 2020). The CEE countries' eagerness for cooperation with China is, however, far from being the same throughout the CEE region: the majority of countries are either cautious of engaging with non-EU players or have reservations about a growing Chinese presence, while a few—such as Hungary or Serbia—welcome the resulting economic and/or political opportunities.

For Hungary, integration to the 'West', into the Liberal International Order (LIO), has been a dream for decades, and has finally come true with NATO (1999) and EU membership (2004). Today, this LIO is in crisis as a result of various political and economic tendencies, including the rise of the 'new authoritarianism' (Ikenberry, 2018: 7) that appears to have become an attractive alternative to liberal democracy, one of the major pillars of the LIO (Mearshimer, 2019: 8). While China has embraced authoritarian rule from the very beginning, Hungary is one of the countries where liberal democracy appears to be in retreat only in the past decade. As many scholars (Buzogány, 2017; Cianetti et al., 2018; Csaba, 2019; Innes, 2015; Wilkin, 2018) point out, Hungary—one of the prominent players in the pro-democracy revolutions of 1989 and the CEE region's liberal transition—has recently shifted from democracy to autocracy. Among other reasons, the fall-out from the new core-periphery cleavage which has emerged in Europe in the wake of the global economic and financial crisis (Bohle, 2018; Gambarotto and Solari, 2015) also pushed the Hungarian government towards illiberalism, as well as towards China (and Russia).

This chapter examines China's growing presence in Hungary by investigating the economic relationship between the two countries, including trade relations and Chinese FDI, as well as infrastructure-related projects. Since the economic rationale seems to be missing in the majority of cases on the Hungarian side, considering the widening of the trade deficit, the low level of Chinese FDI, and an unnecessary but very expensive railway project, the chapter analyses the role of political factors connected to the aforementioned economic relationship. In line with Roy and Hu's (this volume) introduction, the chapter aims to understand the 'illiberal rationale', that is, the genuine motivation behind such a strong commitment of a declaredly illiberal democracy towards an authoritarian political system controlled by the Chinese Communist Party (CCP).

Viktor Orbán, the Prime Minister of Hungary, officially declared in 2014 that Hungary should 'go against the spirit of the age and build an illiberal political and state system' and that this—the thesis of illiberal democracy—'is an acceptable, viable and rational decision not only intellectually, but also from the point of view of a political programme', proclaiming loud and clear

that Christian democracy is not necessarily a liberal but an illiberal democracy (Orbán 2014). This new, illiberal way of thinking that has emerged since 2010 resulted in—among others—centralizing measures pertaining to the whole economy and a shift in Hungary’s foreign policy focus to the East.

Hungary, while being historically, geographically, and politically bounded to Europe and highly dependent on both trade and investment relations with developed, mainly-EU member states, has historically had good political relations with China since the People’s Republic of China (PRC) was established. Moreover, Hungary seems to be committed to Beijing (rather than fellow European countries) even amidst growing European concerns about the various challenges China poses to Europe. Although Hungary is a small country with limited ability to influence global processes, with its illiberal rationalism—including the unduly appreciated and praised China relation—it does contribute to the uncertainties and fragmentation of Europe. Consequently—and ironically—it has a flatly destroying impact on the LIO, to which, not so long ago, it wanted to belong.

When mapping out the rationale behind the above-mentioned Hungarian engagement, it has to be emphasized that although Hungary hosts the majority of Chinese foreign direct investment stock in the CEE region, with a huge trade deficit and decreasing FDI flows, the Chinese-Hungarian relation has been—in the economic sense—less profitable in the past few years. In the meantime, however, the relationship has become more important politically, both for Hungary and for China, which provides a unique interpretation of the Chinese ‘win-win’ concept. The strong China-friendly stance of the Hungarian government provides a valuable European (and member of the EU) partner for China on the one hand, while, on the other hand, Hungary is also happy to have strong non-EU allies—such as China or Russia—that may contribute to the survival of the current political elite. Hungary’s China relation is sometimes used as a bargaining chip when Budapest has tensions with Brussels (see Ferchen et al., 2018; Matura, 2018; Moreh, 2015; Szunomár, 2020), that is, for example, Hungary declaredly considers Chinese capital as an alternative if Brussels takes a firmer stance on Budapest.

Overall, political considerations seem to be more relevant to understanding the Chinese-Hungarian relationship than economic ones, particularly after the formulation of Orbán’s illiberal democracy. However, as Roy and Hu (this volume) suggest in their introduction, the politics of Chinese investment in Europe remains under-researched. To this end, the chapter is structured as follows: the first section gives a brief overview of the history of the relations between Hungary and China; the second part presents the main trends and patterns of economic relations; while the third section analyses the

motivations of both China and Hungary, with a special focus on political rationale. Finally, conclusions will be drawn in order to evaluate the past developments and the future of the relation.

Chinese-Hungarian Relations in Retrospect

After the Second World War, both the People's Republic of China and the Hungarian People's Republic were established in 1949 (20 August and 1 October, respectively). Hungary formally recognized the PRC on 4 October 1949. In the 1950s the relationship began to develop, with a huge number of high-level visits followed by the improvement of economic, political, and cultural ties. Although the Hungarian-Chinese relationship was basically within the Soviet sphere of interest, Hungarian foreign policy did not follow, but rather differed from the policy of Moscow: in international affairs Budapest cooperated closely with Beijing and supported the Chinese position on Tibet, the One China Policy, and the United Nations Security Council membership from the very beginning (Vamos, 2006).

By the end of the 1950s, in line with the Sino-Soviet split, deep ideological differences emerged between the two countries, and in the 1960s—during the Chinese 'cultural revolution'—the relationship became increasingly colder. Later on, with the reorientation of the Chinese Communist Party in 1978 (economic reforms and opening up), the two countries were brought closer together again. The Chinese leadership was genuinely interested in the experiences of the Hungarian economic reform of 1968 (Bod, 2021); therefore a series of expert delegations visited Hungary to study the process of the reform. In the 1980s, state and inter-party relations were normalized, and high-level delegations were reinitiated too. After the democratic transition of Hungary in 1989, the level of contact between the two countries declined again, primarily as a result of the reorientation of Hungarian foreign policy, as more attention was given to Euro-Atlantic interests. For more than a decade, the degree of contact declined to a minimum; however, the relations were still free of tensions, within the framework of cordiality (Szunomár, 2015).

A new fruitful period began after the turn of the millennium, after the Hungarian Prime Minister, Péter Medgyessy, visited Beijing in 2003. In the early 2000s, the Hungarian economy showed a rapid catch-up in regional comparison, the government pursued a policy of stimulating demand, and in addition to developing existing economic relationships with the West it began to look East. This new wave of development was initiated independently by Hungary, as the government recognized that China is an unavoidable player

in the global economy and international politics, while EU membership made Hungary more attractive to China as well (Szunomár, 2015). The government took several confidence-building measures and gestures towards China, including the creation of a new special envoy position within the Prime Minister's Office for the development of Hungarian-Chinese relations and for the coordination of the China-related work of governmental institutions and the public administration. The first results of the new policy were the arrival to Hungary of a branch of the Bank of China (2003), the creation of the Bilingual Chinese-Hungarian Primary School in Budapest (2004), and the launch of a direct flight connection between Budapest and Beijing (2004). Cultural contacts have deepened as well: the first Confucius Institute was established in Budapest in 2006, and four more were opened in the following years.

Although China was neglected by the first Orbán government (1998–2002), it has been receiving special attention from the more populist second, third, fourth, and fifth (2010–2014, 2014–2018, 2018–2022, 2022–) Orbán administrations.¹ Prime Minister Orbán first visited China at the end of 2010. This meeting was returned by premier Wen Jiabao's visit to Budapest in the summer of 2011. Wen made a European tour to three countries only: Hungary, Great Britain, and Germany. His journey started in Budapest and was designed to buy European debts and 'help' Europe by shoring up its investments. These meetings of high-ranking officials were followed by several other visits from both sides in the coming years (Matura, 2018; Szunomár, 2015).

After these visits and steadily strengthening relations, expectations on the Hungarian side were higher than ever. Prime Minister Orbán kept emphasizing the importance of the East even before the elections (and the already mentioned 'illiberal democracy' speech) of 2014 and said that although Hungary's 'ship is sailing in Western waters, the wind blows from the East' (Szunomár, 2015). The domestic media echoed the importance of the country's role as a gateway to China, while the international media reported on the new Chinese-Hungarian 'special relationship', causing mixed feelings among Hungary's neighbours and the EU institutions. Against this background, Hungary launched a new foreign economic policy in the spring of 2012, which aimed to diversify Hungary's foreign economic relations: the 'Eastern opening policy'. Although the Orbán government has emphasized

¹ The illiberal turn as well as the foundations of the current, populist Orbán regime go back to Fidesz's overwhelming success at the 2010 elections, and were consolidated when the Hungarian parliament adopted a new constitution that came into effect on the first day of 2012 (Buzogány, 2017; Krekó-Enyedi, 2018).

that it would like to maintain Hungary's strong and important economic relations with its traditional Western (European) partners, the main objective of this policy has been to reduce Hungary's economic dependence on trade with the West by improving economic relations with the East, particularly China.

Politically Driven Warming Up Resulting in Modest Economic Pay-off

As mentioned above, since the early 2000s Hungary has increasingly perceived China as a country which could bring economic benefits through developing trade relations, growing inflows of Chinese investments, and, recently, also through infrastructure projects carried out by Chinese companies and financed by Chinese loans. This perception, however, does not necessarily reflect the reality when it comes to actual data on trade volume, stock of Chinese FDI, or implemented infrastructure projects (Karásková et al., 2020).

Trade between Hungary and China indeed increased from the early 2000s onwards (relatively fast, from a very low base), coinciding with the accession of CEE countries to the European Union in 2004. When China created the 16+1 initiative (2012), trade volumes went somewhat higher all around the region, including in Hungary, although this increase was not balanced at all: while imports from China increased substantially, the growth of exports to China remained rather modest, and even decreased slightly for a few years after 2014 and 2017, respectively. In 2019, Hungary's exports to China were even below the 2012 level. Consequently, trade deficit increased rapidly, reaching almost 5,500 million USD, meaning that Chinese imports were more than four times higher than exports.

Regarding the structure of trade, the main imports of products from China are similar to most European countries: machinery and electronics. On the export side, Hungary exports to China product groups such as vehicles, machinery, and electronics, mainly produced by multinational companies located in Hungary and not by local Hungarian companies. Although China's hunger for high-quality agricultural products has recently been growing globally, the share of agricultural export is not significant for Hungary, as it is below 3%.

When it comes to FDI, as has been already mentioned, China's economic impact on Hungary, although accelerated significantly in the past decade, is relatively small, with Chinese investments dwarfed, for example, by German companies' investments. When calculating percentage shares based on

OECD statistics, we found that Chinese FDI stocks are around 2.5–3% of total inward FDI stocks in Hungary. It is worth mentioning that (Western) European investors are still responsible for more than 70% of total FDI stocks, while among non-European investors, companies from the United States, Japan, South Korea, or India are typically more important players than those from China.

The main Chinese investors targeting Hungary are primarily interested in telecommunication, electronics, the chemical industry, and transportation. Initially, Chinese investments flowed mostly into manufacturing (assembly), but over time, services have attracted more investment as well. Major investors are Wanhua, Huawei, ZTE, Lenovo, and BYD. The ownership structure of the investing Chinese companies is rather mixed: some are state-owned companies (such as Wanhua or ZTE), some are private firms (such as Huawei or BYD). However, the majority of private companies are so-called national champion companies of China, which assumes the home country's support (and a possible subordination) even if the owner is not directly the Chinese state (ten Brink, 2013).

Considering infrastructure, China has been planning and negotiating several construction projects in Hungary for at least a decade now: a train connection between downtown Budapest and Budapest airport; a bypass ring railway around Budapest; and two airports, in Eastern Hungary (Debrecen) and in Western Hungary (Szombathely), respectively. Yet none of these were realized (Brînză, 2020; Matura, 2018). The Budapest-Belgrade railway—a total section of 350 kilometres of railway between the Hungarian and the Serbian capital cities—seems to be the first project that will finally be implemented. However, several administrative procedures—including the European Commission's probing of Hungarian procurement processes—have delayed the project, which will not be ready before 2023. This is relatively surprising considering the fact that the Hungarian government was very keen on the railway project, and that when it signed the construction agreement in 2014 Prime Minister Orbán called it the most important moment in the cooperation between the European Union and China (Keszthelyi, 2014). The railway modernization is indeed important as well as costly, since Hungary signed a 2.1 billion USD loan agreement with China for this purpose (Ewing, 2020), making it one of the most expensive construction projects in Hungary. So far it seems that Chinese engineers will be responsible for carrying out planning, land surveying, and preparatory work, with Chinese contractors or subcontractors involved in the construction work. The CRE consortium responsible for the design and the reconstruction of the railway consists of three companies, two of them being companies founded for this purpose by

the Chinese in Hungary, and the other one being the holding company Opus Global, controlled by an associate of Prime Minister Orbán (Than-Köműves, 2020).

Exploring the Evolution and Rationale of Engagement on Both Sides

In 2000, the Chinese government initiated its 'Going global' policy aimed at encouraging domestic companies to become globally competitive. It introduced new policies to encourage firms to engage in overseas activities in specific industries, particularly in relation to trade. In 2001 this was integrated and formalized under the 10th Five-Year Plan, which also echoed the importance of 'going global' (Buckley et. al., 2007). This policy shift was part of the continuing reform and liberalization of the Chinese economy, and also reflected the Chinese government's desire to create internationally competitive and well-known companies and brands.

As China's economic growth has been slowing since 2010, the economy is facing new challenges and its economic strategy is transforming. New challenges require new answers, particularly regarding the fact that China has chosen not to stimulate its economy by turning inwards, but by opting for diplomacy, trade, and investment to broaden China's sphere of interest and business opportunities. In this way, it can promote economic relations, people-to-people links, and political influence, whilst strengthening the legitimacy of the ruling party and Xi Jinping (ten Brink, 2013). Thus, the focus on new directions, referred to as the already mentioned Belt and Road Initiative, is the result of domestic politics, geopolitics, and historical and economic rationales.

When the CEE countries became members of the European Union, China developed an interest in strengthening ties with them. Xi Jinping's 2009 vice-presidential tour to Europe signalled a real shift in the Chinese leadership's attitude towards the Central and Eastern European region and marked the beginning of a new stage in bilateral relations (Szunomár, 2018). Xi made an extended tour of Europe, visiting Belgium, Germany, Bulgaria, Romania, and Hungary (and spent more days in Budapest than anywhere else). The tour was framed as a visit to consolidate and develop economic cooperation between China and these five countries, but Xi's visit to CEE was more about China's evolving 'going out' investment strategy.

Beijing sees Central and Eastern Europe not only as one of its new frontiers for export expansion, but also as a strategic entry point for the wider

European market. Although the majority of EU member Central and Eastern European countries ‘offer’ the same economic and institutional characteristics and attracting factors—such as institutional stability, a qualified labour force that is cheaper compared to Western Europe, proximity to more affluent European markets, access to European/global value chains, etc.—Hungary is regarded as occupying a more prominent place in the (fictitious) ranking by the Chinese government than its geopolitical position would indicate. Consequently, the rationale behind China choosing Hungary as a host or hub for several projects and investments is not just economic or geographical, but also political.

In fact, Hungary is a country open to many types of cooperation, taking every opportunity to promote bilateral relations with Beijing, while its government supports China over many sensitive issues, such as lifting the arms embargo or granting market economy status. Hungary was the first European country to sign a memorandum of understanding with China on promoting the BRI. In 2016, Hungary (and Greece) prevented the EU from backing a court ruling against China’s expansive territorial claims in the South China Sea, while in 2018 Hungary’s ambassador to the EU was alone in not signing a report criticizing China’s BRI for benefitting Chinese companies and Chinese interests. At the end of 2019, in the middle of the Huawei scandal, the Hungarian government even announced that Huawei is building a 5G network in Hungary. After the COVID-19 outbreak in 2020, Hungary was the loudest in Europe to praise Chinese support in supplying medical equipment (testing kits and medical masks) to European countries, while other EU countries had concerns about (and rejected to buy) these as many of the products tested were below standard or defective. Similarly, Hungary was the first in approving the Chinese Shinopharm (as well as the Russian Sputnik V) vaccine to speed up vaccination in the country. In response to criticism and mistrust from the Hungarian society, the government went even further and published a rather controversial table to prove that the ‘Eastern’ vaccines are far better than the ‘Western’ ones (Vaski, 2021).

In CEE as compared to Western Europe, there are fewer political expectations and economic complaints (or rather these are expressed more quietly) concerning China than in Western Europe. Hungary is a frontrunner in this regard, as governments never met government-level diplomatic delegations from Taiwan or Tibet, and anti-China protests are not allowed either. In addition, the critical approach does not characterize the Hungarian media (Bajomi-Lázár, 2013): its independence from the government is limited, thus the media discourse on China seems to be one-sided as it focuses overwhelmingly on economic data and developments, while topics like political values,

human rights, minorities, or democracy are almost completely missing from the agenda (Turcsanyi et al., 2019). Turcsanyi et al. (2019) believe that a productive and useful discourse on China and on bilateral relations has never evolved in Hungary, and that the public sentiment is mostly influenced by a handful of agenda-setters, who are mostly politicians (from the government's side) and not experts on the matter.

China's relationships are deepening with countries such as Serbia, Greece, and Italy, and—as described above—Hungary has proved to be a true friend and supporter of China too. This might explain why China preferred this location instead of other countries in the CEE region from the very beginning of its presence there. But what makes Hungary so deeply engaged with China? As in the case of China, the answer is typically not of an economic nature anymore.

Economic interests in building relations with China used to be important for Hungary when the first prime ministerial visit took place after forty-four years, in 2003. As mentioned above, this period was characterized by modest prosperity in Hungary: the economy was able to show dynamic growth in the early 2000s, a growth advantage of 2% over the EU average. This period allowed the Hungarian government to look outside the Euro-Atlantic sphere in the hope of gaining economic benefits. Political alliance-building was not on the agenda since relations with the EU (and the US) were progressing, free of tensions and full of opportunities.

Conditions gradually began to change from 2006 onwards, as a result of the indebtedness of the 2000s and the forced but poorly structured fiscal adjustment before the global economic and financial crisis of 2008 (Andor, 2009). As Hungary is a very open economy, the global economic crisis had an enormously deep effect, further aggravated by the W-shaped recession caused by the European debt crisis. Between 2006 and 2012, Hungary's growth was on average 3.3% slower per year than the regional average (Portfolio, 2018).

The Fidesz party, led by Viktor Orbán, began its current string of victories in 2010 as a result of the Hungarian society's disillusionment with the socialist government and the effects of the crisis that were still painful in Hungary at that time (Bíró-Nagy, 2018). Rogers (2019: 101) characterizes the post-2010 Hungarian system as a 'resurgent political agency with an increased capacity to determine economic outcomes and subsequently the trajectory of Hungarian economic development'. Indeed, soon after coming into power, Prime Minister Orbán declared that the country's foreign policy would be taking a new direction. This was the already mentioned Eastern opening policy. Beijing and Moscow quickly rose to prominence, and relations began to evolve into an ever-closer partnership, hallmarked by high-level visits on a yearly

basis, joint statements, and Memoranda of Understanding (Karásková et al., 2020). Various politically induced foreign capital dimensions have emerged in the past decade (Rogers 2019), originating from non-European, mainly Russian and Chinese actors, further complicated by the lack of transparency.

This process—that is, Hungary’s turning towards the East—however, was not really justified by economic benefits in the decade that has passed since then. Hungary is still highly dependent on both trade and investment relations with developed, mainly EU-member states, while China represents a minor (although increasing) share. As far as trade or investment statistics are concerned, Hungary is also far from being among the most important partners for China. Trade relations remain relatively low and unbalanced, leading to increased trade deficit. Chinese FDI is also modest, representing less than 3% of total FDI stock in Hungary, concentrated in a few sectors, typically in manufacturing. The one and only infrastructure project so far, the Budapest-Belgrade railway, will be built from a record-high loan, while the benefits on the Hungarian side are often questioned.

As detailed above, economic benefits have been minor in the past decade compared to the enthusiasm of the Hungarian government for building further relations with China. Other countries in the region, such as Poland or Czechia, have already become disappointed or even suspicious about engagement with China, but Hungary continues to insist on the importance of the relationship. Consequently, economic rationale is not the major motivating factor, while the political rationale is more prevalent. Although there may not be a causal relation, a clear link can be found between Hungary’s illiberal rationalism and the growing Chinese footprint in the Central and Eastern European country (Rogers 2019, 2020; Turcsanyi et al., 2019). Illiberal tendencies in Hungary are certainly not stemming from the development of Hungarian-Chinese relations, while Chinese economic presence is growing in countries with more liberal political regimes, too—but the two tendencies seem to be mutually reinforcing each other.

Since there are no clear indications that Chinese initiatives such as the Budapest-Belgrade railway project would bring future economic benefits to Hungary, the reason for the country being more open to Chinese initiatives is perhaps that this fits well into the logic of illiberalism both in domestic as well as foreign politics. Domestically, announcements via the Hungarian government-backed media about the flourishing Chinese-Hungarian relations—such as the ‘Chinese’ railway or China giving a helping hand during the COVID-19 pandemic with masks and vaccinations—provide positive legitimation for Orbán’s politics. And on the foreign policy front, Hungary may expect that this ‘alliance’ could serve as a backup—a bargaining

chip—when Budapest and the ruling Hungarian political elite has tensions with Brussels (and it does, relatively often) over various issues ranging from the rule of law to media independence, or when trying to silence critics amongst academics and non-governmental organizations.

Hungary indeed wants strong partners outside the EU because Orbán sees the EU as being in decline and not meeting its targets. He explained this at a conference in 2017, saying that ‘Brussels became addicted to a utopia ... that is called a supranational Europe’, while there are independent nations in Europe, with their own politics, intention, and will (Orbán, 2017). He added that in order to be successful, Europe needs new types of cooperation, where, for example, China must be treated with respect. Hungary—as he interpreted—is a front-runner in this regard, since this nation is ‘of Eastern origin into whom Christianity has been grafted, that allows a special angle, so as we understand everything that is happening in China’ (Orbán, 2017).

The above-mentioned developments may also embolden Hungary’s illiberal turn by serving as a reference for the government to show that Hungary is not dependent on the EU. Although that is not the case—Hungary depends substantially on investments from developed countries, especially from EU member states, and has also received significant EU funding—the government can use these cases of Chinese investments to support its foreign economic policy both domestically and internationally.

Conclusion

This chapter has investigated China’s growing presence in Hungary by evaluating the economic relationship between the two countries, with specific focus on the importance of the political rationale, while showing that the economic rationale is not always prevalent. Since 2010, Chinese-Hungarian (economic) relations seem to be driven by political rationale, since the lack of (major) economic benefits doesn’t seem to dissuade Hungarian decision-makers from pursuing them, while the political commitment has become more visible and stronger in the past decade, both domestically and internationally.

This chapter shows that the enhanced cooperation between China and Hungary is quite a new phenomenon, but not an unexpected one. As many chapters of this volume suggest, the transformation of the global economy and the restructuring of China’s economy are responsible for growing Chinese interest in the developed world, including the European Union. Hungary represents a dynamic, largely developed, less saturated economy,

a new frontier for export expansion, a new entry point for Europe, and a cheap but qualified labour force. This adds up to fewer political or national security concerns and economic complaints compared to other European countries. At the same time, Hungary has become more open to Chinese business opportunities, too, especially after the global economic and financial crisis, with the intention of decreasing its economic dependency on Western (European) markets. Disappointment coming from the slower-than-expected catching-up processes to Western Europe also resulted in the country's turning towards the East, which has been further reinforced by populist tendencies in the past decade. Be it a new investment of a Chinese automotive company, the Shanghai-based Fudan university opening a campus in Budapest, or the arrival of half a million vaccines from China, the Hungarian government as well as the government-backed media is praising the results achieved, commending the deepening ties, and also adding that the relations are of particular importance for Hungary.

While China often emphasizes that it offers a friendly partnership and a win-win cooperation with European countries, the growing Chinese presence in Europe is increasingly contested. Chinese investments into strategic sectors and infrastructure developments are perceived to threaten the competitiveness, strength, security, and unity of Europe, both economically and politically. Yet it is difficult to respond without a common European stance on China. And by 'dangling the spectre of China as an alternative partner' (Tucker, 2019), Hungary definitely makes it difficult to achieve a common European position. Since China is looking for allies in Europe, particularly within the EU, to promote its agenda, it engages with countries—EU member states or EU candidate countries (see Crawford, this volume)—with which it is able to find shared interests or a common ground. Hungary, which started an illiberal turn two decades after its democratic transition, is therefore an ideal springboard for the emerging East Asian power. However, in order to delve deeper into the root causes of such 'maverick' behaviour of Hungary, future research may investigate why some countries in Europe's periphery turn to China (for example Hungary), while others (for example Czechia, Poland, etc.) do not.

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